

# Strategic Resource Plan



Integrated Long Term Financial Plan, Asset  
Management Plan and Workforce Plan  
2022 - 2037



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## 1.0 FOREWORD

We are pleased to present the Shire of Leonora Strategic Resource Plan for 2022-2037.

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

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

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

The Shire of Leonora's Strategic Resource Plan is an important planning tool as we strive to achieve the strategies set out in the Shire of Leonora's Plan for the Future which includes the Strategic Community Plan 2021 - 2031.

This Plan will be used with the Corporate Business Plan to achieve our goals and drive the Shire in achieving its vision of "a proactive, sustainable, safe and friendly place to be".

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

Peter Craig  
President

Jim Epis  
Chief Executive Officer

## 2.0 VISION AND OBJECTIVES

### OUR VISION

A proactive, sustainable, safe and friendly place to be

### OUR STRATEGIC OBJECTIVES

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#### SOCIAL

**An empowered and spirited community**

How we see this... the Outcomes

- 1.1 A great sense of community
- 1.2 Supported senior community residents
- 1.3 Community health and well-being initiatives
- 1.4 Engaged and supported youth

#### ECONOMIC

**The economic hub of the northern goldfields**

How we see this... the Outcomes

- 2.1 The economic focal point for business and industry in the Northern Goldfields
- 2.2 Increased awareness of the district and regional attractions

#### ENVIRONMENT OBJECTIVE

**Forward thinking management of the built and natural environment**

How we see this... the Outcomes

- 3.1 Sustainable and effective environmental management
- 3.2 Infrastructure and services meeting the needs of our community

#### LEADERSHIP OBJECTIVE

**An innovative and proactive local government**

How we see this... the Outcomes

- 4.1 An innovative, strategically focused Council leading our community
- 4.2 An effective organisation, providing strong leadership and services



## 3.0 KEY INFORMATION

Assumptions	Statistics <sup>1/2</sup>	Financial Information <sup>3</sup>
 <b>5%</b> Inflation Rate	 <b>7</b> Elected Members	<b>\$6,924,847</b> Rates Revenue
 <b>Stable</b> Population	 <b>35</b> Employees	<b>\$2,037,872</b> Fees and Charges
 <b>Stable</b> Levels of Service	 <b>652</b> Electors	<b>\$11,615,390</b> Operating Revenue
 <b>Stable</b> Operations	 <b>696</b> Dwellings	<b>\$11,700,919</b> Operating Expenditure
 <b>Balanced</b> Annual Budget	 <b>832km</b> Distance from Perth	<b>\$94,436,331</b> Net Assets
 <b>5%</b> Rates	 <b>31,915.1km<sup>2</sup></b> Area	<b>\$7,795,731</b> Cash Backed Reserves
 <b>5%</b> Fees and Charges	 <b>1,588</b> Population	<b>Nil</b> Borrowings
 <b>5%</b> Employee Costs		

<sup>1</sup>WALGA Online Local Government Directory 2020/21, Shire of Leonora

<sup>2</sup>Australian Bureau of Statistics Leonora (S) (LGA55040) 2021 Census of Population and Housing, viewed 4 July 2022

<sup>3</sup>Shire of Leonora 2020/21 Annual Financial Report

## 4.0 EXECUTIVE SUMMARY

The executive summary provides a brief overview of the Strategic Resource Plan 2022-2037, this should be read in conjunction with the underlying assumptions detailed in this Plan.

### 4.1 Planning for a Sustainable and Stable Future

The Shire of Leonora is planning for a positive and stable future, despite the current global uncertainty arising from influences such as the COVID-19 Pandemic. The Shire seeks to maintain, and where possible, improve service levels into the future while ensuring a healthy financial position.

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

### 4.2 Significant Issues

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

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

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

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

Rate revenue is forecast to increase at 5% in line with forecast CPI per year from 2022/23 for the duration of the Plan. These increases are to assist in the long term financial stability of the Shire and to increase the level of asset renewal. These increases will be reviewed annually when setting future budgets.

### 4.3 Forecast Capital Projects

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

Project by Asset Class	2022-2037 Amount \$
<b>Plant and Equipment</b>	
Plant Replacement Program	8,937,836
<b>Plant and Equipment Total</b>	<b>8,937,836</b>
<b>Infrastructure - Roads</b>	
Road Renewal RRG	7,200,000
Road Renewal RTR	6,053,970
Heavy Vehicle Bypass Road	8,000,000
Road Renewal	13,275,000
Footpaths	2,250,000
<b>Infrastructure - Roads Total</b>	<b>36,778,970</b>
<b>Buildings</b>	
Airport Terminal Upgrade	5,000,000
Heritage Renewals	2,250,000
Housing	2,800,000
State Hotel - Heritage Building Restoration and Conservation	4,825,000
New Leonora Museum	750,000
Barnes Federal Hall - Heritage Buildings	750,000
Independent Living Accommodation	4,500,000
<b>Buildings Total</b>	<b>20,875,000</b>
<b>Grand Total</b>	<b>66,591,806</b>

## 5.0 COMMUNITY PROFILE

### 5.1 Location

In the centre of Western Australia's golden outback, 832 kilometres north east of Perth, is the Shire of Leonora, covering 32,189 square kilometres. The towns of Leonora and Leinster are within the Shire of Leonora, as well as the tourist precinct of Gwalia.

### 5.2 Heritage

The thriving town of Leonora grew from the resourcefulness of early gold prospectors and miners and the tenacity of pastoralists. Leonora was gazetted in 1898 and by 1899 there were three hotels, three bakeries, a wide variety of shops, post office, police and fire stations, school, banks, church and Cobb & co services.

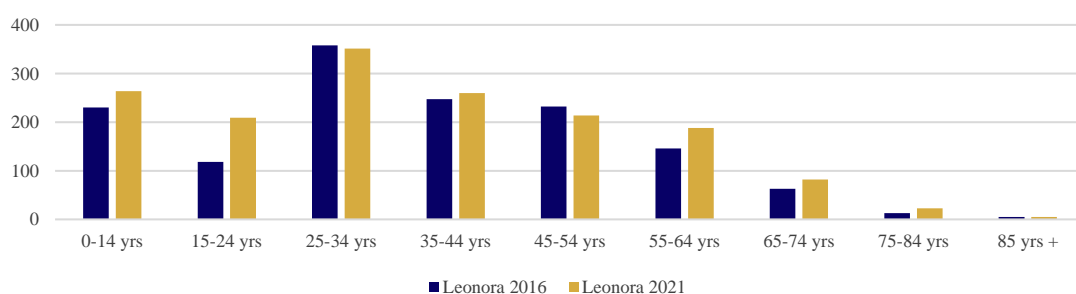
Closure of the Sons of Gwalia mine in 1963, substantially modified the pattern of population change. The increasing prices for gold in 1980 lead to a renewed interest in the district. Mining has continued up till the present day with gold, and now nickel, being produced in large quantities.

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

The following statistics reflect the Shire's population.

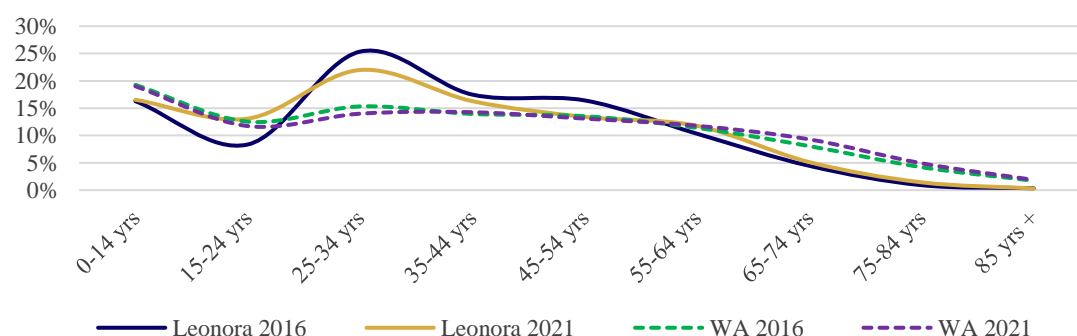
- 1,588 resident population in 2021
- FIFO/DIDO population est. 2,000
- 1,412 resident population in 2016
- Stable population base
- Low unemployment rate

The age demographic of the district's population from the 2016 and 2021 census' is reflected in the chart below. The age demographic of the district's population is reflected by the blue (2016 Census) and gold (2021 Census) columns and lines in the charts below. The Western Australian population is reflected by the dotted green and purple lines, it is apparent the Shire of Leonora has a higher percentage of working age (20-59 years) residents than the State average.



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

Population	2016		2021
Shire of Leonora	1,412	↑	1,596
WA	2.47m	↑	2.66m



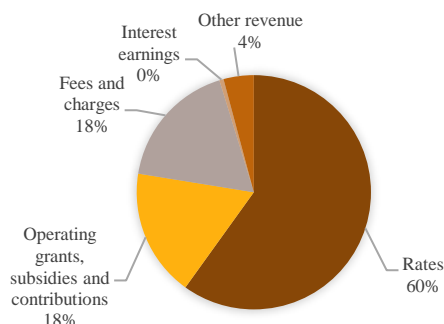
<sup>1</sup> Australian Bureau of Statistics Leonora (S) (LGA55040) 2021 Census of Population and Housing, viewed 4 July 2022

## 6.0 LONG TERM FINANCIAL PLANNING OVERVIEW

### 6.1 Forecast Revenue

Rates are expected to increase from 2022/23, with anticipated rates revenue of \$7.4m, at 5% in line with forecast CPI per annum to \$14.6m in 2036/37, and comprise 60% of operating revenue over the term of the Plan. The Shire is reliant on receiving \$46.7m over the next 15 years in operating grants, subsidies and contributions to maintain the current level of operations and services. Non operating grants for road renewals are expected to remain relatively stable.

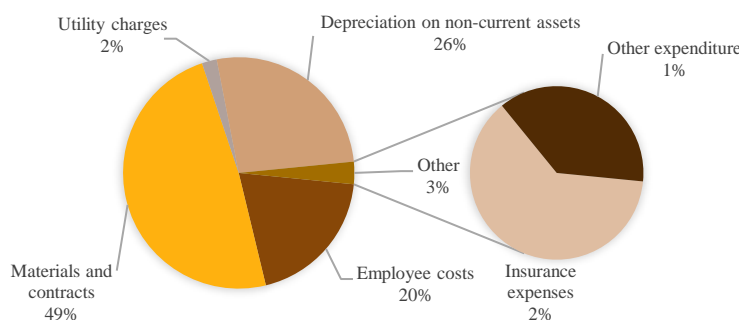
#### 6.1.1 Revenue Composition Year 1 to 15



### 6.2 Forecast Expenditure

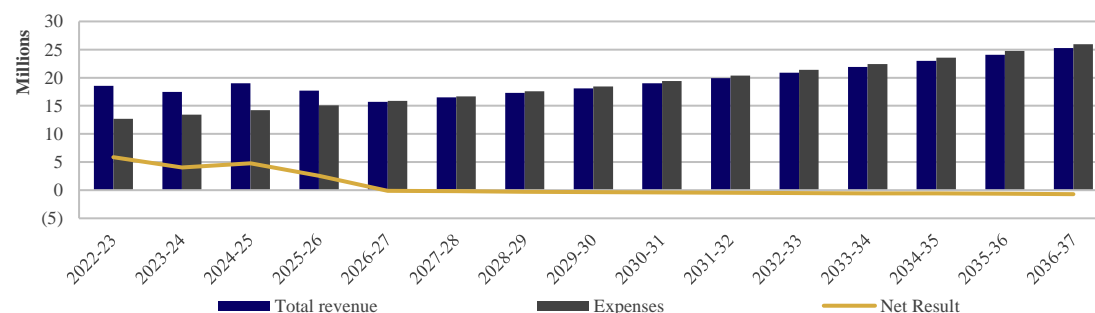
Expenditure is forecast to increase on average in line with forecast inflation at 5% with the exception of depreciation expense, which is impacted by the addition of assets over the term of the Plan.

#### 6.2.1 Expenditure Composition Year 1 to 15



### 6.3 Net Result

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



The negative net result over the long term is caused by decrease in forecast capital grants.

### 6.4 Depreciation Expense

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

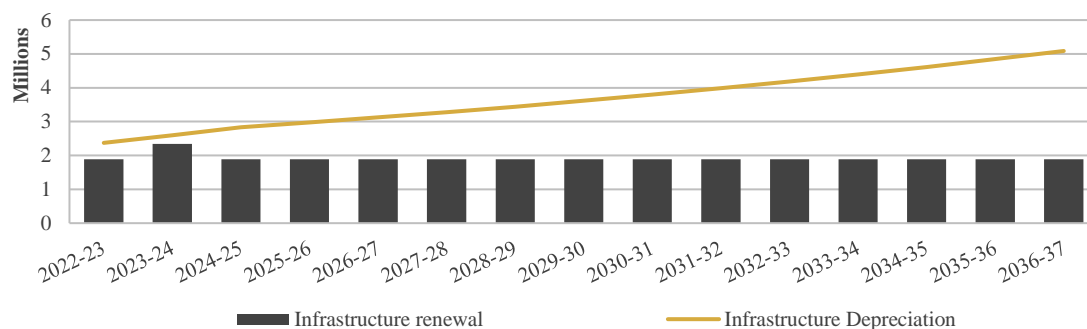
Where the planned asset renewals are lower than depreciation, the written down value of these assets will decrease over time as depreciation erodes the value of the assets. Revaluation of assets in line with inflation may mask a real decrease in value where planned asset renewals are lower than depreciation.



## 6.0 LONG TERM FINANCIAL PLANNING OVERVIEW (CONTINUED)

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

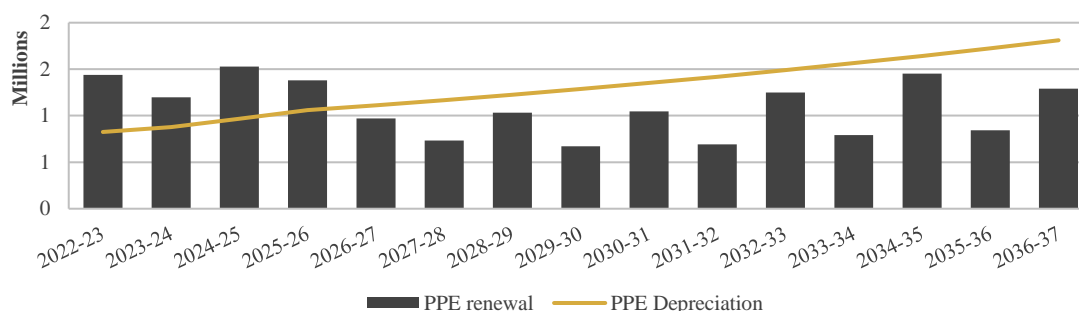
Depreciation expense increases throughout the Plan from \$3.2 in year 1 to \$6.9m in year 15 as assets are revalued and renewed. Depreciation of infrastructure over the 15 years is \$55.1m, shown by the gold line in the chart below. The planned level of infrastructure asset renewal expenditure at \$28.8m (reflected by the grey columns) is stable and lower than depreciation over the term of the Plan.



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

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

Planned property, plant and equipment asset renewals of \$16.3m (reflected by the grey columns) over the 15 years is less than the depreciation expense of \$19.5m (reflected by the gold line) over the same period as shown in the chart below.



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

### 6.4.3 Maintenance Expenditure

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

### 6.4.4 Forecast New/Upgrade Asset Expenditure

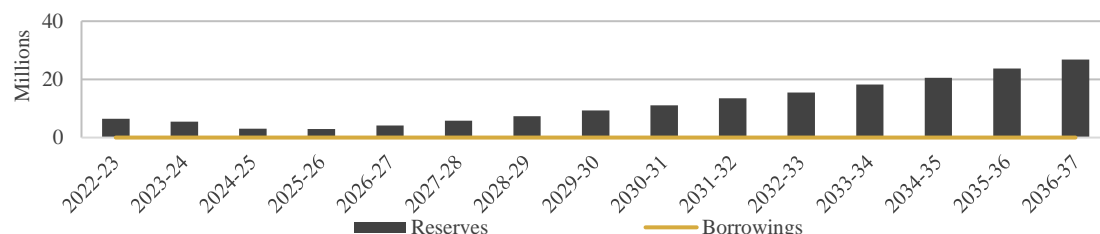
As the Shire seeks to achieve its strategic objectives in providing road and other infrastructure to its community, a significant spend is currently planned to upgrade existing sheeted roads, either through sealing the roads or raising the road levels and improving drainage to minimise the impact of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



## 6.0 LONG TERM FINANCIAL PLANNING OVERVIEW (CONTINUED)

### 6.5 Forecast Borrowings and Cash Reserves

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

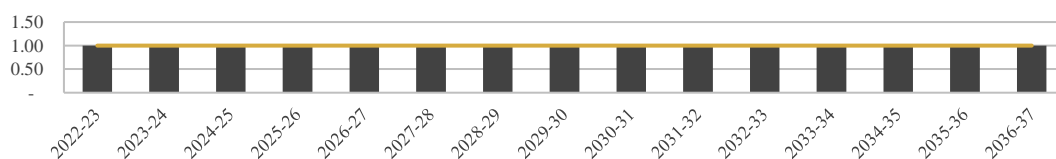


The Shire has no current loans and no new borrowings are planned to be taken up during the life of the Plan. This is part of the strategy to allow flexibility to respond to sudden or unexpected expenditure requirements. This strategy also provides scope to leverage off future grant funding opportunities when, and if, they become available and includes the use of cash backed reserves to save for significant future asset renewal spikes.

### 6.6 Forecast Operating Ratios 2022-2037

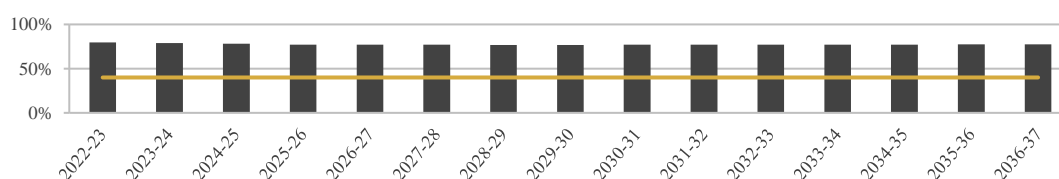
Monitoring the Shire's financial rigidity and financial position along with its asset management performance is undertaken by preparing and monitoring various statutory ratios. The gold line reflects the Department of Local Government, Sport and Cultural Industries' (the Department) minimum target level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

#### 6.6.1 Current Ratio



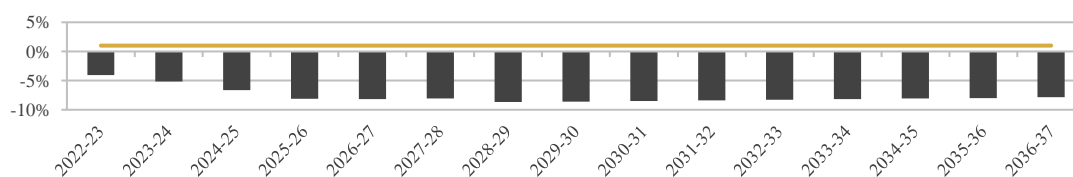
As expected for a Shire with a forecast balanced funding surplus position and no current borrowing liabilities, the ratio is 1.

#### 6.6.2 Own Source Revenue Coverage Ratio



The ratio is above the target range indicating the Shire is able to continue to operate in the event of a minor loss of external grants and contributions.

#### 6.6.3 Operating Surplus Ratio



The ratio above is decreasing in the first four years due to depreciation increasing as new assets are constructed, after this the ratio stabilises. The ratio reflects forecast depreciation is greater than forecast asset renewal.

#### 6.6.4 Debt Service Cover Ratio

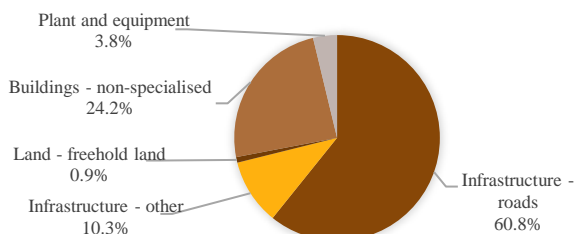
The ratio is not applicable as the Shire has not current or planned borrowings. An explanation of all ratios is provided at Section 12.

## 7.0 ASSET MANAGEMENT PLANNING OVERVIEW

### 7.1 Key Asset Information

The Shire controls an asset network with a written down value of \$85.4m, of which roads infrastructure constitutes the largest component values as reflected in the chart below.

#### 7.1.1 Written Down Value by Asset Class



### 7.2 Asset Management Policy

The purpose of an asset management policy is to:

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

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

### 7.3 Asset Management Strategy

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

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

Detailed 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.

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

Recognising a proportion of assets have been constructed with the assistance of external financial contributions, the Shire seeks to, within its financial capacity, maintain 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 Shire assets. By focusing resources and efforts on a small number of key critical assets, the Shire has achieved its targeted asset management outcomes, integrated with financial planning within its forecast financial capacity based on an annual rate increase of 5% in line with forecast CPI for the term of the Plan.

### 7.4 Level of Service

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

## 7.0 ASSET MANAGEMENT PLANNING OVERVIEW (CONTINUED)

### 7.5 Financial Management Strategy for Assets

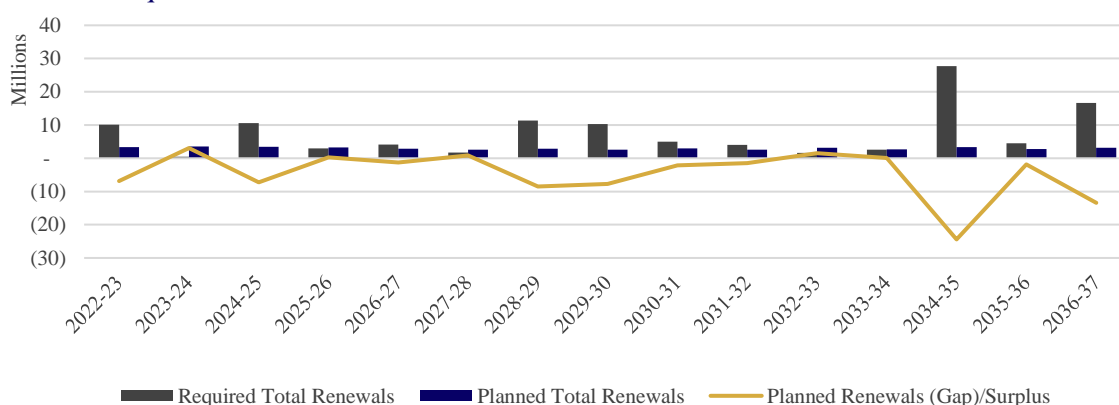
Based on the 2020/21 Annual Financial Report and the 2021/22 Annual Budget, a financial baseline was determined for operating revenue and expenditure. Modifications to this baseline were made over the 15 year term to predict forecast changes in operating revenue and expenditure.

Impacts of the COVID-19 Pandemic and worldwide supply chain issues have created a level of uncertainty. Revenue and expenditure for 2022/23 are expected to align with 2021/22. Should the need arise for additional funding to meet the impacts of the COVID-19 Pandemic and other influencing factors, these will be drawn from Reserve accounts. Structuring operational revenues and expenditure to ensure adequate provision for asset renewal into the future is a cornerstone of the Shire's overall financial strategy. To achieve this strategy, rate increases in line with the consumer price index (CPI) are forecast to occur for the term of the Plan, combined with the maintenance of operating expenditure in line with the CPI forecast.

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

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

#### 7.5.1 Required v Planned Asset Renewals



## 7.0 ASSET MANAGEMENT PLANNING OVERVIEW (CONTINUED)

### 7.5.2 Forecast Planned and Required Asset Renewals

Year	Required Asset Renewal \$	Planned Asset Renewal \$	Asset Renewal Surplus / (Deficit) \$
2022/23	10,135,777	3,326,323	(6,809,454)
2023/24	462,403	3,536,110	3,073,707
2024/25	10,625,446	3,415,741	(7,209,705)
2025/26	3,012,153	3,268,279	256,126
2026/27	4,129,728	2,860,036	(1,269,692)
2027/28	1,766,440	2,622,462	856,022
2028/29	11,379,345	2,920,667	(8,458,678)
2029/30	10,287,814	2,560,062	(7,727,752)
2030/31	5,027,173	2,934,190	(2,092,983)
2031/32	4,010,839	2,579,286	(1,431,553)
2032/33	1,634,436	3,138,037	1,503,601
2033/34	2,555,462	2,679,623	124,161
2034/35	27,752,781	3,340,380	(24,412,401)
2035/36	4,529,730	2,731,349	(1,798,381)
2036/37	16,625,874	3,179,261	(13,446,613)
<b>Total</b>	<b>113,935,401</b>	<b>45,091,806</b>	<b>(68,843,595)</b>

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

The spikes in 2022/23, 2028/29, 2034/35 and 2036/37 is a result of a large amount of road renewal required at those times, while the spike in 2024/25 is due other infrastructure required renewals and the spikes in 2029/30, 2034/35 and 2036/27 are due to required building renewals. Further review and update of this asset information should address this theoretical renewal requirement.

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

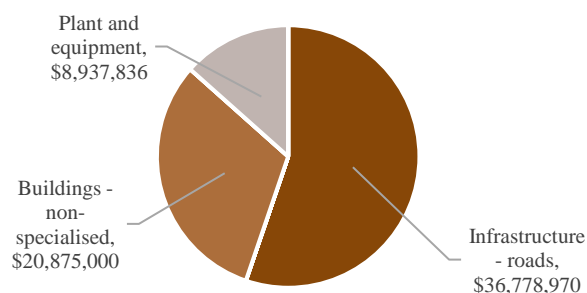


## 7.0 ASSET MANAGEMENT PLANNING OVERVIEW (CONTINUED)

### 7.6 Planned Asset Expenditure

Renewal asset expenditure of \$45.1m has been planned as per the previous table, with \$21.5m of new and expansion of assets planned. The following chart reflects the total capital expenditure, including new, maintenance and renewal of assets.

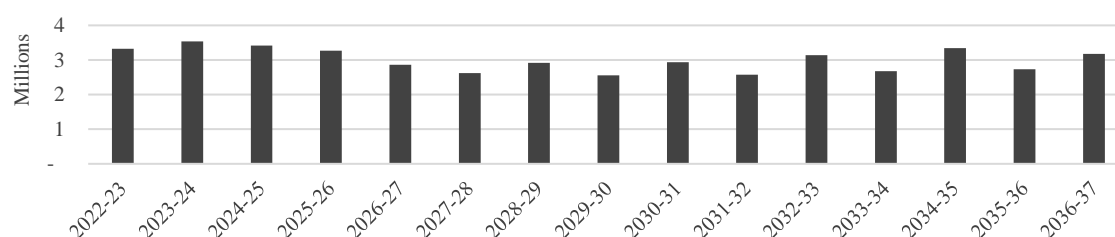
#### 7.6.1 Planned Capital Expenditure 2022-2037



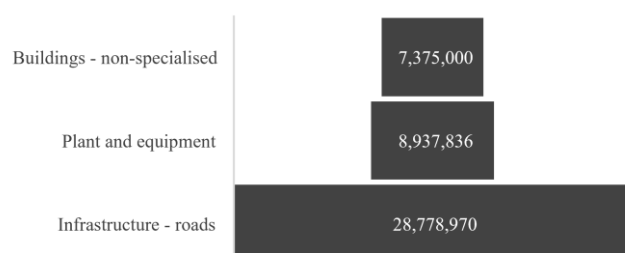
### 7.7 Planned Asset Renewal

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

#### 7.7.1 Planned Asset Renewal Expenditure



#### 7.7.2 Planned Asset Renewal Expenditure by Class



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

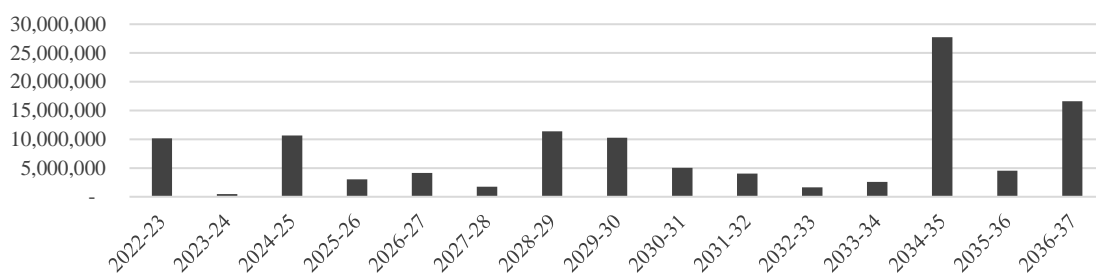
## 7.0 ASSET MANAGEMENT PLANNING OVERVIEW (CONTINUED)

### 7.8 Required Renewal Expenditure

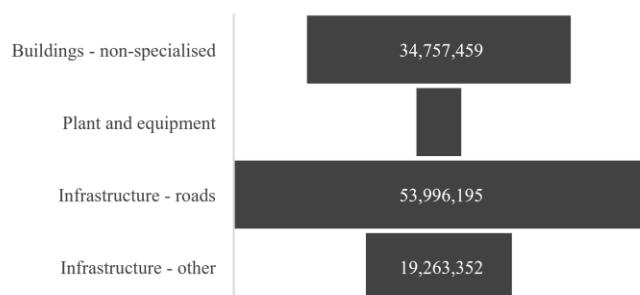
Required asset renewal expenditure for the road network has been estimated based on road conditions and forecast estimated standard useful lives. For other asset classes, forecast asset renewals have been based on the age of the assets and their estimated remaining useful life (determined during recent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

Required asset renewal expenditure has been estimated based on forecast renewal costs and timings. Total asset renewals of \$113.9m are forecast to be required over the 15 years of the Plan, based on existing asset data.

#### 7.8.1 Required Asset Renewal Expenditure



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

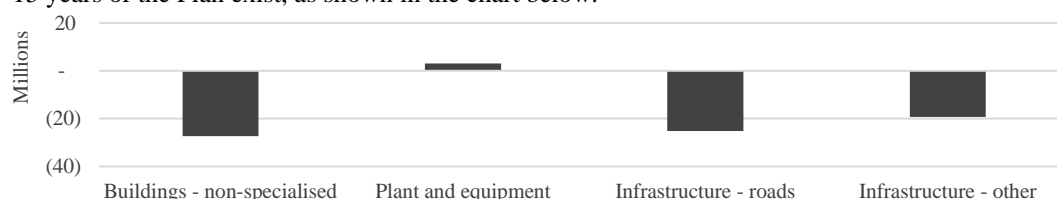


Renewal of roads infrastructure represents the highest level of forecast required asset renewals over the 15 years.

## 7.0 ASSET MANAGEMENT PLANNING OVERVIEW (CONTINUED)

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

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



These differences in planned asset expenditure are not considered to be of long term significance, provided the Shire undertakes the planned renewals and asset maintenance. Further analysis and revision of asset valuation information and associated underlying assumptions and estimates is required to confirm true required asset renewal expenditure. Required renewal expenditure for road assets will also be heavily influenced by future road usage and maintenance.

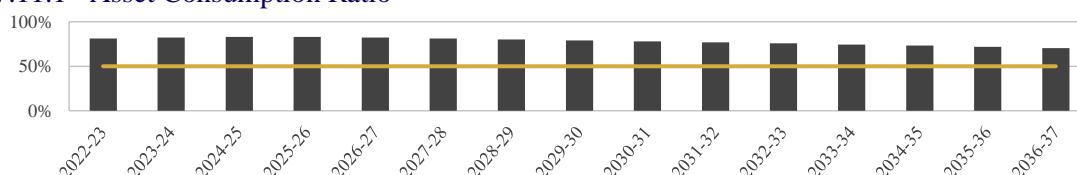
With most major roads being upgraded the requirement to renew assets in the 15 years of the Plan is minimised.

### 7.10 Upgrade/New Expenditure

Road infrastructure upgrades 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 prior to each project.

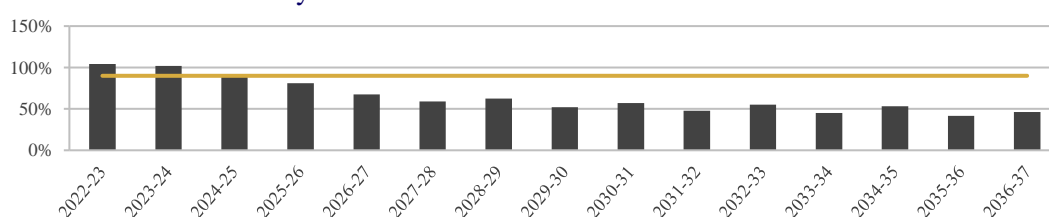
### 7.11 Forecast Asset Ratios 2022-2037

#### 7.11.1 Asset Consumption Ratio



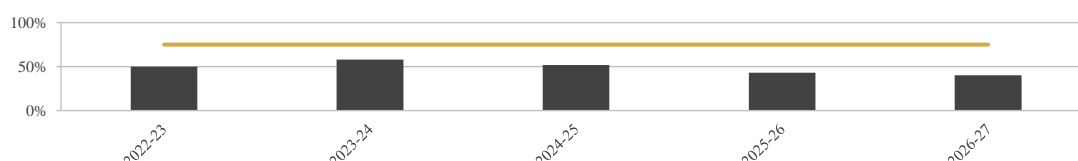
The asset consumption ratio is above the target range and remains so throughout the term of the Plan, with assets being renewed at adequate levels to maintain the average age of assets.

#### 7.11.2 Asset Sustainability Ratio



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

#### 7.11.3 Asset Renewal Funding Ratio



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

## 8.0 WORKFORCE PLANNING OVERVIEW

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

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

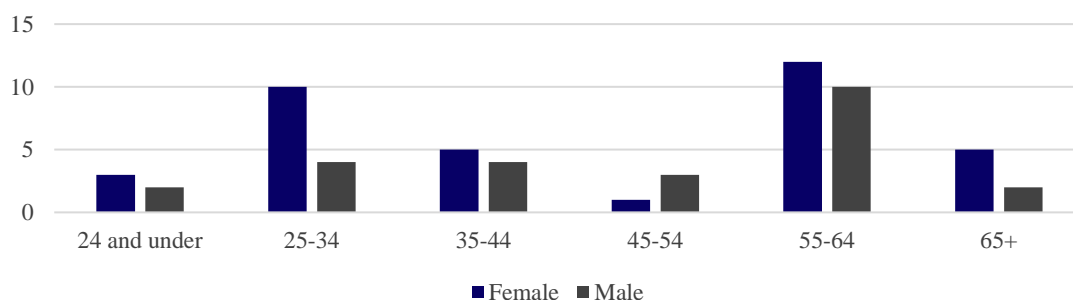
### 8.1 Workforce Profile

Information	Shire of Leonora - as at September 2021
Average number employees/month 2020-21	36.8
Gender	59% (36) female 41% (25) male
Total annual salaries and wages	\$3.3m
Employment type	There is a range of full time, part time, fixed term contract and casual staff employed
Annual/LSL liability	Current \$228,633 Non-Current \$52,900
Awards and agreements	Local Government Officers (Western Australia) Award 2021 Municipal Employees (Western Australia) 2021 Children's Services Award 2010
Age profile	The estimated average age of employees is 47 years
Years of service	The estimated average length of service is 2.6 years

### 8.2 Workforce Demographics

The current age distribution is mostly within 25-34 and 55-64 year age groups, as shown in the chart below. This includes full time, part time and casual staff.

### 8.3 Workforce by Age and Gender



### 8.4 Turnover Rate

Over the period 2016/17 to 2020/21 the estimated average annual turnover rate was 57%. This includes full time, part time and casual staff.

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

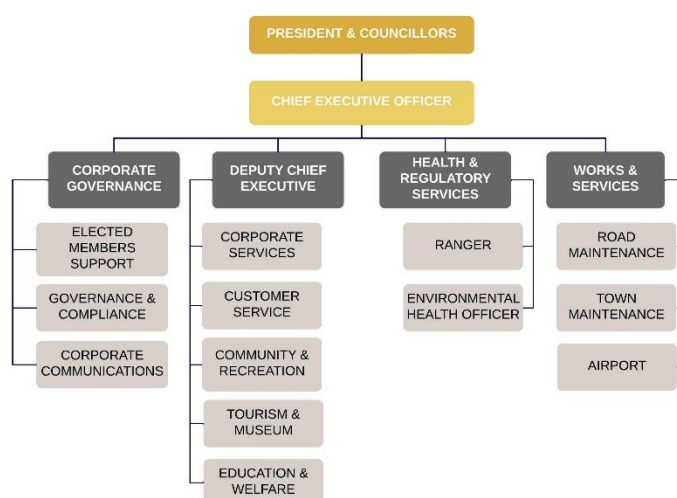
### 8.5 Workforce Supply Demand Analysis

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

## 8.0 WORKFORCE PLANNING OVERVIEW (CONTINUED)

### 8.6 Organisation Structure

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



### 8.7 Workforce Risk Assessment

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

### 8.8 Planning for the Future

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



## 9.0 SCENARIO MODELLING

### 9.1 Scenario Modelling

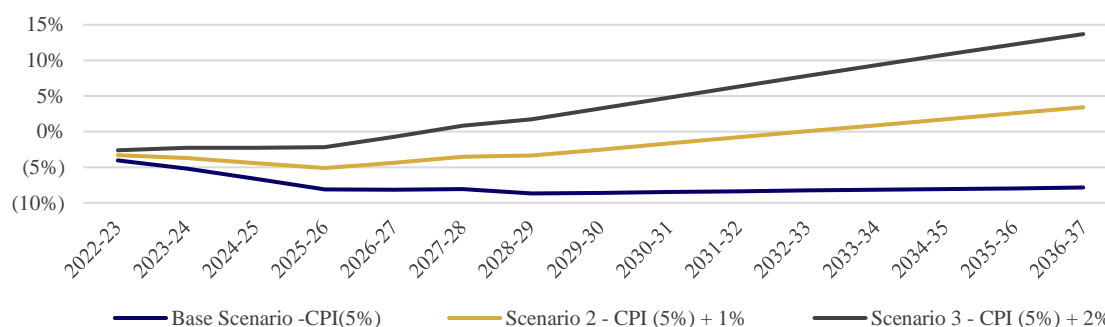
Scenarios were developed to test the financial impact of increased levels of operating funding from rates. To ascertain the effect of increased and decreased funding levels, modelling of various scenarios was undertaken.

A base scenario was developed with rates yield 5% in line with forecast inflation for the term of the Plan. Two alternative scenarios were also developed from this base as shown in the table below. All other assumptions remained the same across the three scenarios.

Scenario	Rates	
	Increase above forecast CPI (5%)	Total Increase
Base Scenario	0	5%
Scenario 2	1%	6%
Scenario 3	2%	7%

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

#### 9.1.1 Scenario Comparison – Operating Surplus Ratio

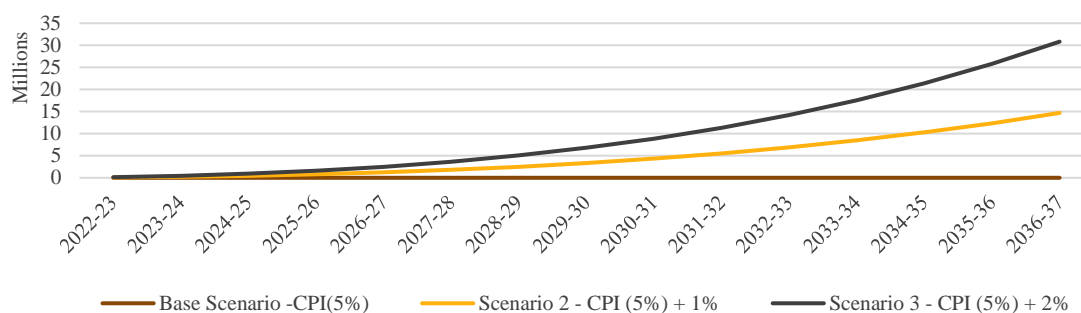


The chart above shows the impact of the same change in total rates yield on the Shire's Operating Surplus Ratio (other assumptions remaining the same). The base scenario was selected as it strengthens the Shire's financial position and allows the Shire to meet asset renewal expectations.

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

## 9.0 SCENARIO MODELLING (CONTINUED)

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



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

	Estimated Surplus/(Deficit)		
	Base Scenario CPI (5%)	Scenario 2 CPI + 1% \$	Scenario 3 CPI + 2% \$
2022/23	0	70,039	140,079
2023/24	0	218,523	438,448
2024/25	0	454,577	915,026
2025/26	0	788,103	1,591,584
2026/27	0	1,229,836	2,491,893
2027/28	0	1,791,407	3,641,895
2028/29	0	2,485,408	5,069,873
2029/30	0	3,325,468	6,806,646
2030/31	0	4,326,322	8,885,771
2031/32	0	5,503,893	11,343,769
2032/33	0	6,875,386	14,220,362
2033/34	0	8,459,373	17,558,727
2034/35	0	10,275,898	21,405,772
2035/36	0	12,346,575	25,812,430
2036/37	0	14,694,708	30,833,985

## 10.0 STRATEGIC PLANNING AND POLICIES WITH OTHER PLANS

### 10.1 Linkage

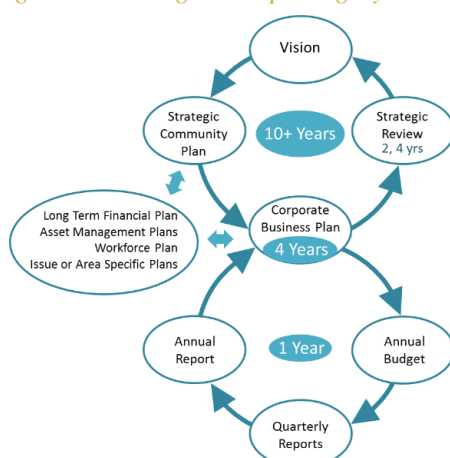
The Strategic Resource Plan is one component of a number of integrated strategic planning practices the Shire has developed. Combining asset management planning and long term financial planning into one document, the Strategic Resource Plan considers, and influences, workforce planning along with other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

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

### 10.2 Strategic Documents Linkage

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

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



### 10.2.2 Strategic Community Plan 2021 - 2031

The Shire took an integrated approach and developed the Plan for the Future, comping the Strategic Community Plan and Corporate Business Plan into one Plan. The Strategic Community Planning component has been prepared to cover a minimum period of 10 years and set out the community's vision, aspirations and objectives for the Shire. To achieve the vision, a series of priorities, objectives and strategies were developed. Many strategies may be required to achieve a single objective and many objectives needed to achieve a single priority.

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

### 10.2.3 Corporate Business Plan

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

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

### 10.2.4 Workforce and Other Strategic Plans

The Workforce Plan has been developed as part of this Strategic Resource Plan, incorporating the workforce requirement for assets and financial resources along with the requirements for a workforce to manage the Shire's assets and financial resources. As far as possible, these requirements are met in the Plan. No financial impacts are expected from the Workforce Plan with employee costs forecast to rise in line with forecast inflation of 5%.

## 11.0 RISK MANAGEMENT

### 11.1 Risk Management

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

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

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

The Shire seeks to engage experienced and qualified personnel in areas of high risk and provides them with appropriate ongoing training and equipment to ensure they are able to undertake their roles with minimal risk to the community and the Shire. Where these resources are not available, the Shire seeks to engage appropriately qualified independent advice, to complement and support personnel.

### 11.2 Certainty of Assumptions

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

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

### 11.3 Sensitivity Analysis

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

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

## 12.0 ASSUMPTIONS, RISKS, UNCERTAINTIES AND SENSITIVITY

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

Disclosure/Assumption	Assessed Financial Risk	Impact of High Financial Risk Assumptions	Level of Uncertainty	Financial Impact and Sensitivity for Assumption with High Level of Uncertainty/Risk
<b>District Growth in Population:</b> The number of residents in the Shire is expected to remain stable.	Low	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
<b>Rates Level Increase:</b> Annual rates have been based on an increase in the total rate yield of 5% in line with forecast CPI.	Medium	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
<b>Operating Grants and Contributions:</b> Increases in line with inflation forecast.	High	The road maintenance program and general operations of the Shire are dependent on levels of Federal Financial Assistance Grants. Changes in the levels of these grants would impact directly on the Shire's ability to meet projected service levels.	High	± \$466,769 to the value of operating grants and contributions per 1% movement in the value of the Plan.
<b>Non-operating Grants and Contributions:</b> Remain in line with funding requirements identified for various capital works.	High	The forecast capital works program is highly dependent on Government grants and contributions. Changes in these levels would impact directly on the amount spent on capital projects and ultimately impact on service levels.	High	± \$294,804 to the value of non-operating grants and contributions per 1% movement in the value over the life of the Plan.
<b>Fees and Charges:</b> Increases in line with inflation forecast.	Medium	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
<b>Interest Earnings:</b> Interest earning of an average rate of 1% per annum.	Low	Not assessed as high financial risk.	High	Not assessed as high level of uncertainty. The interest rate may increase and additional funds would be reinvested in reserve accounts.
<b>Other Revenue:</b> Increases in line with inflation.	Low	Not assessed as high financial risk.	Low	Not assessed as high level of uncertainty.
<b>Profit on Asset Disposal:</b> Profit on asset disposal results from a misallocation of depreciation over the life of the asset. As the level of depreciation is considered appropriate no profit on asset disposals has been included.	Low	Not assessed as high financial risk.	Low	Not assessed as high level of uncertainty.



## 11.0 ASSUMPTIONS, RISKS, UNCERTAINTIES AND SENSITIVITY (CONTINUED)

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

Disclosure/Assumption	Assessed Financial Risk	Impact of High Financial Risk Assumptions	Level of Uncertainty	Financial Impact and Sensitivity for Assumption with High Level of Uncertainty/Risk
<b>Employee Costs:</b> Increased annually by forecast inflation.	Medium	Not assessed as high financial risk.	Low	Not assessed as high level of uncertainty.
<b>Materials and Contracts:</b> Increased annually by forecast inflation.	High	The road preservation program and general operations of the Shire are dependent on levels of Federal Financial Assistance Grants. Changes in the levels of these grants would impact directly on the Shire's ability to meet projected service levels.	High	± \$1,370,726 to the value of materials and contracts per 1% movement in the value over the life of the Plan. A high level of uncertainty exists in relation to the costs to address impacts of current global events.
<b>Depreciation:</b> Depreciation has been calculated using an average depreciation rate based on the estimated useful lives on individual assets.	Low	Not assessed as high financial risk.	Low	Not assessed as high level of uncertainty.
<b>Insurance:</b> Base year increased in line with inflation.	Medium	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
<b>Other Expenditure:</b> Base year increased in line with inflation.	Medium	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
<b>Loss on Asset Disposal:</b> A loss on asset disposal results from a misallocation of depreciation over the life of the asset. As the level of depreciation is considered appropriate in the Plan no loss on asset disposals has been included in the Plan.	Low	Not assessed as high financial risk.	Low	Not assessed as high level of uncertainty.

## 11.0 ASSUMPTIONS, RISKS, UNCERTAINTIES AND SENSITIVITY (CONTINUED)

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

Disclosure/Assumption	Assessed Financial Risk	Impact of High Financial Risk Assumptions	Level of Uncertainty	Financial Impact and Sensitivity for Assumption with High Level of Uncertainty/Risk
<b>Revaluations:</b> In line with annual inflation.	Low	The revaluation of assets may result in changes in asset ratio analysis and depreciations leading to a change in the net result. The revaluation of assets will have no impact on Cashflows.	High	±\$804,569 to the value of property, plant and equipment per 1% movement in the value over the life of the Plan. ±\$1,108,643 to the value of infrastructure assets per 1% movement in the value over the life of the Plan.
<b>Impairment of Assets:</b> No impairment of assets has been assumed over the life of the Plan. Impairment of assets usually occurs due to unplanned or unforeseen events such as natural disasters.	High	A widespread major impairment event may result in a requirement for high levels of expenditure to maintain service levels.	Medium	Unable to be quantified.
<b>Infrastructure Assets:</b> Expenditure has been based on historical levels escalated by inflation.	High	The capital works program is highly dependent on Government grants and contributions. Changes in these levels would impact directly on the amount spent on capital projects and ultimately on service levels.	High	±\$294,804 to the value of infrastructure assets per 1% movement in the capital grants received over the life of the Plan.
<b>Property, Plant and Equipment:</b> Building expenditure is in accordance with the 10 Year Capital Plan (part of this Plan), and plant expenditure is based on the Plant Replacement Program.	Medium	Not assessed as high financial risk as the frequency of capital grants for buildings is not as pervasive as roadwork's and plant and equipment replacement is not influenced by external grant funds.	Medium	Not assessed as high level of uncertainty.

## 11.0 ASSUMPTIONS, RISKS, UNCERTAINTIES AND SENSITIVITY (CONTINUED)

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

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

## 11.0 ASSUMPTIONS, RISKS, UNCERTAINTIES AND SENSITIVITY (CONTINUED)

### 12.5 Equity Risks, Uncertainties and Sensitivity

Disclosure/Assumption	Assessed Financial Risk	Impact of High Financial Risk Assumptions	Level of Uncertainty	Financial Impact and Sensitivity for Assumption with High Level of Uncertainty/Risk
<b>Cash Backed Reserves:</b> It has been assumed the Shire will invest cash reserves in term deposits with banking institutions and these funds will be available for use during the term of the Plan.	Low	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
<b>Revaluation Surplus:</b> Increasing in line with inflation based revaluation.	Low	The revaluation of assets to their fair value may result in changes in asset ratio analysis and depreciation leading to a change in the net result. The revaluations of assets will have no impact on Cashflows.	High	±\$804,569 to the value of property, plant and equipment per 1% movement in the value over the life of the Plan. ±\$1,108,643 to the value of infrastructure assets per 1% movement in the value over the life of the Plan.

## 11.0 ASSUMPTIONS, RISKS, UNCERTAINTIES AND SENSITIVITY (CONTINUED)

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

Disclosure/Assumption	Assessed Financial Risk	Impact of High Financial Risk Assumptions	Level of Uncertainty	Financial Impact and Sensitivity for Assumption with High Level of Uncertainty/Risk
<b>Ownership of Strategic Assets:</b> The Shire has not planned for the ownership of any strategic assets to be transferred to another party over the term of the Plan.	High	Any significant changes to the ownership of strategic assets would require an amendment to this Plan and, depending on the circumstance, be subject to community consultation.	Low	Not assessed as high level of uncertainty.
<b>Inflators:</b> Forecast inflation at 5% per annum.	Medium	Not assessed as high financial risk.	High	± \$2,648,237 to operating revenue per 1% movement in the inflators over the life of the Plan. ± \$2,818,277 to operating expenditure per 1% movement in the inflators over the life of the Plan.
<b>Commercial Activities:</b> The Shire has no plans to undertake a significant commercial activity during the period of the Plan.	Medium	Not assessed as high financial risk.	Low	Not assessed as high level of uncertainty.
<b>General Economic Forecasts for State:</b> The economic forecast for the State is closely linked to the success of the mining industry. Demands for minerals is forecast to remain stable in the short term with a corresponding stability of the state economy.	Medium	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.

## 13.0 MONITORING AND PERFORMANCE

### 13.1 Monitoring

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

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

### 13.2 Ratio Targets

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

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

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

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



## 14.0 IMPROVEMENT PLAN

### 14.1 Strategic Resource Improvement Plan

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

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

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

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

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

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

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

*New, Upgrade and Disposal:* The Shire 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).

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## APPENDIX A1 CRITICAL ASSETS

### 1.1 Description

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

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

Asset	Current Replacement Cost \$
Airport	7,792,400
Shire Administration Office	2,540,000
Shire Works Depot	2,892,000
JG Epis Centre	7,050,000
Aquatic and Recreation Centre	4,530,000

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

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

## APPENDIX A2 INFRASTRUCTURE - ROADS

### 2.1 Significant Matters

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

### 2.2 Road Inventory

The Shire of Leonora has a road network servicing an area of 32,189 square kilometres.

Road assets within this Plan include the following components:

- Culverts
- Footpath
- Pavement structure
- Pipe
- Pit
- Subgrade structure
- Surface structure
- Storm water channel

Road asset information is recorded within a road inventory database and was extracted from the valuation undertaken as at 30 June 2018, verification of the accuracy of the valuation data is not within the scope of this Plan and has not been undertaken. The extent of road works significantly modifying the road inventory has resulted in limited reliance on the road asset data to guide planning outcomes.

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

The following table details the components, segregated by the type of seal.

Infrastructure Roads Assets	Current Replacement Cost \$
Culverts	506,325
Footpath	645,381
Pavement Structure	19,866,319
Pipe	336,875
Pit	562,760
Subgrade Structure	34,606,129
Surface Structure	6,161,276
SW channel	4,625,941
<b>Grand Total</b>	<b>67,311,006</b>

## APPENDIX A2 INFRASTRUCTURE - ROADS (CONTINUED)

### 2.3 Financial Summary

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

#### 2.3.1 Maintenance Expenditure

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

Road maintenance expenditure is comprised of the following estimated costs in 2022/23.

#### 2.3.2 Maintenance Expenditure by Nature or Type

Expenditure by Nature or Type	\$
Materials and contracts	1,970,809
Utility charges	57,750

#### 2.3.3 New Expenditure

Road safety related projects will be prioritised where issues are identified. External grant funding is essential to achieve any safety upgrades and road upgrades.

Road Project	\$
Heavy Vehicle Bypass Road	8,000,000
<b>Road Upgrade Expenditure</b>	<b>8,000,000</b>

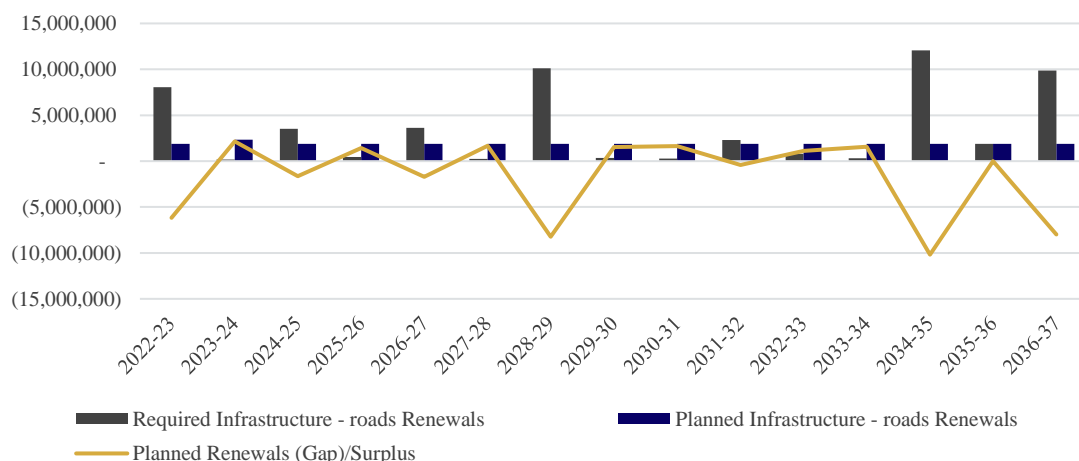
#### 2.3.4 Renewal Expenditure

Road works are prioritised based on staff knowledge of the conditions of roads and expected usage patterns and this 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 brown columns, with required road renewals as the grey columns. The gold line shows the difference between the two expenditure levels. Planned road renewal over the term totals \$28.8m. Required road renewal is calculated at \$54.0m for the term, overall there is a \$25.2m renewal deficit for the Shire's road assets.

The chart below reflects the required road asset renewals be undertaken in 2022/23, 2028/29 and 2034/35 and 2036/37. Planned renewal is spread across the term to mitigate this spike. This is discussed further over the page.

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



## APPENDIX A2 INFRASTRUCTURE - ROADS (CONTINUED)

### 2.3.6 Forecast Planned and Required Road Renewal Expenditure

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

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

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

	Required Roads Renewals \$	Planned Roads Renewals \$	Roads Renewal Funding (Gap)/Surplus \$
2022/23	8,047,539	1,888,598	(6,158,941)
2023/24	187,002	2,338,598	2,151,596
2024/25	3,533,832	1,888,598	(1,645,234)
2025/26	442,638	1,888,598	1,445,960
2026/27	3,611,863	1,888,598	(1,723,265)
2027/28	227,302	1,888,598	1,661,296
2028/29	10,129,267	1,888,598	(8,240,669)
2029/30	336,572	1,888,598	1,552,026
2030/31	263,131	1,888,598	1,625,467
2031/32	2,304,356	1,888,598	(415,758)
2032/33	786,225	1,888,598	1,102,373
2033/34	304,607	1,888,598	1,583,991
2034/35	12,071,552	1,888,598	(10,182,954)
2035/36	1,887,733	1,888,598	865
2036/37	9,862,576	1,888,598	(7,973,978)
<b>Total</b>	<b>53,996,195</b>	<b>28,778,970</b>	<b>(25,217,225)</b>

Many assumptions have been utilised in arriving at the remaining useful life of each individual road asset by the external valuers. Remaining useful life of sheeted roads has not been determined by measurement of the remaining level of sheeted material with an annual rate of where applied but has rather been based on a worst-case estimate. For this reason, management has not planned to replace the unsealed roads in accordance with the valuation information.

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



## APPENDIX A2 INFRASTRUCTURE - ROADS (CONTINUED)

### 2.4 Level of Service

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

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

#### 2.4.1 Road Construction

Key Performance Measure	Level of Service	Performance Measure Process	Performance Target
<b>Gravel Road Construction</b>			
Condition	Gravel roads are constructed to a high standard.	Customer complaints.	One complaint per road per year.
Safety	To ensure that all roads are being constructed in a safe manner and road is made safe and signed correctly when unmanned.	Customer complaints.	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.
<b>Bitumen Road Construction</b>			
Condition	Bitumen roads are constructed to a high standard.	Customer complaints.	One complaint per road per year.
Safety	To ensure that all roads are being constructed in a safe manner and road is made safe and signed correctly when unmanned.	Customer complaints.	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.

## APPENDIX A2 INFRASTRUCTURE - ROADS (CONTINUED)

### 2.5 Road Maintenance

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

## APPENDIX A2 INFRASTRUCTURE - ROADS (CONTINUED)

### 2.6 Risk Management

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

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

### 2.7 Improvement

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

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

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

## APPENDIX A3 BUILDINGS

### 3.1 Significant Matters

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

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

### 3.2 Inventory

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

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

Building Assets	Current Replacement Cost \$
Airport	842,000
Aquatic and recreation centre	5,065,000
Barnes Federal Theatre	2,960,000
Cemetery	78,000
Gwalia precinct	4,617,000
JG Epis Centre	7,050,000
Leonora bowls club	1,900,000
Leonora childcare facility	890,000
Library and tourist information	820,000
Masonic club and temple	1,270,000
Museum precinct	5,520,000
Public conveniences	128,000
Rebroadcasting hut	12,000
Residences	5,520,000
Road train parking area	53,000
Shire administration office	2,664,000
Skate park	68,000
Sports oval	2,170,000
Squatter settlement	74,000
State hotel	12,666,000
Telecentre	375,000
Works depot	2,739,000
Youth centre	1,000,000
<b>Total Building Assets</b>	<b>58,481,000</b>

## APPENDIX A3 BUILDINGS (CONTINUED)

### 3.4 Financial Summary

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

#### 3.4.1 Maintenance Expenditure by Program

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

Expenditure Program	2022/23 \$
Recreation and culture	44,100
Economic services	194,200
Education and welfare	84,000
<b>Building Maintenance Total</b>	<b>322,300</b>

#### 3.4.2 New/Upgrade Asset Expenditure

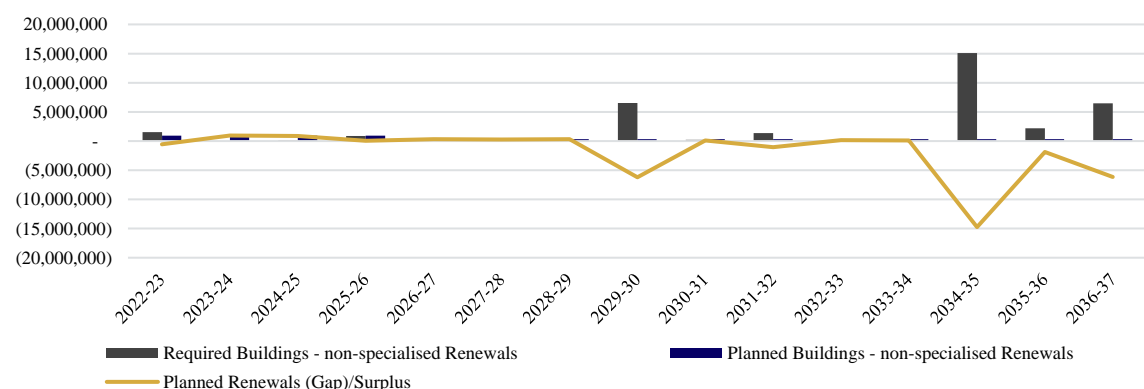
There is planned new asset expenditure of \$4.5m in 2022/23 for construction of independent living accommodation, restoration works of \$4m for the State Hotel in 2022/23 to 2025/26 and \$5m for the airport terminal upgrades in 2024/25 and 2025/26. No further additional items are forecast to be required over the life of this Plan.

#### 3.4.3 Renewal Expenditure

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

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

#### 3.4.4 Forecast Planned and Required Building Renewal Expenditure



## APPENDIX A3 BUILDINGS (CONTINUED)

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

	Required Buildings Renewals \$	Planned Buildings Renewals \$	Buildings Renewal Funding (Gap)/Surplus \$
2022/23	1,504,913	950,000	(554,913)
2023/24	0	950,000	950,000
2024/25	77,853	950,000	872,147
2025/26	889,824	950,000	60,176
2026/27	0	325,000	325,000
2027/28	65,008	325,000	259,992
2028/29	0	325,000	325,000
2029/30	6,505,806	325,000	(6,180,806)
2030/31	239,448	325,000	85,552
2031/32	1,373,830	325,000	(1,048,830)
2032/33	150,852	325,000	174,148
2033/34	217,792	325,000	107,208
2034/35	15,074,306	325,000	(14,749,306)
2035/36	2,182,875	325,000	(1,857,875)
2036/37	6,474,952	325,000	(6,149,952)
<b>Total</b>	<b>34,757,459</b>	<b>7,375,000</b>	<b>(27,382,459)</b>

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

	Required Buildings Renewals	Required Buildings Renewals \$
2022/23	35 Hoover St Dwelling	688,787
2022/23	Old Police Station	816,126
2029/30	State Hotel	1,026,204
2029/30	Barnes Federal Theatre	4,821,528
2031/32	Library / Tourist Info Centre	1,373,830
2034/35	Rec. Centre Change Rooms	1,725,510
2034/35	Old Power Station	3,388,653
2034/35	Gwalia Precinct	3,897,991
2034/35	Museum Precinct	977,096
2034/35	541 Otterburn St Dwelling	831,571
2035/36	Youth Centre	2,182,875
2036/37	Shire Administration Centre	5,821,727



## APPENDIX A3 BUILDINGS (CONTINUED)

### 3.5 Level of Service

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

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

### 3.6 Risk Management

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

### 3.7 Improvement

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

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

## APPENDIX A4 INFRASTRUCTURE - OTHER

### 4.1 Significant Matters

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

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

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

### 4.2 Inventory

The Shire's other infrastructure assets current replacement cost at the time of valuation at 30 June 2018 was \$17.5m.

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

Other Infrastructure Assets	Current Replacement Cost \$
Airport	7,715,000
Cemetery	167,500
Childcare centre play equip.	37,500
CRC table and seating	8,400
J Epis memorial info bay	270,350
Leonora bowls club	806,500
Leonora recreation / aquatic centre	444,750
Malcom dam	35,200
Museum precinct	4,474,500
Skatepark	327,500
Sports oval	458,400
Broadcast equipment	254,000
Mast	232,500
Satellite equipment	63,000
War memorial	100,550
Waste disposal facility	1,111,500
Works depot	416,050
Townsite BBQs	15,000
Townsite Bins	38,500
Townsite Fencing	89,500
Townsite Lighting	77,500
Townsite Picnic Bench/Table	15,650
Townsite Play equipment	77,500
Townsite Reticulation	24,000
Townsite Shelter	72,000
Townsite Sporting equipment	209,200
<b>Total Other Infrastructure Assets</b>	<b>17,542,050</b>

## APPENDIX A4 INFRASTRUCTURE - OTHER (CONTINUED)

### 4.3 Financial Summary

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

#### 4.3.1 Maintenance Expenditure

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

#### 4.3.2 New Expenditure

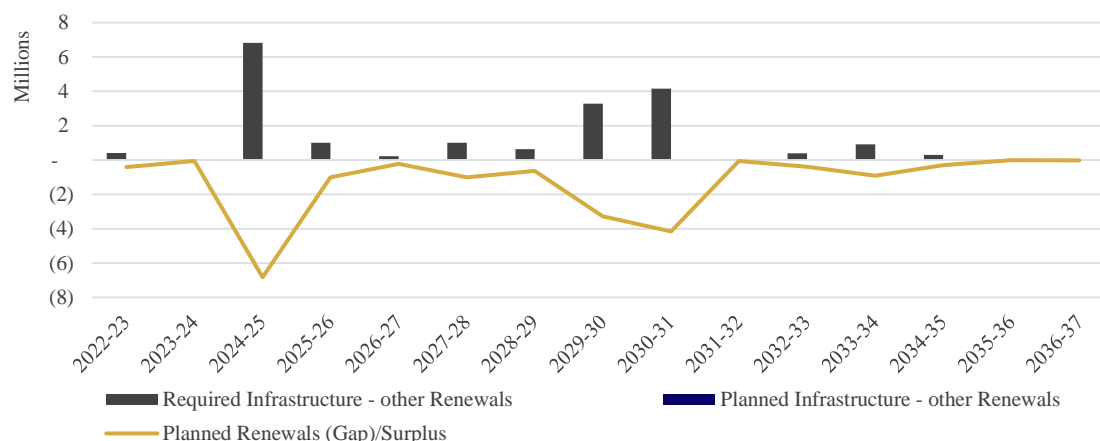
There are no new/upgrade projects planned during the term of this Plan.

#### 4.3.3 Renewal Expenditure

Required other infrastructure asset renewals over the next 15 years have been forecast. Minor asset renewals will be determined and funded within the annual budget cycle. Renewal of other infrastructure assets will be considered on a case by case basis at the time the asset is viewed as requiring renewal, there are no planned renewals detailed within this Plan.

In the chart below, forecast required expenditure is shown as the grey columns with no planned forecast required renewals. The gold line shows the variation between the two levels.

#### 4.3.4 Required v Planned Infrastructure Renewals -Other



The forecast required renewal spike in 2024/25 relates to a forecast required spend of \$5.7m on the headframe at the Museum.

## APPENDIX A4 INFRASTRUCTURE - OTHER (CONTINUED)

### 4.4 Level of Service

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

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

### 4.5 Improvement

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

## APPENDIX A5 PLANT AND EQUIPMENT

### 5.1 Significant Matters

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

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

### 5.2 Inventory

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

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

Plant and Equipment Assets	Current Replacement Cost \$
Accommodation container	80,000
Furniture and equipment	282,000
Grader	390,000
Heavy plant	252,000
Heavy vehicle	420,000
Light plant	167,000
Pump	27,000
Tank	8,200
Trailer	94,500
Various Assets under \$5,000	980,800
<b>Total Plant and Equipment</b>	<b>2,701,500</b>

### 5.3 Financial Summary

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

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

#### 5.3.1 New Expenditure

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

#### 5.3.2 Plant Disposals

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

#### 5.3.3 Renewal Expenditure

The Shire does not have a replacement/renewal or maintenance program for furniture and equipment. Furniture and equipment purchases are considered on an annual basis as part of the Shire's annual budget allocations and are not planned in detail.

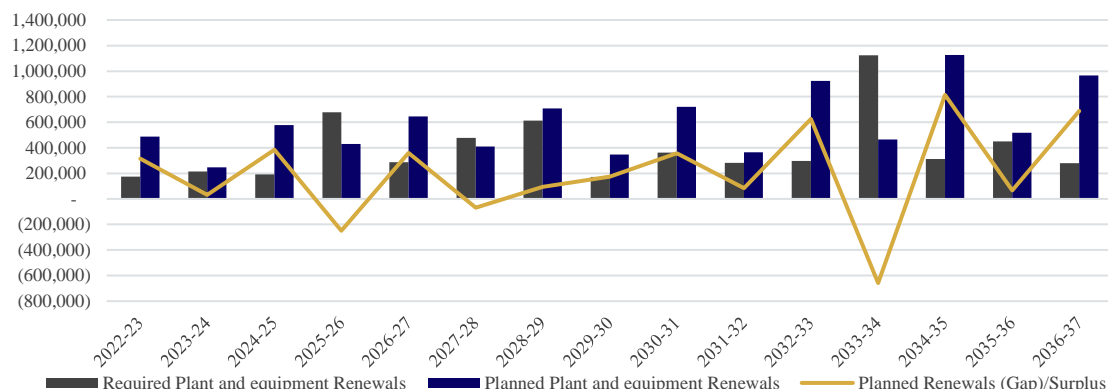
The plant replacement program is updated annually and is expected to remain fully funded by annual allocations to the Plant Purchase Reserve.

## APPENDIX A5 PLANT AND EQUIPMENT (CONTINUED)

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

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

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



## 5.4 Level of Service

Level of service measures are defined below.

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

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

## 5.5 Risk Management

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

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

## 5.6 Improvement Plan

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



## APPENDIX A6 ESTIMATED ASSET LIFE AND RESIDUAL VALUE

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

Asset Class	Asset Sub-Class	Hierarchy	Estimated Useful Life	Estimated Residual Value
Infrastructure - roads	Culverts	>300mm<500mm	60	
Infrastructure - roads	Culverts	>800mm<1000mm	60	
Infrastructure - roads	Culverts	>1000mm	60	
Infrastructure - roads	Culverts	>500mm<800mm	60	
Infrastructure - roads	Culverts	<300mm	60	
Infrastructure - roads	Footpath	Brick paving	60	
Infrastructure - roads	Footpath	Concrete	80	
Infrastructure - roads	Footpath	Gravel	40	
Infrastructure - roads	Footpath	Asphalt	60	
Infrastructure - roads	Footpath	Bituminous Seal	40	
Infrastructure - roads	Pavement structure	Rural local distributor - thin surfaced flexible	60	
Infrastructure - roads	Pavement structure	Rural local distributor - concrete	60	
Infrastructure - roads	Pavement structure	Rural access - structural asphaltic concrete	80	
Infrastructure - roads	Pavement structure	Regional distributor - thin surfaced flexible	60	
Infrastructure - roads	Pavement structure	Regional distributor - structural asphaltic concrete	60	
Infrastructure - roads	Pavement structure	Rural local distributor - structural asphaltic concrete	60	
Infrastructure - roads	Pavement structure	Urban access - structural asphaltic concrete	80	
Infrastructure - roads	Pavement structure	Rural access - concrete	80	
Infrastructure - roads	Pavement structure	Unsealed	12	
Infrastructure - roads	Pavement structure	Rural access - thin surfaced flexible	80	
Infrastructure - roads	Pavement structure	Urban access - thin surfaced flexible	80	
Infrastructure - roads	Pipe	>300<450mm diam	80	
Infrastructure - roads	Pipe	<300mm diam	80	
Infrastructure - roads	Pit	Manhole <=1.2	60	
Infrastructure - roads	Pit	Manhole >1.2	60	
Infrastructure - roads	Pit	Grated Pit <=1.2	60	
Infrastructure - roads	Pit	Grated Gully	60	
Infrastructure - roads	Pit	Grated Pit >1.2	60	
Infrastructure - roads	SW channel	Kerb barrier	60	
Infrastructure - roads	SW channel	Table drains	12	
Infrastructure - roads	Subgrade structure	Built distributor - thin surfaced flexible	100	100%
Infrastructure - roads	Subgrade structure	Built distributor - concrete	100	100%
Infrastructure - roads	Subgrade structure	Built access - thin surfaced flexible	100	100%
Infrastructure - roads	Subgrade structure	Built distributor - unsealed	100	100%
Infrastructure - roads	Subgrade structure	Unformed - unsealed	100	100%

## APPENDIX A6 ESTIMATED ASSET LIFE AND RESIDUAL VALUE (CONTINUED)

Asset Class	Asset Sub-Class	Hierarchy	Estimated Useful Life	Estimated Residual Value
Infrastructure - roads	Subgrade structure	Built access - concrete	100	100%
Infrastructure - roads	Subgrade structure	Built access - unsealed	100	100%
Infrastructure - roads	Subgrade structure	Formed - unsealed	100	100%
Infrastructure - roads	Subgrade structure	Built distributor - structural asphaltic concrete	100	100%
Infrastructure - roads	Subgrade structure	Built access - structural asphaltic concrete	100	100%
Infrastructure - roads	Surface structure	Concrete	25	
Infrastructure - roads	Surface structure	Unsealed	0	
Infrastructure - roads	Surface structure	Single Chip Seal	15	
Infrastructure - roads	Surface structure	Primer Seal	5	
Infrastructure - roads	Surface structure	Structural asphaltic concrete	25	
Infrastructure - roads	Surface structure	Asphalt - thin surfaced flexible	25	
Infrastructure - roads	Surface structure	Double chip seal - thin surfaced flexible	20	
Infrastructure - roads	Surface structure	Asphalt - concrete	25	
Buildings			80	
Infrastructure - other			30	
Infrastructure - other	Playground equipment		15	
Plant and equipment			10	
Plant and equipment	Mobile plant and motor vehicles		15	

## APPENDIX B1 FORECAST FINANCIAL STATEMENTS

### Financial Statements

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

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

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

### Statements of Comprehensive Income

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

### Statement of Financial Position

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

### Statement of Changes in Equity

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

### Statement of Cashflows

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

### Statement of Funding

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

### Statement of Net Current Asset Composition

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

### Statement of Fixed Asset Movements

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

### Statement of Fixed Asset Funding

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

### Forecast Ratios

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

### Nature or Type

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

## APPENDIX B1 FORECAST FINANCIAL STATEMENTS (CONTINUED)

### Service Programs

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

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
	Other
Economic services	Rural services
	Tourism and area promotion
	Building control
	Sale yards and markets
	Plant nursery
	Other economic services
Other property and services	Private works
	Public works overheads
	Plant operation
	Salaries and wages
	Unclassified
	Town Planning Schemes



APPENDIX B2 FORECAST STATEMENT OF COMPREHENSIVE INCOME BY NATURE OR TYPE 2022-2037

	2018-19	2019-20	2020-21	Base	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenues																			
Rates	6,023,197	6,448,237	6,924,847	7,003,983	7,354,183	7,721,892	8,107,987	8,513,386	8,939,056	9,386,008	9,855,309	10,348,074	10,865,478	11,408,753	11,979,191	12,578,150	13,207,056	13,867,409	14,560,780
Operating grants, subsidies and contributions	1,919,743	1,973,896	2,154,070	3,398,242	2,163,112	2,271,269	2,384,832	2,504,075	2,629,281	2,760,745	2,898,782	3,043,722	3,195,909	3,355,704	3,523,490	3,699,665	3,884,648	4,078,881	4,282,825
Fees and charges	1,767,874	1,768,964	2,037,872	2,068,519	2,171,948	2,280,549	2,394,574	2,514,306	2,640,013	2,772,015	2,910,609	3,056,144	3,208,957	3,369,406	3,537,872	3,714,770	3,900,504	4,095,534	4,300,321
Interest earnings	35,863	47,359	2,652	44,000	62,743	65,085	54,715	31,376	29,783	42,282	58,886	73,356	93,299	111,503	135,331	155,802	183,149	206,355	238,185
Other revenue	613,699	492,294	495,949	487,456	511,829	537,422	564,294	592,510	622,135	653,245	685,909	720,207	756,218	794,031	833,735	875,423	919,197	965,157	1,013,417
	10,360,376	10,730,750	11,615,390	13,002,200	12,263,815	12,876,217	13,506,402	14,155,653	14,860,268	15,614,295	16,409,495	17,241,503	18,119,861	19,039,397	20,009,619	21,023,810	22,094,554	23,213,336	24,395,528
Expenses																			
Employee costs	(3,002,427)	(3,231,456)	(3,702,038)	(2,445,251)	(2,567,514)	(2,695,893)	(2,830,690)	(2,972,226)	(3,120,840)	(3,276,882)	(3,440,727)	(3,612,766)	(3,793,406)	(3,983,079)	(4,182,234)	(4,391,347)	(4,610,914)	(4,841,459)	(5,083,534)
Materials and contracts	(3,892,925)	(3,414,076)	(3,950,563)	(7,828,494)	(6,227,334)	(6,538,736)	(6,865,694)	(7,308,977)	(7,674,433)	(8,058,151)	(8,561,055)	(8,989,112)	(9,438,586)	(9,910,522)	(10,406,056)	(10,926,364)	(11,472,697)	(12,046,319)	(12,648,653)
Utility charges	(327,764)	(501,628)	(420,523)	(258,402)	(271,322)	(284,889)	(299,136)	(314,092)	(329,794)	(346,285)	(363,598)	(381,780)	(400,868)	(420,914)	(441,959)	(464,059)	(487,265)	(511,627)	(537,210)
Depreciation on non-current assets	(3,121,400)	(3,166,491)	(3,230,492)	(1,775,918)	(3,197,151)	(3,475,704)	(3,799,434)	(4,033,156)	(4,234,814)	(4,446,555)	(4,668,883)	(4,902,327)	(5,147,443)	(5,404,815)	(5,675,056)	(5,958,808)	(6,256,749)	(6,569,587)	(6,898,067)
Insurance expenses	(242,727)	(252,724)	(243,590)	(243,704)	(255,888)	(268,684)	(282,117)	(296,225)	(311,037)	(326,589)	(342,919)	(360,067)	(378,071)	(396,978)	(416,829)	(437,669)	(459,553)	(482,530)	(506,658)
Other expenditure	(70,547)	(177,885)	(153,713)	(145,928)	(153,224)	(160,886)	(168,931)	(177,377)	(186,245)	(195,557)	(205,335)	(215,602)	(226,382)	(237,702)	(249,586)	(262,064)	(275,169)	(288,926)	(303,373)
	(10,657,790)	(10,744,260)	(11,700,919)	(12,697,697)	(12,672,433)	(13,424,792)	(14,246,002)	(15,102,053)	(15,857,163)	(16,650,019)	(17,582,517)	(18,461,654)	(19,384,756)	(20,354,010)	(21,371,720)	(22,440,311)	(23,562,347)	(24,740,448)	(25,977,495)
	(297,414)	(13,510)	(85,529)	304,503	(408,618)	(548,575)	(739,600)	(946,400)	(996,895)	(1,035,724)	(1,173,022)	(1,220,151)	(1,264,895)	(1,314,613)	(1,362,101)	(1,416,501)	(1,467,793)	(1,527,112)	(1,581,967)
Non-operating grants, subsidies and contributions	1,674,055	791,948	1,181,202	1,043,923	6,272,030	4,572,030	5,522,030	3,522,030	872,030	872,030	872,030	872,030	872,030	872,030	872,030	872,030	872,030	872,030	872,030
Fair value adjustments to financial assets at fair value through profit or loss	0	35,160	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loss on revaluation	0	(40,000)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Profit on asset disposals	23,328	5,897	3,209	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loss on asset disposal	(96,624)	(80,373)	(59,688)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NET RESULT	1,303,345	699,122	1,039,194	1,348,426	5,863,412	4,023,455	4,782,430	2,575,630	(124,865)	(163,694)	(300,992)	(348,121)	(392,865)	(442,583)	(490,071)	(544,471)	(595,763)	(655,082)	(709,937)
Other comprehensive income	311,695	2,802,560	0	0	4,604,186	5,126,344	5,629,663	6,259,589	6,688,913	6,942,740	7,213,583	7,468,822	7,743,856	8,002,639	8,289,432	8,554,132	8,850,918	9,117,193	9,403,537
TOTAL COMPREHENSIVE INCOME	1,615,040	3,501,682	1,039,194	1,348,426	10,467,598	9,149,799	10,412,093	8,835,219	6,564,048	6,779,046	6,912,591	7,120,701	7,350,991	7,560,056	7,799,361	8,009,661	8,255,155	8,462,111	8,693,600



APPENDIX B3 FORECAST STATEMENT OF COMPREHENSIVE INCOME BY PROGRAM 2022-2037

	2018-19	2019-20	2020-21	Base	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenue																			
Governance	517	26,302	187	1,530	1,607	1,688	1,773	1,862	1,955	2,053	2,156	2,263	2,376	2,495	2,621	2,753	2,891	3,035	3,187
General purpose funding	7,320,000	7,748,725	8,244,982	8,318,548	8,737,032	9,173,088	9,618,118	10,072,949	10,573,436	11,113,117	11,683,264	12,278,953	12,909,176	13,568,175	14,264,838	14,991,784	15,760,929	16,563,024	17,412,689
Law, order, public safety	8,048	10,248	9,477	9,472	9,946	10,443	10,967	11,516	12,091	12,696	13,332	14,000	14,700	15,435	16,206	17,016	17,868	18,762	19,702
Health	58,072	34,602	34,264	36,095	37,900	39,794	41,784	43,873	46,066	48,369	50,787	53,326	55,992	58,792	61,731	64,818	68,059	71,463	75,037
Education and welfare	285,885	302,278	359,274	325,800	342,090	359,195	377,154	396,012	415,813	436,605	458,435	481,357	505,425	530,696	557,231	585,093	614,347	645,065	677,318
Housing	36,270	42,754	39,818	47,895	50,290	52,800	55,437	58,213	61,120	64,179	67,383	70,755	74,296	78,010	81,909	86,004	90,301	94,820	99,565
Community amenities	444,087	422,136	436,895	439,406	461,376	484,448	508,669	534,102	560,806	588,846	618,287	649,201	681,661	715,744	751,530	789,109	828,563	869,991	913,491
Recreation and culture	339,235	294,672	387,026	373,353	392,022	411,624	432,205	453,817	476,506	500,331	525,348	551,616	579,200	608,160	638,568	670,497	704,021	739,223	776,186
Transport	876,027	963,746	915,266	1,373,588	976,085	1,024,891	1,076,135	1,129,942	1,186,441	1,245,763	1,308,050	1,373,453	1,442,127	1,514,234	1,589,946	1,669,443	1,752,915	1,840,562	1,932,589
Economic services	758,007	654,063	1,031,617	1,932,513	1,104,267	1,159,485	1,217,461	1,278,332	1,342,246	1,409,358	1,479,827	1,553,822	1,631,513	1,713,090	1,798,743	1,888,682	1,983,117	2,082,271	2,186,388
Other property and services	234,228	231,224	156,584	144,000	151,200	158,761	166,699	175,035	183,788	192,978	202,626	212,757	223,395	234,566	246,296	258,611	271,543	285,120	299,376
	10,360,376	10,730,750	11,615,390	13,002,200	12,263,815	12,876,217	13,506,402	14,155,653	14,860,268	15,614,295	16,409,495	17,241,503	18,119,861	19,039,397	20,009,619	21,023,810	22,094,554	23,213,336	24,395,528
Expenses excluding finance costs																			
Governance	(608,209)	(573,402)	(636,975)	(762,937)	(686,084)	(720,389)	(756,411)	(794,232)	(833,945)	(875,642)	(919,424)	(965,398)	(1,013,668)	(1,064,352)	(1,117,570)	(1,173,446)	(1,232,121)	(1,293,727)	(1,358,415)
General purpose funding	(358,727)	(385,313)	(443,360)	(449,243)	(471,705)	(495,292)	(520,057)	(546,060)	(573,363)	(602,032)	(632,133)	(663,739)	(696,926)	(731,773)	(768,362)	(806,780)	(847,120)	(889,476)	(933,951)
Law, order, public safety	(164,675)	(170,174)	(190,701)	(248,544)	(265,515)	(279,196)	(293,667)	(308,501)	(323,923)	(340,123)	(357,126)	(374,985)	(393,736)	(413,421)	(434,094)	(455,799)	(478,590)	(502,518)	(527,648)
Health	(569,598)	(700,963)	(694,721)	(758,136)	(804,068)	(844,990)	(888,144)	(932,817)	(979,458)	(1,028,430)	(1,079,853)	(1,133,846)	(1,190,540)	(1,250,069)	(1,312,573)	(1,378,200)	(1,447,110)	(1,519,465)	(1,595,439)
Education and welfare	(708,642)	(722,300)	(868,243)	(909,570)	(959,102)	(1,007,421)	(1,058,251)	(1,111,296)	(1,166,861)	(1,225,203)	(1,286,462)	(1,350,786)	(1,418,324)	(1,489,241)	(1,563,703)	(1,641,887)	(1,723,982)	(1,810,182)	(1,900,691)
Housing	0	0	0	0	(20,533)	(23,389)	(26,872)	(28,890)	(30,335)	(31,853)	(33,445)	(35,117)	(36,874)	(38,718)	(40,655)	(42,688)	(44,825)	(47,068)	(49,424)
Community amenities	(281,736)	(297,911)	(354,493)	(344,654)	(338,662)	(360,966)	(385,798)	(407,066)	(427,420)	(448,791)	(471,232)	(494,792)	(519,533)	(545,511)	(572,789)	(601,429)	(631,502)	(663,076)	(696,231)
Recreation and culture	(1,233,864)	(1,283,995)	(1,519,846)	(1,923,764)	(2,107,725)	(2,230,161)	(2,363,198)	(2,487,640)	(2,612,024)	(2,742,625)	(2,879,757)	(3,023,746)	(3,174,939)	(3,333,688)	(3,500,372)	(3,675,391)	(3,859,166)	(4,052,117)	(4,254,727)
Transport	(4,522,216)	(4,495,292)	(4,613,688)	(3,387,306)	(4,011,167)	(4,274,486)	(4,567,492)	(4,918,999)	(5,164,952)	(5,423,200)	(5,794,360)	(6,084,080)	(6,388,281)	(6,707,697)	(7,043,081)	(7,395,236)	(7,764,998)	(8,153,246)	(8,560,909)
Economic services	(2,199,125)	(1,923,308)	(2,339,589)	(3,908,543)	(2,894,184)	(3,059,462)	(3,238,413)	(3,407,910)	(3,578,306)	(3,757,219)	(3,945,078)	(4,142,334)	(4,349,459)	(4,566,935)	(4,795,283)	(5,035,051)	(5,286,807)	(5,551,143)	(5,828,705)
Other property and services	(10,998)	(191,602)	(39,303)	(5,000)	(113,688)	(129,040)	(147,699)	(158,642)	(166,576)	(174,901)	(183,647)	(192,831)	(202,476)	(212,605)	(223,238)	(234,404)	(246,126)	(258,430)	(271,355)
	(10,657,790)	(10,744,260)	(11,700,919)	(12,697,697)	(12,672,433)	(13,424,792)	(14,246,002)	(15,102,053)	(15,857,163)	(16,650,019)	(17,582,517)	(18,461,654)	(19,384,756)	(20,354,010)	(21,371,720)	(22,440,311)	(23,562,347)	(24,740,448)	(25,977,495)
Finance costs																			
Non operating grants, subsidies and contributions																			
General purpose funding	0	0	0	100,117	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Law, order, public safety	0	0	10,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Housing	0	0	0	0	4,700,000	700,000	700,000	700,000	0	0	0	0	0	0	0	0	0	0	0
Recreation and culture	0	0	75,834	0	700,000	700,000	700,000	700,000	0	0	0	0	0	0	0	0	0	0	0
Transport	1,282,055	791,948	1,095,368	943,806	872,030	3,172,030	4,122,030	2,122,030	872,030	872,030	872,030	872,030	872,030	872,030	872,030	872,030	872,030	872,030	872,030
	1,674,055	791,948	1,181,202	1,043,923	6,272,030	4,572,030	5,522,030	3,522,030	872,030	872,030	872,030	872,030	872,030	872,030	872,030	872,030	872,030	872,030	872,030
Profit/(loss) on disposal of assets																			
Health	0	(3,432)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Education and welfare	0	(3,242)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Transport	(73,296)	(64,328)	(57,923)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Economic services	0	2,239	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other property and services	0	(5,713)	1,444	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	(73,296)	(74,476)	(56,479)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Fair value adjustments to financial assets at fair value through profit or loss	0	35,160	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loss on revaluation	0	(40,000)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NET RESULT	1,303,345	699,122	1,039,194	1,348,426	5,863,412	4,023,455	4,782,430	2,575,630	(124,865)	(163,694)	(300,992)	(348,121)	(392,865)	(442,583)	(490,071)	(544,471)	(595,763)	(655,082)	(709,937)
Other comprehensive income	311,695	2,802,560	0	0	4,604,186	5,126,344	5,629,663	6,259,589	6,688,913	6,942,740	7,213,583	7,468,822	7,743,856	8,002,639	8,289,432	8,554,132	8,850,918	9,117,193	9,403,537
TOTAL COMPREHENSIVE INCOME	1,615,040	3,501,682	1,039,194	1,348,426	10,467,598	9,149,799	10,412,093	8,835,219	6,564,048	6,779,046	6,912,591	7,120,701	7,350,991	7,560,056	7,799,361	8,009,661	8,255,155	8,462,111	8,693,600





APPENDIX B4 FORECAST STATEMENT OF FINANCIAL POSITION 2022-2037

	2019	2020	2021	Base	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	30 June 35	30 June 36	30 June 37
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
CURRENT ASSETS																			
Unrestricted cash and cash equivalents	1,535,004	2,149,883	691,642	128,511	52,678	52,678	52,678	52,678	52,678	52,678	52,678	52,678	52,678	52,678	52,678	52,678	52,678	52,678	52,678
Restricted cash and cash equivalent	1,306,420	5,395,508	8,673,504	6,145,731	6,455,804	5,418,853	3,084,976	2,925,483	4,175,396	5,835,795	7,283,019	9,277,163	11,097,551	13,480,497	15,527,445	18,262,159	20,582,765	23,765,921	26,774,790
Financial assets	2,024,203	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Trade and other receivables	749,223	513,853	602,538	402,538	402,538	402,538	402,538	402,538	402,538	402,538	402,538	402,538	402,538	402,538	402,538	402,538	402,538	402,538	402,538
Inventories	63,167	89,353	89,621	89,621	89,621	89,621	89,621	89,621	89,621	89,621	89,621	89,621	89,621	89,621	89,621	89,621	89,621	89,621	89,621
TOTAL CURRENT ASSETS	5,678,017	8,148,597	10,057,305	6,766,401	7,000,641	5,963,690	3,629,813	3,470,320	4,720,233	6,380,632	7,827,856	9,822,000	11,642,388	14,025,334	16,072,282	18,806,996	21,127,602	24,310,758	27,319,627
NON-CURRENT ASSETS																			
Inventories	511,926	411,345	411,345	411,345	411,345	411,345	411,345	411,345	411,345	411,345	411,345	411,345	411,345	411,345	411,345	411,345	411,345	411,345	411,345
Property plant and equipment	23,373,272	24,449,233	24,673,910	27,844,660	35,384,000	38,494,321	44,518,569	50,597,109	52,997,981	55,213,856	57,795,274	60,065,843	62,778,426	65,186,421	68,230,560	70,871,078	74,259,201	77,095,119	80,456,908
Infrastructure	60,774,961	60,925,121	60,766,951	61,657,758	64,351,776	71,428,205	78,149,927	81,066,099	83,979,362	86,882,134	89,766,083	92,622,071	95,440,091	98,209,206	100,917,480	103,551,909	106,098,335	108,541,372	110,864,314
TOTAL NON-CURRENT ASSETS	84,660,159	85,785,699	85,852,206	89,913,763	100,147,121	110,333,871	123,079,841	132,074,553	137,388,688	142,507,335	147,972,702	153,099,259	158,629,862	163,806,972	169,559,385	174,834,332	180,768,881	186,047,836	191,732,567
TOTAL ASSETS	90,338,176	93,934,296	95,909,511	96,680,164	107,147,762	116,297,561	126,709,654	135,544,873	142,108,921	148,887,967	155,800,558	162,921,259	170,272,250	177,832,306	185,631,667	193,641,328	201,896,483	210,358,594	219,052,194
CURRENT LIABILITIES																			
Trade and other payables	171,040	175,626	244,837	544,837	544,837	544,837	544,837	544,837	544,837	544,837	544,837	544,837	544,837	544,837	544,837	544,837	544,837	544,837	544,837
Contract liabilities	0	80,000	877,773	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Provisions	145,175	228,633	286,312	286,312	286,312	286,312	286,312	286,312	286,312	286,312	286,312	286,312	286,312	286,312	286,312	286,312	286,312	286,312	286,312
TOTAL CURRENT LIABILITIES	316,215	484,259	1,408,922	831,149	831,149	831,149	831,149	831,149	831,149	831,149	831,149	831,149	831,149	831,149	831,149	831,149	831,149	831,149	831,149
NON-CURRENT LIABILITIES																			
Provisions	57,506	52,900	64,258	64,258	64,258	64,258	64,258	64,258	64,258	64,258	64,258	64,258	64,258	64,258	64,258	64,258	64,258	64,258	64,258
TOTAL NON-CURRENT LIABILITIES	57,506	52,900	64,258	64,258	64,258	64,258	64,258	64,258	64,258	64,258	64,258	64,258	64,258	64,258	64,258	64,258	64,258	64,258	64,258
TOTAL LIABILITIES	373,721	537,159	1,473,180	895,407	895,407	895,407	895,407	895,407	895,407	895,407	895,407	895,407	895,407	895,407	895,407	895,407	895,407	895,407	895,407
NET ASSETS	89,964,455	93,397,137	94,436,331	95,784,757	106,252,355	115,402,154	125,814,247	134,649,466	141,213,514	147,992,560	154,905,151	162,025,852	169,376,843	176,936,899	184,736,260	192,745,921	201,001,076	209,463,187	218,156,787
EQUITY																			
Retained surplus	47,121,161	45,766,398	44,325,369	47,323,795	52,877,134	57,937,540	65,053,847	67,788,970	66,414,192	64,590,099	62,841,883	60,499,618	58,286,365	55,460,836	52,923,817	49,644,632	46,728,263	42,890,025	39,171,219
Reserves - cash backed	3,330,623	5,315,508	7,795,731	6,145,731	6,455,804	5,418,853	3,084,976	2,925,483	4,175,396	5,835,795	7,283,019	9,277,163	11,097,551	13,480,497	15,527,445	18,262,159	20,582,765	23,765,921	26,774,790
Asset revaluation surplus	39,512,671	42,315,231	42,315,231	42,315,231	46,919,417	52,045,761	57,675,424	63,935,013	70,623,926	77,566,666	84,780,249	92,249,071	99,992,927	107,995,566	116,284,998	124,839,130	133,690,048	142,807,241	152,210,778
TOTAL EQUITY	89,964,455	93,397,137	94,436,331	95,784,757	106,252,355	115,402,154	125,814,247	134,649,466	141,213,514	147,992,560	154,905,151	162,025,852	169,376,843	176,936,899	184,736,260	192,745,921	201,001,076	209,463,187	218,156,787



APPENDIX B5 FORECAST STATEMENT OF CHANGES IN EQUITY 2022-2037

	2019	2020	2021	Base	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	30 June 35	30 June 36	30 June 37
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
RETAINED SURPLUS																			
Opening balance	45,817,816	47,052,161	45,766,398	44,325,369	47,323,795	52,877,134	57,937,540	65,053,847	67,788,970	66,414,192	64,590,099	62,841,883	60,499,618	58,286,365	55,460,836	52,923,817	49,644,632	46,728,263	42,890,025
Net result	1,303,345	699,122	1,039,194	1,348,426	5,863,412	4,023,455	4,782,430	2,575,630	(124,865)	(163,694)	(300,992)	(348,121)	(392,865)	(442,583)	(490,071)	(544,471)	(595,763)	(655,082)	(709,937)
Amount transferred (to)/from reserves		(1,984,885)	(2,480,223)	1,650,000	(310,073)	1,036,951	2,333,877	159,493	(1,249,913)	(1,660,399)	(1,447,224)	(1,994,144)	(1,820,388)	(2,382,946)	(2,046,948)	(2,734,714)	(2,320,606)	(3,183,156)	(3,008,869)
Closing balance	47,121,161	45,766,398	44,325,369	47,323,795	52,877,134	57,937,540	65,053,847	67,788,970	66,414,192	64,590,099	62,841,883	60,499,618	58,286,365	55,460,836	52,923,817	49,644,632	46,728,263	42,890,025	39,171,219
RESERVES - CASH/INVESTMENT BACKED																			
Opening balance	3,330,623	3,330,623	5,315,508	7,795,731	6,145,731	6,455,804	5,418,853	3,084,976	2,925,483	4,175,396	5,835,795	7,283,019	9,277,163	11,097,551	13,480,497	15,527,445	18,262,159	20,582,765	23,765,921
Amount transferred to/(from) retained surplus	0	1,984,885	2,480,223	(1,650,000)	310,073	(1,036,951)	(2,333,877)	(159,493)	1,249,913	1,660,399	1,447,224	1,994,144	1,820,388	2,382,946	2,046,948	2,734,714	2,320,606	3,183,156	3,008,869
Closing balance	3,330,623	5,315,508	7,795,731	6,145,731	6,455,804	5,418,853	3,084,976	2,925,483	4,175,396	5,835,795	7,283,019	9,277,163	11,097,551	13,480,497	15,527,445	18,262,159	20,582,765	23,765,921	26,774,790
ASSET REVALUATION SURPLUS																			
Opening balance	39,512,671	42,315,231	42,315,231	42,315,231	42,315,231	46,919,417	52,045,761	57,675,424	63,935,013	70,623,926	77,566,666	84,780,249	92,249,071	99,992,927	107,995,566	116,284,998	124,839,130	133,690,048	142,807,241
Total other comprehensive income	0	0	0	0	4,604,186	5,126,344	5,629,663	6,259,589	6,688,913	6,942,740	7,213,583	7,468,822	7,743,856	8,002,639	8,289,432	8,554,132	8,850,918	9,117,193	9,403,537
Closing balance	39,512,671	42,315,231	42,315,231	42,315,231	46,919,417	52,045,761	57,675,424	63,935,013	70,623,926	77,566,666	84,780,249	92,249,071	99,992,927	107,995,566	116,284,998	124,839,130	133,690,048	142,807,241	152,210,778
TOTAL EQUITY																			
	89,964,455	93,397,137	94,436,331	95,784,757	106,252,355	115,402,154	125,814,247	134,649,466	141,213,514	147,992,560	154,905,151	162,025,852	169,376,843	176,936,899	184,736,260	192,745,921	201,001,076	209,463,187	218,156,787



APPENDIX B6 FORECAST STATEMENT OF CASHFLOWS 2022-2037

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cash flows from operating activities															
Receipts															
Rates	7,354,183	7,721,892	8,107,987	8,513,386	8,939,056	9,386,008	9,855,309	10,348,074	10,865,478	11,408,753	11,979,191	12,578,150	13,207,056	13,867,409	14,560,780
Operating grants, subsidies and contributions	2,163,112	2,271,269	2,384,832	2,504,075	2,629,281	2,760,745	2,898,782	3,043,722	3,195,909	3,355,704	3,523,490	3,699,665	3,884,648	4,078,881	4,282,825
Fees and charges	2,171,948	2,280,549	2,394,574	2,514,306	2,640,013	2,772,015	2,910,609	3,056,144	3,208,957	3,369,406	3,537,872	3,714,770	3,900,504	4,095,534	4,300,321
Interest earnings	62,743	65,085	54,715	31,376	29,783	42,282	58,886	73,356	93,299	111,503	135,331	155,802	183,149	206,355	238,185
Other revenue	511,829	537,422	564,294	592,510	622,135	653,245	685,909	720,207	756,218	794,031	833,735	875,423	919,197	965,157	1,013,417
	12,263,815	12,876,217	13,506,402	14,155,653	14,860,268	15,614,295	16,409,495	17,241,503	18,119,861	19,039,397	20,009,619	21,023,810	22,094,554	23,213,336	24,395,528
Payments															
Employee costs	(2,567,514)	(2,695,893)	(2,830,690)	(2,972,226)	(3,120,840)	(3,276,882)	(3,440,727)	(3,612,766)	(3,793,406)	(3,983,079)	(4,182,234)	(4,391,347)	(4,610,914)	(4,841,459)	(5,083,534)
Materials and contracts	(6,227,334)	(6,538,736)	(6,865,694)	(7,308,977)	(7,674,433)	(8,058,151)	(8,561,055)	(8,989,112)	(9,438,586)	(9,910,522)	(10,406,056)	(10,926,364)	(11,472,697)	(12,046,319)	(12,648,653)
Utility charges	(271,322)	(284,889)	(299,136)	(314,092)	(329,794)	(346,285)	(363,598)	(381,780)	(400,868)	(420,914)	(441,959)	(464,059)	(487,265)	(511,627)	(537,210)
Insurance expenses	(255,888)	(268,684)	(282,117)	(296,225)	(311,037)	(326,589)	(342,919)	(360,067)	(378,071)	(396,978)	(416,829)	(437,669)	(459,553)	(482,530)	(506,658)
Other expenditure	(153,224)	(160,886)	(168,931)	(177,377)	(186,245)	(195,557)	(205,335)	(215,602)	(226,382)	(237,702)	(249,586)	(262,064)	(275,169)	(288,926)	(303,373)
	(9,475,282)	(9,949,088)	(10,446,568)	(11,068,897)	(11,622,349)	(12,203,464)	(12,913,634)	(13,559,327)	(14,237,313)	(14,949,195)	(15,696,664)	(16,481,503)	(17,305,598)	(18,170,861)	(19,079,428)
Net cash provided by (used in) operating activities	2,788,533	2,927,129	3,059,834	3,086,756	3,237,919	3,410,831	3,495,861	3,682,176	3,882,548	4,090,202	4,312,955	4,542,307	4,788,956	5,042,475	5,316,100
Cash flows from investing activities															
Payments for purchase of property, plant & equipment	(6,937,725)	(2,197,512)	(5,027,143)	(4,879,681)	(971,438)	(733,864)	(1,032,069)	(671,464)	(1,045,592)	(690,688)	(1,249,439)	(791,025)	(1,451,782)	(842,751)	(1,290,663)
Payments for construction of infrastructure	(1,888,598)	(6,338,598)	(5,888,598)	(1,888,598)	(1,888,598)	(1,888,598)	(1,888,598)	(1,888,598)	(1,888,598)	(1,888,598)	(1,888,598)	(1,888,598)	(1,888,598)	(1,888,598)	(1,888,598)
Proceeds from non-operating grants, subsidies and contributions	6,272,030	4,572,030	5,522,030	3,522,030	872,030	872,030	872,030	872,030	872,030	872,030	872,030	872,030	872,030	872,030	872,030
Net cash provided by (used in) investing activities	(2,554,293)	(3,964,080)	(5,393,711)	(3,246,249)	(1,988,006)	(1,750,432)	(2,048,637)	(1,688,032)	(2,062,160)	(1,707,256)	(2,266,007)	(1,807,593)	(2,468,350)	(1,859,319)	(2,307,231)
Net increase (decrease) in cash held	234,240	(1,036,951)	(2,333,877)	(159,493)	1,249,913	1,660,399	1,447,224	1,994,144	1,820,388	2,382,946	2,046,948	2,734,714	2,320,606	3,183,156	3,008,869
Cash at beginning of year	6,274,242	6,508,482	5,471,531	3,137,654	2,978,161	4,228,074	5,888,473	7,335,697	9,329,841	11,150,229	13,533,175	15,580,123	18,314,837	20,635,443	23,818,599
Cash and cash equivalents at the end of year	6,508,482	5,471,531	3,137,654	2,978,161	4,228,074	5,888,473	7,335,697	9,329,841	11,150,229	13,533,175	15,580,123	18,314,837	20,635,443	23,818,599	26,827,468



APPENDIX B7 FORECAST STATEMENT OF FUNDING 2022-2037

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
FUNDING FROM OPERATIONAL ACTIVITIES															
Revenues															
Rates	7,354,183	7,721,892	8,107,987	8,513,386	8,939,056	9,386,008	9,855,309	10,348,074	10,865,478	11,408,753	11,979,191	12,578,150	13,207,056	13,867,409	14,560,780
Operating grants, subsidies and contributions	2,163,112	2,271,269	2,384,832	2,504,075	2,629,281	2,760,745	2,898,782	3,043,722	3,195,909	3,355,704	3,523,490	3,699,665	3,884,648	4,078,881	4,282,825
Fees and charges	2,171,948	2,280,549	2,394,574	2,514,306	2,640,013	2,772,015	2,910,609	3,056,144	3,208,957	3,369,406	3,537,872	3,714,770	3,900,504	4,095,534	4,300,321
Interest earnings	62,743	65,085	54,715	31,376	29,783	42,282	58,886	73,356	93,299	111,503	135,331	155,802	183,149	206,355	238,185
Other revenue	511,829	537,422	564,294	592,510	622,135	653,245	685,909	720,207	756,218	794,031	833,735	875,423	919,197	965,157	1,013,417
	12,263,815	12,876,217	13,506,402	14,155,653	14,860,268	15,614,295	16,409,495	17,241,503	18,119,861	19,039,397	20,009,619	21,023,810	22,094,554	23,213,336	24,395,528
Expenses															
Employee costs	(2,567,514)	(2,695,893)	(2,830,690)	(2,972,226)	(3,120,840)	(3,276,882)	(3,440,727)	(3,612,766)	(3,793,406)	(3,983,079)	(4,182,234)	(4,391,347)	(4,610,914)	(4,841,459)	(5,083,534)
Materials and contracts	(6,227,334)	(6,538,736)	(6,865,694)	(7,308,977)	(7,674,433)	(8,058,151)	(8,561,055)	(8,989,112)	(9,438,586)	(9,910,522)	(10,406,056)	(10,926,364)	(11,472,697)	(12,046,319)	(12,648,653)
Utility charges (electricity, gas, water etc.)	(271,322)	(284,889)	(299,136)	(314,092)	(329,794)	(346,285)	(363,598)	(381,780)	(400,868)	(420,914)	(441,959)	(464,059)	(487,265)	(511,627)	(537,210)
Depreciation on non-current assets	(3,197,151)	(3,475,704)	(3,799,434)	(4,033,156)	(4,234,814)	(4,446,555)	(4,668,883)	(4,902,327)	(5,147,443)	(5,404,815)	(5,675,056)	(5,958,808)	(6,256,749)	(6,569,587)	(6,898,067)
Insurance expense	(255,888)	(268,684)	(282,117)	(296,225)	(311,037)	(326,589)	(342,919)	(360,067)	(378,071)	(396,978)	(416,829)	(437,669)	(459,553)	(482,530)	(506,658)
Other expenditure	(153,224)	(160,886)	(168,931)	(177,377)	(186,245)	(195,557)	(205,335)	(215,602)	(226,382)	(237,702)	(249,586)	(262,064)	(275,169)	(288,926)	(303,373)
	(12,672,433)	(13,424,792)	(14,246,002)	(15,102,053)	(15,857,163)	(16,650,019)	(17,582,517)	(18,461,654)	(19,384,756)	(20,354,010)	(21,371,720)	(22,440,311)	(23,562,347)	(24,740,448)	(25,977,495)
	(408,618)	(548,575)	(739,600)	(946,400)	(996,895)	(1,035,724)	(1,173,022)	(1,220,151)	(1,264,895)	(1,314,613)	(1,362,101)	(1,416,501)	(1,467,793)	(1,527,112)	(1,581,967)
Funding position adjustments															
Depreciation on non-current assets	3,197,151	3,475,704	3,799,434	4,033,156	4,234,814	4,446,555	4,668,883	4,902,327	5,147,443	5,404,815	5,675,056	5,958,808	6,256,749	6,569,587	6,898,067
Net funding from operational activities	2,788,533	2,927,129	3,059,834	3,086,756	3,237,919	3,410,831	3,495,861	3,682,176	3,882,548	4,090,202	4,312,955	4,542,307	4,788,956	5,042,475	5,316,100
FUNDING FROM CAPITAL ACTIVITIES															
Inflows															
Non-operating grants, subsidies and contributions	6,272,030	4,572,030	5,522,030	3,522,030	872,030	872,030	872,030	872,030	872,030	872,030	872,030	872,030	872,030	872,030	872,030
Outflows															
Purchase of property plant and equipment	(6,937,725)	(2,197,512)	(5,027,143)	(4,879,681)	(971,438)	(733,864)	(1,032,069)	(671,464)	(1,045,592)	(690,688)	(1,249,439)	(791,025)	(1,451,782)	(842,751)	(1,290,663)
Purchase of infrastructure	(1,888,598)	(6,338,598)	(5,888,598)	(1,888,598)	(1,888,598)	(1,888,598)	(1,888,598)	(1,888,598)	(1,888,598)	(1,888,598)	(1,888,598)	(1,888,598)	(1,888,598)	(1,888,598)	(1,888,598)
Net funding from capital activities	(2,554,293)	(3,964,080)	(5,393,711)	(3,246,249)	(1,988,006)	(1,750,432)	(2,048,637)	(1,688,032)	(2,062,160)	(1,707,256)	(2,266,007)	(1,807,593)	(2,468,350)	(1,859,319)	(2,307,231)
FUNDING FROM FINANCING ACTIVITIES															
Inflows															
Transfer from reserves	987,725	1,139,640	2,446,004	1,250,000	0	0	0	0	0	0	0	0	0	0	0
Outflows															
Transfer to reserves	(1,297,798)	(102,689)	(112,127)	(1,090,507)	(1,249,913)	(1,660,399)	(1,447,224)	(1,994,144)	(1,820,388)	(2,382,946)	(2,046,948)	(2,734,714)	(2,320,606)	(3,183,156)	(3,008,869)
Net funding from financing activities	(310,073)	1,036,951	2,333,877	159,493	(1,249,913)	(1,660,399)	(1,447,224)	(1,994,144)	(1,820,388)	(2,382,946)	(2,046,948)	(2,734,714)	(2,320,606)	(3,183,156)	(3,008,869)
Estimated surplus/deficit July 1 B/Fwd	75,833	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Estimated surplus/deficit June 30 C/Fwd	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

APPENDIX B8 FORECAST STATEMENT OF NET CURRENT ASSET COMPOSITION 2022-2037



	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Estimated surplus/deficit July 1 B/Fwd	75,833	0	0	0	0	0	0	0	0	0	0	0	0	0	0
CURRENT ASSETS															
Unrestricted cash and equivalents	52,678	52,678	52,678	52,678	52,678	52,678	52,678	52,678	52,678	52,678	52,678	52,678	52,678	52,678	52,678
Restricted cash and cash equivalent	6,455,804	5,418,853	3,084,976	2,925,483	4,175,396	5,835,795	7,283,019	9,277,163	11,097,551	13,480,497	15,527,445	18,262,159	20,582,765	23,765,921	26,774,790
Trade and other receivables	402,538	402,538	402,538	402,538	402,538	402,538	402,538	402,538	402,538	402,538	402,538	402,538	402,538	402,538	402,538
Inventories	89,621	89,621	89,621	89,621	89,621	89,621	89,621	89,621	89,621	89,621	89,621	89,621	89,621	89,621	89,621
CURRENT LIABILITIES															
Trade and other payables	(544,837)	(544,837)	(544,837)	(544,837)	(544,837)	(544,837)	(544,837)	(544,837)	(544,837)	(544,837)	(544,837)	(544,837)	(544,837)	(544,837)	(544,837)
Reserves	(6,455,804)	(5,418,853)	(3,084,976)	(2,925,483)	(4,175,396)	(5,835,795)	(7,283,019)	(9,277,163)	(11,097,551)	(13,480,497)	(15,527,445)	(18,262,159)	(20,582,765)	(23,765,921)	(26,774,790)
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 2022-2037

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
CAPITAL WORKS - INFRASTRUCTURE															
Infrastructure - roads	1,888,598	6,338,598	5,888,598	1,888,598	1,888,598	1,888,598	1,888,598	1,888,598	1,888,598	1,888,598	1,888,598	1,888,598	1,888,598	1,888,598	1,888,598
Total capital works - infrastructure	1,888,598	6,338,598	5,888,598	1,888,598	1,888,598	1,888,598	1,888,598	1,888,598	1,888,598	1,888,598	1,888,598	1,888,598	1,888,598	1,888,598	1,888,598
Represented by:															
Additions - expansion, upgrades and new	0	4,000,000	4,000,000	0	0	0	0	0	0	0	0	0	0	0	0
Additions - renewal	1,888,598	2,338,598	1,888,598	1,888,598	1,888,598	1,888,598	1,888,598	1,888,598	1,888,598	1,888,598	1,888,598	1,888,598	1,888,598	1,888,598	1,888,598
Total Capital Works - Infrastructure	1,888,598	6,338,598	5,888,598	1,888,598	1,888,598	1,888,598	1,888,598	1,888,598	1,888,598	1,888,598	1,888,598	1,888,598	1,888,598	1,888,598	1,888,598
Asset movement reconciliation															
Total capital works infrastructure	1,888,598	6,338,598	5,888,598	1,888,598	1,888,598	1,888,598	1,888,598	1,888,598	1,888,598	1,888,598	1,888,598	1,888,598	1,888,598	1,888,598	1,888,598
Depreciation infrastructure	(2,371,897)	(2,596,687)	(2,832,716)	(2,974,352)	(3,123,070)	(3,279,224)	(3,443,185)	(3,615,344)	(3,796,111)	(3,985,917)	(4,185,213)	(4,394,473)	(4,614,197)	(4,844,907)	(5,087,153)
Revaluation of infrastructure assets (inflation)	3,177,317	3,334,518	3,665,840	4,001,926	4,147,735	4,293,398	4,438,536	4,582,734	4,725,533	4,866,434	5,004,889	5,140,304	5,272,025	5,399,346	5,521,497
Net movement in infrastructure assets	2,694,018	7,076,429	6,721,722	2,916,172	2,913,263	2,902,772	2,883,949	2,855,988	2,818,020	2,769,115	2,708,274	2,634,429	2,546,426	2,443,037	2,322,942
CAPITAL WORKS - PROPERTY, PLANT AND EQUIPMENT															
Buildings - non-specialised	6,450,000	1,950,000	4,450,000	4,450,000	325,000	325,000	325,000	325,000	325,000	325,000	325,000	325,000	325,000	325,000	325,000
Plant and equipment	487,725	247,512	577,143	429,681	646,438	408,864	707,069	346,464	720,592	365,688	924,439	466,025	1,126,782	517,751	965,663
Total capital works property, plant and equipment	6,937,725	2,197,512	5,027,143	4,879,681	971,438	733,864	1,032,069	671,464	1,045,592	690,688	1,249,439	791,025	1,451,782	842,751	1,290,663
Represented by:															
Additions - expansion, upgrades and new	5,500,000	1,000,000	3,500,000	3,500,000	0	0	0	0	0	0	0	0	0	0	0
Additions - renewal	1,437,725	1,197,512	1,527,143	1,379,681	971,438	733,864	1,032,069	671,464	1,045,592	690,688	1,249,439	791,025	1,451,782	842,751	1,290,663
Total capital works property, plant and equipment	6,937,725	2,197,512	5,027,143	4,879,681	971,438	733,864	1,032,069	671,464	1,045,592	690,688	1,249,439	791,025	1,451,782	842,751	1,290,663
Asset movement reconciliation															
Total capital works property, plant and equipment	6,937,725	2,197,512	5,027,143	4,879,681	971,438	733,864	1,032,069	671,464	1,045,592	690,688	1,249,439	791,025	1,451,782	842,751	1,290,663
Depreciation property, plant and equipment	(825,254)	(879,017)	(966,718)	(1,058,804)	(1,111,744)	(1,167,331)	(1,225,698)	(1,286,983)	(1,351,332)	(1,418,898)	(1,489,843)	(1,564,335)	(1,642,552)	(1,724,680)	(1,810,914)
Revaluation of property, plant and equipment (inflation)	1,426,869	1,791,826	1,963,823	2,257,663	2,541,178	2,649,342	2,775,047	2,886,088	3,018,323	3,136,205	3,284,543	3,413,828	3,578,893	3,717,847	3,882,040
Net movement in property, plant and equipment	7,539,340	3,110,321	6,024,248	6,078,540	2,400,872	2,215,875	2,581,418	2,270,569	2,712,583	2,407,995	3,044,139	2,640,518	3,388,123	2,835,918	3,361,789
CAPITAL WORKS - TOTALS															
Capital works															
Total capital works infrastructure	1,888,598	6,338,598	5,888,598	1,888,598	1,888,598	1,888,598	1,888,598	1,888,598	1,888,598	1,888,598	1,888,598	1,888,598	1,888,598	1,888,598	1,888,598
Total capital works property, plant and equipment	6,937,725	2,197,512	5,027,143	4,879,681	971,438	733,864	1,032,069	671,464	1,045,592	690,688	1,249,439	791,025	1,451,782	842,751	1,290,663
Total capital works	8,826,323	8,536,110	10,915,741	6,768,279	2,860,036	2,622,462	2,920,667	2,560,062	2,934,190	2,579,286	3,138,037	2,679,623	3,340,380	2,731,349	3,179,261
Fixed asset movement															
Net movement in infrastructure assets	2,694,018	7,076,429	6,721,722	2,916,172	2,913,263	2,902,772	2,883,949	2,855,988	2,818,020	2,769,115	2,708,274	2,634,429	2,546,426	2,443,037	2,322,942
Net movement in property, plant and equipment	7,539,340	3,110,321	6,024,248	6,078,540	2,400,872	2,215,875	2,581,418	2,270,569	2,712,583	2,407,995	3,044,139	2,640,518	3,388,123	2,835,918	3,361,789
Net movement in fixed assets	10,233,358	10,186,750	12,745,970	8,994,712	5,314,135	5,118,647	5,465,367	5,126,557	5,530,603	5,177,110	5,752,413	5,274,947	5,934,549	5,278,955	5,684,731





APPENDIX B10 FORECAST STATEMENT OF CAPITAL FUNDING 2022-2037

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Capital expenditure															
Infrastructure - roads	1,888,598	6,338,598	5,888,598	1,888,598	1,888,598	1,888,598	1,888,598	1,888,598	1,888,598	1,888,598	1,888,598	1,888,598	1,888,598	1,888,598	1,888,598
Buildings - non-specialised	6,450,000	1,950,000	4,450,000	4,450,000	325,000	325,000	325,000	325,000	325,000	325,000	325,000	325,000	325,000	325,000	325,000
Plant and equipment	487,725	247,512	577,143	429,681	646,438	408,864	707,069	346,464	720,592	365,688	924,439	466,025	1,126,782	517,751	965,663
Total - Capital expenditure	8,826,323	8,536,110	10,915,741	6,768,279	2,860,036	2,622,462	2,920,667	2,560,062	2,934,190	2,579,286	3,138,037	2,679,623	3,340,380	2,731,349	3,179,261
Funded by:															
Capital grants & contributions															
Infrastructure - roads	872,030	3,172,030	2,872,030	872,030	872,030	872,030	872,030	872,030	872,030	872,030	872,030	872,030	872,030	872,030	872,030
Buildings - non-specialised	5,400,000	1,400,000	2,650,000	2,650,000	0	0	0	0	0	0	0	0	0	0	0
Total - Capital grants & contributions	6,272,030	4,572,030	5,522,030	3,522,030	872,030	872,030	872,030	872,030	872,030	872,030	872,030	872,030	872,030	872,030	872,030
Own source funding															
Infrastructure - roads	1,016,568	3,166,568	3,016,568	1,016,568	1,016,568	1,016,568	1,016,568	1,016,568	1,016,568	1,016,568	1,016,568	1,016,568	1,016,568	1,016,568	1,016,568
Buildings - non-specialised	1,050,000	550,000	1,800,000	1,800,000	325,000	325,000	325,000	325,000	325,000	325,000	325,000	325,000	325,000	325,000	325,000
Plant and equipment	487,725	247,512	577,143	429,681	646,438	408,864	707,069	346,464	720,592	365,688	924,439	466,025	1,126,782	517,751	965,663
Total - Own source funding	2,554,293	3,964,080	5,393,711	3,246,249	1,988,006	1,750,432	2,048,637	1,688,032	2,062,160	1,707,256	2,266,007	1,807,593	2,468,350	1,859,319	2,307,231
Borrowings															
Total - Borrowings	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other (disposals & C/Fwd)															
Total - Other (disposals & C/Fwd)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Capital Funding	8,826,323	8,536,110	10,915,741	6,768,279	2,860,036	2,622,462	2,920,667	2,560,062	2,934,190	2,579,286	3,138,037	2,679,623	3,340,380	2,731,349	3,179,261

APPENDIX B11 FORECAST RATIOS 2022-2037

	Target Range		Average	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37
LIQUIDITY RATIOS																		
Current ratio	> 1.00	> 1.20	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
OPERATING RATIOS																		
Operating surplus ratio	> 1.00%	> 15.00%	(7.65%)	(4.05%)	(5.17%)	(6.65%)	(8.12%)	(8.15%)	(8.06%)	(8.68%)	(8.59%)	(8.48%)	(8.38%)	(8.26%)	(8.18%)	(8.06%)	(7.98%)	(7.87%)
Own source revenue coverage ratio	> 40.00%	> 60.00%	77.50%	79.71%	79.00%	78.07%	77.15%	77.13%	77.20%	76.84%	76.90%	76.99%	77.05%	77.14%	77.20%	77.28%	77.34%	77.42%
BORROWINGS RATIOS																		
Debt service cover ratio	> 3	> 5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
FIXED ASSET RATIOS																		
Asset sustainability ratio	> 90.00%	> 110.00%	64.27%	104.04%	101.74%	89.90%	81.04%	67.54%	58.98%	62.56%	52.22%	57.00%	47.72%	55.30%	44.97%	53.39%	41.58%	46.09%
Asset consumption ratio	> 50.00%	> 60.00%	78.19%	81.26%	82.13%	82.89%	82.89%	82.14%	81.17%	80.30%	79.14%	78.12%	76.85%	75.78%	74.43%	73.31%	71.87%	70.56%
Asset renewal funding ratio	> 75.00%	> 95.00%	48.57%	49.95%	57.81%	51.97%	42.93%	40.18%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A





APPENDIX B12 ASSET RENEWALS 2022-2037

Required Asset Renewals

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Asset Class															
Buildings - non-specialised	1,504,913	0	77,853	889,824	0	65,008	0	6,505,806	239,448	1,373,830	150,852	217,792	15,074,306	2,182,875	6,474,952
Plant and equipment	174,118	214,730	191,964	679,272	286,991	476,640	613,193	173,166	363,205	281,426	298,468	1,124,173	312,690	449,800	278,558
Infrastructure - roads	8,047,539	187,002	3,533,832	442,638	3,611,863	227,302	10,129,267	336,572	263,131	2,304,356	786,225	304,607	12,071,552	1,887,733	9,862,576
Infrastructure - other	409,206	60,671	6,821,797	1,000,419	230,874	997,490	636,885	3,272,270	4,161,389	51,227	398,890	908,891	294,234	9,322	9,788
Total	10,135,777	462,403	10,625,446	3,012,153	4,129,728	1,766,440	11,379,345	10,287,814	5,027,173	4,010,839	1,634,436	2,555,462	27,752,781	4,529,730	16,625,874

Planned Asset Renewals

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Asset Class															
Buildings - non-specialised	950,000	950,000	950,000	950,000	325,000	325,000	325,000	325,000	325,000	325,000	325,000	325,000	325,000	325,000	325,000
Plant and equipment	487,725	247,512	577,143	429,681	646,438	408,864	707,069	346,464	720,592	365,688	924,439	466,025	1,126,782	517,751	965,663
Infrastructure - roads	1,888,598	2,338,598	1,888,598	1,888,598	1,888,598	1,888,598	1,888,598	1,888,598	1,888,598	1,888,598	1,888,598	1,888,598	1,888,598	1,888,598	1,888,598
Total	3,326,323	3,536,110	3,415,741	3,268,279	2,860,036	2,622,462	2,920,667	2,560,062	2,934,190	2,579,286	3,138,037	2,679,623	3,340,380	2,731,349	3,179,261

Asset Renewal Funding Surplus (Deficit)

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Asset Class															
Buildings - non-specialised	(554,913)	950,000	872,147	60,176	325,000	259,992	325,000	(6,180,806)	85,552	(1,048,830)	174,148	107,208	(14,749,306)	(1,857,875)	(6,149,952)
Plant and equipment	313,607	32,782	385,179	(249,591)	359,447	(67,776)	93,876	173,298	357,387	84,262	625,971	(658,148)	814,092	67,951	687,105
Infrastructure - roads	(6,158,941)	2,151,596	(1,645,234)	1,445,960	(1,723,265)	1,661,296	(8,240,669)	1,552,026	1,625,467	(415,758)	1,102,373	1,583,991	(10,182,954)	865	(7,973,978)
Infrastructure - other	(409,206)	(60,671)	(6,821,797)	(1,000,419)	(230,874)	(997,490)	(636,885)	(3,272,270)	(4,161,389)	(51,227)	(398,890)	(908,891)	(294,234)	(9,322)	(9,788)
Total	(6,809,454)	3,073,707	(7,209,705)	256,126	(1,269,692)	856,022	(8,458,678)	(7,727,752)	(2,092,983)	(1,431,553)	1,503,601	124,161	(24,412,401)	(1,798,381)	(13,446,613)

## APPENDIX B13 FORECAST SIGNIFICANT ACCOUNTING POLICIES

### Basis of Preparation

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

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

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

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

### Judgements, Estimates and Assumptions

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

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

### The Local Government Reporting Entity

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

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

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

### Base Year Balances

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

### Rounding Off Figures

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

### Comparative Figures

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

### Forecast Fair Value Adjustments

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

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

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

## APPENDIX B13 FORECAST SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Goods and Services Tax (GST)

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

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

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

### Superannuation

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

### Cash and Cash Equivalents

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

### Trade and Other Receivables

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

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

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

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

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

### 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.

## APPENDIX B13 FORECAST SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Fixed Assets

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

### Revaluation

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

### Depreciation

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

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

Asset Class	Effective average depreciation rate
Buildings - non-specialised	1.25%
Plant and equipment	8.38%
Infrastructure - roads	2.65%
Infrastructure - other	3.35%

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

### Gains and Losses on Disposal

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

### Employee Benefits

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

### Short-Term Employee Benefits

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

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

### Other Long-Term Employee Benefits

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

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



## APPENDIX B13 FORECAST SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Borrowing Costs

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

### Trade and Other Payables

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

### Provisions

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

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

### Current and Non-Current Classification

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

## APPENDIX C1 GLOSSARY

### Funding Gap

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

### Infrastructure Assets

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

### Key Performance Indicator

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

### Level of Service

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

### Maintenance

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

#### *Planned Maintenance*

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

#### *Reactive Maintenance*

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

#### *Significant Maintenance*

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

#### *Unplanned Maintenance*

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

#### *Maintenance Expenditure*

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

## APPENDIX C1 GLOSSARY (CONTINUED)

### Materiality

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

### Modern Equivalent Asset

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

### Net Present Value (NPV)

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

### Non-Revenue Generating Investments

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

### Operations Expenditure

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

### Pavement Management System

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

### Recoverable Amount

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

### Recurrent Expenditure

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

### Recurrent Funding

Funding to pay for recurrent expenditure.

### Remaining Useful Life

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

### Renewal

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

### Residual Value

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

### 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.

## APPENDIX C1 GLOSSARY (CONTINUED)

### Risk Management

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

### Section or Segment

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

### Service Potential

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

### Service Potential Remaining

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

### Specific Maintenance

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

### Sub-Component

Smaller individual parts that make up a component part.

### Useful Life

May be expressed as either:

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

## APPENDIX D1 WORKFORCE PLANNING

### 1.1 Introduction

The Shire of Leonora Workforce Plan 2022–2026 forms an integral part of our integrated Strategic Resource Plan 2022-2037. The Plan assists the Shire to respond to its workforce challenges in a strategic way as we work with the community to build a bright future and a capable workforce.

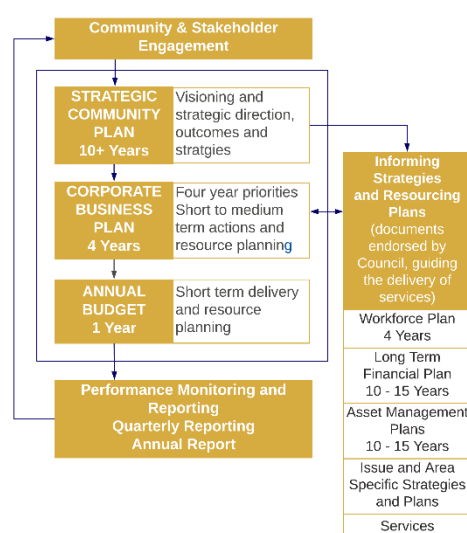
The Shire’s Plan for the Future: Strategic Community Plan outline the community’s hopes and aspirations, with detailed strategies and actions to progress these are identified in the Plan for the Future: Corporate Business Plan. The Workforce Plan plays an important part as we seek to ensure the Shire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

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

### 1.2 What is workforce planning?

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

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



### 1.3 Key principles of workforce planning

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

### 1.4 Integration with the Integrated Planning and Reporting Framework

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

## APPENDIX D2 SHIRE OF LEONORA ANALYSIS

### 2.1 The External Environment

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

#### 2.1.1 Socio Demographic Trends

- A multi-generational workforce, each with their own needs, aspirations, and expectations;
- High percentage of 25-64 years old's within the district with 59.3% between 25 and 54 years old;
- Greater work/life balance expectations;
- Remote regional location; and
- Limited higher education opportunities.

#### 2.1.2 Competition

- Projected talent and skill shortage; and
- Demand for mining workforce competing for talent.

#### 2.1.3 Economic

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

#### 2.1.4 Political

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

#### 2.1.5 Technology

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

#### 2.1.6 Industry

- There is an increasing lack of sustainability in financing renewal of assets, with ageing community infrastructure playing a major role. There is a heavy reliance on state or federal funding; and
- Significant cost shifting from other levels of government to the local level without the associated resources.

#### 2.1.7 Customers

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



## APPENDIX D2 SHIRE OF LEONORA ANALYSIS (CONTINUED)

### 2.2 The External Labour Market

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

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

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

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

The Shire identified the following skills as challenging to source:

- Accounting /Finance;
- Plant operators / labourers;
- Grader operators;
- Rangers;
- Multi-skilled local government experienced staff.; and
- Governance / compliance.

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

## APPENDIX D2 SHIRE OF LEONORA ANALYSIS (CONTINUED)

### 2.3 Shire of Leonora Internal Operating Environment

#### 2.3.1 Service Delivery

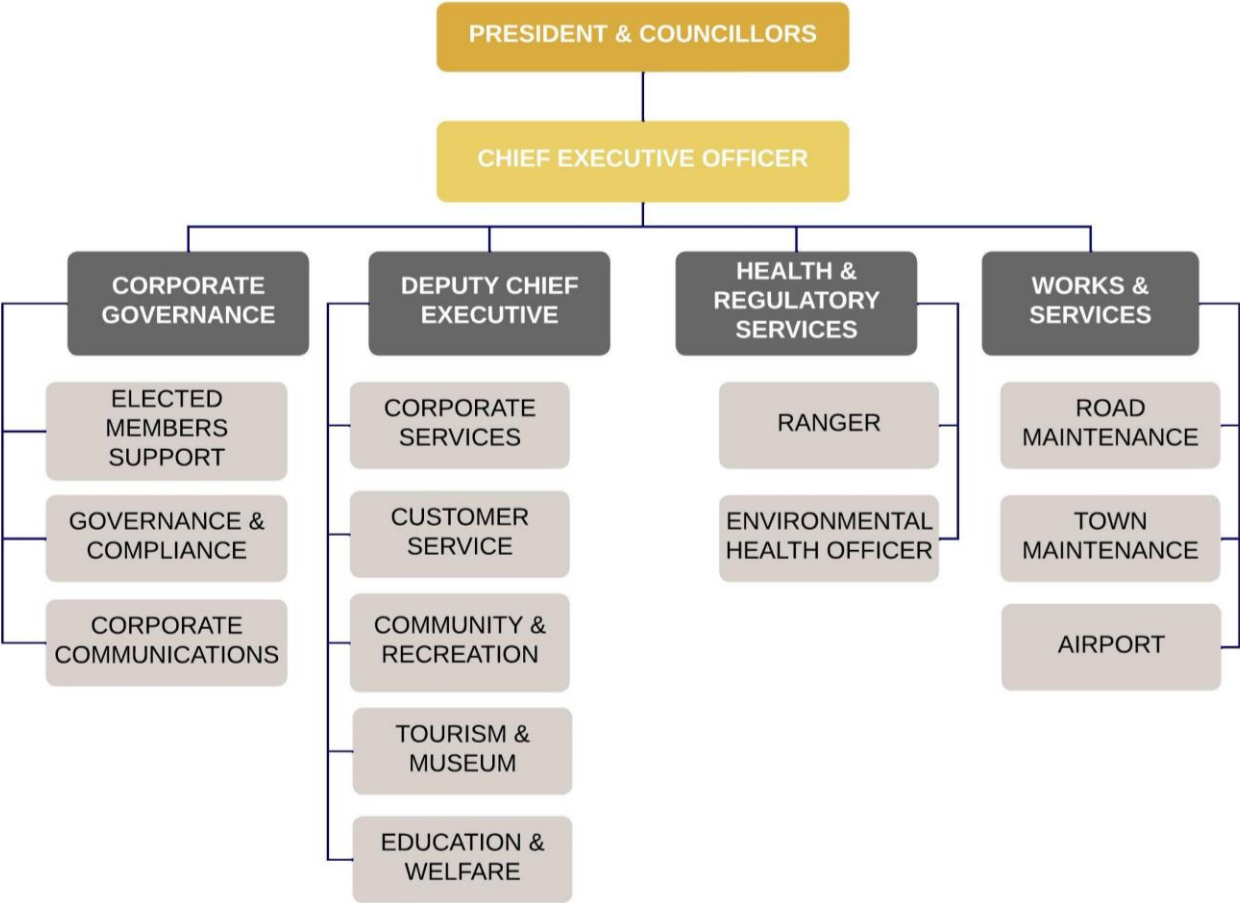
The Shire provides a number of services to the community as listed below:

- Co-ordination of Shire activities and functions;
- Co-ordination of management functions;
- Liaison with Government and Ministerial offices;
- Corporate | strategic planning;
- Business | economic development;
- Statutory compliance;
- Executive support to Council;
- Special projects;
- Financial administration;
- Human resources | occupational health | safety;
- Information | communication;
- Community development;
- Library | information services;
- Procurement;
- Asset management;
- Sport | recreation;
- Support for volunteers;
- Childcare facility;
- Information | tourism services;
- Event support
- Roads | streets;
- Shire buildings maintenance | heritage assets;
- Parks | gardens | reserves;
- Waste services;
- Cleaning;
- Ranger services;
- Emergency services;
- Cemetery;
- Health administration | inspection services;
- Building | planning services; and
- Private works

# APPENDIX D2 SHIRE OF LEONORA ANALYSIS (CONTINUED)

## 2.4 Organisation Structure

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



## APPENDIX D2 SHIRE OF LEONORA ANALYSIS (CONTINUED)

### 2.5 Workforce Profile

Information	Shire of Leonora - as at September 2021
Average number employees/month 2020-21	36.8
Gender	59% (36) female 41% (25) male
Total annual salaries and wages	\$3.3m
Employment type	There is a range of full time, part time, fixed term contract and casual staff employed
Annual/LSL liability	Current \$228,633 Non-Current \$52,900
Awards and agreements	Local Government Officers (Western Australia) Award 2021 Municipal Employees (Western Australia) 2021 Children's Services Award 2010
Age profile	The estimated average age of employees is 47 years
Years of service	The estimated average length of service is 2.6 years

### 2.6 Workforce Demographics

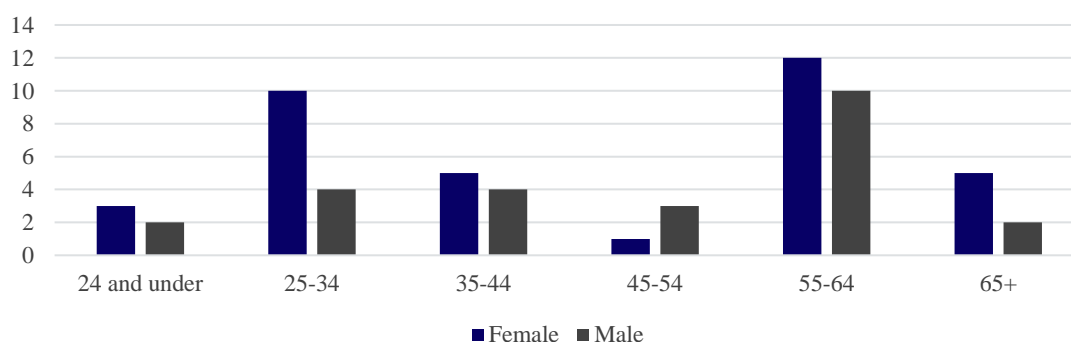
This section contains an analysis of some key workforce metrics such as age, gender and terminations. Included in this analysis are full time, part time and casual staff as well as those on leave, including long service and maternity leave, however contractors, agency staff and group apprentices are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

The workforce gender balance composition at September 2021 was 59% female and 41% male. As indicated above, this composition includes full time, part time and casual staff.

A considerable proportion (54%) of employees are over 35 years of age. Attracting and retaining younger employees is an important challenge as this cohort are often a source of innovation as well as representing the talent pool for the future.

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

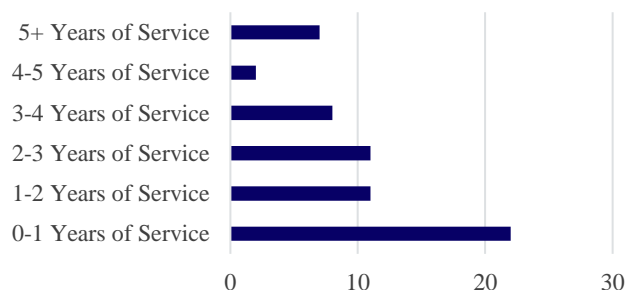
#### 2.6.1 Workforce by Age and Gender



## APPENDIX D2 SHIRE OF LEONORA ANALYSIS (CONTINUED)

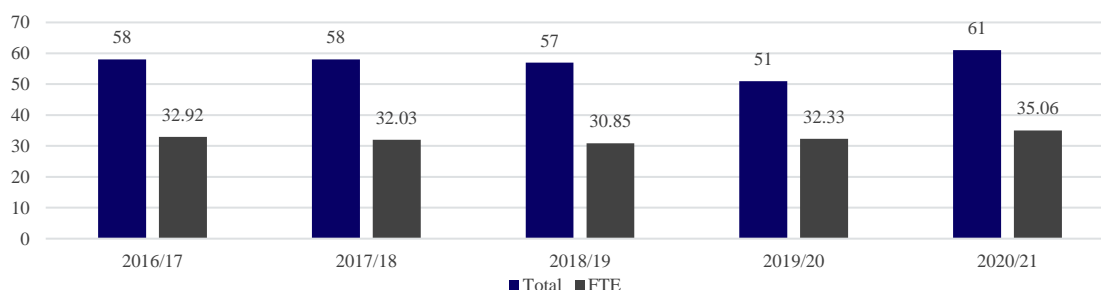
### 2.6.2 Length of Service

The chart below reflects the length of service of current employees as at September 2021.



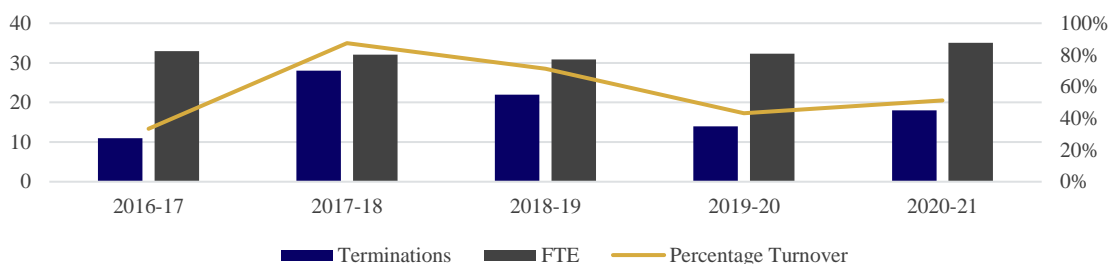
### 2.7 Historical Employee Information

Employee levels fluctuate during the year as staff are terminated and recruited, with the total number employees each year estimated to have increased from 58 in 2017 to 61 in 2021, as show in the chart below.



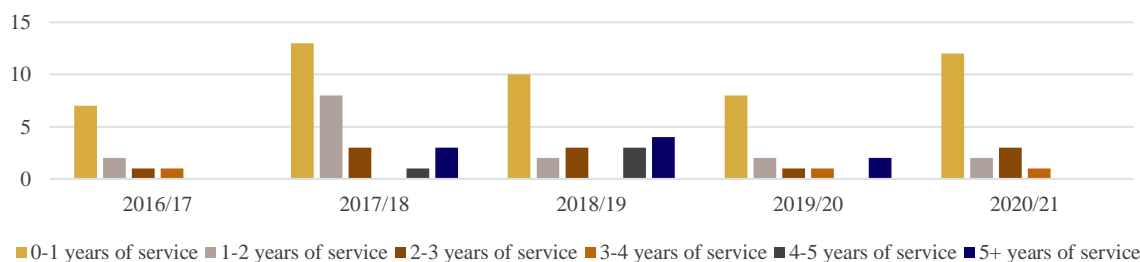
#### 2.7.1 Turnover Rate

Below are graphs showing the exit rates for Shire of Leonora by age and length of service for the period 2016/17 to 2020/21. These need to be considered in the context of the size of the workforce and overall length of service. Over this period the estimated average annual turnover rate is 57%.



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

#### 2.7.2 Termination Rates by Years of Service



## APPENDIX D3 PLAN FOR THE FUTURE: STRATEGIC COMMUNITY PLANNING - WORKFORCE IMPLICATIONS

### 3.1 Overview

This section addresses:

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

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

During 2021, the Shire reviewed and updated its ten-year Strategic Community Plan and adopted a new Plan for the Future, being a combined approach to the Strategic Community Plan and Corporate Business Plan. As an integral part of this review process, the community were consulted, and their feedback used to clarify community expectations and guide the strategies detailed in the Plan for the Future: Strategic Community Plan and Corporate Business Plan.

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

- **Social:** An empowered and spirited community
- **Economic:** The economic hub of the northern goldfields
- **Environment:** Forward thinking management of the built and natural environment
- **Leadership:** An innovative and proactive local government

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

### 3.3 Core Business and Service Delivery

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

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

- Outsourced to an external provider;
- Insourced from other Shires; and
- Open to collaborative opportunities with other Shires to provide services on one another's behalf.

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

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

### 3.4 Key Risk Areas

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

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

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



## APPENDIX D3 STRATEGIC COMMUNITY PLAN WORKFORCE IMPLICATIONS (CONTINUED)

### 3.5 Workforce Risk Assessment

Risk Issues	Likelihood	Strategic Consequences	Operational Consequences	Combined Consequences	Risk Category	Cross Ref: Appendix D4 – 4.8 Workforce Strategies   Objectives
Knowledge loss due to staff turnover	Likely	Minor	Major	Major	High	3.2.2
Physical and financial constraints limit staff numbers	Likely	Minor	Major	Major	High	3.1.1   3.1.2
Sudden unplanned loss of a high number of key staff	Possible	Major	Major	Major	Moderate	3.2.2
Organisational capacity insufficient to meet future needs	Possible	Major	Major	Major	Moderate	1.1.1   3.1.1
High staff turnover due to organisational cultural issues	Possible	Major	Major	Major	Moderate	1.3.1   1.5.1   2.2.2   2.3.1
Selection, recruitment and training costs increase	Possible	Insignificant	Minor	Minor	Moderate	1.1.1   1.5.1
Operational procedures not followed due to lack of staff training	Unlikely	Minor	Major	Major	Low	1.3.1   2.2.1   3.2.2
Long leave absences of key staff due to large accrued leave entitlement	Unlikely	Minor	Minor	Minor	Low	3.2.1   3.2.2

## APPENDIX D4 STRATEGIES TO MEET FUTURE WORKFORCE NEEDS

### 4.1 Workforce Supply Demand Analysis

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

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

- Reviewing internal processes and procedures with the goal of gaining greater transactional efficiencies; and
- Providing strong reporting outcomes and operational advice to the Elected Members and the executive.

The staffing resource for corporate services remains relatively unchanged over the term of the Plan, with no forecast increases or decreases. There is ongoing review of services provision and demand, with potential for the Shire to provide the cashless debit service in the future.

Requirement for project management roles fluctuate and are addressed as required. There is a focus on tailoring staffing numbers to community service level requirements, appropriate employee numbers and correct cultural fit to the organisation.

Community services are predicted to see a continuation of current levels of demand for services and consideration will need to be given to maintaining current resources.

Infrastructure services are stable, although of note due to the regional location, attracting and retaining employees in this area is an ongoing challenge. Utilising a mix of workforce of both local contractors and permanent staff as required. Required resource capacity is forecast to be adequately maintained at current levels.

### 4.2 Strategic Shifts

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

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

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

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

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

### 4.3 Service Delivery Models

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

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

## APPENDIX D4 STRATEGIES TO MEET FUTURE WORKFORCE NEEDS (CONTINUED)

### 4.4 Succession Management

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



### 4.5 Developing Young Local Talent

The Shire, where possible, identifies and is open to developing local talent. Traineeship and apprenticeship opportunities are made available.

The Shire has a history of sourcing local talent, representing not only a valuable workforce pool but it also contributing to the economic development of the district. Workforce strategies available to promote this aim include providing student work experience opportunities and offering apprenticeships and traineeships where opportunities arise.

### 4.6 Additional Incentives

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

### 4.7 Performance Outcomes and Measures

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

#### 4.7.1 Diagram: Workforce Plan Performance Measurement

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

Ongoing	∞
Short - Medium Term   2022-2025	■
Longer Term   2025 onwards	→

The prioritisation of the actions identified in the following tables are reflected by the following symbols, indicating when the action is planned to be undertaken.

## APPENDIX D4 STRATEGIES TO MEET FUTURE WORKFORCE NEEDS (CONTINUED)

### 4.8 Workforce Objectives and Strategies

Objective 1. Attracting and selecting the right people Attracting and retaining people with the capability and commitment to contribute to the Shire of Leonora		
Strategy	Action	Timing
1.1 Customised recruitment strategies that meet the needs and expectations of the organisation	1.1.1 As vacancies arise consider opportunities within organisation structure and bespoke recruitment to the new role requirements	∞
1.2 Identify and market the benefits of working for the Shire of Leonora	1.2.1 Maintain list of financial and non-financial rewards and benefits offered to employees	∞
1.3 Ensure an appropriate induction and orientation process	1.3.1 Review the current induction and orientation process	■
1.4 Continue to focus on local employment where opportunities exist	1.4.1 Promote the Shire as an employer to the local community and to educational institutions	■
1.5 Improve selection outcomes	1.5.1 Review the selection process to ensure people with the right skills sets and most suitable candidate are selected for the future needs and growth of the Shire	■
Objective 2. Retaining and engaging our valued workforce Building and retaining a highly engaged workforce, committed and connected to our Shire and community		
Strategy	Action	Timing
2.1 Improve skills in day to day leadership	2.1.1 Identify relevant training needs and opportunities	■
2.2 Provide sufficient job role clarity, work direction, workload management, feedback on performance and support in role	2.2.1 Ensure current job descriptions are in place and provided at commencement in roles	■
	2.2.2 Undertake performance reviews as per policy and employment agreements	■
2.3 Regular communication with the workforce	2.3.1 Continue regular meetings between executive and supervisors	■
Objective 3. A strategic workforce, with the capability and capacity to meet strategic objectives Building a flexible, innovative, and capable workforce		
Strategy	Action	Timing
3.1 Appropriate organisational structure	3.1.1 Regular assessment of organisation structure, seeking to meet the needs of the organisation whilst recognising the funding restrictions	∞
	3.1.2 Continue to seek external funding where possible and look for opportunities for resource sharing where appropriate	∞
3.2 Recognised critical positions and critical position management	3.2.1 Recruit skilled personnel as required, recognising opportunities for FIFO/DIDO and off-site employees or contractors to meet essential skills if appropriate	∞
	3.2.2 Ensure appropriate policies and procedures documented to assist in mitigating knowledge loss risk due to staff turnover	■
3.3 Ensure appropriate job descriptions	3.3.1 Job descriptions reviews conducted as part of the induction and performance review process	∞

## APPENDIX D4 STRATEGIES TO MEET FUTURE WORKFORCE NEEDS (CONTINUED)

### 4.9 Key Performance Indicators

Key performance indicators are listed below.

Strategic Workforce Objective	Workforce Outcomes	Assessment	Ratio Or Measure
Attracting and selecting a capable and committed workforce	Adequate staff levels with appropriate skills	Effectiveness of recruitment processes	Average number of vacancies annually
Retaining and engaging our valued workforce	Staff turnover	The percentage of employee initiated separation rate	Gross number of staff resignations divided by total staff
	Employee leave	Accrued leave liability	Number of employees with accrued annual leave exceeding 150 hours
	Sick leave	The number of workplace absences due to health related reasons	Number of sick day absences divided by number of available working days
	Training and development	The average level of investment in training	Training expense divided by number of FTE employees
A strategic workforce, with the capability and capacity to meet strategic objectives	Appropriate policies and procedures in plan	Review of policies and procedures (Audit Regulation 17 Review)	Non-compliance noted
	Occupational Health and Safety	Frequency and cost of lost time injuries	Total hours lost due to injury divided by number of work hours available

## APPENDIX D5 MONITORING AND EVALUATION OF OUTCOMES

### 5.1 Evaluation

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

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

### 5.2 Implementation

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

### 5.3 Review

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



## APPENDIX D6 RISK ASSESSMENT METHODOLOGY

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

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

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

## APPENDIX D6 RISK ASSESSMENT METHODOLOGY (CONTINUED)

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

## OTHER MATTERS

### Preparation

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

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### References

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

- Shire of Leonora Plan for the Future 2021-2031;
- Shire of Leonora Employee information, extracted November 2021;
- Shire of Leonora Annual Financial Report 2019-20;
- Shire of Leonora Annual Financial Report 2020-21;
- Shire of Leonora Adopted Annual Budget 2021-22; and
- Council website: [www.leonora.wa.gov.au](http://www.leonora.wa.gov.au)

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