



Long Term Financial Plan 2019—2029

SHIRE OF WANDERING

Version 1.0– Adopted 19/03/2020



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Time Period of the Plan: The LTFP covers a 10-year period.

Date of Review: The LTFP is reviewed every 4 years, and updated within 2 years of each Shire election, and in conjunction with the AMP.

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1. PURPOSE OF THE PLAN

The Shire of Wandering's Long-Term Financial Plan (LTFP) details what the Council proposes to do over the next ten years as a means of ensuring the Shire's financial sustainability. Information contained in other informing strategies including the Asset Management Plan and Workforce Plan has informed the LTFP which will be the basis for preparation of the Shire's Annual Budgets.

The Shire of Wandering is planning for a positive and stable future, and seeks to 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. The LTFP is a dynamic tool which analyses financial trends over a ten-year period on a range of assumptions and provides the Shire with information to assess resourcing requirements to achieve its strategic objectives and to assist the Shire to ensure its future financial sustainability.

The LTFP covers the period 2019-2029. There is a high level of accuracy and detail in the first year of the LTFP but this is underpinned by a number of assumptions. The remaining 9 years of the LTFP are shown as an overview with reasonable estimates only. The Shire undertakes a broad review of its Strategic Community Plan every two years and a full review is planned every four years. This LTFP will be reviewed in conjunction with Strategic Community Plan reviews. As Annual Budgets are developed from the LTFP there may be some annual variations between both which will be explained in the Annual Budget.

The Shire aims to:

- Ensure that the provision of community infrastructure remains one of the key priorities and major expenditure items for the Shire.
- Ensure that road maintenance and renewal remain a high priority for the Shire due to the strategic economic benefit the road network provides to the district.
- Ensure that adequate maintenance, renewal and upgrading of the road network remains highly dependent on the receipt of external grants and contributions.
- Rate revenue is forecast to increase by 6% (CPI 2% + 4%) over the term of the Plan. These increases are to assist in the long-term financial stability of the Shire and to potentially increase the level of services to the community.

2. OUR VISION

Wandering is a community of responsible, resilient and adaptable residents thriving in our scenic, economically diverse environment.

The key to our success:

- Innovative solutions
- Retention of local services
- Opportunities for commercial interaction
- Retention of existing businesses

Our Values:

- Adaptability
- Perseverance
- Accountability
- Diligence

How will we get there:

To lead our Wandering community into a stable yet progressive future with strong partnerships.

- Improve our financial position
- Improve the economic growth of our community
- Retain and grow our population
- Provide strong leadership

The aim of the LTFP is to achieve the vision and goals by:

- Maintaining the existing range of services, however critically review the current level of service and ensure it aligns with the objectives of the Strategic Community Plan and is included within the Corporate Business Plan;
- Ensuring the Shire has capacity to react to demand for new services as a result of community growth or changing demographics;
- Maintaining a strong cash position, ensuring that the Council remains financially sustainable in the long-term, and delivering capacity to respond to unexpected opportunities or unpredictable events such as natural disasters;
- Maintain debt levels below prudential guidelines;
- Strategically pursue State and Federal government grant funding opportunities where aligned with the Strategic Community Plan, Corporate Business Plan and included with the LTFP;
- Plan rate increases to provide for service delivery that meets reasonable community needs;
- Ensure that critical infrastructure asset renewal is funded at the optimum time over the timeframe of the LTFP.

The LTFP covers the period 2019-2029, there is a high level of accuracy and detail in the first year of the LTFP, being taken from the 2019/20 Adopted Budget, but this is underpinned by a number of assumptions. The remaining 9 years of the LTFP are shown as an overview with reasonable estimates only. The Shire undertakes a broad review of its Strategic Community Plan every two years and a full review is planned every four years. This LTFP will be reviewed in conjunction with Strategic Community Plan reviews. As Annual Budgets are developed from the LTFP there may be some annual variations between both which will be explained in the Annual Budget.

3. KEY STATISTICS

The following information provides an overview of key statistics relating to the Shire;

Geographic Statistics	
Distance from Perth by Road (RAC 2013)	120km
Area (km ² , Shire website)	1,903km ²

Population Statistics	
Population (ABS Estimated 2016)	444
Number of Dwellings (Total, ABS 2016)	220
Number of Electors	347

Economic Statistics	
Median Weekly Household Income (ABS 2016)	\$1,542
Median Weekly Rent (ABS 2016)	\$32
Average household size (ABS 2016)	2.4

Rating & Income Statistics	
Rateable Properties	407
Rateable Value (2019/20 Budget)	\$130,574,251
Predominant Minimum Rate (2019/20)	\$1,100
Total Rates Levied (2019/20 Budget)	\$1,100,481
Total Revenue (2019/20 Budget)	\$3,641,798

Organisation Statistics	
Number of Employees (2019/20 Budget)	15

Assumptions	
General inflation rate	2%
Rates Increases (4% increase + 2% growth)	6%



4. OUR PLACE

The Shire of Wandering is a small rural authority located in the Central South region of the Wheatbelt of Western Australia. Some 120km South East of Perth it is a short yet scenic drive off the Albany Highway to picturesque fields and homes. With an area of 1,903 km² it is a cosy farming town with approximately 444 people residing in the Shire and 120 people in the township itself.

Major agricultural activities include cereal crops, sheep, cattle, pigs and vineyards. Other commercial industries include wineries, timber milling and hay exporting. A range of local commercial services exist, including a primary school, major sporting facilities include oval, multi-use tennis, basketball and netball courts, badminton courts and a golf course.

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

5. OUR SERVICES

The Shire provides an extensive range of services to the community which fall into the following programs prescribed under the *Local Government (Financial Management) Regulations 1996*. Estimates of expenditure and income have been calculated for each of these programs in this LTFP:

Governance – relates to the support of members of Council (Councillors) and operation of services and facilities to support the Council's function.

General Purpose Funding – expenses and income associated with levying and collecting rates, general purpose grants and interest from investments.

Law, Order and Public Safety – covers expenses and income principally associated with the Shire's emergency services. This includes administration and implementation of animal control (licensing and enforcement), fire prevention and emergency services.

Health – monitoring of food quality and licensing of food premises, and other community health related matters.

Education and Welfare – support for families and children, senior citizens, and youth.

Housing – provision of staff and community housing.

Community Amenities – principally covers operations of waste services (rubbish collection, disposal and recycling), town planning and development and urban stormwater drainage functions.

Recreation and Culture – maintenance of halls, various sporting grounds and facilities, ovals, parks and reserves throughout the district.

Transport – maintenance of streets, roads, bridges, parking areas and footpaths including street cleaning and lighting of streets.

Economic Services – rural services, tourism and area promotion, building control, Community Resource Centre and fuel facility.

Other Property and Services – private works undertaken by the Shire and operating and maintenance costs of the Shire's plant and equipment used in maintenance and construction works, and general administration costs.

6. SERVICE DELIVERY

It is proposed that existing service levels will be maintained for all operational areas in the short term. However, a key objective in the Corporate Business Plan, which directly impacts future service delivery, is to improve existing service levels in the longer term.

The Shire must provide a range of services and it actively seeks out the most cost effective and efficient manner to do this. Some services are provided conventionally through local government employed staff, however where savings, efficiencies or improved quality outcomes are possible service delivery will be outsourced. Outsourcing is often necessary due to the difficulty of finding and retaining qualified staff or the cost of operating specialised plant and equipment. In these situations, services are being maintained or improved for the benefit of local communities in a manner that is sustainable in the medium to longer term.

Service levels will be reviewed from time to time when future reviews of the LTFP are undertaken and the impact of growth across the municipality can be monitored and assessed.

7. ASSET MANAGEMENT

As part of the Integrated Planning and Reporting a strategic approach to asset management has been developed, along with asset management plans based on the total life cycle of assets. The Asset Management Plans assist the Council in predicting infrastructure renewal demand; that is the cost of bringing an asset back to new at the optimum time in its lifecycle.

When planning for the future renewal of Shire assets, a condition-based estimation of remaining useful life was applied (where possible) as it was viewed as the most appropriate methodology. Where condition information was unavailable, an age-based estimation of remaining useful life was applied.

Modelling was undertaken to determine the long-term funding required for asset maintenance and renewal. By adjusting the estimated useful life of assets, the balance between the risk of loss of asset service and the financial costs of asset renewal and maintenance was determined.

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

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

Recognising a proportion of assets have been constructed with the assistance of external financial contributions, the Shire seeks to, within its financial capacity, maintain these assets into the future. A strategy of alignment of estimated asset useful lives with the forecast financial capacity aims to ensure the long-term affordability of Shire assets. By focusing resources and efforts on a small number of key critical assets, the Shire has achieved targeted asset management outcomes integrated with financial planning within its forecast financial capacity based on an annual rate increase of 6% (CPI 2% + 4%).

The LTFP also provides guidance to the Council when considering annual budget allocations. It is important that when developing the annual budget, decisions to include new services and/or infrastructure are made in reference to the LTFP otherwise the long-term financial sustainability of the Shire could be threatened.

7.1. INFRASTRUCTURE ASSET PORTFOLIO

The Shire of Wandering has care, control and responsibility for the following portfolio of infrastructure assets;

Asset Group	Renewal Value
Pavement Structure	17,678,246
Subgrade Structure	21,374,234
Surface Structure	3,618,966
SW Channel	1,521,451
Footpaths	429,457
Bridges	20,072,982
Drainage	5,304,601
Total	69,999,937
Total Depreciable Assets	49,489,098

Table 1: Estimated Renewal Value of Assets from the Shire's Asset Management Plan

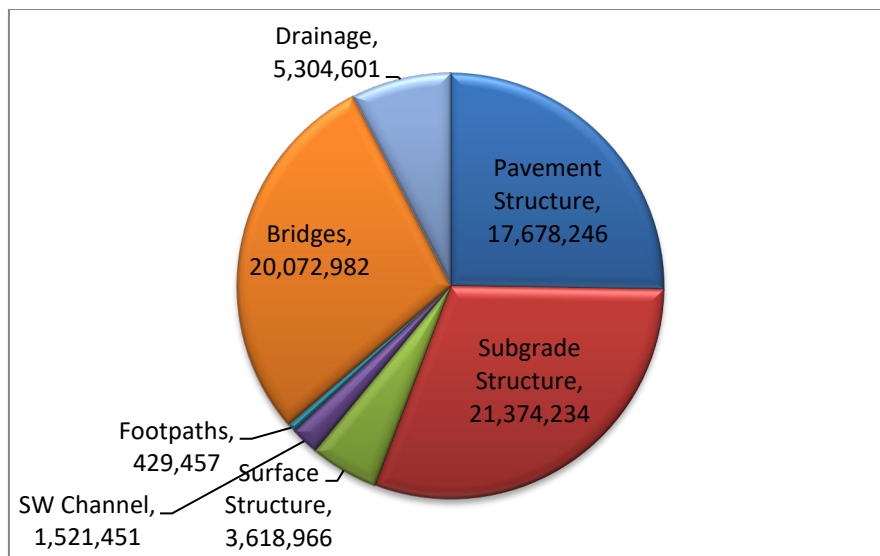


Figure 1: Infrastructure Asset Summary

1.1 RENEWAL DEMAND (MODEL 1)

Based on the 2019-20 Adopted Budget, a financial baseline has been determined for operating revenue and expenditure. Modifications to this baseline are then made over the 10-year term to predict forecast changes in operating revenue and expenditure.

Structuring operational revenues and expenditure to ensure adequate provision for asset renewal into the future is a cornerstone of the Shire's overall financial strategy. To achieve this strategy, rate increases marginally higher than the consumer price index (CPI) are forecast to occur combined with the maintenance of operating expenditure in line with the CPI forecast.

Planned renewal of plant and equipment correlates to the timing of the remaining useful life expectancy, and data for this has been sourced from Council's adopted 10 Year Plant Replacement Program.

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

Renewal demand is the annual demand for renewal expenditure on infrastructure assets, estimated over the next 10 years. The estimates are derived from modelling carried out in the development of the Shire’s Asset Management Plan. Renewal Demand modelling is based on the current portfolio of infrastructure assets held by the Shire, the current condition of infrastructure assets within the asset portfolio, the average life of each major asset component and the nominated recurrent intervention condition level selected for the modelling (level of service).

The Asset Management Plan makes some assumptions that the planned capital renewal is the same as the predicted capital renewal. This value would normally indicate that the Shire is renewing assets at the rate they are being consumed and adequately funding all new assets and services. The NPV (Net Present Value) of planned renewal expenditure is based on the average over the life of this plan, diminishing to year 10 as a single value.

The Shire is planning for renewal of all assets at the end of their useful life. The annual budget cycle and resource limitations result in differences between the planned and required renewal expenditure, referred to as an asset renewal funding surplus/(deficit). The asset renewal funding surplus/(deficit) representing the difference between the planned and required asset renewals is represented by the line in the chart below with values provided in the following tables.

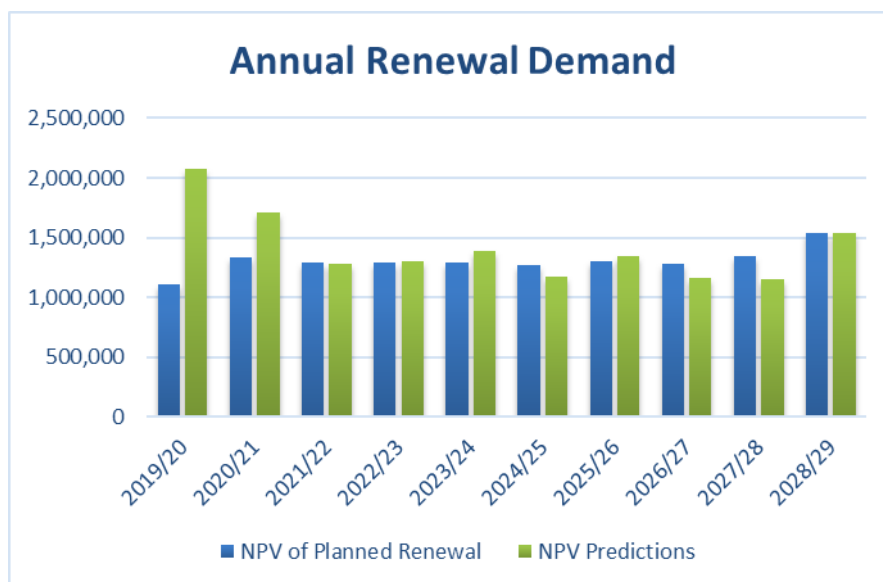


Figure 2: Annual Renewal Demand – Net Present Values

7.2. CURRENT RENEWAL FUNDING (MODEL 2)

Current Renewal Funding is the amount of money the Shire is currently spend on infrastructure asset renewal and is referred to as Model 2.

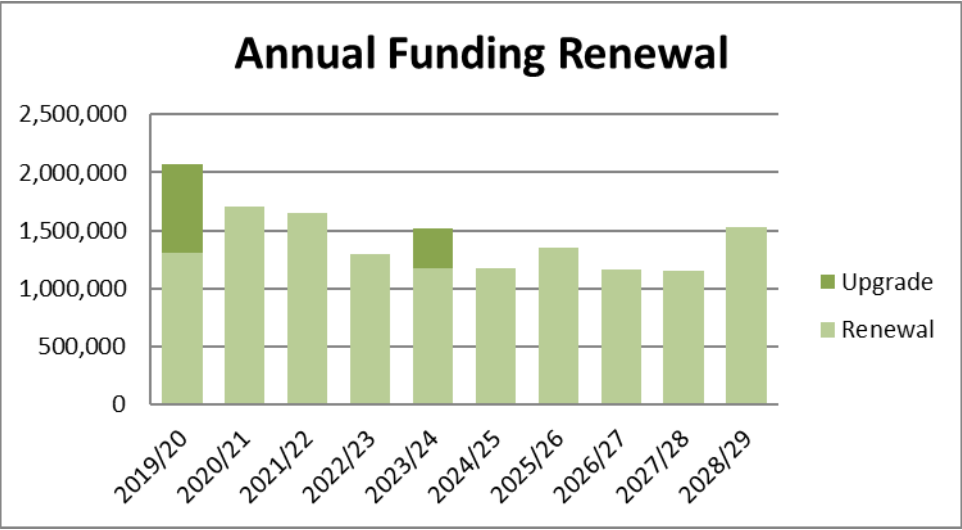


Figure 3: Annual Renewal Funding

7.3. RENEWAL FUNDING GAP (MODEL 3)

The Renewal Gap is derived by subtracting Model 2 (Current Renewal Expenditure) from Model 1 (Renewal Demand) to arrive at Model 3. If the resultant figure in any one year is positive (above the zero \$ line) there is a funding gap and indicates that more funds are needed for that particular asset group in order close the gap or the level of service needs to be critically reviewed. If the figure in any one year is negative (below the zero \$ line) this is an indication of over funding and represents an opportunity to reallocate funds to another asset group where needed or placed into reserve for future renewal demand.

The graph below indicates that for Year 1 of the model there is a funding gap of \$1.1M which is funded from previous year’s surpluses. The remainder of the LTFP shows that the funding gap is maintained at or below \$50K, and in some instances there is a funding surplus.

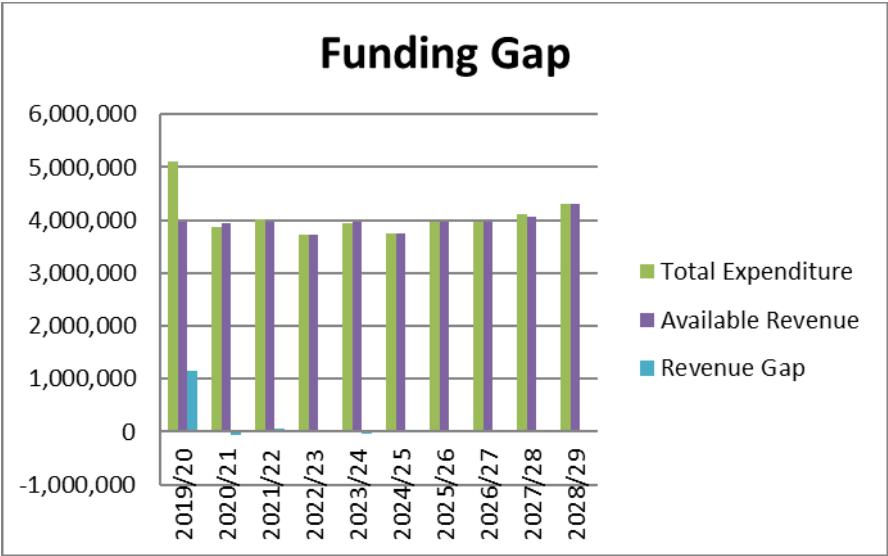


Figure 4: Annual Renewal Funding Gap

8. FINANCIAL STRATEGIES AND PRINCIPLES

The principle aim of long term financial planning is to ensure that the Shire remains financially sustainable. Whilst there are many definitions of sustainability, the definition of financial sustainability utilised by Price Waterhouse Cooper in its report entitled “National Financial Sustainability Study of Local Government” for the Australian Local Government Association is as follows;

“The financial sustainability of a council is determined by its ability to manage expected financial requirements and financial risks and shocks over the long term without the use of disruptive revenue or expenditure measures; which is determined by:

- ***healthy finances in the current period and long-term outlook based on continuation of the council’s present spending and funding policies and given likely economic and demographic developments, and***
- ***ensuring infrastructure renewals/replacement expenditure matches forward looking asset management plan expenditure needs.”***

To ensure the Shire remains financially sustainable, it is important that sound financial strategies and principles are developed and continually reviewed in line with the changing economic and demographic outlook for the community.

8.1. RATING STRATEGY

Whilst the Shire currently has an identified a small renewal funding gap, it is still important to address this in the long term. If the gap remains in the longer term, the community will start to suffer one of two likely scenarios;

1. Infrastructure will begin to fail and this will impact on the economic prosperity of the community.
2. The Shire will start to run out of cash as more and more effort will be required to fund maintenance activities in an attempt to prolong infrastructure life. This will significantly reduce the Shire’s ability to fund existing and/or new services.

There are essentially only three ways to close a funding gap being;

1. Reduce the asset base (i.e. rationalise assets).
2. Reduce the level of service (however this may not be a long-term sustainable strategy).
3. Secure more funds via;
 - Targeting grant funding
 - Increasing rates

Increasing rates is ideally a strategy of last resort, nonetheless it is important that prudent rate increases form part of the multi-prong approach to financial management. The Shire has limited control over other funding sources which are often not indexed and can in some instances decline from year to year.

In order to deliver the same level of service, current expenditure levels need to be retained in the longer term.

Everything the Shire spends money on (Labour, Plant and Materials) is subject to inflation; often well in excess of the Consumer Price Index (CPI). If CPI increases 3% and 50% of the Shire’s revenue is from non-indexed sources, rates need to be increased by double CPI in order to deliver the same level of service as that delivered the previous year. Hence, critical review of service levels and well considered rate increases are an important aspect of long-term financial planning.

8.2. DEBT STRATEGY

New borrowings of \$200,000 will be required to fund the industrial land subdivision in year 2 of the Plan and then paid down over the following ten years.

The Shire is not planning for any further new borrowings over the remaining term of this Plan. This is part of its 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 cash backed reserves to save for significant future asset renewal spikes.

8.3. VALUATION OF NON-CURRENT ASSETS

The Shire has transitioned to “Fair Value” valuation of Non-Current Assets in line with Australian Accounting Standard AASB16.6. Asset classes are revalued every five (5) years.

8.4. CASH RESERVES

Reserves will be utilised to save for major forecast asset renewals and then utilised to fund the renewals resulting in the variations in reserve levels as shown in the supporting tables.

The Shire has cash backed reserves to fund projects such as office equipment, fuel facility, leave, and plant & equipment.

8.5. COST RECOVERY OF SERVICES

The Shire does not recover the full cost of providing services. The Shire may wish to implement a user pays philosophy and account for the full cost of providing the service. In selective instances, where it can be shown that the service aligns with the Strategic Community Plan and is included within the Corporate Business Plan, the Shire will provide a subsidy toward the service.

Such services may include:

- Waste management
- Caravan Park
- Facilities hire
- Cemetery fees

9. WORKFORCE PLANNING STRATEGIES

	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
Current FTEs	17	17	16	16	17	17	17	19	19	19
New FTEs	0	-1	0	1	0	0	2		0	1
Total FTEs	17	16	16	17	17	17	19	19	19	20

The above table predicts the changes to employment levels based on need for the life of the LTFP. Staff increases will predominately be in the works & services area.

The Shire does not have an up to date Workforce Plan, and these figures are an estimate only.

10. SCENARIO MODELLING AND SENSITIVITY ANALYSIS

The assumptions on which this scenario was prepared are detailed within the LTFP. The Council has adopted this scenario which is considered most beneficial to achieve required service delivery levels and outcomes of the Strategic Community Plan and provided for within the Corporate Business Plan.

11. KEY ASSUMPTIONS UNDERPINNING THE LONG-TERM FINANCIAL PLAN

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.

The estimates in the LTFP are based on a number of assumptions and Council strategies. The base point for the modelling is the adopted 2019/20 budget and assumptions have been applied to the model. The assumptions are:

- Existing service levels will be maintained with a view to improvement in the longer term.
- Net staff levels will remain unchanged but may increase over time to meet the needs of an increasing population and growth and develop of the District.
- Staff costs will increase by 2.0% per annum over the life of the LTFP.
- CPI will be approximately 2% per annum over the life of the LTFP.
- Annual rate increases of 4% are planned for the life of the LTFP, however it is recognised that this will not bring the Shire in line with benchmark ratios.
- The rate base will increase by an average 2% per annum through new development and growth (in addition to Council applied increases). Council recognises that growth will be limited without development occurring.
- Discretionary fees and charges will increase by 4%
- Interest rates for invested funds will be 2% over the life of the LTFP.
- Roads to Recovery funding will continue until 2023/2024
- Other government grants will increase by 2.0% per annum
- Materials and contracts will increase by 2.0% per annum.
- Interest expenses will be set at 3.5%
- Insurance expenses will increase by 3%
- Utility costs will increase by 6.0% per annum.
- Cash reserves will continue to be maintained to fund future commitments.

12. RISK ASSESSMENT

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

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

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

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

The Asset Management Plan identifies assets that are critical to the Shire’s operations and outlines risk management strategies for these.

The major risks associated with long term financial planning relate to delays in approvals for major projects, the viability of a project if it relies on land acquisition which may be affected by land price movements and funding of projects.

The Shire has an extensive road renewal program which includes some external funding. If that funding reduces or is not made available to the Shire, then the timing of the works will be reviewed. There is native vegetation clearing required for road projects planned, given the lead time available, the risk of delays in obtaining clearing permits from the Department of Environment is low.

Interest rates on borrowings and on investments are predicted to be relatively constant over the life of the LTFP. If adverse changes in rates occur this may impact on the Shire’s revenues and future project costs, consequently the LTFP will be reviewed and updated. The risk is considered low.

The risk facing the Shire in the future is that the grant for the running of the Community Resource Centre is unknown past 2022, funding ceases the community services program and much more may collapse.

Uncertainty	Financial Risk				
	Insignificant	Minor	Moderate	Major	Catastrophic
A. Almost Certain	High	High	Extreme	Extreme	Extreme
B. Likely	Medium	High	High	Extreme	Extreme
C. Moderate	Low	Medium	High	Extreme	Extreme
D. Unlikely	Low	Low	Medium	High	Extreme
E. Rare	Low	Low	Medium	High	High

13. FINANCIAL PROJECTIONS

The financial projections in this LTFP have been developed in a format that conforms to the Local Government (Financial Management) Regulations 1996 and Australian Accounting Standards. This format has been chosen as it allows projections to feed into the statutory format of the Annual Budget and key performance measures in the LTFP to be compared with Annual Budgets and Annual Financial Reports. The Statutory schedules include:

- Statement of Financial Position (Balance Sheet) and Equity Statement
- Statement of Comprehensive Income
- Statement of Cash Flows
- Rate Setting Statement

The Statement of Comprehensive Income shows what is expected to happen during the year in terms of revenue, expenses and other adjustments from all activities.

The Statement of Financial Position is a snap-shot of the expected financial position of the Shire at the end of the financial year. It reports what is expected to be owned (assets) and what is expected to be owed (liabilities). The bottom line “Net Assets” represents the net worth of the Council. The assets and liabilities are separated into current and non-current. Current means those assets or liabilities which will fall due in the next 12 months. Non-current refers to assets and liabilities that are recoverable or which fall due over a longer period than 12 months.

The Statement of Cash Flows shows what is expected to happen during the year in terms of cash. The net cash provided by operating activities shows how much cash is expected to remain after paying for the

services provided to the community. This can be used to fund other activities such as capital works and infrastructure. The information in this statement assists in the assessment of the ability to generate cash flows and meet financial commitments as they fall due, including debt repayments.

The format of the Rate Setting Statement varies from the format of the statement prepared in Annual Budgets. In Annual Budgets, the bottom line of the statement is the amount to be made up from rates. In the LTFP, rates assessed in accordance with relevant assumptions has been shown as a revenue stream with all other sources of revenue, so that if a surplus results, this can be used to fund other services. However, where a shortfall results, this indicates that the Council is unable to fund the services proposed at the planned rating levels and may need to defer works or services, increase debt or increase rates even further to cover the cost of planned service provision. In the LTFP the Rate Setting Statement shows the accumulated surplus carried forward at the end of each year.

The statements are supported by schedules of:

- capital works
- cash reserves
- loan borrowings and repayments
- depreciation calculations
- assumptions used in the LTFP
- calculations and measurement of KPIs

14. CONCLUSION – IMPLEMENTATION AND REVIEW OF THE LTFP

The Council will consider the content of the LTFP when preparing the Annual Budget for 2020/21 and subsequent years and it is expected that adopted budgets will be closely aligned with the proposals in the LTFP and assumptions underpinning this.

Some minor review of the LTFP will occur each year as budgets are prepared to account for performance information and changing circumstances. However, a detailed desktop review is planned for 2020/21 and a full review will be undertaken in conjunction with formal reviews of the Strategic Community Plan.

The Council is confident that the LTFP will allow the Shire to set priorities within its resourcing capabilities to sustainably deliver the assets and services required by the community.

Shire of Wiluna – Long Term Financial Plan (1st Cut)

15. LTFP STATEMENTS AND SUPPORTING SCHEDULES

1.2 STATEMENT OF COMPREHENSIVE INCOME BY NATURE AND TYPE

Shire of Wandering Long Term Financial Plan 2019 - 2029										
Statement of Comprehensive Income by Nature and Type										
	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
INCOME: REVENUES FROM ORDINARY ACTIVITIES										
EXCLUDING PROFIT ON ASSET DISPOSAL, NON-OPERATING GRANTS, SUBSIDIES & CONTRIBUTIONS										
Rates	1,100,481	1,144,500	1,190,280	1,237,891	1,287,407	1,338,903	1,392,460	1,448,158	1,506,084	1,566,328
Rates Growth	-	22,010	22,890	23,806	24,758	25,748	26,778	27,849	28,963	30,122
Operating Grants, Subsidies & Contributions	506,593	773,820	789,296	805,082	821,184	837,608	854,360	871,447	888,876	906,653
Fees & Charges	742,785	792,496	824,196	857,164	891,451	927,109	964,193	1,002,761	1,042,871	1,084,586
Interest Earnings	9,500	9,690	9,884	10,081	10,283	10,489	10,699	10,913	11,131	11,353
Other Revenue	22,000	38,495	39,265	40,050	40,851	41,668	42,502	43,352	44,219	45,103
Total Revenue	2,381,359	2,781,011	2,875,811	2,974,075	3,075,934	3,181,525	3,290,990	3,404,479	3,522,144	3,644,145
EXPENDITURE: EXPENSES FROM ORDINARY ACTIVITIES										
EXCLUDING LOSS ON ASSET DISPOSAL										
Employee Costs	(937,499)	(976,249)	(995,774)	(1,015,689)	(1,036,003)	(1,056,723)	(1,077,858)	(1,099,415)	(1,121,403)	(1,143,831)
Materials & Contracts	(1,181,197)	(1,144,821)	(1,167,717)	(1,191,072)	(1,214,893)	(1,239,191)	(1,263,975)	(1,289,254)	(1,315,039)	(1,341,340)
Utilities	(41,300)	(43,778)	(46,405)	(49,189)	(52,140)	(55,269)	(58,585)	(62,100)	(65,826)	(69,775)
Depreciation	(969,400)	(1,086,441)	(1,107,021)	(1,108,738)	(1,174,331)	(1,176,520)	(1,180,154)	(1,248,949)	(1,233,013)	(1,232,431)
Interest Expenses	(2,976)	(4,500)	(8,454)	(7,698)	(6,908)	(6,082)	(5,219)	(4,316)	(3,372)	(2,385)
Insurance	(89,014)	(91,684)	(94,435)	(97,268)	(100,186)	(103,192)	(106,287)	(109,476)	(112,760)	(116,143)
Other Expenditure	(5,704)	(5,818)	(5,934)	(6,053)	(6,174)	(6,298)	(6,424)	(6,552)	(6,683)	(6,817)
Total Expenditure	(3,227,090)	(3,353,291)	(3,425,741)	(3,475,707)	(3,590,635)	(3,643,275)	(3,698,501)	(3,820,063)	(3,858,097)	(3,912,723)
Sub-total	(845,731)	(572,280)	(549,929)	(501,632)	(514,702)	(461,750)	(407,511)	(415,584)	(335,953)	(268,578)
Non-Operating Grants, Subsidies & Contributions	1,260,439	510,905	868,184	525,610	386,267	393,992	402,660	410,713	418,927	427,306
Profit on Asset Disposals	54	-	-	-	-	-	-	-	-	-
Loss on Asset Disposals	(6,456)	-	-	-	-	-	-	-	-	-
Sub-total	1,254,037	510,905	868,184	525,610	386,267	393,992	402,660	410,713	418,927	427,306
NET RESULT	408,306	(61,376)	318,255	23,978	(128,435)	(67,758)	(4,851)	(4,871)	82,974	158,728
Other Comprehensive Income										
Changes in Valuation of non-current assets	-	-	-	4,769,260	-	-	5,416,175	-	-	5,910,086
Total Other Comprehensive Income	-	-	-	4,769,260	-	-	5,416,175	-	-	5,910,086
TOTAL COMPREHENSIVE INCOME	408,306	(61,376)	318,255	4,793,237	(128,435)	(67,758)	5,411,324	(4,871)	82,974	6,068,813

1.3 STATEMENT OF COMPREHENSIVE INCOME BY PROGRAM

Shire of Wandering Long Term Financial Plan 2019 - 2029										
Statement of Comprehensive Income by Program										
	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
INCOME: REVENUES FROM ORDINARY ACTIVITIES										
EXCLUDING PROFIT ON ASSET DISPOSAL AND NON-OPERATING GRANTS, SUBSIDIES & CONTRIBUTIONS										
Governance	-	-	-	-	-	-	-	-	-	-
General Purpose Funding	1,389,992	1,769,817	1,844,393	1,922,028	2,002,846	2,086,975	2,174,550	2,265,710	2,360,599	2,459,370
Law, Order, Public Safety	39,260	40,045	40,846	41,663	42,496	43,346	44,213	45,097	45,999	46,919
Health	2,800	2,856	2,913	2,971	3,031	3,091	3,153	3,216	3,281	3,346
Housing	59,950	61,149	62,372	63,619	64,892	66,190	67,513	68,864	70,241	71,646
Community Amenities	47,100	48,042	49,003	49,983	50,983	52,002	53,042	54,103	55,185	56,289
Recreation and Culture	1,300	1,326	1,353	1,380	1,407	1,435	1,464	1,493	1,523	1,554
Transport	58,012	59,172	60,356	61,563	62,794	64,050	65,331	66,638	67,970	69,330
Economic Services	751,795	766,831	782,168	797,811	813,767	830,042	846,643	863,576	880,848	898,465
Other Property and Services	31,150	31,773	32,408	33,057	33,718	34,392	35,080	35,782	36,497	37,227
Total Revenue	2,381,359	2,781,011	2,875,811	2,974,075	3,075,934	3,181,525	3,290,990	3,404,479	3,522,144	3,644,145
EXPENDITURE: EXPENSES FROM ORDINARY ACTIVITIES										
EXCLUDING LOSS ON ASSET DISPOSAL AND FINANCE COSTS										
Governance	(196,742)	(200,677)	(204,690)	(208,784)	(212,960)	(217,219)	(221,563)	(225,995)	(230,515)	(235,125)
General Purpose Funding	(123,601)	(126,073)	(128,594)	(131,166)	(133,790)	(136,465)	(139,195)	(141,979)	(144,818)	(147,715)
Law, Order, Public Safety	(147,515)	(150,465)	(153,475)	(156,544)	(159,675)	(162,868)	(166,126)	(169,448)	(172,837)	(176,294)
Health	(23,432)	(23,901)	(24,379)	(24,866)	(25,364)	(25,871)	(26,388)	(26,916)	(27,454)	(28,003)
Education and Welfare	(1,455)	(1,484)	(1,514)	(1,544)	(1,575)	(1,606)	(1,639)	(1,671)	(1,705)	(1,739)
Housing	(35,538)	(36,249)	(36,974)	(37,713)	(38,467)	(39,237)	(40,022)	(40,822)	(41,638)	(42,471)
Community Amenities	(209,631)	(213,824)	(226,554)	(238,783)	(250,467)	(261,558)	(272,008)	(281,765)	(290,772)	(298,972)
Recreation and Culture	(213,091)	(217,353)	(221,700)	(226,134)	(230,657)	(235,270)	(239,975)	(244,775)	(249,670)	(254,663)
Transport	(1,362,462)	(1,445,406)	(1,467,380)	(1,471,406)	(1,540,284)	(1,546,799)	(1,555,862)	(1,631,262)	(1,623,178)	(1,631,775)
Economic Services	(876,500)	(898,530)	(916,501)	(934,831)	(953,527)	(972,598)	(992,050)	(1,011,891)	(1,032,129)	(1,052,771)
Other Property and Services	(34,147)	(34,830)	(35,527)	(36,237)	(36,962)	(37,701)	(38,455)	(39,224)	(40,009)	(40,809)
Total Expenditure	(3,224,114)	(3,348,791)	(3,417,287)	(3,468,009)	(3,583,727)	(3,637,193)	(3,693,282)	(3,815,747)	(3,854,725)	(3,910,338)
Net Result from Operating Activities	(842,755)	(567,780)	(541,475)	(493,934)	(507,794)	(455,668)	(402,292)	(411,268)	(332,581)	(266,193)

Shire of Wandering Long Term Financial Plan 2019 - 2029
Statement of Comprehensive Income by Program

	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
FINANCE COSTS										
Governance	(1,600)	0	0	0	0	0	0	0	0	0
Housing	(1,376)	0	0	0	0	0	0	0	0	0
Economic Services	0	(4,500)	(8,454)	(7,698)	(6,908)	(6,082)	(5,219)	(4,316)	(3,372)	(2,385)
Sub-total	(2,976)	(4,500)	(8,454)	(7,698)	(6,908)	(6,082)	(5,219)	(4,316)	(3,372)	(2,385)
NON-OPERATING GRANTS, SUBSIDIES, CONTRIBUTIONS										
Community Amenities	2,500	-	-	-	-	-	-	-	-	-
Recreation and Culture	-	-	350,000	-	-	-	-	-	-	-
Transport	1,250,939	510,905	518,184	525,610	386,267	393,992	402,660	410,713	418,927	427,306
Other Property & Services	7,000	-	-	-	-	-	-	-	-	-
Sub-total	1,260,439	510,905	868,184	525,610	386,267	393,992	402,660	410,713	418,927	427,306
PROFIT / (LOSS) ON DISPOSAL OF ASSETS										
Transport	(6,402)	-	-	-	-	-	-	-	-	-
Sub-total	(6,402)	-	-	-	-	-	-	-	-	-
NET RESULT	408,306	(61,376)	318,255	23,978	(128,435)	(67,758)	(4,851)	(4,871)	82,974	158,728
OTHER COMPREHENSIVE INCOME										
Changes in Valuation of non-current assets	-	-	-	4,769,260	-	-	5,416,175	-	-	5,910,086
Total Other Comprehensive Income	-	-	-	4,769,260	-	-	5,416,175	-	-	5,910,086
TOTAL COMPREHENSIVE INCOME	408,306	(61,376)	318,255	4,793,237	(128,435)	(67,758)	5,411,324	(4,871)	82,974	6,068,813

1.4 CASH FLOW STATEMENT

Shire of Wandering Long Term Financial Plan 2019 - 2029										
Statement of Cash Flows										
	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES										
RECEIPTS										
Rates	1,100,481	1,166,510	1,213,170	1,261,697	1,312,165	1,364,652	1,419,238	1,476,007	1,535,047	1,596,449
Operating Grants, Subsidies & Contributions	1,397,835	773,820	789,296	805,082	821,184	837,608	854,360	871,447	888,876	906,653
Fees & Charges	742,785	792,496	824,196	857,164	891,451	927,109	964,193	1,002,761	1,042,871	1,084,586
Interest Earnings	9,500	9,690	9,884	10,081	10,283	10,489	10,699	10,913	11,131	11,353
Goods and Services Tax	129,001	-	-	-	-	-	-	-	-	-
Other Revenue	22,000	38,495	39,265	40,050	40,851	41,668	42,502	43,352	44,219	45,103
Sub-total	3,401,602	2,781,011	2,875,811	2,974,075	3,075,934	3,181,525	3,290,990	3,404,479	3,522,144	3,644,145
PAYMENTS										
Employee Costs (Operating Only)	(937,499)	(976,249)	(995,774)	(1,015,689)	(1,036,003)	(1,056,723)	(1,077,858)	(1,099,415)	(1,121,403)	(1,143,831)
Materials & Contracts	(1,196,193)	(1,144,821)	(1,167,717)	(1,191,072)	(1,214,893)	(1,239,191)	(1,263,975)	(1,289,254)	(1,315,039)	(1,341,340)
Utilities (gas, electricity, water, etc.)	(41,300)	(43,778)	(46,405)	(49,189)	(52,140)	(55,269)	(58,585)	(62,100)	(65,826)	(69,775)
Insurance	(89,014)	(91,684)	(94,435)	(97,268)	(100,186)	(103,192)	(106,287)	(109,476)	(112,760)	(116,143)
Goods and Services Tax	(129,001)	-	-	-	-	-	-	-	-	-
Interest	(2,976)	(4,500)	(8,454)	(7,698)	(6,908)	(6,082)	(5,219)	(4,316)	(3,372)	(2,385)
Other Expenditure	(5,704)	(5,818)	(5,934)	(6,053)	(6,174)	(6,298)	(6,424)	(6,552)	(6,683)	(6,817)
Sub-total	(2,401,687)	(2,266,850)	(2,318,719)	(2,366,969)	(2,416,305)	(2,466,754)	(2,518,347)	(2,571,113)	(2,625,084)	(2,680,292)
Net Cash Provided by (Used in) Operating Activities	999,915	514,161	557,092	607,106	659,629	714,770	772,643	833,366	897,060	963,853
CASH FLOWS FROM INVESTING ACTIVITIES										
Payments for Development of Land Held for Resale	-	(200,000)	-	-	-	-	-	-	-	-
Payments for Purchase of Property, Plant & Equipment	(462,500)	(704,000)	(844,760)	(485,000)	(726,535)	(418,000)	(527,266)	(272,500)	(194,132)	(508,960)
Payments for Construction of Infrastructure	(1,613,268)	(806,159)	(802,343)	(813,752)	(680,172)	(755,341)	(821,630)	(888,062)	(955,824)	(1,024,940)
Grants / Contributions for the Development of Assets	1,260,439	510,905	868,184	525,610	386,267	393,992	402,660	410,713	418,927	427,306
Proceeds from Sales (excluding Land)	120,000	231,500	220,000	194,000	136,000	173,000	187,000	143,000	132,000	225,000
Proceeds from Sale of Land/Buildings	-	200,000	-	-	-	-	-	-	-	-
Net Cash Provided by (Used in) Investing Activities	(695,329)	(767,754)	(558,919)	(579,142)	(884,440)	(606,349)	(759,236)	(606,849)	(599,029)	(881,594)
CASH FLOWS FROM FINANCING ACTIVITIES										
Repayment of Debentures	(473,507)	(8,028)	(16,603)	(17,358)	(18,148)	(18,974)	(19,838)	(20,740)	(21,684)	(22,671)
Proceeds from Self Supporting Loans	0	0	0	0	0	0	0	0	0	0
Proceeds from New Debentures	0	200,000	0	0	0	0	0	0	0	0
Net Cash Provided by (Used in) Financing Activities	(473,507)	191,972	(16,603)	(17,358)	(18,148)	(18,974)	(19,838)	(20,740)	(21,684)	(22,671)
NET INCREASE (DECREASE) IN CASH HELD	(168,921)	(61,621)	(18,430)	10,606	(242,959)	89,447	(6,431)	205,776	276,347	59,588
Cash at Beginning of Year	802,553	633,632	572,011	553,581	564,187	321,227	410,675	404,244	610,020	886,367
Cash at the End of Year	633,632	572,011	553,581	564,187	321,227	410,675	404,244	610,020	886,367	945,955

1.5 STATEMENT OF FINANCIAL POSITION (BALANCE SHEET)

Shire of Wandering Long Term Financial Plan 2019 - 2029										
Statement of Financial Position										
	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
ASSETS										
CURRENT ASSETS										
Cash and Cash Equivalents	633,632	572,011	553,581	564,187	321,227	410,675	404,244	610,020	886,367	945,955
Receivables	36,855	110,218	112,422	114,671	116,964	119,304	121,690	124,123	126,606	129,138
Inventories	32,203	53,522	54,593	55,684	56,798	57,934	59,093	60,275	61,480	62,710
Inventories - Land Held for Resale	-	-	-	-	-	-	-	-	-	-
Total Current Assets	702,690	735,751	720,596	734,542	494,990	587,912	585,026	794,418	1,074,453	1,137,803
NON-CURRENT ASSETS										
Property, Plant and Equipment	5,575,430	5,564,837	5,532,593	5,974,614	6,249,273	6,193,984	6,753,483	6,582,356	6,359,571	6,905,223
Infrastructure	53,019,066	53,799,596	53,786,922	58,110,175	57,911,892	57,791,001	62,629,419	62,569,160	62,576,888	68,017,790
Total Non-Current Assets	58,594,496	59,364,433	59,319,515	64,084,788	64,161,165	63,984,985	69,382,902	69,151,515	68,936,458	74,923,013
TOTAL ASSETS	59,297,186	60,100,184	60,040,111	64,819,330	64,656,154	64,572,898	69,967,929	69,945,933	70,010,912	76,060,816
LIABILITIES										
CURRENT LIABILITIES										
Payables	181,383	148,107	151,069	154,090	157,172	160,315	163,522	166,792	170,128	173,531
Current Portion of Long Term Borrowings	8,028	16,603	17,358	18,148	18,974	19,838	20,740	21,684	22,671	23,703
Provisions	105,869	79,563	80,359	81,162	81,974	82,794	83,622	84,458	85,302	86,155
Total Current Liabilities	295,280	244,273	248,785	253,400	258,120	262,947	267,883	272,934	278,101	283,389
NON-CURRENT LIABILITIES										
Long Term Borrowings	(8,028)	175,369	158,011	139,863	120,889	101,051	80,311	58,627	35,956	12,253
Provisions	27,505	27,780	28,058	28,338	28,622	28,908	29,197	29,489	29,784	30,082
Total Non-Current Liabilities	19,477	203,149	186,069	168,201	149,511	129,959	109,508	88,116	65,740	42,335
TOTAL LIABILITIES	314,757	447,422	434,854	421,602	407,631	392,906	377,391	361,050	343,841	325,724
NET ASSETS	58,982,429	59,652,762	59,605,256	64,397,728	64,248,524	64,179,992	69,590,537	69,584,883	69,667,070	75,735,092

Shire of Wandering Long Term Financial Plan 2019 - 2029

Statement of Financial Position

	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
NET CURRENT ASSETS											
CURRENT ASSETS											
Cash and Cash Equivalents	802,553	633,632	572,011	553,581	564,187	321,227	410,675	404,244	610,020	886,367	945,955
Receivables	928,097	36,855	110,218	112,422	114,671	116,964	119,304	121,690	124,123	126,606	129,138
Inventories	63,003	32,203	53,522	54,593	55,684	56,798	57,934	59,093	60,275	61,480	62,710
Inventories - Land Held for Resale	-	-	-	-	-	-	-	-	-	-	-
Total Current Assets	1,793,653	702,690	735,751	720,596	734,542	494,990	587,912	585,026	794,418	1,074,453	1,137,803
CURRENT LIABILITIES											
Payables	181,383	181,383	148,107	151,069	154,090	157,172	160,315	163,522	166,792	170,128	173,531
Contract Liabilities	45,796	-	-	-	-	-	-	-	-	-	-
Current Portion of Long Term Borrowings	473,507	-	16,603	17,358	18,148	18,974	19,838	20,740	21,684	22,671	23,703
Provisions	105,869	105,869	79,563	80,359	81,162	81,974	82,794	83,622	84,458	85,302	86,155
Total Current Liabilities	806,555	287,252	244,273	248,785	253,400	258,120	262,947	267,883	272,934	278,101	283,389
NET CURRENT ASSETS	987,098	415,438	491,478	471,811	481,142	236,870	324,965	317,143	521,484	796,352	854,414
LESS: Restricted Reserves	(341,395)	(438,582)	(464,058)	(503,644)	(523,890)	(260,058)	(360,990)	(358,340)	(571,131)	(888,722)	(948,376)
LESS: Restricted Muni	0	0	0	0	0	0	0	0	0	0	0
ADD: Current Long Term Borrowings	473,507	0	16603	17358	18148	18974	19838	20740	21684	22671	23703
ADD: Cash-backed Leave Reserve	39,173	40,344	45,949	51,638	57,413	63,274	69,223	75,262	81,391	87,611	93,926
OPENING/CLOSING FUNDS	1,158,383	17,200	89,973	37,163	32,812	59,060	53,037	54,805	53,427	17,913	23,667

1.6 EQUITY STATEMENT

Shire of Wandering Long Term Financial Plan 2019 - 2029										
Statement of Changes in Equity										
	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
EQUITY										
RETAINED SURPLUS										
Balance 1 July	12,472,456	12,783,575	12,696,724	12,975,392	12,979,124	13,114,521	12,945,831	12,943,630	12,725,968	12,491,352
Transfer from / (to) Reserve	(97,187)	(25,476)	(39,586)	(20,246)	263,832	(100,932)	2,650	(212,792)	(317,590)	(59,654)
Net Result	408,306	(61,376)	318,255	23,978	(128,435)	(67,758)	(4,851)	(4,871)	82,974	158,728
Balance 30 June	12,783,575	12,696,724	12,975,392	12,979,124	13,114,521	12,945,831	12,943,630	12,725,968	12,491,352	12,590,425
CASH BACKED RESERVES										
Balance 1 July	762,940	860,127	885,603	925,189	945,435	681,603	782,535	779,885	992,676	1,310,267
Transfer (from) / to Reserve	97,187	25,476	39,586	20,246	(263,832)	100,932	(2,650)	212,792	317,590	59,654
Balance 30 June	860,127	885,603	925,189	945,435	681,603	782,535	779,885	992,676	1,310,267	1,369,921
ASSET REVALUATION RESERVE										
Balance 1 July	45,338,727	46,070,435	45,704,675	45,703,909	50,452,400	50,451,625	50,450,847	55,866,239	55,865,452	55,864,660
Total Other Comprehensive Income	-	-	-	4,769,260	-	-	5,416,175	-	-	5,910,086
Balance 30 June	45,338,727	46,070,435	45,704,675	50,473,169	50,452,400	50,451,625	55,867,022	55,866,239	55,865,452	61,774,746
TOTAL EQUITY										
Balance 30 June	58,982,429	59,652,762	59,605,256	64,397,728	64,248,524	64,179,992	69,590,537	69,584,883	69,667,070	75,735,092
Net Assets as Statement Financial Position	58,982,429	59,652,762	59,605,256	64,397,728	64,248,524	64,179,992	69,590,537	69,584,883	69,667,070	75,735,092

1.7 RATE SETTING STATEMENT

Shire of Wandering Long Term Financial Plan 2019 - 2029										
Rate Setting Statement										
	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
REVENUES										
Rate Levies (Under adopted assumptions)	1,097,342	1,166,510	1,213,170	1,261,697	1,312,165	1,364,652	1,419,238	1,476,007	1,535,047	1,596,449
Other Revenue	2,544,510	2,125,406	2,530,826	2,237,988	2,150,035	2,210,865	2,274,413	2,339,185	2,406,024	2,475,002
Revenues Sub-total	3,641,852	3,291,916	3,743,996	3,499,685	3,462,200	3,575,517	3,693,650	3,815,192	3,941,071	4,071,451
EXPENSES										
All Operating Expenses	(3,233,546)	(3,353,291)	(3,425,741)	(3,475,707)	(3,590,635)	(3,643,275)	(3,698,501)	(3,820,063)	(3,858,097)	(3,912,723)
Net Operating Profit/(Loss)	408,306	(61,376)	318,255	23,978	(128,435)	(67,758)	(4,851)	(4,871)	82,974	158,728
NON CASH ITEMS										
(Profit)/Loss on Asset Disposals	6,402	-	-	-	-	-	-	-	-	-
Movements in Provisions and Accruals	1,171	159,870	5,206	5,290	5,375	(32,487)	(34,127)	(35,842)	(37,640)	(39,522)
Depreciation on Assets	969,400	1,086,441	1,107,021	1,108,738	1,174,331	1,176,520	1,180,154	1,248,949	1,233,013	1,232,431
Sub-total	976,973	1,246,311	1,112,227	1,114,028	1,179,706	1,144,033	1,146,027	1,213,107	1,195,373	1,192,909
CAPITAL EXPENDITURE AND REVENUE										
Development of Land Held for Resale	-	(200,000)	-	-	-	-	-	-	-	-
Purchase Land and Buildings	(20,500)	-	(365,000)	-	(370,000)	-	-	-	-	-
Infrastructure Assets - Roads	(1,613,268)	(806,159)	(802,343)	(813,752)	(680,172)	(755,341)	(821,630)	(888,062)	(955,824)	(1,024,940)
Infrastructure Assets - Other	-	-	-	-	-	-	-	-	-	-
Purchase Plant and Equipment	(402,000)	(689,000)	(464,760)	(470,000)	(316,535)	(403,000)	(512,266)	(257,500)	(154,132)	(493,960)
Purchase Furniture and Equipment	(40,000)	(15,000)	(15,000)	(15,000)	(40,000)	(15,000)	(15,000)	(15,000)	(40,000)	(15,000)
Proceeds Disposal of Assets	120,000	431,500	220,000	194,000	136,000	173,000	187,000	143,000	132,000	225,000
Repayment of Debentures	(473,507)	(8,028)	(16,603)	(17,358)	(18,148)	18,974	19,838	20,740	21,684	22,671
Proceeds from New Debentures	-	200,000	-	-	-	-	-	-	-	-
Transfers to Reserves	(297,187)	(252,449)	(49,305)	(52,085)	(99,633)	(100,932)	(74,718)	(212,792)	(317,590)	(69,350)
Transfers from Reserves	200,000	226,973	9,719	31,839	363,465	-	77,369	-	-	9,696
Net Cash From Investing Activities	(2,526,462)	(1,112,162)	(1,483,293)	(1,142,356)	(1,025,023)	(1,082,299)	(1,139,407)	(1,209,614)	(1,313,862)	(1,345,883)
ESTIMATED SURPLUS/(DEFICIT) JULY 1 B/FWD	1,158,383	17,200	89,973	37,163	32,812	59,060	53,037	54,805	53,427	17,913
ESTIMATED SURPLUS/(DEFICIT) JUNE 30 C/FWD	17,200	89,973	37,163	32,812	59,060	53,037	54,805	53,427	17,913	23,667

1.8 TEN YEAR CAPITAL WORKS PROGRAM

Shire of Wandering Long Term Financial Plan 2019 - 2029										
Ten Year Capital Works Program										
	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
LAND AND BUILDINGS										
Land Purchased for Resale	0	200000	0	0	0	0	0	0	0	0
Renewal - Buildings	0	0	365000	0	20000	0	0	0	0	0
New Buildings	20500	0	0	0	350000	0	0	0	0	0
Total Land and Buildings	20,500	200000	365000	0	370000	0	0	0	0	0
Proceeds from Sale of Land/Buildings	0	200000	0	0	0	0	0	0	0	0
Book Value Assets Sold	0	200000	0	0	0	0	0	0	0	0
Profit / (Loss) on Sale	0	0	0	0	0	0	0	0	0	0
PLANT AND EQUIPMENT										
Existing Heavy Plant	402,000	689,000	464,760	470,000	316,535	403,000	512,266	257,500	154,132	493,960
New/Upgrade Heavy Plant	0	0	0	0	0	0	-	-	-	-
Total Plant and Equipment	402,000	689,000	464,760	470,000	316,535	403,000	512,266	257,500	154,132	493,960
Proceeds of Sale	120,000	231,500	220,000	194,000	136,000	173,000	187,000	143,000	132,000	225,000
Book Value Assets Sold	126,402	231,500	220,000	194,000	136,000	173,000	187,000	143,000	132,000	225,000
Profit / (Loss) on Sale	(6,402)	-	-	-	-	-	-	-	-	-
FURNITURE AND EQUIPMENT										
Furniture & Equipment	40,000	15,000	15,000	15,000	40,000	15,000	15,000	15,000	40,000	15,000
Profit / (Loss) on Sale	-	-	-	-	-	-	-	-	-	-
INFRASTRUCTURE - ROADS (Would be supported by detailed schedules of road projects)										
Regional Road Group Projects	535,276	545,982	556,901	568,039	579,400	590,988	603,990	616,069	628,391	640,959
Roads to Recovery Projects	146,917	146,917	146,917	146,917	-	-	-	-	-	-
Bridges	750,000	-	-	-	-	-	-	-	-	-
Other	13,000	13,260	13,525	13,796	14,072	14,353	14,640	14,933	15,232	15,536
Local Roadworks - Renewal	168,075	100,000	85,000	85,000	86,700	150,000	203,000	257,060	312,201	368,445
Total Infrastructure Roads	1,613,268	806,159	802,343	813,752	680,172	755,341	821,630	888,062	955,824	1,024,940
CAPITAL WORKS TOTAL	2,075,768	1,710,159	1,647,103	1,298,752	1,406,707	1,173,341	1,348,896	1,160,562	1,149,956	1,533,900
TOTAL PROCEEDS OF SALE	120,000	431,500	220,000	194,000	136,000	173,000	187,000	143,000	132,000	225,000
TOTAL BOOK VALUE ASSETS SOLD	126,402	431,500	220,000	194,000	136,000	173,000	187,000	143,000	132,000	225,000
TOTAL PROFIT ON SALE	-	-	-	-	-	-	-	-	-	-
TOTAL (LOSS) ON SALE	(6,402)	-	-	-	-	-	-	-	-	-
NPV OF CAPITAL WORKS	11,424,262	12,429,376	10,719,217	9,072,114	7,773,362	6,366,655	5,193,314	3,844,419	2,683,856	1,533,900

1.9 DEPRECIATION SCHEDULE

Shire of Wandering Long Term Financial Plan 2019 - 2029										
Depreciation Schedule										
	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
LAND AND BUILDINGS										
Land Purchased for Resale	-	200,000	-	-	-	-	-	-	-	-
Book Value of Land	566,000	-	-	-	-	-	-	-	-	-
Total Land	566,000	766,000	766,000	766,000	766,000	766,000	766,000	766,000	766,000	766,000
Book Value of Buildings Non-Specialised	1,422,792	-	-	-	-	-	-	-	-	-
Book Value of Buildings Specialised	1,846,311	-	-	-	-	-	-	-	-	-
Buildings Acquired	20,500	-	-	-	350,000	-	-	-	-	-
Buildings Disposed	0	(200,000)	-	-	-	-	-	-	-	-
Total Buildings	3,289,603	3,023,606	2,959,134	2,899,951	3,191,952	3,131,613	3,068,981	3,007,601	2,947,449	2,888,500
Depreciation	(65,997)	(64,472)	(59,183)	(57,999)	(60,339)	(62,632)	(61,380)	(60,152)	(58,949)	(57,770)
Book Value of Buildings	3,223,606	2,959,134	2,899,951	2,841,952	3,131,613	3,068,981	3,007,601	2,947,449	2,888,500	2,830,730
PLANT AND EQUIPMENT										
Existing Heavy Plant	1,536,033	-	-	-	-	-	-	-	-	-
Plant & Equipment Acquisition	402,000	689,000	464,760	470,000	316,535	403,000	512,266	257,500	154,132	493,960
Plant & Equipment Disposal	(126,402)	(231,500)	(220,000)	(194,000)	(136,000)	(173,000)	(187,000)	(143,000)	(132,000)	(225,000)
Total Plant & Equipment	1,811,631	2,154,048	2,194,703	2,252,471	2,211,859	2,222,900	2,328,726	2,217,266	2,016,247	2,078,089
Depreciation	(115,083)	(204,105)	(218,232)	(221,147)	(218,959)	(219,440)	(225,959)	(223,152)	(207,118)	(205,611)
Book Value of Motor Vehicles, Plant & Equipment	1,696,548	1,949,943	1,976,471	2,031,324	1,992,900	2,003,460	2,102,766	1,994,115	1,809,129	1,872,478
FURNITURE AND EQUIPMENT										
Existing Furniture & Equipment	60,492	-	-	-	-	-	-	-	-	-
Furniture and Equipment Acquired	40,000	15,000	15,000	15,000	40,000	15,000	15,000	15,000	40,000	15,000
Total Furniture & Equipment	100,492	104,276	104,760	105,171	130,520	128,942	125,726	122,992	145,668	141,818
Depreciation	(11,216)	(14,516)	(14,589)	(14,651)	(16,578)	(18,216)	(17,734)	(17,324)	(18,850)	(20,148)
Book Value of Furniture & Equipment	89,276	89,760	90,171	90,520	113,942	110,726	107,992	105,668	126,818	121,670

Shire of Wandering Long Term Financial Plan 2019 - 2029 Depreciation Schedule

	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
TOTAL PROPERTY PLANT AND EQUIPMENT										
New Property Plant and Equipment	336,098	272,500	259,760	291,000	570,535	245,000	340,266	129,500	62,132	283,960
Total	5,767,726	5,847,930	5,824,597	5,823,593	6,545,149	6,494,273	6,534,250	6,882,983	6,644,488	6,643,531
Depreciation	(192,296)	(283,093)	(292,004)	(293,797)	(295,876)	(300,289)	(305,073)	(300,627)	(284,917)	(283,529)
Fair Value Adjustment				444,818			524,306			545,221
Book Value of Total Property Plant and Equipment	5,575,430	5,564,837	5,532,593	5,974,614	6,249,273	6,193,984	6,753,483	6,582,356	6,359,571	6,905,223
INFRASTRUCTURE (ALL)										
Existing Infrastructure	52,183,517	-	-	-	-	-	-	-	-	-
New Infrastructure Developed	1,613,268	806,159	802,343	813,752	680,172	755,341	821,630	888,062	955,824	1,024,940
Total Infrastructure	53,796,785	54,602,944	54,601,939	54,600,674	58,790,346	58,667,233	58,612,631	63,517,481	63,524,983	63,601,828
Depreciation	(777,719)	(803,348)	(815,017)	(814,941)	(878,454)	(876,232)	(875,081)	(948,322)	(948,096)	(948,903)
Fair Value Adjustment		-	-	4,324,442	-	-	4,891,870	-	-	5,364,865
Book Value Infrastructure	53,019,066	53,799,596	53,786,922	58,110,175	57,911,892	57,791,001	62,629,419	62,569,160	62,576,888	68,017,790
Total Assets	58,594,496	59,364,433	59,319,515	64,084,788	64,161,165	63,984,985	69,382,902	69,151,515	68,936,458	74,923,013
Total Depreciation	(970,015)	(1,086,441)	(1,107,021)	(1,108,738)	(1,174,331)	(1,176,520)	(1,180,154)	(1,248,949)	(1,233,013)	(1,232,431)
Depreciation on New Assets		(163,011)	(184,329)	(187,113)	(151,846)	(176,874)	(185,171)	(229,913)	(256,776)	(245,962)

1.10 KEY PERFORMANCE INDICATORS

Shire of Wandering Long Term Financial Plan 2019 - 2029										
Key Performance Indicators										
	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
OPERATING SURPLUS RATIO										
Operating Revenue	2,381,359	2,781,011	2,875,811	2,974,075	3,075,934	3,181,525	3,290,990	3,404,479	3,522,144	3,644,145
Less Operating Exp incl interest & depreciation	(3,227,090)	(3,353,291)	(3,425,741)	(3,475,707)	(3,590,635)	(3,643,275)	(3,698,501)	(3,820,063)	(3,858,097)	(3,912,723)
= Net Operating Surplus	(845,731)	(572,280)	(549,929)	(501,632)	(514,702)	(461,750)	(407,511)	(415,584)	(335,953)	(268,578)
Divided by Own Source Revenue (Rates, Fees & Charge	1,868,364	1,985,182	2,063,625	2,145,187	2,229,992	2,318,169	2,409,853	2,505,183	2,604,305	2,707,370
Advanced Ratio Target > 1 % and < 15%	-45.27%	-28.83%	-26.65%	-23.38%	-23.08%	-19.92%	-16.91%	-16.59%	-12.90%	-9.92%
Basic Ratio Target > 15%										
CURRENT RATIO										
Current Assets	702,690	735,751	720,596	734,542	494,990	587,912	585,026	794,418	1,074,453	1,137,803
Less Restricted Assets	(438,582)	(464,058)	(503,644)	(523,890)	(260,058)	(360,990)	(358,340)	(571,131)	(888,722)	(948,376)
= Net Current Assets	264,108	271,693	216,952	210,652	234,932	226,923	226,687	223,287	185,732	189,427
Divided by Current Liabilities less	295,280	244,273	248,785	253,400	258,120	262,947	267,883	272,934	278,101	283,389
Current Liabilities ass'd with Restricted Assets	(40,344)	(45,949)	(51,638)	(57,413)	(63,274)	(69,223)	(75,262)	(81,391)	(87,611)	(93,926)
= Net Current Liabilities	254,936	198,324	197,147	195,987	194,846	193,724	192,622	191,543	190,490	189,463
Ratio Target > or = to 1:1	1.04	1.37	1.10	1.07	1.21	1.17	1.18	1.17	0.98	1.00
Assume Provision same as Leave Cash Reserve	40,344	45,949	51,638	57,413	63,274	69,223	75,262	81,391	87,611	93,926
OWN SOURCE REVENUE RATIO										
Rates	1,100,481	1,144,500	1,190,280	1,237,891	1,287,407	1,338,903	1,392,460	1,448,158	1,506,084	1,566,328
Add - Fees and Charges	742,785	792,496	824,196	857,164	891,451	927,109	964,193	1,002,761	1,042,871	1,084,586
Add - Interest Income	9,500	9,690	9,884	10,081	10,283	10,489	10,699	10,913	11,131	11,353
Add - Profit on Disposal of Assets	54	-	-	-	-	-	-	-	-	-
Add - Reimbursements and recoveries	22,000	38,495	39,265	40,050	40,851	41,668	42,502	43,352	44,219	45,103
= Own Source Operating Revenue	1,874,820	1,985,182	2,063,625	2,145,187	2,229,992	2,318,169	2,409,853	2,505,183	2,604,305	2,707,370
Operating Expense	3,227,090	3,353,291	3,425,741	3,475,707	3,590,635	3,643,275	3,698,501	3,820,063	3,858,097	3,912,723
Basic Ratio Target > or = 0.4	0.58	0.59	0.60	0.62	0.62	0.64	0.65	0.66	0.68	0.69
Intermediate Ratio Target > or = 0.6										
Advanced Ratio Target > or = 0.9										

Shire of Wandering Long Term Financial Plan 2019 - 2029

Key Performance Indicators

	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
DEBT SERVICE COVERAGE RATIO										
Operating Surplus before Interest & Depreciation										
= Operating Revenue	2,381,359	2,781,011	2,875,811	2,974,075	3,075,934	3,181,525	3,290,990	3,404,479	3,522,144	3,644,145
Less Operating Expenses	(3,227,090)	(3,353,291)	(3,425,741)	(3,475,707)	(3,590,635)	(3,643,275)	(3,698,501)	(3,820,063)	(3,858,097)	(3,912,723)
Except Interest Expense and Depreciation	972,376	1,090,941	1,115,475	1,116,436	1,181,239	1,182,602	1,185,373	1,253,265	1,236,385	1,234,816
= Operating Surplus before Interest & Depreciation	126,645	518,661	565,546	614,804	666,537	720,852	777,862	837,682	900,432	966,238
Divided by Principal and Interest	2976	196472	183823	165709	146771	126971	106270	84627	61999	38341
Ratio Target > or = 2	42.56	2.64	3.08	3.71	4.54	5.68	7.32	9.90	14.52	25.20
ASSET SUSTAINABILITY RATIO										
Capital Renewal Expenditure	2,075,768	1,710,159	1,647,103	1,298,752	1,406,707	1,173,341	1,348,896	1,160,562	1,149,956	1,533,900
Less - New/Upgrade expenses	(770,500)	-	-	-	(350,000)	-	-	-	-	-
	1,305,268	1,710,159	1,647,103	1,298,752	1,056,707	1,173,341	1,348,896	1,160,562	1,149,956	1,533,900
Divided by Depreciation Expense	969,400	1,086,441	1,107,021	1,108,738	1,174,331	1,176,520	1,180,154	1,248,949	1,233,013	1,232,431
Standard Ratio Target = 90%	214.1%	157.4%	148.8%	117.1%	119.8%	99.7%	114.3%	92.9%	93.3%	124.5%
Improving Ratio Target > 90% - 110%										
ASSET CONSUMPTION RATIO										
Deprec'd Replace't Cost Assets (Written Down Value)	58,594,496	59,364,433	59,319,515	64,084,788	64,161,165	63,984,985	69,382,902	69,151,515	68,936,458	74,923,013
Divided by Current Replacement Cost	77,798,524	79,345,672	80,808,446	86,689,345	87,944,206	88,940,673	95,520,573	96,451,222	97,344,403	104,542,427
Ratio Target > 50%	75.3%	74.8%	73.4%	73.9%	73.0%	71.9%	72.6%	71.7%	70.8%	71.7%
Improving Ratio Target > 60%										
Assumed Current Replacement Cost	77,798,524									
New Assets Acquired at Cost	-	1,710,159	1,647,103	1,298,752	1,406,707	1,173,341	1,348,896	1,160,562	1,149,956	1,533,900
Depreciation on New Assets		(163,011)	(184,329)	(187,113)	(151,846)	(176,874)	(185,171)	(229,913)	(256,776)	(245,962)
Fair Value Revaluation (6% - 3-yearly)				4,769,260			5,416,175			5,910,086
New Current Replacement Cost	77,798,524	79,345,672	80,808,446	86,689,345	87,944,206	88,940,673	95,520,573	96,451,222	97,344,403	104,542,427
			1,647,103	1,298,752	1,406,707	1,173,341	1,348,896	1,160,562	1,149,956	1,533,900
ASSET RENEWAL FUNDING RATIO										
Net Present Value of Planned Renewal Expenditure	1,142,426	1,381,042	1,339,902	1,296,016	1,295,560	1,273,331	1,298,329	1,281,473	1,341,928	1,533,900
Divided by NPV of Asset Mgmt Plan Projections	2,075,768	1,710,159	1,647,103	1,298,752	1,406,707	1,173,341	1,348,896	1,160,562	1,149,956	1,533,900
Standard Ratio Target >= 75%	55.0%	80.8%	81.3%	99.8%	92.1%	108.5%	96.3%	110.4%	116.7%	100.0%
Improving Ratio Target >= 95%										

1.11 CASH RESERVES

Shire of Wandering Long Term Financial Plan 2019 - 2029										
Cash Reserves										
	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
PLANT REPLACEMENT RESERVE										
Opening Balance	233,817	274,652	50,417	41,194	9,758	68,962	88,579	12,088	141,825	375,910
Transfer to Reserve	240,835	2,738	496	404	59,204	19,617	877	129,737	234,085	3,691
Transfer From Reserve	(200,000)	(226,973)	(9,719)	(31,839)	-	-	(77,369)	-	-	(9,696.2)
Balance 30 June	274,652	50,417	41,194	9,758	68,962	88,579	12,088	141,825	375,910	369,905
LEAVE RESERVE										
Opening Balance	39,173	40,344	45,949	51,638	57,413	63,274	69,223	75,262	81,391	87,611
Transfer to Reserve	1,171	5,605	5,689	5,775	5,861	5,949	6,038	6,129	6,221	6,314
Transfer From Reserve	0	-	-	-	-	-	-	-	-	-
Balance 30 June	40,344	45,949	51,638	57,413	63,274	69,223	75,262	81,391	87,611	93,926
LAND & BUILDING RESERVE										
Opening Balance	33,488	73,516	288,530	302,330	318,685	-	45,339	82,873	129,284	175,804
Transfer to Reserve	40,028	215,014	13,800	16,355	4,780	45,339	37,534	46,411	46,520	28,327
Transfer From Reserve	0	-	-	-	(323,465)	-	-	-	-	-
Balance 30 June	73,516	288,530	302,330	318,685	-	45,339	82,873	129,284	175,804	204,131
OFFICE EQUIPMENT RESERVE										
Opening Balance	34,917	35,070	48,937	62,804	76,671	50,538	64,405	78,272	92,139	106,006
Transfer to Reserve	153	13,867	13,867	13,867	13,867	13,867	13,867	13,867	13,867	13,867
Transfer From Reserve	0	-	-	-	(40,000)	-	-	-	-	-
Balance 30 June	35,070	48,937	62,804	76,671	50,538	64,405	78,272	92,139	106,006	119,873
FUEL FACILITY RESERVE										
Opening Balance	-	15,000	30,225	45,678	61,364	77,284	93,443	109,845	126,493	143,390
Transfer to Reserve	15,000	15,225	15,453	15,685	15,920	16,159	16,402	16,648	16,897	17,151
Transfer From Reserve	0	-	-	-	-	-	-	-	-	-
Balance 30 June	15,000	30,225	45,678	61,364	77,284	93,443	109,845	126,493	143,390	160,541
TOTAL RESERVES										
Opening Balance	341,395	438,582	464,058	503,644	523,890	260,058	360,990	358,340	571,131	888,722
Transfer to Reserve	297,187	252,449	49,305	52,085	99,633	100,932	74,718	212,792	317,590	69,350
Transfer From Reserve	(200,000)	(226,973)	(9,719)	(31,839)	(363,465)	-	(77,369)	-	-	(9,696)
Total Reserves 30 June	438,582	464,058	503,644	523,890	260,058	360,990	358,340	571,131	888,722	948,376

1.12 VARIABLE ASSUMPTIONS UNDERPINNING THE PLAN

Shire of Wandering Long Term Financial Plan 2019 - 2029 Variable Assumptions Underpinning the Plan										
	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029
OPERATING REVENUES										
Rates - Annual Increases	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Rates - Growth in Rate Base	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Operating Grants, Subsidies and Contributions	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Non-operating Grants, Subsidies, Contbns	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Fees and Charges	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Interest Earnings	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Other revenue	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
OPERATING EXPENSES										
Employee Costs	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Materials and Contracts	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Utility Charges	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
Depreciation on Non-current Assets (see below)										
Interest Expense (based on estimated borrowings)	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
Insurance Expense	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Other Expenditure	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
CAPITAL ASSETS										
Average Depreciation - Buildings	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Average Depreciation - Other	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
Average Depreciation - Infrastructure Roads	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%
Average Depreciation - Infrastructure Other	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%

1.13 RISK MANAGEMENT ASSESSMENT

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
Shire Growth in Population: The number of residents in the Shire is expected to remain stable.	Low	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
Rates Level Increase: Annual rates have been based on an increase in the total rate yield of 4% higher than forecast inflation rate of 2%.	Low	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
Operating Grants and Contributions: Increases in line with inflation forecast.	Low	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
Non-operating Grants and Contributions: Remain in line with funding requirements identified for various capital works.	High	The forecast new capital works program is highly dependent on Government grants and contributions. Changes in these levels would impact directly on the amount spent on capital projects and ultimately impact on service levels.	High	± \$91,416 to the value of non-operating grants and contributions per 1% movement in the value over the life of the Plan.
Fees and Charges: Increases in line with inflation forecast.	Medium	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
Interest Earnings: Interest earning of an average rate of 2.50% per annum.	Low	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
Other Revenue: Increases in line with inflation.	Low	Not assessed as high financial risk.	Low	Not assessed as high level of uncertainty.
Profit on Asset Disposal: Profit on asset disposal results from a misallocation of depreciation over the life of the asset. As the level of depreciation is considered appropriate no profit on asset disposals has been included.	Low	Not assessed as high financial risk.	Low	Not assessed as high level of uncertainty.
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.	Medium	Not assessed as high financial risk.	High	± \$205,553 to the value of materials and contracts per 1% movement in the value over the life of the Plan.
Depreciation: Depreciation has been calculated using an average rate for each asset class based on the weighted average estimated remaining useful life of assets in the class.	Low	Not assessed as high financial risk.	Low	Not assessed as high level of uncertainty.
Insurance: Base year increased in line with inflation.	Medium	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
Other Expenditure: Base year increased in line with inflation.	Medium	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
Loss on Asset Disposal: A loss on asset disposal results from a misallocation of depreciation over the life of the asset. As the level of depreciation is considered appropriate in the Plan no loss on asset disposals has been included in the Plan.	Low	Not assessed as high financial risk.	Low	Not assessed as high level of uncertainty.

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	±\$91,314 to the value of property, plant and equipment per 1% movement in the value over the life of the Plan.
				±\$722,499 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.	High	Unable to be quantified.
Infrastructure Assets: Expenditure has been based on historical levels escalated by inflation.	Medium	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
Borrowings: New borrowings to be considered for capital works where required.	Medium	Not assessed as high financial risk.	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.
Cash Backed Reserves: It has been assumed the Shire will invest cash reserves in term deposits with banking institutions and these funds will be available for use during the term of the Plan.	Low	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
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	±\$91,314 to the value of property, plant and equipment per 1% movement in the value over the life of the Plan.
				±\$722,499 to the value of infrastructure assets per 1% movement in the value over the life of the Plan.
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% per annum.	Medium	Not assessed as high financial risk.	High	± \$514,179 to operating revenue per 1% movement in the inflators over the life of the Plan.
				± \$571,127 to operating expenditure per 1% movement in the inflators over the life of the Plan.

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
Commercial Activities: The Shire has no plans to undertake a significant commercial activity during the period of the Plan.	Low	Not assessed as high financial risk.	Low	Not assessed as high level of uncertainty.
General Economic Forecasts for State: The economic forecast for the State is closely linked to the success of the mining industry. Demands for minerals is forecast to remain stable in the short term with a corresponding stability of the state economy.	Medium	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
General Economic Forecasts for Region: Historically, the region's economy is heavily dependent on agriculture and this remains the assumption for the term of this Plan.				