



Shire of Derby / West Kimberley

Long Term Financial Plan

2026 – 2041

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1.0 Foreword

We are pleased to present the Shire of Derby/West Kimberley Long Term Financial Plan 2026 – 2041.

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 future council and the community with a picture of the Shire's long term financial management. The Plan has been developed to assist the Shire meet its strategic outcomes and objectives, both during and beyond current global uncertainties and other considerations which may impact the community.

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

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

The Shire has suffered the significant negative financial impacts of past flood events, the initial years of the plan continue the slow recovery from these events. Maintenance of stringent control on operating expenditure whilst seeking additional funding is going to be essential for maintaining and improving services into the future

The Shire of Derby/West Kimberley's Long Term Financial Plan is an important planning tool as the Shire strives to achieve the strategies set out in the Shire of Derby/West Kimberley Strategic Community Plan 2021-2031.

This Plan will be used with the Corporate Business Plan to drive the Shire in achieving its vision of "A place where people want to live, invest, visit, and return to".

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

Jeff Gooding PSM, JP Commissioner	Tamara Clarkson Chief Executive Officer
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2.0 Somewhere

2.1 Location

The Shire of Derby/West Kimberley covers an area of 119,761 square kilometres, servicing 54 communities and three towns. Derby and Fitzroy Crossing being the main population centres with a third township at Camballin. Derby is the major centre of the Shire and this is where the main Administration Centre is located.

The Shire of Derby/West Kimberley offers its residents a unique and unparalleled way of life. On our doorstep are some truly stunning and untouched wilderness like the famed Buccaneer Archipelago, National Parks and gorges, the mighty Fitzroy River and the Gibb River Road.

These pristine environments offer the opportunity for the community to get out camping, fishing and four wheel driving. Derby remains a supply point for an important part of the Kimberley's pastoral, mining, oil and tourist industries.

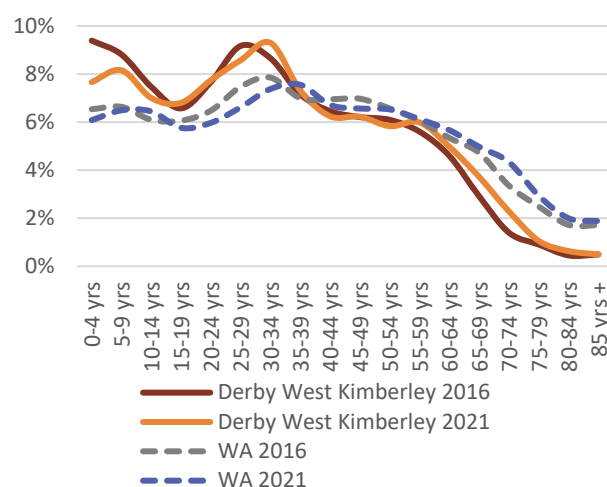
The Shire continues to maintain a number of assets to service the community, and welcomes visitors to enjoy the scenic area.

People

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

Population	2016		2021
Derby/West Kimberley	7,730	↓	7,075
WA	2.47m	↑	2.66m

The chart below shows the population distribution for the Shire by age, highlighting minor changes for both the Shire and Western Australia from 2016 and 2021 census data¹.






The chart reflects the percentage of the estimated resident population within each age grouping for the Shire of Derby/West Kimberley (orange lines) and Western Australia (dotted lines) on the night of the 2016 and 2021 census.

In comparison to the Western Australia demographic, the Shire has a lower proportion of residents over 39 years with significantly larger percentage of the population under 14 when compared to the WA population.

It should be noted the population on any particular night may be significantly greater due to a large visitor population through the winter months.

¹ (Australian Bureau of Statistics, 2025)

3.0 Key Information

Vision / Strategic Objectives	Assumptions	Statistics ¹ ²
"A place where people want to live, invest, visit, and return to"	 2.5% Inflation Rate	 7 Council Members ¹
Leadership and governance: <ul style="list-style-type: none"> • Collaboration and partnership • Capable, inclusive and effective organisation • Effective communication 	 Increasing Population	 136 Employees ¹
Community: <ul style="list-style-type: none"> • Safe communities • Healthy communities • Vibrant and culturally rich communities • Sustainable communities 	 Increasing Levels of Service	 3,674 Electors ¹
	 Stable Operations	 3,600 Dwellings ¹
Economy: <ul style="list-style-type: none"> • Industry and business development and growth • Strong economy 	 Balanced Annual Budget	 2,366km Distance from Perth ¹
	 4% (2.5% CPI + 1.5%) Rates	 120,146km² Area ¹
Environment: <ul style="list-style-type: none"> • Our natural environment • Liveable communities • Sustainability 	 3% (2.5% CPI + 0.5%) Fees and Charges	 7,045 Population ²
	 2.5% Employee Costs	¹ WALGA Online Local Government Directory 2023/24, Shire of Derby/West Kimberley ² Australian Bureau of Statistics 2021 Census of Population and Housing, Somewhere (LGA52800)

4.0 Executive Summary

The following information provides a brief summary of the Long Term Financial Plan 2026 – 2041, this should be read in conjunction with the underlying assumptions detailed in this Plan.

4.1 Planning for a Progressive and Stable Future

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

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

Planned capital projects to provide important facilities to resident and visitor populations in the future require external funding.

4.2 Significant Issues

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

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

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

Historical financial issues and the impact of past flood events have left the Shire with limited funds in its reserve accounts. High costs of delivering services and employing staff means maintaining services leaves limited resources for capital projects. Significant reduction of expenditure in the 2025-26 annual budget and the first year of the Long Term Financial Plan are required to provide resources for the renewal of assets and servicing of debt.

Due to development within the district and an increase in rateable assessments, rate revenue is forecast to increase at 4% (CPI 2.5%+1.5%) for the life of the Plan. These increases are to assist in the long term financial stability of the Shire and to increase the level of services to the community. These increases will be reviewed annually when setting future budgets.

4.3 Forecast Capital Projects

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

The capital works program has been developed in response to the strategic priorities identified in the Strategic Community Plan. Funding for these projects has been sourced through general revenue, utilising reserves and external grants and contributions. External funding is required to undertake these works and should this not be received the projects will not be undertaken.

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

Forecast Capital Projects by Asset Class

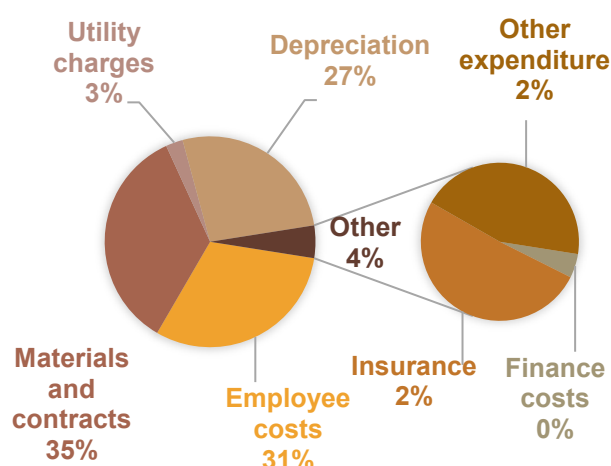
Project by Asset Class	2026 – 2041 Amount (\$)
Buildings - non-specialised	
Building Renewals	1,485,629
Multi Purpose Centre (MPC) Fitzroy Crossing	54,363,613
Plant and Equipment	
Plant Replacement Program	8,965,962
Infrastructure - roads	
Regional Road Group	14,524,859
Roads to Recovery	25,821,976
Roads Betterment	8,000,000
Infrastructure - parks and ovals	
Parks and Ovals Renewals	742,815
Infrastructure - airports	
Fitzroy Airport runway	30,000,000
Derby Airport Runway reseal	2,152,500
Infrastructure - other	
Other Infrastructure	1,485,629
New Boat ramp and walkway Option 2	6,303,750
Infrastructure - landfill	
Derby Landfill Closure	15,852,918
Grand Total	169,699,651

5.0 Long Term Financial Planning Overview

5.1 Forecast Revenue

Rates are expected to generate \$10.5m in 2026/27 before increasing at 4.0% per annum to \$18.2m in 2040/41 and comprise 40% of operating revenue over the term of the Plan. The Shire is reliant on receiving more than \$176.3m over the next 15 years in untied grants, subsidies and contributions to maintain the current level of operations and services. Capital grants are expected to remain relatively stable for road renewal with significant additional grants required as the Shire seeks to increase the level of service of community infrastructure.

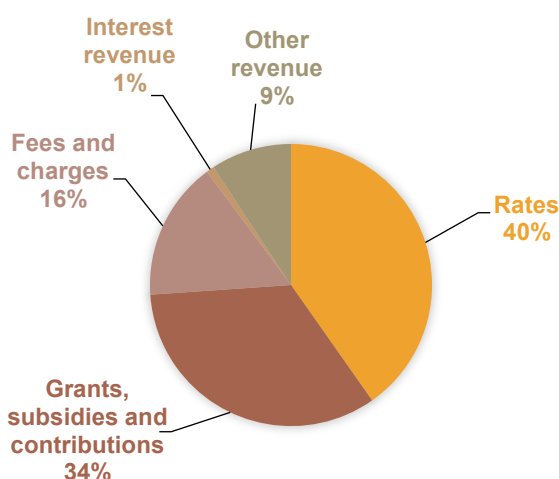
5.1.1 Revenue Composition Year 1 to 15



5.2 Forecast Expenditure

Expenditure for operating activities is forecast to decrease in year 1 with further cost saving measures before increasing in line with inflation with the exception of depreciation expense which is impacted by the addition of assets over the term of the Plan.

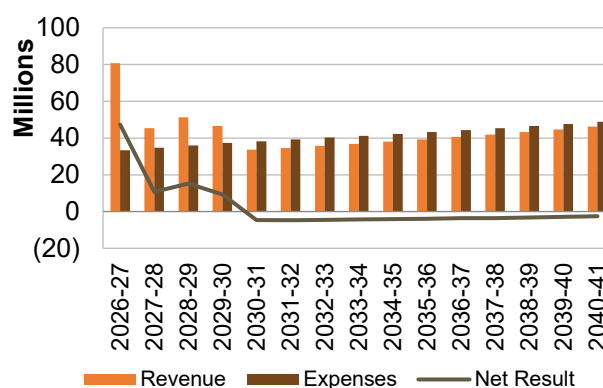
5.2.1 Expenditure Composition Year 1 to 15



5.3 Net Result

The chart below reflects in the orange columns, fluctuating revenue in the first four years of the Plan as significant capital grants are forecast to be received in these years, thereafter there is a steady increase in revenue and expenditure for the remainder of the Plan, with the grey line reflecting the net result.

5.3.1 Revenue and Expenditure Year 1 to 15



A positive net result over the long term indicates net asset values will increase faster than depreciation expenses erode asset values. This indicates an increase in the level of service provision to the community from assets. Improved asset funding or changes to expected useful life of assets as they are better understood may impact the net result.

5.4 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. Given a number of assets have a life exceeding the term of the plan asset renewal and depreciation are not expected to align exactly.

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

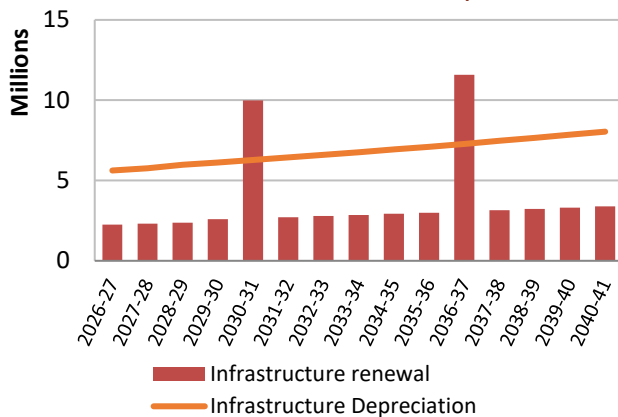
Depreciation expense increases throughout the Plan from \$8.0m in year 1 to \$13.2m in year 15 as assets are revalued and renewed.

5.0 Long Term Financial Planning Overview (Continued)

5.4.1 Infrastructure Depreciation Expense -V- Asset Renewal Expenditure

Depreciation of infrastructure over the 15 years is \$101.9m, shown by the orange line in the chart below. The planned level of infrastructure asset renewal expenditure at \$58.4m (reflected by the red columns) is over the term of the Plan below the level of depreciation.

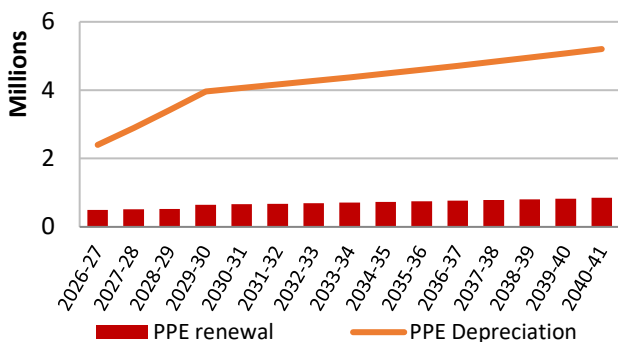
5.4.2 Infrastructure Renewal and Depreciation



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

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

Planned property, plant and equipment asset renewals of \$10.5m (reflected by the red columns) over the 15 years is lower than the depreciation expense of \$63.4m (reflected by the orange 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 planned renewal of long lived assets may result in a closer alignment between asset renewals and depreciation expense.

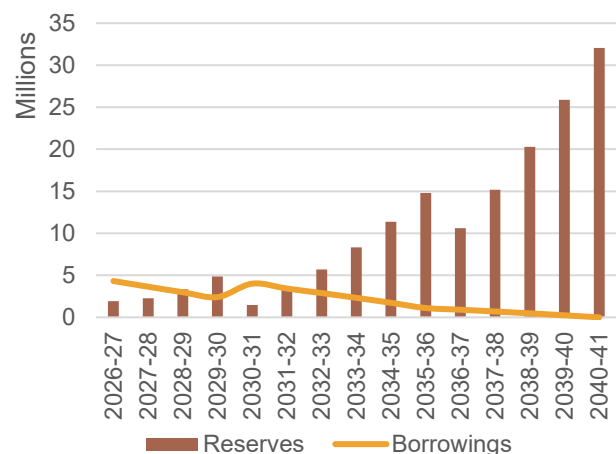
5.5 Maintenance Expenditure

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

5.6 Forecast Borrowings and Reserve accounts

In general, the finances of the Shire are expected to remain stable over the long term. Reserves will be utilised to fund closure of the landfill sites in 2030 and 2036 initially resulting in the decrease in reserve levels in these years whilst increasing increasing in other years as the Shire saves for major future asset renewals and in line with the priorities identified in the Strategic Community Plan, as shown in the chart below.

5.6.1 Reserve accounts and Borrowings



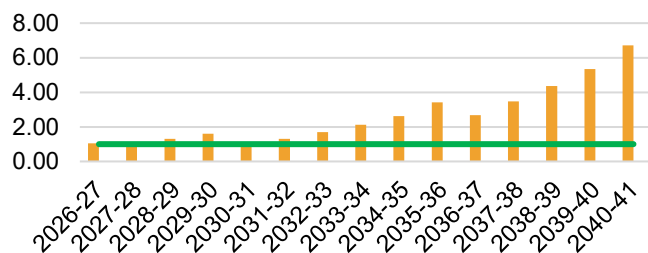
Borrowings are reduced to nil by 30 June 2041, this is part of the Shire's strategy to allow flexibility to respond to sudden or unexpected expenditure requirements. This strategy also provides scope to leverage off future grant funding opportunities when, and if, they become available. The strategy also includes the use of reserve accounts to save for significant future asset renewal spikes.

5.0 Long Term Financial Planning Overview (Continued)

5.7 Forecast Operating Ratios 2026 – 2041

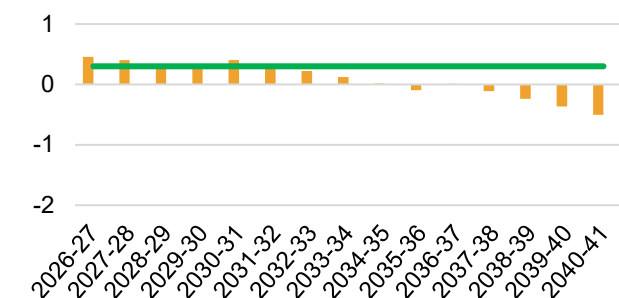
Monitoring the Shire's financial rigidity and financial position along with its asset management performance is undertaken by preparing and monitoring various ratios utilised for the Local Government Financial Indicator on the MyCouncil website. The green line reflects the Department of Local Government, Industry Regulation and Safety (the Department) minimum target level of the ratio.

5.7.1 Current Ratio



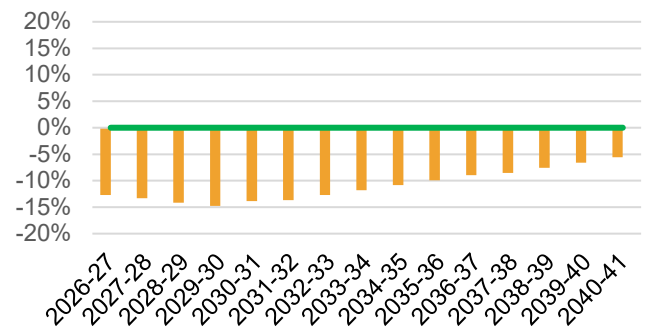
As expected for a Shire with limited reserve accounts and a balanced budget and current borrowing liabilities, the ratio is close to 1.0. The ratio increase as reserve account levels are increased in the outer years of the Plan. The ratio reflects the current tight financial position of the Shire.

5.7.2 Net Financial Liabilities Ratio



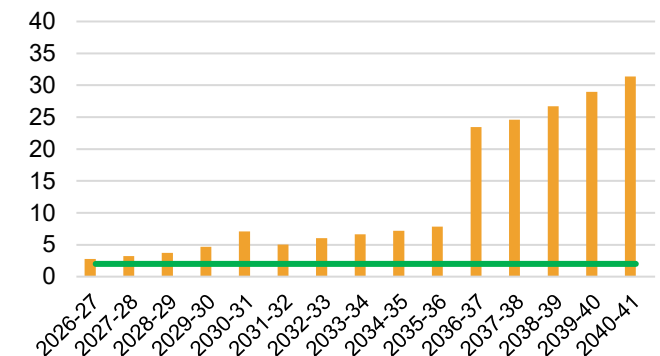
The ratio stays initially above the target indicating the Shire relatively high level of debt as a result of previous flood events. The ratio improves as debt is paid down with an increase in 2030-31 when the Shire has planned to borrow for the closure of the Derby Landfill.

5.7.3 Operating Surplus Ratio



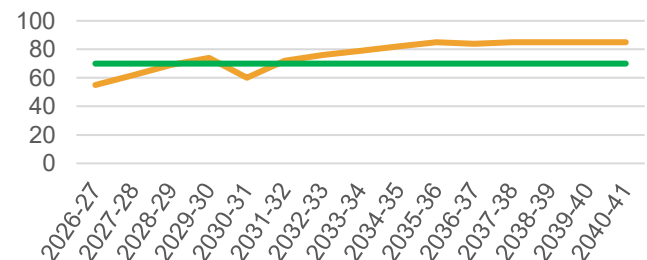
The ratio reflects the Shire revenues are insufficient to cover depreciation and other operating expenses. The ratio initially worsens due to the increase in depreciation with addition of significant new assets before improving as the planned increase in rates improves operating revenues.

5.7.4 Debt Service Cover Ratio



The ratio reflects how the Shire is initially expending a large portion (36%) of its operating surplus to pay down borrowings. The ratio reflects the shire currently has limited capacity to borrow. The ratio improves over the term of the plan as debt is paid down.

5.7.5 LGFI Score



The Local Government Financial indicator improves over the term of the plan with the exception of 2030-31 when the Shire may be required to take up a further borrowing to close the Derby landfill.

6.0 Scenario Modelling

6.1 Scenario Modelling

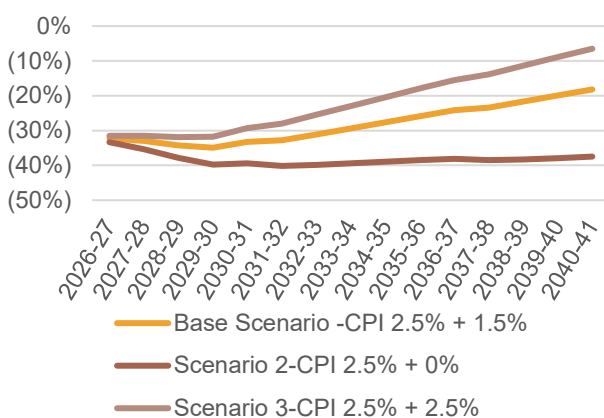
Scenarios were developed to test the financial impact of increased levels of operating funding from rates. To ascertain the effect of increased funding levels, modelling of various scenarios was undertaken. To ascertain the effect of reduced funding levels, modelling of various scenarios was undertaken.

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

Scenario	Rates increase above CPI (2.5%)	Rates total increase
Base Scenario	1.5%	4.0%
Scenario 2	0%	2.5%
Scenario 3	2.5%	5.0%

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

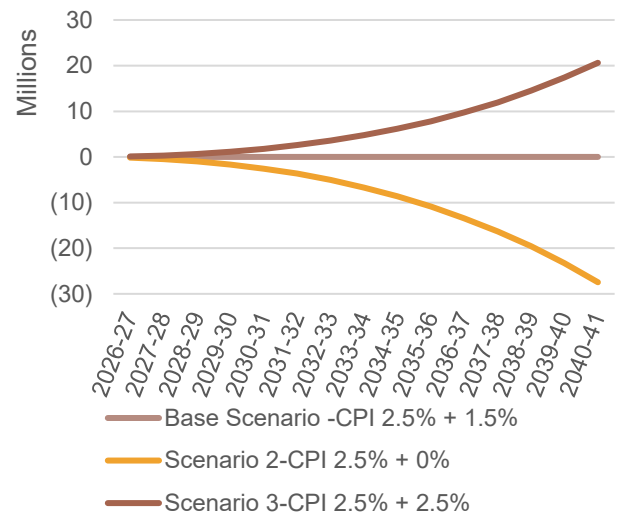
6.1.1 Scenario Comparison – Operating Surplus Ratio



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 maintains existing service levels.

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

6.1.2 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 2.5%+ 1.5%	Scenario 2 CPI 2.5%	Scenario 3 CPI 2.5%+ 2.5%
\$	\$	\$
0	(151,879)	101,253
0	(469,305)	315,404
0	(966,778)	655,005
0	(1,659,675)	1,133,577
0	(2,564,289)	1,765,674
0	(3,673,410)	2,566,951
0	(5,049,060)	3,554,233
0	(6,695,753)	4,745,593
0	(8,629,482)	6,160,432
0	(10,871,883)	7,819,567
0	(13,445,827)	9,745,314
0	(16,307,534)	11,961,589
0	(19,591,620)	14,494,012
0	(23,308,351)	17,370,005
0	(27,461,678)	20,618,917

7.0 Strategic Planning and Policies

7.1 Linkage with Other Plans

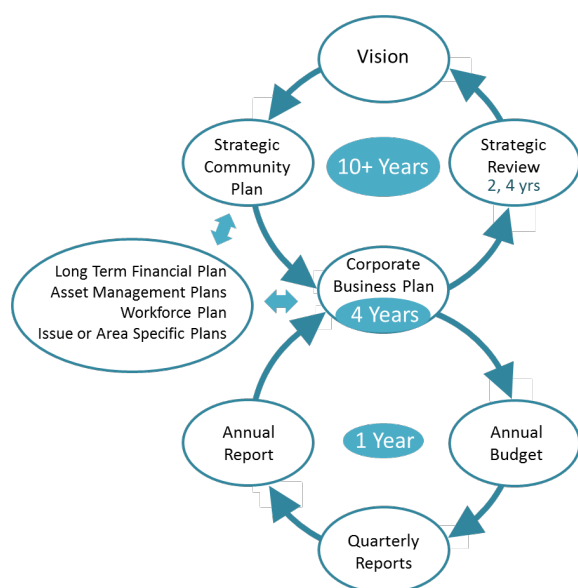
The Long Term Financial Plan is one component of a number of integrated strategic planning practices the Shire has developed. The Long Term Financial Plan considers, and influences, asset management and workforce planning along with other key strategic plans. This Long Term Financial Plan has been prepared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

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

7.2 Strategic Documents Linkage

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

7.2.1 Diagram: Integrated Planning and Reporting Cycle²



7.3 Strategic Community Plan

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

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

7.4 Corporate Business Plan

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

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

7.5 Other Strategic Plans

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

² Department of Local Government Industry Regulation and Safety, Integrated Planning and Reporting: Framework and Guidelines, September 2016

8.0 Risk Management

8.1 Risk Management

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

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

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

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

8.2 Certainty of Assumptions

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

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

8.3 Sensitivity Analysis

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

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

9.0 Assumptions, Risks, Uncertainties and Sensitivity

9.1 Revenue – Assumptions, Risks, Uncertainties and Sensitivity

Disclosure/Assumption	Assessed Financial Risk	Impact of High Financial Risk Assumptions	Level of Uncertainty	Financial Impact and Sensitivity for Assumption with High Level of Uncertainty/Risk
District Growth in Population: The number of residents in the Shire is expected to remain at current levels.	Medium	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
Rates Level Increase: During the Plan, annual rates revenue has been based on an increase in the total rate yield of 4.0% (CPI 2.5% + 1.5%).	Medium	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
Grants, Subsidies and Contributions: Increases in line with inflation forecast.	Medium	Not assessed as high financial risk.	High	Not assessed as high level of uncertainty.
Capital Grants, Subsidies and Contributions: Remain in line with funding requirements identified for various capital works.	High	The forecast capital works program is highly dependent on external grants and contributions. Changes in these levels would impact directly on the amount spent on capital projects and ultimately impact on service levels.	High	± \$1,352,758 to the value of capital grants, subsidies and contributions per 1% movement in the value over the life of the Plan.
Fees and Charges: Increases at 3% above forecast inflation of 2.5%.	Medium	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
Interest Earnings: Interest earning of an average rate of 2.5% per annum.	Low	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
Other Revenue: Increases in line with inflation.	Low	Not assessed as high financial risk.	Low	Not assessed as high level of uncertainty.
Profit on Asset Disposal: Profit on asset disposal results from a misallocation of depreciation over the life of the asset. As the level of depreciation is considered appropriate no profit on asset disposals has been included.	Low	Not assessed as high financial risk.	Low	Not assessed as high level of uncertainty.

9.0 Assumptions, Risks, Uncertainties and Sensitivity (Continued)

9.2 Expenditure – Assumptions, Risks, Uncertainties and Sensitivity

Disclosure/Assumption	Assessed Financial Risk	Impact of High Financial Risk Assumptions	Level of Uncertainty	Financial Impact and Sensitivity for Assumption with High Level of Uncertainty/Risk
Employee Costs: Increased annually by forecast inflation.	Medium	Not assessed as high financial risk.	Low	Not assessed as high level of uncertainty.
Materials and Contracts: 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	± \$2,152,582 to the value of materials and contracts per 1% movement in the value over the life of the Plan. A high level of uncertainty exists in relation to costs due to the impacts of the mining sector and the current global economic uncertainty.
Depreciation: 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.
Insurance: Increased 2.5% for term of the Plan.	Medium	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
Other Expenditure: Base year increased in line with inflation.	Medium	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
Loss on Asset Disposal: A loss on asset disposal results from a misallocation of depreciation over the life of the asset. As the level of depreciation is considered appropriate in the Plan no loss on asset disposals has been included in the Plan.	Low	Not assessed as high financial risk.	Low	Not assessed as high level of uncertainty.

9.0 Assumptions, Risks, Uncertainties and Sensitivity (Continued)

9.3 Assets – Assumptions, Risks, Uncertainties and Sensitivity

Disclosure/Assumption	Assessed Financial Risk	Impact of High Financial Risk Assumptions	Level of Uncertainty	Financial Impact and Sensitivity for Assumption with High Level of Uncertainty/Risk
Revaluations: In line with annual inflation.	Low	The revaluation of assets may result in changes in asset ratio analysis and depreciations leading to a change in the net result. The revaluation of assets will have no impact on cashflows.	High	±\$796,808 to the value of property, plant and equipment per 1% movement in the value over the life of the Plan. ±\$4,765,526 to the value of infrastructure assets per 1% movement in the value over the life of the Plan.
Impairment of Assets: No impairment of assets has been assumed over the life of the Plan. Impairment of assets usually occurs due to unplanned or unforeseen events such as natural disasters.	High	A widespread major impairment event may result in a requirement for high levels of expenditure to maintain service levels.	Medium	Unable to be quantified.
Infrastructure Assets: Expenditure has been based on historical levels escalated by inflation.	High	The capital works program is 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	±\$1,352,758 to the value of infrastructure assets per 1% movement in the capital grants received over the life of the Plan.
Property, Plant and Equipment: Building expenditure is in accordance with the Staff Accommodation Strategy and Corporate Business Plan, and plant expenditure is based on the Plant Replacement Program.	Medium	Not assessed as high financial risk as the frequency of capital grants for buildings is not as pervasive as roadwork's and plant and equipment replacement is not influenced by external grant funds.	Medium	Not assessed as high level of uncertainty.

9.0 Assumptions, Risks, Uncertainties and Sensitivity (Continued)

9.4 Liabilities – Assumptions, Risks, Uncertainties and Sensitivity

Disclosure/Assumption	Assessed Financial Risk	Impact of High Financial Risk Assumptions	Level of Uncertainty	Financial Impact and Sensitivity for Assumption with High Level of Uncertainty/Risk
Borrowings: 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.
Employee Entitlements: It has been assumed the Shire will be in a position to meet its obligations in relation to employee entitlements.	Medium	Not assessed as high financial risk.	Low	Not assessed as high level of uncertainty.

9.0 Assumptions, Risks, Uncertainties and Sensitivity (Continued)

9.5 Equity Risks, Uncertainties and Sensitivity

Disclosure/Assumption	Assessed Financial Risk	Impact of High Financial Risk Assumptions	Level of Uncertainty	Financial Impact and Sensitivity for Assumption with High Level of Uncertainty/Risk
Reserve Accounts: It has been assumed the Shire will invest reserve accounts in term deposits with banking institutions and these funds will be available for use during the term of the Plan.	Low	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
Revaluation Surplus: Increasing in line with inflation based revaluation.	Low	The revaluation of assets to their fair value may result in changes in asset ratio analysis and depreciation leading to a change in the net result. The revaluations of assets will have no impact on Cashflows.	High	±\$796,808 to the value of property, plant and equipment per 1% movement in the value over the life of the Plan. ±\$4,765,526 to the value of infrastructure assets per 1% movement in the value over the life of the Plan.

9.0 Assumptions, Risks, Uncertainties and Sensitivity (Continued)

9.6 Other – Assumptions, Risks, Uncertainties and Sensitivity

Disclosure/Assumption	Assessed Financial Risk	Impact of High Financial Risk Assumptions	Level of Uncertainty	Financial Impact and Sensitivity for Assumption with High Level of Uncertainty/Risk
Ownership of Strategic Assets: 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.
Inflators: Forecast inflation at 2.5% per annum.	Medium	Not assessed as high financial risk.	High	± \$5,238,838 to operating revenue per 1% movement in the inflators over the life of the Plan. ± \$6,188,424 to operating expenditure per 1% movement in the inflators over the life of the Plan.
Commercial Activities: The Shire has no plans to undertake a significant commercial activity during the period the of the Plan.	Medium	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
General Economic Forecasts for State: The economic forecast for the State is closely linked to the success of the mining industry. Demands for minerals is forecast to remain stable in the short term with a corresponding stability of the state economy.	Medium	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
General Economic Forecasts for Region: The region's economy is heavily dependent on cattle ranching and tourism. This remains the assumption for the term of this Plan.	Low	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.

10.0 Monitoring and Performance

10.1 Monitoring

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

Monitoring the Shire's financial rigidity and financial position along with its asset management performance is undertaken by preparing and monitoring various ratios contained within the Local Government Financial Indicator available at <https://www.mycouncil.wa.gov.au/>.

10.2 Ratio Targets

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

To maintain comparability across the industry, these ratios and their respective target ranges, have been derived from the Local Government Financial Indicator.

The Local Government Financial Indicator provides target levels for each of the ratios.

RATIO	CALCULATION	DEFINITIONS	OBJECTIVE AND RATIONALE
Current Ratio	Current Assets	Per Statement of Financial Position (SoFP)	The Current Ratio provides insights to the ability of a local government to meet its short-term financial obligations out of unrestricted current assets. Benchmark is 1.
	Current Liabilities	Per Statement of Financial Position (SoFP)	
Debt Service Coverage Ratio	Adjusted Operating Surplus with Exclusions	<p>[Adjusted Operating Revenue (1) = Operating Revenues plus Federal Assistance Grants adjustment (see below)]</p> <p>Less</p> <p>[Adjusted Operating Expenses = Operating Expenses less</p> <p>(i) Depreciation Expense</p> <p>(ii) Interest Expense]</p>	The Debt Service Coverage ratio is the measurement of a local government's ability to repay its debt including lease payments. Benchmark is 2.
	Debt Service Costs	[Debt Service Costs = Includes principal repayments (excluding refinancing loans) and Interest, including lease interest and repayments]	
Operating Surplus Ratio	Adjusted Operating Surplus	<p>[Adjusted Operating Revenue (2) = Adjusted Operating Revenue (1) plus non-operating grants/contributions for asset renewal]</p> <p>Less</p> <p>[Operating Expenses = Sum of</p> <p>(i) employee costs,</p> <p>(ii) materials & contracts,</p> <p>(iii) depreciation on non-current assets,</p> <p>(iv) insurance</p> <p>(v) utility charges</p> <p>(vi) interest expense (to be amended to finance costs) and other expenditure]</p>	<p>The Operating Surplus Ratio is a measure of a local government's ability to cover its operational costs and generate funds available for capital funding or other purposes. Benchmark is 0.</p> <p>Note: To achieve the benchmark the local government needs to raise enough revenue to cover depreciation.</p>
	Adjusted Operating Revenue	<p>Adjusted Operating Revenue (1)</p> <p>Operating Revenue</p> <p>Less: Federal Assistance Grants Current Year Early Payment</p> <p>Plus: Federal Assistance Grants Prior Year Early Payment</p> <p>Plus: Non-operating Grants/ contributions for asset renewal</p>	

10.0 Monitoring and Performance (Continued)

RATIO	CALCULATION	DEFINITIONS	OBJECTIVE AND RATIONALE
Net Financial Liabilities	Net Financial Liabilities	<p>[Total Liabilities = Per SoFP less liabilities for equity-accounted investments but including amounts in advance and Lease Liabilities]</p> <p>Less</p> <p>[Financial Assets = Sum of:</p> <ul style="list-style-type: none"> (i) current cash & cash equivalents, (ii) current trade & other receivables, (iii) current other financial assets, (iv) non-current trade & other receivables and (v) non-current financial assets] 	<p>The Net Financial Liabilities Ratio contrasts the level of debt of a local government to its operating revenue.</p> <p>Benchmark is 0.3</p> <p>Note: Unlike all the other ratios the lower the Net Financial Liabilities ratio the better</p>
	Adjusted Operating Revenue (1)	<p>[Operating Revenues = Sum of</p> <ul style="list-style-type: none"> (vi) rates, (vii) service charges (viii) grants, subsidies and contributions (ix) fees and charges (x) interest and earnings and (xi) other revenue] <p>Plus</p> <p>[Federal Assistance Grants adjustment = Prior year Federal Assistance Grant less current year advance]</p> 	

Appendix A1 Forecast Financial Statements

Financial Statements

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

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

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

Statements of Comprehensive Income

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

Statement of Financial Position

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

Statement of Changes in Equity

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

Statement of Cashflows

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

Statement of Financial Activity

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

Statement of Net Current Asset Composition

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

Statement of Fixed Asset Movements

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

Statement of Capital Funding

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

Forecast Ratios

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

Nature or Type

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

Appendix A2 Forecast Statement of Comprehensive Income 2026 – 2041

	2022/23	2023/24	2024/25	Base 2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	2036/7	2037/38	2038/39	2039/40	2040/41
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$									
Revenues																			
Rates	8,668,941	9,116,320	9,516,217	10,125,245	10,530,255	10,951,464	11,389,522	11,845,103	12,318,907	12,811,663	13,324,130	13,857,096	14,411,380	14,987,835	15,587,348	16,210,843	16,859,277	17,533,649	18,234,995
Grants, subsidies and contributions	11,260,515	14,376,356	13,116,716	11,186,046	9,833,684	10,079,527	10,331,516	10,589,803	10,854,549	11,125,913	11,404,060	11,689,163	11,981,393	12,280,928	12,587,952	12,902,650	13,225,215	13,555,845	13,894,741
Fees and charges	5,788,836	6,127,002	5,795,310	4,355,293	4,485,952	4,620,534	4,759,150	4,901,925	5,048,980	5,200,451	5,356,466	5,517,159	5,682,675	5,853,155	6,028,751	6,209,613	6,395,902	6,587,775	6,785,407
Interest revenue	249,316	255,634	186,605	165,240	130,709	151,006	159,663	186,542	223,822	139,638	187,255	244,810	311,223	387,119	473,161	368,195	482,574	609,454	749,654
Other revenue	1,271,219	1,869,985	2,071,277	2,636,240	2,702,146	2,769,698	2,838,941	2,909,916	2,982,665	3,057,232	3,133,663	3,212,005	3,292,306	3,374,612	3,458,976	3,545,451	3,634,087	3,724,941	3,818,063
	27,238,827	31,745,297	30,686,125	28,468,064	27,682,746	28,572,229	29,478,792	30,433,289	31,428,923	32,334,897	33,405,574	34,520,233	35,678,977	36,883,649	38,136,188	39,236,752	40,597,055	42,011,664	43,482,860
Expenses																			
Employee costs	(10,052,651)	(13,975,600)	(14,155,053)	(10,885,727)	(10,657,871)	(10,924,317)	(11,197,425)	(11,477,362)	(11,764,298)	(12,058,407)	(12,359,864)	(12,668,861)	(12,985,584)	(13,310,225)	(13,642,981)	(13,984,058)	(14,333,662)	(14,692,004)	(15,059,306)
Materials and contracts	(10,342,414)	(24,223,701)	(15,190,715)	(12,604,545)	(12,004,162)	(12,304,269)	(12,611,878)	(12,927,185)	(13,250,370)	(13,581,631)	(13,921,180)	(14,269,216)	(14,625,952)	(14,991,604)	(15,366,386)	(15,750,539)	(16,144,303)	(16,547,918)	(16,961,618)
Utility charges	(823,784)	(1,069,245)	(748,507)	(883,650)	(905,752)	(928,398)	(951,606)	(975,395)	(999,781)	(1,024,775)	(1,050,396)	(1,076,660)	(1,103,576)	(1,131,167)	(1,159,443)	(1,188,431)	(1,218,148)	(1,248,599)	(1,279,811)
Depreciation	(7,764,982)	(7,972,106)	(7,377,254)	(8,029,276)	(8,022,826)	(8,663,506)	(9,397,614)	(10,093,108)	(10,345,656)	(10,604,299)	(10,869,406)	(11,141,141)	(11,419,670)	(11,705,161)	(11,998,399)	(12,298,359)	(12,605,818)	(12,920,964)	(13,243,987)
Finance costs	(368,364)	(419,062)	(193,959)	(331,226)	(202,764)	(176,425)	(151,345)	(126,228)	(104,106)	(173,966)	(148,178)	(123,564)	(97,829)	(70,926)	(47,729)	(38,499)	(28,848)	(18,759)	(8,210)
Insurance	(1,444,271)	(1,335,474)	(1,237,631)	(856,069)	(876,348)	(898,257)	(920,718)	(943,736)	(967,331)	(991,513)	(1,016,300)	(1,041,709)	(1,067,751)	(1,094,442)	(1,121,801)	(1,149,848)	(1,178,592)	(1,208,060)	(1,238,262)
Other expenditure	(446,625)	(846,723)	(1,180,247)	(743,405)	(761,992)	(781,044)	(800,569)	(820,585)	(841,100)	(862,128)	(883,682)	(905,775)	(928,420)	(951,632)	(975,422)	(999,806)	(1,024,803)	(1,050,423)	(1,076,685)
	(31,243,091)	(49,841,911)	(40,083,366)	(34,333,898)	(33,431,715)	(34,676,216)	(36,031,155)	(37,363,599)	(38,272,642)	(39,296,719)	(40,249,006)	(41,226,926)	(42,228,782)	(43,255,157)	(44,312,161)	(45,409,540)	(46,534,174)	(47,686,727)	(48,867,879)
	(4,004,264)	(18,096,614)	(9,397,241)	(5,865,834)	(5,748,969)	(6,103,987)	(6,552,363)	(6,930,310)	(6,843,719)	(6,961,822)	(6,843,432)	(6,706,693)	(6,549,805)	(6,371,508)	(6,175,973)	(6,172,788)	(5,937,119)	(5,675,063)	(5,385,019)
Capital grants, subsidies and contributions	10,217,670	15,346,711	6,575,119	14,858,333	53,071,730	16,855,523	21,834,736	16,230,605	2,185,550	2,240,189	2,296,194	2,353,597	2,412,437	2,472,749	2,534,567	2,597,932	2,662,880	2,729,452	2,797,688
Loss on revaluation	(164,984)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Profit on asset disposals	68,800	18,342	161,136	24,055	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loss on asset disposal	0	(665,474)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NET RESULT	6,117,222	(3,397,035)	(2,660,986)	9,016,554	47,322,761	10,751,536	15,282,373	9,300,295	(4,658,169)	(4,721,633)	(4,547,238)	(4,353,096)	(4,137,368)	(3,898,759)	(3,641,406)	(3,574,856)	(3,274,239)	(2,945,611)	(2,587,331)
Other comprehensive income	16,720,901	(3,389,567)	0	0	9,068,628	10,442,530	10,948,525	11,569,523	12,225,188	12,357,028	12,487,826	12,617,437	12,745,725	12,872,540	13,210,546	13,339,257	13,466,144	13,591,042	13,713,765
TOTAL COMPREHENSIVE INCOME	22,838,123	(6,786,602)	(2,660,986)	9,016,554	56,391,389	21,194,066	26,230,898	20,869,818	7,567,019	7,635,395	7,940,588	8,264,341	8,608,357	8,973,781	9,569,140	9,764,401	10,191,905	10,645,431	11,126,434

Appendix A3 Forecast Statement of Financial Position 2026 – 2041

	30 June 2023	30 June 2024	30 June 2025	Base 30 June 2026	30 June 2027	30 June 2028	30 June 2029	30 June 2030	30 June 2031	30 June 2032	30 June 2033	30 June 2034	30 June 2035	30 June 2036	30 June 2037	30 June 2038	30 June 2039	30 June 2040	30 June 2041
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$									
CURRENT ASSETS																			
Unrestricted cash and cash equivalents	10,843,886	7,895,069	4,868,635	1,228,366	2,040,221	2,386,525	3,461,673	4,952,883	1,585,528	3,490,211	5,792,413	8,448,902	11,484,764	14,926,442	10,727,782	15,302,956	20,378,149	25,986,159	32,161,535
Restricted cash and cash equivalent	975,801	975,801	975,801	975,801	975,801	975,801	975,801	975,801	975,801	975,801	975,801	975,801	975,801	975,801	975,801	975,801	975,801	975,801	975,801
Trade and other receivables	2,207,236	3,585,642	3,329,576	3,329,576	3,329,576	3,329,576	3,329,576	3,329,576	3,329,576	3,329,576	3,329,576	3,329,576	3,329,576	3,329,576	3,329,576	3,329,576	3,329,576	3,329,576	3,329,576
Inventories	50,780	26,222	65,091	65,091	65,091	65,091	65,091	65,091	65,091	65,091	65,091	65,091	65,091	65,091	65,091	65,091	65,091	65,091	65,091
Other assets	313,412	57,207	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL CURRENT ASSETS	14,391,115	12,539,941	9,239,103	5,598,834	6,410,689	6,756,993	7,832,141	9,323,351	5,955,996	7,860,679	10,162,881	12,819,370	15,855,232	19,296,910	15,098,250	19,673,424	24,748,617	30,356,627	36,532,003
NON-CURRENT ASSETS																			
Other receivables	118,798	124,147	124,147	124,147	124,147	124,147	124,147	124,147	124,147	124,147	124,147	124,147	124,147	124,147	124,147	124,147	124,147	124,147	124,147
Property plant and equipment	47,313,725	48,148,506	48,193,942	47,917,540	60,214,925	72,661,501	85,246,087	98,066,951	97,027,392	95,877,196	94,611,482	93,225,192	91,713,088	90,069,745	88,289,548	86,366,682	84,295,124	82,068,643	79,680,787
Infrastructure	304,315,196	307,458,558	306,434,209	316,290,454	358,880,601	366,603,322	378,517,115	384,501,699	398,072,584	404,369,734	410,732,949	417,161,592	423,654,958	430,212,268	445,557,426	452,457,450	459,424,000	466,456,093	473,552,648
TOTAL NON-CURRENT ASSETS	351,747,719	355,731,211	354,752,298	364,332,141	419,219,673	439,388,970	463,887,349	482,692,797	495,224,123	500,371,077	505,468,578	510,510,931	515,492,193	520,406,160	533,971,121	538,948,279	543,843,271	548,648,883	553,357,582
TOTAL ASSETS	366,138,834	368,271,152	363,991,401	369,930,975	425,630,362	446,145,963	471,719,490	492,016,148	501,180,119	508,231,756	515,631,459	523,330,301	531,347,425	539,703,070	549,069,371	558,621,703	568,591,888	579,005,510	589,889,585
CURRENT LIABILITIES																			
Trade and other payables	4,993,032	5,740,736	4,481,300	4,481,300	4,481,300	4,481,300	4,481,300	4,481,300	4,481,300	4,481,300	4,481,300	4,481,300	4,481,300	4,481,300	4,481,300	4,481,300	4,481,300	4,481,300	4,481,300
Other liabilities	1,192,405	947,063	1,182,955	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Current portion of long-term liabilities	237,288	5,539,077	1,987,273	692,002	678,465	657,371	573,160	403,048	583,758	540,885	565,499	591,233	618,136	202,839	212,069	221,720	231,809	242,359	0
Employee provisions	963,120	955,938	955,938	955,938	955,938	955,938	955,938	955,938	955,938	955,938	955,938	955,938	955,938	955,938	955,938	955,938	955,938	955,938	955,938
Other provisions	56,144	56,144	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL CURRENT LIABILITIES	7,441,989	13,238,958	8,607,466	6,129,240	6,115,703	6,094,609	6,010,398	5,840,286	6,020,996	5,978,123	6,002,737	6,028,471	6,055,374	5,640,077	5,649,307	5,658,958	5,669,047	5,679,597	5,437,238
NON-CURRENT LIABILITIES																			
Long-term borrowings	2,447,455	1,908,378	4,921,105	4,322,351	3,643,886	2,986,515	2,413,355	2,010,307	3,426,549	2,885,664	2,320,165	1,728,932	1,110,796	907,957	695,888	474,168	242,359	0	0
Employee provisions	97,550	129,936	9,291,956	9,291,956	9,291,956	9,291,956	9,291,956	9,291,956	9,291,956	9,291,956	9,291,956	9,291,956	9,291,956	9,291,956	9,291,956	9,291,956	9,291,956	9,291,956	9,291,956
Other provisions	5,533,378	9,162,020	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL NON-CURRENT LIABILITIES	8,078,383	11,200,334	14,213,061	13,614,307	12,935,842	12,278,471	11,705,311	11,302,263	12,718,505	12,177,620	11,612,121	11,020,888	10,402,752	10,199,913	9,987,844	9,766,124	9,534,315	9,291,956	9,291,956
TOTAL LIABILITIES	15,520,372	24,439,292	22,820,527	19,743,547	19,051,545	18,373,080	17,715,709	17,142,549	18,739,501	18,155,743	17,614,858	17,049,359	16,458,126	15,839,990	15,637,151	15,425,082	15,203,362	14,971,553	14,729,194
NET ASSETS	350,618,462	343,831,860	341,170,874	350,187,428	406,578,817	427,772,883	454,003,781	474,873,599	482,440,618	490,076,013	498,016,601	506,280,942	514,889,299	523,863,080	533,432,220	543,196,621	553,388,526	564,033,957	575,160,391
EQUITY																			
Retained surplus	66,807,204	63,410,169	60,749,183	69,624,004	116,134,910	126,540,142	140,747,367	148,556,452	147,265,638	140,639,322	133,789,882	126,780,297	119,607,067	112,266,630	112,823,884	104,673,854	96,324,422	87,770,801	79,008,094
Reserves - cash backed	975,801	975,801	975,801	1,117,534	1,929,389	2,275,693	3,350,841	4,842,051	1,474,696	3,379,379	5,681,581	8,338,070	11,373,932	14,815,610	10,616,950	15,192,124	20,267,317	25,875,327	32,050,703
Asset revaluation surplus	282,835,457	279,445,890	279,445,890	279,445,890	288,514,518	298,957,048	309,905,573	321,475,096	333,700,284	346,057,312	358,545,138	371,162,575	383,908,300	396,780,840	409,991,386	423,330,643	436,796,787	450,387,829	464,101,594
TOTAL EQUITY	350,618,462	343,831,860	341,170,874	350,187,428	406,578,817	427,772,883	454,003,781	474,873,599	482,440,618	490,076,013	498,016,601	506,280,942	514,889,299	523,863,080	533,432,220	543,196,621	553,388,526	564,033,957	575,160,391

Appendix A4 Forecast Statement of Changes in Equity 2026 – 2041

	30 June 2023	30 June 2024	30 June 2025	Base 30 June 2026	30 June 27	30 June 28	30 June 29	30 June 30	30 June 31	30 June 32	30 June 33	30 June 34	30 June 35	30 June 36	30 June 37	30 June 38	30 June 39	30 June 40	30 June 41
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
RETAINED SURPLUS																			
Opening balance	60,689,982	66,807,204	63,410,169	60,749,183	69,624,004	116,134,910	126,540,142	140,747,367	148,556,452	147,265,638	140,639,322	133,789,882	126,780,297	119,607,067	112,266,630	112,823,884	104,673,854	96,324,422	87,770,801
Net result	6,117,222	(3,397,035)	(2,660,986)	9,016,554	47,322,761	10,751,536	15,282,373	9,300,295	(4,658,169)	(4,721,633)	(4,547,238)	(4,353,096)	(4,137,368)	(3,898,759)	(3,641,406)	(3,574,856)	(3,274,239)	(2,945,611)	(2,587,331)
Amount transferred (to)/from reserves	0	0	0	(141,733)	(811,855)	(346,304)	(1,075,148)	(1,491,210)	3,367,355	(1,904,683)	(2,302,202)	(2,656,489)	(3,035,862)	(3,441,678)	4,198,660	(4,575,174)	(5,075,193)	(5,608,010)	(6,175,376)
Closing balance	66,807,204	63,410,169	60,749,183	69,624,004	116,134,910	126,540,142	140,747,367	148,556,452	147,265,638	140,639,322	133,789,882	126,780,297	119,607,067	112,266,630	112,823,884	104,673,854	96,324,422	87,770,801	79,008,094
RESERVES ACCOUNTS																			
Opening balance	975,801	975,801	975,801	975,801	1,117,534	1,929,389	2,275,693	3,350,841	4,842,051	1,474,696	3,379,379	5,681,581	8,338,070	11,373,932	14,815,610	10,616,950	15,192,124	20,267,317	25,875,327
Amount transferred to/(from) retained surplus	0	0	0	141,733	811,855	346,304	1,075,148	1,491,210	(3,367,355)	1,904,683	2,302,202	2,656,489	3,035,862	3,441,678	(4,198,660)	4,575,174	5,075,193	5,608,010	6,175,376
Closing balance	975,801	975,801	975,801	1,117,534	1,929,389	2,275,693	3,350,841	4,842,051	1,474,696	3,379,379	5,681,581	8,338,070	11,373,932	14,815,610	10,616,950	15,192,124	20,267,317	25,875,327	32,050,703
ASSET REVALUATION SURPLUS																			
Opening balance	266,114,556	282,835,457	279,445,890	279,445,890	279,445,890	288,514,518	298,957,048	309,905,573	321,475,096	333,700,284	346,057,312	358,545,138	371,162,575	383,908,300	396,780,840	409,991,386	423,330,643	436,796,787	450,387,829
Total other comprehensive income	16,720,901	(3,389,567)	0	0	9,068,628	10,442,530	10,948,525	11,569,523	12,225,188	12,357,028	12,487,826	12,617,437	12,745,725	12,872,540	13,210,546	13,339,257	13,466,144	13,591,042	13,713,765
Closing balance	282,835,457	279,445,890	279,445,890	279,445,890	288,514,518	298,957,048	309,905,573	321,475,096	333,700,284	346,057,312	358,545,138	371,162,575	383,908,300	396,780,840	409,991,386	423,330,643	436,796,787	450,387,829	464,101,594
TOTAL EQUITY	350,618,462	343,831,860	341,170,874	350,187,428	406,578,817	427,772,883	454,003,781	474,873,599	482,440,618	490,076,013	498,016,601	506,280,942	514,889,299	523,863,080	533,432,220	543,196,621	553,388,526	564,033,957	575,160,391

Appendix A5 Forecast Statement of Cashflows 2026 – 2041

	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	2036/7	2037/38	2038/39	2039/40	2040/41
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cash flows from operating activities															
Receipts															
Rates	10,530,255	10,951,464	11,389,522	11,845,103	12,318,907	12,811,663	13,324,130	13,857,096	14,411,380	14,987,835	15,587,348	16,210,843	16,859,277	17,533,649	18,234,995
Grants, subsidies and contributions	9,833,684	10,079,527	10,331,516	10,589,803	10,854,549	11,125,913	11,404,060	11,689,163	11,981,393	12,280,928	12,587,952	12,902,650	13,225,215	13,555,845	13,894,741
Fees and charges	4,485,952	4,620,534	4,759,150	4,901,925	5,048,980	5,200,451	5,356,466	5,517,159	5,682,675	5,853,155	6,028,751	6,209,613	6,395,902	6,587,775	6,785,407
Interest revenue	130,709	151,006	159,663	186,542	223,822	139,638	187,255	244,810	311,223	387,119	473,161	368,195	482,574	609,454	749,654
Other revenue	2,702,146	2,769,698	2,838,941	2,909,916	2,982,665	3,057,232	3,133,663	3,212,005	3,292,306	3,374,612	3,458,976	3,545,451	3,634,087	3,724,941	3,818,063
	27,682,746	28,572,229	29,478,792	30,433,289	31,428,923	32,334,897	33,405,574	34,520,233	35,678,977	36,883,649	38,136,188	39,236,752	40,597,055	42,011,664	43,482,860
Payments															
Employee costs	(10,657,871)	(10,924,317)	(11,197,425)	(11,477,362)	(11,764,298)	(12,058,407)	(12,359,864)	(12,668,861)	(12,985,584)	(13,310,225)	(13,642,981)	(13,984,058)	(14,333,662)	(14,692,004)	(15,059,306)
Materials and contracts	(12,004,162)	(12,304,269)	(12,611,878)	(12,927,185)	(13,250,370)	(13,581,631)	(13,921,180)	(14,269,216)	(14,625,952)	(14,991,604)	(15,366,386)	(15,750,539)	(16,144,303)	(16,547,918)	(16,961,618)
Utility charges	(905,752)	(928,398)	(951,606)	(975,395)	(999,781)	(1,024,775)	(1,050,396)	(1,076,660)	(1,103,576)	(1,131,167)	(1,159,443)	(1,188,431)	(1,218,148)	(1,248,599)	(1,279,811)
Finance costs	(202,764)	(176,425)	(151,345)	(126,228)	(104,106)	(173,966)	(148,178)	(123,564)	(97,829)	(70,926)	(47,729)	(38,499)	(28,848)	(18,759)	(8,210)
Insurance	(876,348)	(898,257)	(920,718)	(943,736)	(967,331)	(991,513)	(1,016,300)	(1,041,709)	(1,067,751)	(1,094,442)	(1,121,801)	(1,149,848)	(1,178,592)	(1,208,060)	(1,238,262)
Other expenditure	(761,992)	(781,044)	(800,569)	(820,585)	(841,100)	(862,128)	(883,682)	(905,775)	(928,420)	(951,632)	(975,422)	(999,806)	(1,024,803)	(1,050,423)	(1,076,685)
	(25,408,889)	(26,012,710)	(26,633,541)	(27,270,491)	(27,926,986)	(28,692,420)	(29,379,600)	(30,085,785)	(30,809,112)	(31,549,996)	(32,313,762)	(33,111,181)	(33,928,356)	(34,765,763)	(35,623,892)
Net cash provided by (used in) operating activities	2,273,857	2,559,519	2,845,251	3,162,798	3,501,937	3,642,477	4,025,974	4,434,448	4,869,865	5,333,653	5,822,426	6,125,571	6,668,699	7,245,901	7,858,968
Cash flows from investing activities															
Payments for purchase of property, plant & equipment	(13,591,730)	(13,931,523)	(14,279,812)	(14,744,495)	(662,287)	(678,845)	(695,816)	(713,212)	(731,041)	(749,317)	(768,050)	(787,252)	(806,933)	(827,107)	(847,784)
Payments for construction of infrastructure	(40,250,000)	(4,458,750)	(8,667,656)	(2,584,538)	(9,989,507)	(2,715,380)	(2,783,265)	(2,852,845)	(2,924,166)	(2,997,271)	(11,584,764)	(3,149,008)	(3,227,733)	(3,308,427)	(3,391,137)
Proceeds from capital grants, subsidies and contributions	53,071,730	16,855,523	21,834,736	16,230,605	2,185,550	2,240,189	2,296,194	2,353,597	2,412,437	2,472,749	2,534,567	2,597,932	2,662,880	2,729,452	2,797,688
Net cash provided by (used in) investing activities	(770,000)	(1,534,750)	(1,112,732)	(1,098,428)	(8,466,244)	(1,154,036)	(1,182,887)	(1,212,460)	(1,242,770)	(1,273,839)	(9,818,247)	(1,338,328)	(1,371,786)	(1,406,082)	(1,441,233)
Cash flows from financing activities															
Repayment of debentures	(692,002)	(678,465)	(657,371)	(573,160)	(403,048)	(583,758)	(540,885)	(565,499)	(591,233)	(618,136)	(202,839)	(212,069)	(221,720)	(231,809)	(242,359)
Proceeds from new debentures	0	0	0	0	2,000,000	0	0	0	0	0	0	0	0	0	0
Net cash provided by (used in) financing activities	(692,002)	(678,465)	(657,371)	(573,160)	1,596,952	(583,758)	(540,885)	(565,499)	(591,233)	(618,136)	(202,839)	(212,069)	(221,720)	(231,809)	(242,359)
Net increase (decrease) in cash held	811,855	346,304	1,075,148	1,491,210	(3,367,355)	1,904,683	2,302,202	2,656,489	3,035,862	3,441,678	(4,198,660)	4,575,174	5,075,193	5,608,010	6,175,376
Cash at beginning of year	1,228,366	2,040,221	2,386,525	3,461,673	4,952,883	1,585,528	3,490,211	5,792,413	8,448,902	11,484,764	14,926,442	10,727,782	15,302,956	20,378,149	25,986,159
Cash and cash equivalents at the end of year	2,040,221	2,386,525	3,461,673	4,952,883	1,585,528	3,490,211	5,792,413	8,448,902	11,484,764	14,926,442	10,727,782	15,302,956	20,378,149	25,986,159	32,161,535

Appendix A6 Forecast Statement of Financial Activity 2026 – 2041

	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	2036/7	2037/38	2038/39	2039/40	2040/41
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
FUNDING FROM OPERATIONAL ACTIVITIES															
Revenues															
Rates	10,530,255	10,951,464	11,389,522	11,845,103	12,318,907	12,811,663	13,324,130	13,857,096	14,411,380	14,987,835	15,587,348	16,210,843	16,859,277	17,533,649	18,234,995
Grants, subsidies and contributions	9,833,684	10,079,527	10,331,516	10,589,803	10,854,549	11,125,913	11,404,060	11,689,163	11,981,393	12,280,928	12,587,952	12,902,650	13,225,215	13,555,845	13,894,741
Fees and charges	4,485,952	4,620,534	4,759,150	4,901,925	5,048,980	5,200,451	5,356,466	5,517,159	5,682,675	5,853,155	6,028,751	6,209,613	6,395,902	6,587,775	6,785,407
Interest revenue	130,709	151,006	159,663	186,542	223,822	139,638	187,255	244,810	311,223	387,119	473,161	368,195	482,574	609,454	749,654
Other revenue	2,702,146	2,769,698	2,838,941	2,909,916	2,982,665	3,057,232	3,133,663	3,212,005	3,292,306	3,374,612	3,458,976	3,545,451	3,634,087	3,724,941	3,818,063
	27,682,746	28,572,229	29,478,792	30,433,289	31,428,923	32,334,897	33,405,574	34,520,233	35,678,977	36,883,649	38,136,188	39,236,752	40,597,055	42,011,664	43,482,860
Expenses															
Employee costs	(10,657,871)	(10,924,317)	(11,197,425)	(11,477,362)	(11,764,298)	(12,058,407)	(12,359,864)	(12,668,861)	(12,985,584)	(13,310,225)	(13,642,981)	(13,984,058)	(14,333,662)	(14,692,004)	(15,059,306)
Materials and contracts	(12,004,162)	(12,304,269)	(12,611,878)	(12,927,185)	(13,250,370)	(13,581,631)	(13,921,180)	(14,269,216)	(14,625,952)	(14,991,604)	(15,366,386)	(15,750,539)	(16,144,303)	(16,547,918)	(16,961,618)
Utility charges (electricity, gas, water etc.)	(905,752)	(928,398)	(951,606)	(975,395)	(999,781)	(1,024,775)	(1,050,396)	(1,076,660)	(1,103,576)	(1,131,167)	(1,159,443)	(1,188,431)	(1,218,148)	(1,248,599)	(1,279,811)
Depreciation	(8,022,826)	(8,663,506)	(9,397,614)	(10,093,108)	(10,345,656)	(10,604,299)	(10,869,406)	(11,141,141)	(11,419,670)	(11,705,161)	(11,998,399)	(12,298,359)	(12,605,818)	(12,920,964)	(13,243,987)
Finance costs	(202,764)	(176,425)	(151,345)	(126,228)	(104,106)	(173,966)	(148,178)	(123,564)	(97,829)	(70,926)	(47,729)	(38,499)	(28,848)	(18,759)	(8,210)
Insurance	(876,348)	(898,257)	(920,718)	(943,736)	(967,331)	(991,513)	(1,016,300)	(1,041,709)	(1,067,751)	(1,094,442)	(1,121,801)	(1,149,848)	(1,178,592)	(1,208,060)	(1,238,262)
Other expenditure	(761,992)	(781,044)	(800,569)	(820,585)	(841,100)	(862,128)	(883,682)	(905,775)	(928,420)	(951,632)	(975,422)	(999,806)	(1,024,803)	(1,050,423)	(1,076,685)
	(33,431,715)	(34,676,216)	(36,031,155)	(37,363,599)	(38,272,642)	(39,296,719)	(40,249,006)	(41,226,926)	(42,228,782)	(43,255,157)	(44,312,161)	(45,409,540)	(46,534,174)	(47,686,727)	(48,867,879)
	(5,748,969)	(6,103,987)	(6,552,363)	(6,930,310)	(6,843,719)	(6,961,822)	(6,843,432)	(6,706,693)	(6,549,805)	(6,371,508)	(6,175,973)	(6,172,788)	(5,937,119)	(5,675,063)	(5,385,019)
Funding position adjustments															
Depreciation	8,022,826	8,663,506	9,397,614	10,093,108	10,345,656	10,604,299	10,869,406	11,141,141	11,419,670	11,705,161	11,998,399	12,298,359	12,605,818	12,920,964	13,243,987
Net funding from operational activities	2,273,857	2,559,519	2,845,251	3,162,798	3,501,937	3,642,477	4,025,974	4,434,448	4,869,865	5,333,653	5,822,426	6,125,571	6,668,699	7,245,901	7,858,968
FUNDING FROM CAPITAL ACTIVITIES															
Inflows															
Capital grants, subsidies and contributions	53,071,730	16,855,523	21,834,736	16,230,605	2,185,550	2,240,189	2,296,194	2,353,597	2,412,437	2,472,749	2,534,567	2,597,932	2,662,880	2,729,452	2,797,688
Outflows															
Purchase of property plant and equipment	(13,591,730)	(13,931,523)	(14,279,812)	(14,744,495)	(662,287)	(678,845)	(695,816)	(713,212)	(731,041)	(749,317)	(768,050)	(787,252)	(806,933)	(827,107)	(847,784)
Purchase of infrastructure	(40,250,000)	(4,458,750)	(8,667,656)	(2,584,538)	(9,989,507)	(2,715,380)	(2,783,265)	(2,852,845)	(2,924,166)	(2,997,271)	(11,584,764)	(3,149,008)	(3,227,733)	(3,308,427)	(3,391,137)
Net funding from capital activities	(770,000)	(1,534,750)	(1,112,732)	(1,098,428)	(8,466,244)	(1,154,036)	(1,182,887)	(1,212,460)	(1,242,770)	(1,273,839)	(9,818,247)	(1,338,328)	(1,371,786)	(1,406,082)	(1,441,233)
FUNDING FROM FINANCING ACTIVITIES															
Inflows															
Transfer from reserves	0	600,000	300,000	0	4,000,000	0	0	0	0	0	6,000,000	0	0	0	0
New borrowings	0	0	0	0	2,000,000	0	0	0	0	0	0	0	0	0	0
Outflows															
Transfer to reserves	(811,855)	(946,304)	(1,375,148)	(1,491,210)	(632,645)	(1,904,683)	(2,302,202)	(2,656,489)	(3,035,862)	(3,441,678)	(1,801,340)	(4,575,174)	(5,075,193)	(5,608,010)	(6,175,376)
Repayment of past borrowings	(692,002)	(678,465)	(657,371)	(573,160)	(403,048)	(583,758)	(540,885)	(565,499)	(591,233)	(618,136)	(202,839)	(212,069)	(221,720)	(231,809)	(242,359)
Net funding from financing activities	(1,503,857)	(1,024,769)	(1,732,519)	(2,064,370)	4,964,307	(2,488,441)	(2,843,087)	(3,221,988)	(3,627,095)	(4,059,814)	3,995,821	(4,787,243)	(5,296,913)	(5,839,819)	(6,417,735)
Estimated surplus/deficit July 1 B/Fwd	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Estimated surplus/deficit June 30 C/Fwd	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Appendix A7 Forecast Statement of Net Current Asset Composition 2026 – 2041

	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	2036/7	2037/38	2038/39	2039/40	2040/41
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Estimated surplus/deficit July 1 B/Fwd	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
CURRENT ASSETS															
Cash and equivalents	2,040,221	2,386,525	3,461,673	4,952,883	1,585,528	3,490,211	5,792,413	8,448,902	11,484,764	14,926,442	10,727,782	15,302,956	20,378,149	25,986,159	32,161,535
Financial assets	975,801	975,801	975,801	975,801	975,801	975,801	975,801	975,801	975,801	975,801	975,801	975,801	975,801	975,801	975,801
Trade and other receivables	3,329,576	3,329,576	3,329,576	3,329,576	3,329,576	3,329,576	3,329,576	3,329,576	3,329,576	3,329,576	3,329,576	3,329,576	3,329,576	3,329,576	3,329,576
Inventories	65,091	65,091	65,091	65,091	65,091	65,091	65,091	65,091	65,091	65,091	65,091	65,091	65,091	65,091	65,091
CURRENT LIABILITIES															
Trade and other payables	(4,481,300)	(4,481,300)	(4,481,300)	(4,481,300)	(4,481,300)	(4,481,300)	(4,481,300)	(4,481,300)	(4,481,300)	(4,481,300)	(4,481,300)	(4,481,300)	(4,481,300)	(4,481,300)	(4,481,300)
Current portion of long-term borrowings	(678,465)	(657,371)	(573,160)	(403,048)	(583,758)	(540,885)	(565,499)	(591,233)	(618,136)	(202,839)	(212,069)	(221,720)	(231,809)	(242,359)	0
Employee provisions	(955,938)	(955,938)	(955,938)	(955,938)	(955,938)	(955,938)	(955,938)	(955,938)	(955,938)	(955,938)	(955,938)	(955,938)	(955,938)	(955,938)	(955,938)
ADJUSTMENTS TO NET CURRENT ASSETS															
Reserve accounts	(1,929,389)	(2,275,693)	(3,350,841)	(4,842,051)	(1,474,696)	(3,379,379)	(5,681,581)	(8,338,070)	(11,373,932)	(14,815,610)	(10,616,950)	(15,192,124)	(20,267,317)	(25,875,327)	(32,050,703)
Add: current long-term borrowings	(678,465)	(657,371)	(573,160)	(403,048)	(583,758)	(540,885)	(565,499)	(591,233)	(618,136)	(202,839)	(212,069)	(221,720)	(231,809)	(242,359)	0
Add: non-cash backed current Leave liability not paid	(955,938)	(955,938)	(955,938)	(955,938)	(955,938)	(955,938)	(955,938)	(955,938)	(955,938)	(955,938)	(955,938)	(955,938)	(955,938)	(955,938)	(955,938)
Estimated surplus/deficit June 30 C/Fwd	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Appendix A8 Forecast Statement of Fixed Asset Movements 2026 – 2041

	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	2036/7	2037/38	2038/39	2039/40	2040/41
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
CAPITAL WORKS - INFRASTRUCTURE															
Infrastructure - roads	10,250,000	2,306,250	2,363,906	2,423,004	2,483,579	2,545,669	2,609,311	2,674,542	2,741,406	2,809,942	2,880,190	2,952,195	3,026,000	3,101,650	3,179,191
Infrastructure - parks and ovals	0	0	0	53,845	55,191	56,570	57,985	59,434	60,920	62,443	64,004	65,604	67,244	68,926	70,649
Infrastructure - airports	30,000,000	2,152,500	0	0	0	0	0	0	0	0	0	0	0	0	0
Infrastructure - other	0	0	6,303,750	107,689	110,381	113,141	115,969	118,869	121,840	124,886	128,008	131,209	134,489	137,851	141,297
Infrastructure - landfill	0	0	0	0	7,340,356	0	0	0	0	0	8,512,562	0	0	0	0
Total capital works - infrastructure	40,250,000	4,458,750	8,667,656	2,584,538	9,989,507	2,715,380	2,783,265	2,852,845	2,924,166	2,997,271	11,584,764	3,149,008	3,227,733	3,308,427	3,391,137
Represented by:															
Additions - assets at no cost	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Additions - expansion, upgrades and new	38,000,000	2,152,500	6,303,750	0	0	0	0	0	0	0	0	0	0	0	0
Additions - renewal	2,250,000	2,306,250	2,363,906	2,584,538	9,989,507	2,715,380	2,783,265	2,852,845	2,924,166	2,997,271	11,584,764	3,149,008	3,227,733	3,308,427	3,391,137
Total Capital Works - Infrastructure	40,250,000	4,458,750	8,667,656	2,584,538	9,989,507	2,715,380	2,783,265	2,852,845	2,924,166	2,997,271	11,584,764	3,149,008	3,227,733	3,308,427	3,391,137
Asset movement reconciliation															
Total capital works infrastructure	40,250,000	4,458,750	8,667,656	2,584,538	9,989,507	2,715,380	2,783,265	2,852,845	2,924,166	2,997,271	11,584,764	3,149,008	3,227,733	3,308,427	3,391,137
Depreciation infrastructure	(5,623,366)	(5,765,699)	(5,978,043)	(6,127,496)	(6,280,903)	(6,437,927)	(6,598,876)	(6,763,847)	(6,932,944)	(7,106,266)	(7,284,532)	(7,466,646)	(7,653,312)	(7,844,645)	(8,040,761)
Net book value of disposed/written off assets	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Revaluation of infrastructure assets (inflation)	7,963,513	9,029,670	9,224,180	9,527,542	9,862,281	10,019,697	10,178,826	10,339,645	10,502,144	10,666,305	11,044,926	11,217,662	11,392,129	11,568,311	11,746,179
Net movement in infrastructure assets	42,590,147	7,722,721	11,913,793	5,984,584	13,570,885	6,297,150	6,363,215	6,428,643	6,493,366	6,557,310	15,345,158	6,900,024	6,966,550	7,032,093	7,096,555
CAPITAL WORKS - PROPERTY, PLANT AND EQUIPMENT															
Buildings - non-specialised	13,091,730	13,419,023	13,754,499	14,206,050	110,381	113,141	115,969	118,869	121,840	124,886	128,008	131,209	134,489	137,851	141,297
Plant and equipment	500,000	512,500	525,313	538,445	551,906	565,704	579,847	594,343	609,201	624,431	640,042	656,043	672,444	689,256	706,487
Total capital works property, plant and equipment	13,591,730	13,931,523	14,279,812	14,744,495	662,287	678,845	695,816	713,212	731,041	749,317	768,050	787,252	806,933	827,107	847,784
Represented by:															
Additions - assets at no cost	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Additions - expansion, upgrades and new	13,091,730	13,419,023	13,754,499	14,098,361	0	0	0	0	0	0	0	0	0	0	0
Additions - renewal	500,000	512,500	525,313	646,134	662,287	678,845	695,816	713,212	731,041	749,317	768,050	787,252	806,933	827,107	847,784
Total capital works property, plant and equipment	13,591,730	13,931,523	14,279,812	14,744,495	662,287	678,845	695,816	713,212	731,041	749,317	768,050	787,252	806,933	827,107	847,784
Asset movement reconciliation															
Total capital works property, plant and equipment	13,591,730	13,931,523	14,279,812	14,744,495	662,287	678,845	695,816	713,212	731,041	749,317	768,050	787,252	806,933	827,107	847,784
Depreciation property, plant and equipment	(2,399,460)	(2,897,807)	(3,419,571)	(3,965,612)	(4,064,753)	(4,166,372)	(4,270,530)	(4,377,294)	(4,486,726)	(4,598,895)	(4,713,867)	(4,831,713)	(4,952,506)	(5,076,319)	(5,203,226)
Net book value of disposed/written off assets	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Revaluation of property, plant and equipment (inflation)	1,105,115	1,412,860	1,724,345	2,041,981	2,362,907	2,337,331	2,309,000	2,277,792	2,243,581	2,206,235	2,165,620	2,121,595	2,074,015	2,022,731	1,967,586
Net movement in property, plant and equipment	12,297,385	12,446,576	12,584,586	12,820,864	(1,039,559)	(1,150,196)	(1,265,714)	(1,386,290)	(1,512,104)	(1,643,343)	(1,780,197)	(1,922,866)	(2,071,558)	(2,226,481)	(2,387,856)
CAPITAL WORKS - TOTALS															
Capital works															
Total capital works infrastructure	40,250,000	4,458,750	8,667,656	2,584,538	9,989,507	2,715,380	2,783,265	2,852,845	2,924,166	2,997,271	11,584,764	3,149,008	3,227,733	3,308,427	3,391,137
Total capital works property, plant and equipment	13,591,730	13,931,523	14,279,812	14,744,495	662,287	678,845	695,816	713,212	731,041	749,317	768,050	787,252	806,933	827,107	847,784
Total capital works	53,841,730	18,390,273	22,947,468	17,329,033	10,651,794	3,394,225	3,479,081	3,566,057	3,655,207	3,746,588	12,352,814	3,936,260	4,034,666	4,135,534	4,238,921
Fixed asset movement															
Net movement in infrastructure assets	42,590,147	7,722,721	11,913,793	5,984,584	13,570,885	6,297,150	6,363,215	6,428,643	6,493,366	6,557,310	15,345,158	6,900,024	6,966,550	7,032,093	7,096,555
Net movement in property, plant and equipment	12,297,385	12,446,576	12,584,586	12,820,864	(1,039,559)	(1,150,196)	(1,265,714)	(1,386,290)	(1,512,104)	(1,643,343)	(1,780,197)	(1,922,866)	(2,071,558)	(2,226,481)	(2,387,856)
Net movement in fixed assets	54,887,532	20,169,297	24,498,379	18,805,448	12,531,326	5,146,954	5,097,501	5,042,353	4,981,262	4,913,967	13,564,961	4,977,158	4,894,992	4,805,612	4,708,699

Appendix A9 Forecast Statement of Capital Funding 2026 – 2041

	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	2036/7	2037/38	2038/39	2039/40	2040/41
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Capital expenditure															
Infrastructure - roads	10,250,000	2,306,250	2,363,906	2,423,004	2,483,579	2,545,669	2,609,311	2,674,542	2,741,406	2,809,942	2,880,190	2,952,195	3,026,000	3,101,650	3,179,191
Infrastructure - parks and ovals	0	0	0	53,845	55,191	56,570	57,985	59,434	60,920	62,443	64,004	65,604	67,244	68,926	70,649
Infrastructure - airports	30,000,000	2,152,500	0	0	0	0	0	0	0	0	0	0	0	0	0
Infrastructure - other	0	0	6,303,750	107,689	110,381	113,141	115,969	118,869	121,840	124,886	128,008	131,209	134,489	137,851	141,297
Infrastructure - landfill	0	0	0	0	7,340,356	0	0	0	0	0	8,512,562	0	0	0	0
Buildings - non-specialised	13,091,730	13,419,023	13,754,499	14,206,050	110,381	113,141	115,969	118,869	121,840	124,886	128,008	131,209	134,489	137,851	141,297
Plant and equipment	500,000	512,500	525,313	538,445	551,906	565,704	579,847	594,343	609,201	624,431	640,042	656,043	672,444	689,256	706,487
Total - Capital expenditure	53,841,730	18,390,273	22,947,468	17,329,033	10,651,794	3,394,225	3,479,081	3,566,057	3,655,207	3,746,588	12,352,814	3,936,260	4,034,666	4,135,534	4,238,921
Funded by:															
Capital grants & contributions															
Infrastructure - roads	9,980,000	2,029,500	2,080,237	2,132,244	2,185,550	2,240,189	2,296,194	2,353,597	2,412,437	2,472,749	2,534,567	2,597,932	2,662,880	2,729,452	2,797,688
Infrastructure - airports	30,000,000	1,407,000	0	0	0	0	0	0	0	0	0	0	0	0	0
Infrastructure - other	0	0	6,000,000	0	0	0	0	0	0	0	0	0	0	0	0
Buildings - non-specialised	13,091,730	13,419,023	13,754,499	14,098,361	0	0	0	0	0	0	0	0	0	0	0
Total - Capital grants & contributions	53,071,730	16,855,523	21,834,736	16,230,605	2,185,550	2,240,189	2,296,194	2,353,597	2,412,437	2,472,749	2,534,567	2,597,932	2,662,880	2,729,452	2,797,688
Own source funding															
Infrastructure - roads	270,000	276,750	283,669	290,760	298,029	305,480	313,117	320,945	328,969	337,193	345,623	354,263	363,120	372,198	381,503
Infrastructure - parks and ovals	0	0	0	53,845	55,191	56,570	57,985	59,434	60,920	62,443	64,004	65,604	67,244	68,926	70,649
Infrastructure - airports	0	745,500	0	0	0	0	0	0	0	0	0	0	0	0	0
Infrastructure - other	0	0	303,750	107,689	110,381	113,141	115,969	118,869	121,840	124,886	128,008	131,209	134,489	137,851	141,297
Infrastructure - landfill	0	0	0	0	5,340,356	0	0	0	0	0	8,512,562	0	0	0	0
Buildings - non-specialised	0	0	0	107,689	110,381	113,141	115,969	118,869	121,840	124,886	128,008	131,209	134,489	137,851	141,297
Plant and equipment	500,000	512,500	525,313	538,445	551,906	565,704	579,847	594,343	609,201	624,431	640,042	656,043	672,444	689,256	706,487
Total - Own source funding	770,000	1,534,750	1,112,732	1,098,428	6,466,244	1,154,036	1,182,887	1,212,460	1,242,770	1,273,839	9,818,247	1,338,328	1,371,786	1,406,082	1,441,233
Borrowings															
Infrastructure - landfill	0	0	0	0	2,000,000	0	0	0	0	0	0	0	0	0	0
Total - Borrowings	0	0	0	0	2,000,000	0	0	0	0	0	0	0	0	0	0
Total Capital Funding	53,841,730	18,390,273	22,947,468	17,329,033	10,651,794	3,394,225	3,479,081	3,566,057	3,655,207	3,746,588	12,352,814	3,936,260	4,034,666	4,135,534	4,238,921

Appendix A10 Forecast Ratios 2026 – 2041

Target Range			2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	2036/7	2037/38	2038/39	2039/40	2040/41
Current Ratio	> 1.00	> 1.10	1.05	1.11	1.30	1.60	0.99	1.31	1.69	2.13	2.62	3.42	2.67	3.48	4.37	5.34	6.72
Debt Service Coverage Ratio	> 2	> 5	2.77	3.20	3.71	4.70	7.11	5.04	6.06	6.61	7.21	7.84	23.43	24.60	26.73	28.99	31.40
Operating Surplus Ratio	> 0	> 0.15	-0.13	-0.13	-0.14	-0.15	-0.14	-0.14	-0.13	-0.12	-0.11	-0.10	-0.09	-0.09	-0.08	-0.07	-0.06
Net Financial Liabilities Ratio	< 0.3	< 0	0.45	0.40	0.33	0.25	0.40	0.32	0.22	0.12	0.02	-0.10	0.01	-0.11	-0.24	-0.37	-0.50
Actual LGFI Score (Weighted Score x 10)	> 70		55.00	62.00	69.00	74.00	60.00	72.00	76.00	79.00	82.00	85.00	84.00	85.00	85.00	85.00	85.00

Appendix A11 Forecast Significant Accounting Policies

Basis of Preparation

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

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

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

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

Judgements, Estimates and Assumptions

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

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

The Local Government Reporting Entity

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

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

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

Base Year Balances

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

Rounding Off Figures

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

Comparative Figures

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

Appendix A11 Forecast Significant Accounting Policies (Continued)

Forecast Fair Value Adjustments

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

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

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

Goods and Services Tax (GST)

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

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

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

Superannuation

The 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.

Appendix A11 Forecast Significant Accounting Policies (Continued)

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

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

Fixed Assets

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

Revaluation

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

Depreciation

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

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

Asset Class	Effective average depreciation rates
Buildings	3.27%
Plant and equipment	7.71%
Infrastructure - roads	1.38%
Infrastructure - drainage	0.99%
Infrastructure - footpaths	1.93%
Infrastructure - parks and ovals	0.53%
Infrastructure - wharf	2.91%
Infrastructure - airports	0.08%
Infrastructure - other	1.08%
Infrastructure - landfill	0.01%

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

Gains and Losses on Disposal

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

Employee Benefits

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

Short-Term Employee Benefits

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

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

Appendix A11 Forecast Significant Accounting Policies (Continued)

Other Long-Term Employee Benefits

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

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

Borrowing Costs

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

Trade and Other Payables

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

Provisions

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

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

Current and Non-Current Classification

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

Other Matters

References

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

- Shire of Derby/West Kimberley Strategic Community Plan 2021-2031;
- Shire of Derby/West Kimberley Corporate Business Plan 2019-2023;
- Shire of Derby/West Kimberley Annual Financial Report 2023-24;
- Shire of Derby/West Kimberley Draft Annual Financial Report 2024-25;
- Shire of Derby/West Kimberley Adopted Annual Budget 2025-26;
- Australian Bureau of Statistics 2021 Census of Population and Housing, City (LGA52800);
- WALGA Online Local Government Directory 2023/24, Shire of Derby/West Kimberley; and
- Council website: www.sdwk.wa.gov.au

Document Management

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