



Long Term Financial Plan

Shire of Woodanilling

Version – Adopted 20/12/2016



DOCUMENT CONTROL

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CONSULTANTS DISTRIBUTION SCHEDULE

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Version 2	20/12/2016	Adopted by Council	
Version 3			



Table of Contents

1.0	Purpose of the Plan.....	4
2.0	Key Statistics	5
3.0	Our Place.....	6
4.0	Our Community.....	6
5.0	Our Lifestyle.....	6
6.0	Our Services	6
7.0	Service Delivery	7
8.0	Asset Management.....	7
8.1	Infrastructure Asset Portfolio	8
8.2	Renewal Demand (Model 1).....	8
8.3	Current Renewal Funding (Model 2)	9
8.4	Renewal Funding Gap (Model 3)	9
9.0	Financial Strategies and Principles.....	10
9.1	Rating Strategy	10
9.2	Debt Strategy.....	11
9.3	Budget Surpluses	11
9.4	Valuation of Non-Current Assets.....	11
9.5	Cash Reserves.....	11
9.6	Cost Recovery of Services.....	11
10.0	Workforce Planning Strategies.....	11
11.0	Scenario Modelling and Sensitivity Analysis.....	11
12.0	Key Assumptions Underpinning the Long Term Financial Plan	11

13.0	Risk Assessment	12
14.0	Financial Projections	12
15.0	Conclusion – Implementation and Review of the LTFP	13
16.0	LTFP Statements and Supporting Schedules	14
16.1	Statement of Comprehensive Income by Nature and Type.....	14
16.2	Statement of Comprehensive Income by Program	15
16.3	Cash Flow Statement	17
16.4	Statement of Financial Position (Balance Sheet).....	18
16.5	Equity Statement	20
16.6	Rate Setting Statement.....	21
16.7	Ten Year Capital Works Program.....	22
16.8	Depreciation Schedule	23
16.9	Key Performance Indicators	25
16.10	Cash Reserves	27
16.11	Variable Assumptions Underpinning the Plan.....	29

Table of Figures

Figure 1: Infrastructure Asset Summary	8
Figure 2: Annual Renewal Demand	9
Figure 3: Annual Renewal Funding.....	9
Figure 4: Annual Renewal Funding Gap	10

List of Tables

Table 1: Estimated Renewal Value of Assets from the.....	8
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1.0 Purpose of the Plan

The Shire of Woodanilling'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. The LTFP aligns with the other planning documents under the State Government's Integrated Planning & Reporting Framework for local government. This includes the Shire's Strategic Community Plan and Corporate Business Plan. 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 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 Shire's aim in developing the LTFP is to achieve the following objectives;

- Maintain 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;
- Ensure the Shire has capacity to react to demand for new services as a result of community growth or changing demographics;
- Maintain 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;
- Achieve operating statement surpluses with the exclusion of all non-operational items such as granted assets and capital income (underlying surplus);
- 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 2016-2026. 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.



2.0 Key Statistics

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

Geographic Statistics	Woodanilling
Distance from Perth by Road (RAC 2013)	293km
Distance from Perth by Air (Google Earth 2013)	235km
Area (km ² , Shire website)	1,126km ²

Population Statistics	Woodanilling
Population (ABS Estimated 2011)	419
Estimated Indigenous Population (ABS 2011)	1.4%
Number of Dwellings (Total, ABS 2011)	204
Number of Dwellings (Occupied, ABS 2011)	156
Occupancy Rate (Calculated 2013)	76.5%

Economic Statistics	Woodanilling
Median Weekly Household Income (ABS 2011)	\$909
Median Weekly Rent (ABS 2011)	\$92
Taxable Individuals (ATO 2013)	70
Average Taxable Income (ATO 2013)	\$42,910

Rating & Income Statistics	Woodanilling
Rateable Properties (Shire Website 2013)	351
Rateable Value (2011/12 Budget, 2012 Actual)	\$100,847,835
Predominant Minimum Rate (2011/12 Budget)	\$270
Total Rates Levied (2011/12 Budget)	\$532,606
Total Revenue (2011/12 Budget, 2011/12 Actual)	\$2,114,752

Organisation Statistics	Woodanilling
Number of Employees (2011/12 Budget)	33 FTE





3.0 Our Place

The Shire of Woodanilling is in the Great Southern region of Western Australia, which lies 235km south east of Perth and 30km south of Wagin. The shire covers a total area of 1,126km² and contains 84.36 kilometres of sealed roads and 453.47 kilometres of unsealed roads, has one square kilometre of parks and gardens and 156 occupied dwellings.

The name Woodanilling is Aboriginal in origin and means either “lots of minnows” or “place where the bronzewing pigeon nests”. Its economy is primarily agricultural, centred on sheep and grain production.

The region has a temperate climate with warm to hot summers with an average of 30°C and mild to cold winters with an average temperature of 14-16°C. Rainfall averages from around 8mm per month in January to over 70mm in July.

4.0 Our Community

The Shire of Woodanilling has an estimated 2011 population of 419 people of which approximately 1.4% of the community is made up of local indigenous people while the remaining 98.6% of the community comprise non-indigenous people born and bred in the area.

The population comprises approximately 52.5% males and 47.5% females (2011 Census). The median age within the Shire is 39 years (2011 Census) which is slightly older than the State median age of 36 and the National median age of 37.

5.0 Our Lifestyle

The Shire of Woodanilling is predominantly a sheep and grain producing area and it is the economic mainstay of the area. A few of the best things about Woody - as it is called locally - are the people and the community spirit.

The town has a Playgroup and one Primary School in its district with two full time teachers, two part time teachers, a pre-school teacher and a school registrar. Classes are split and teachers share duties and students. On average the school has approximately 20 children. The school's Parents & Citizens Association is a strong and active committee, helping the school and the community by fundraising for various equipment and supplies to improve the facilities provided to the students. Those that do not attend Woodanilling Primary School have access to bus routes to Katanning (25.3km) which has three Primary Schools and one District Senior High School.

Woodanilling also has a local grocery store, Tavern, Cafés & Caravan Park. The nearest hospital is situated 23.5km north west of Woodanilling in Katanning.

Queerearrup Lake, Martup Pool, Wignedyne Nature Reserve, King Rock, Centenary Park are just some of Woodanillings sites and attractions.

The Shire of Woodanilling is involved in community projects such as;

- Turning Graffiti Into Art Project
- Cemetery Upgrade Project; and
- Back to Woody DVD (sponsored by Lottery West)

Woodanilling's sporting clubs include Hockey, Cricket, Tennis and Short Mat Bowls Groups as well as community groups such as the Playgroup, Volunteer Busfire Brigades, CWA and Sport & Recreation Association.

6.0 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 administration 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 Ranger services. This includes administration and implementation of various local laws, animal control (licensing and enforcement), fire prevention and emergency services.

Health – operation of child health clinics and immunisation services, monitoring of food quality and licensing of food premises and pest control measures (e.g. mosquito control).

Education and Welfare - operation of day care centres, pre-schools, senior citizens' centres and meals on wheels services.

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. The operation of libraries and cultural centres are also included.

Transport – maintenance of streets, roads, bridges, parking areas and footpaths including street cleaning and lighting of streets. Costs associated with operation of the works depot are also included.

Economic Services – building control services (licences), support for the local tourist centre, area promotion and economic development initiatives undertaken by the Shire.

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.

7.0 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, whilst continuing to achieve annual operating surpluses each year to fund the provision of infrastructure.

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.

8.0 Asset Management

The Shire has developed a strategic approach to asset management and developed asset management plans based on the total life cycle of assets. The Asset Management Plan will 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.

The renewal demand profile is then compared to the current renewal expenditure profile to determine the renewal gap. The renewal gap is the difference between what Council is currently spending on infrastructure asset renewal and what it ideally needs to spend given the portfolio of assets held or controlled by the Shire, the asset life and the level of service needed by the community (determined through community consultation in the development of the Strategic Community Plan).

All local governments have a renewal gap. The challenge for each local government is to close or minimise the gap. The purpose of the Long Term Financial Plan is to set out the strategies to close the renewal gap

and still ensure service delivery is maintained to community acceptable levels.

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.

8.1 Infrastructure Asset Portfolio

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

Asset Group	Renewal Value
Pavement Structure	8,796,900
Subgrade Structure	9,623,820
Surface Structure	12,280,909
SW Channel	465,007
Footpaths	184,525
Bridges	2,387,420
Drainage	3,752,520
Total	37,491,101
Total Depreciable Assets	27,867,281

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

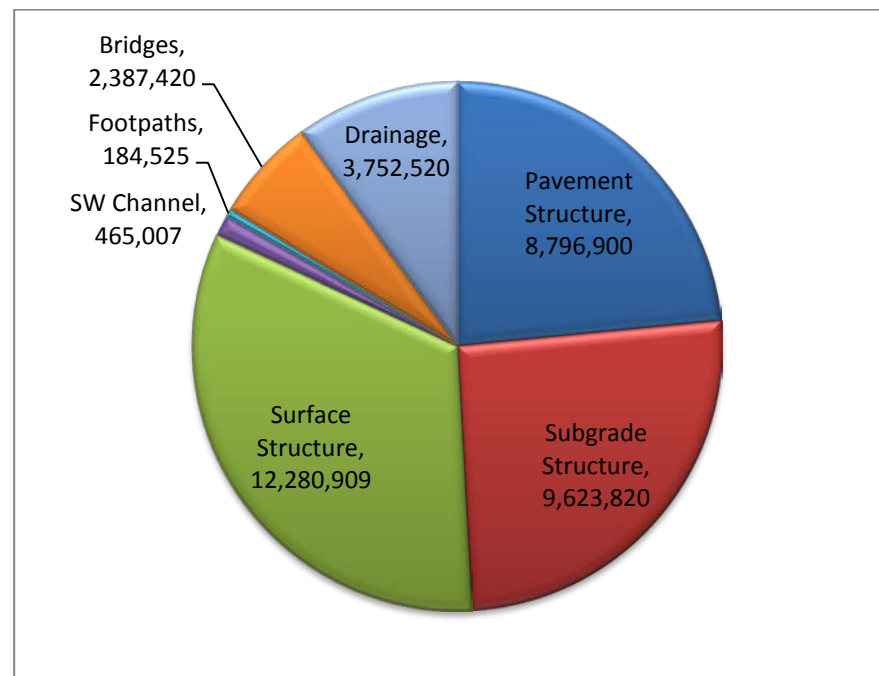


Figure 1: Infrastructure Asset Summary

8.2 Renewal Demand (Model 1)

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). Confidence levels in this LTFP will improve as confidence levels in the data and understanding of the modelling parameters improve in future revisions of both the Asset Management Plan and the LTFP. The Renewal Demand is referred to as Model 1.



The Shire is yet to prepare a Renewal Model, however 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 of planned renewal expenditure is based on the average over the life of this plan, diminishing to year 10 as a single value.

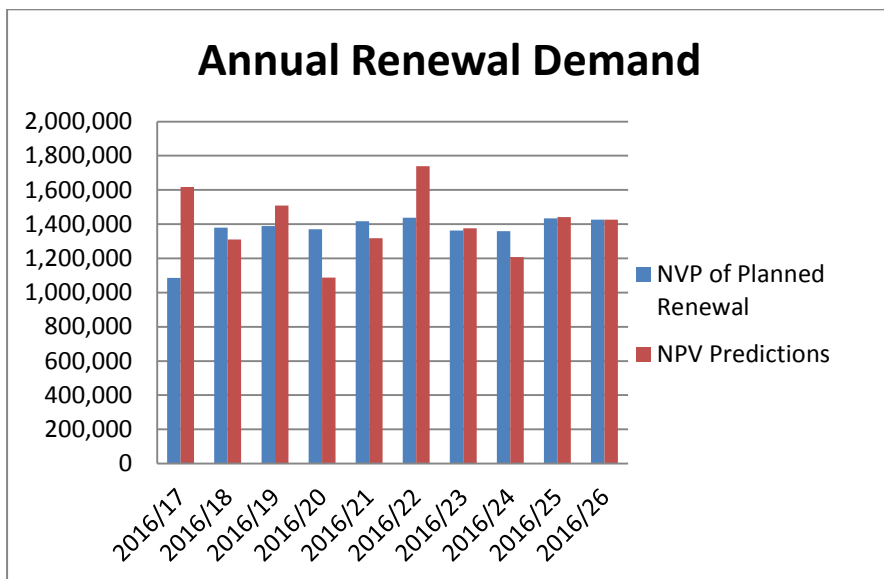


Figure 2: Annual Renewal Demand

8.3 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.

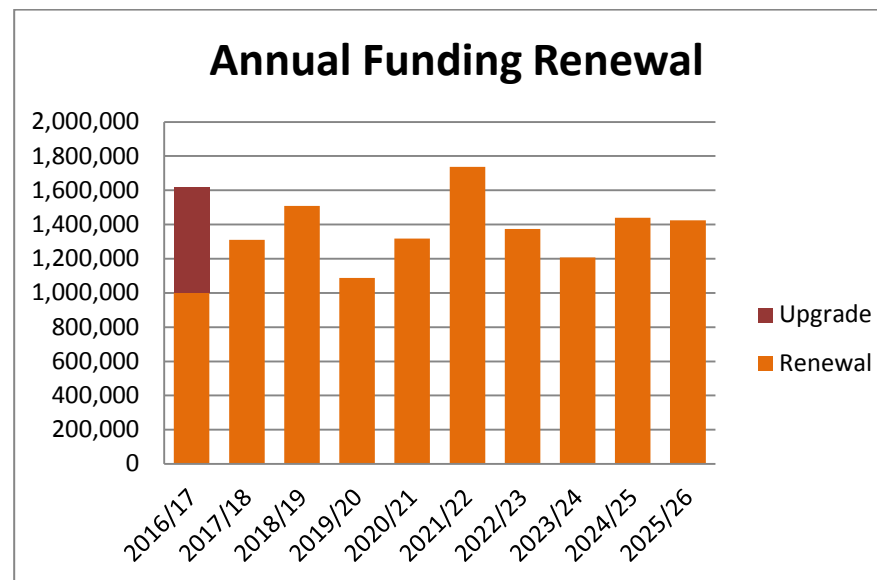


Figure 3: Annual Renewal Funding

8.4 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 \$0.743m declining to \$0.506m by 2016 and then rising again to \$1.106 in 2023. The long term annual average gap over 20 years is estimated to be \$0.873m/annum or \$17.459m over 20 years.

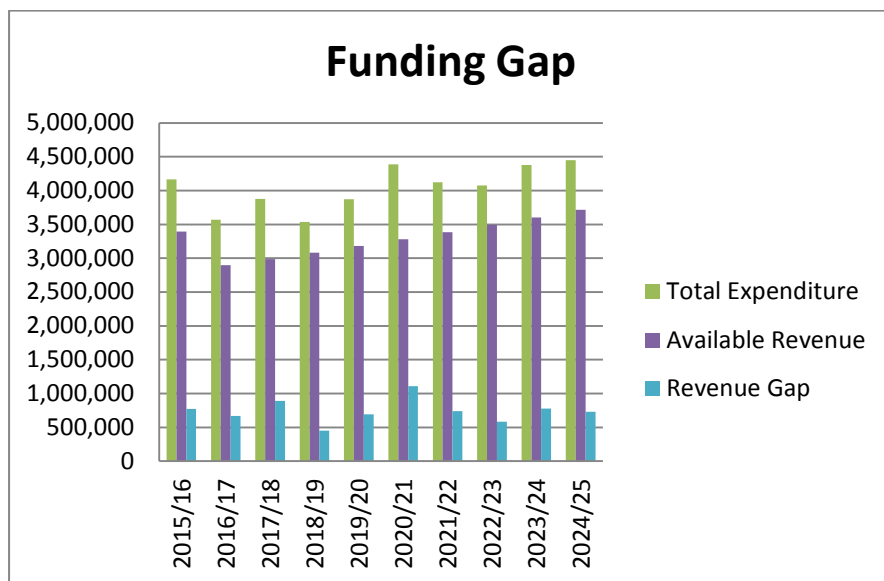


Figure 4: Annual Renewal Funding Gap

9.0 Financial Strategies and Principles

A principle aim of long term financial planning is to ensure that the local government 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 this 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.

9.1 Rating Strategy

The Shire currently has an identified renewal funding gap. 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.

9.2 Debt Strategy

At this point in time the Shire does not have any borrowings.

9.3 Budget Surpluses

The underlying operating result as defined by the Institute of Chartered Accountants in Australia is a measure of the financial sustainability of a Council. Continuous underlying operating deficits lead to a loss in equity, reduction in asset base, drop in service standards over time and a deferral of costs to future generations.

The underlying operating result is the operational result (balanced, surplus or deficit) less gifted assets, developer contributions, asset revaluations, and write offs and impacts of asset sales. Capital income is further deducted on the grounds it represents an “unmatched” income (expenditure is not included) and it is a non-recurring income source.

9.4 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. .

9.5 Cash Reserves

The Shire has cash backed reserves to fund projects such as road construction, office equipment, affordable housing and plant & equipment.

9.6 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.

10.0 Workforce Planning Strategies

	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2024/25	2025/26	2026/27
Current FTEs	14	14	14	14	15	15	15	15	16	16
New FTEs	0	0	0	1	0	0	0	1	0	0
Total FTEs	14	14	14	15	15	15	15	16	16	16

11.0 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.

12.0 Key Assumptions Underpinning the Long Term Financial 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



2016/17 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.
- Annual operating surpluses will be maintained where possible
- Net staff levels will remain unchanged but will increase over time to meet the needs of an increasing population and growth and develop of the District.
- Staff costs will increase by 4.0% per annum over the life of the LTFP.
- CPI will be approximately 3% per annum over the life of the LTFP.
- Annual rate increases of 3% 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 1.5% 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 4.5%
- No new borrowings for the life of the LTFP
- Interest rates for invested funds will be 2.0% over the life of the LTFP.
- Roads to Recovery funding will continue until 2019
- Other government grants will increase by 3.0% per annum
- Materials and contracts will increase by 3.0% per annum.
- Utility costs will increase by between 6.0% and 8.0% per annum.
- Cash reserves will continue to be maintained to fund future commitments.

13.0 Risk Assessment

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.

A number of new building projects are included each year in the LTFP. All of these are proposed to be constructed on land owned by the Shire or Crown Land managed by the Shire. The developments will not require external approvals and are being funded through rate revenues or debt funding or both. The risk associated with these is therefore low.

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 for 2012-13 through to 2016-17. 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.

No other risks have been identified.

14.0 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

15.0 Conclusion – Implementation and Review of the LTFP

The Council will consider the content of the LTFP when preparing the Annual Budget for 2017/18 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 2018/19 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.



16.0 LTFP Statements and Supporting Schedules

16.1 Statement of Comprehensive Income by Nature and Type

Shire of Woodanilling Long Term Financial Plan 2016 - 2026										
Statement of Comprehensive Income by Nature and Type										
	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
INCOME: REVENUES FROM ORDINARY ACTIVITIES										
<i>EXCLUDING PROFIT ON ASSET DISPOSAL, NON-OPERATING GRANTS, SUBSIDIES & CONTRIBUTIONS</i>										
Rates	635,773	654,846	674,492	694,726	715,568	737,035	759,146	781,921	805,378	829,540
Rates Growth	-	9,537	9,823	10,117	10,421	10,734	11,056	11,387	11,729	12,081
Operating Grants, Subsidies & Contributions	987,295	1,016,914	1,047,421	1,078,844	1,111,209	1,144,545	1,178,882	1,214,248	1,250,676	1,288,196
Fees & Charges	289,775	302,815	316,442	330,681	345,562	361,112	377,362	394,344	412,089	430,633
Interest Earnings	14,000	14,280	14,566	14,857	15,154	15,457	15,766	16,082	16,403	16,731
Other Revenue	23,180	23,875	24,592	25,329	26,089	26,872	27,678	28,508	29,364	30,245
Total Revenue	1,950,023	2,022,267	2,087,334	2,154,555	2,224,004	2,295,756	2,369,890	2,446,490	2,525,639	2,607,425
EXPENDITURE: EXPENSES FROM ORDINARY ACTIVITIES										
<i>EXCLUDING LOSS ON ASSET DISPOSAL</i>										
Employee Costs	(905,130)	(941,335)	(978,989)	(1,018,148)	(1,058,874)	(1,101,229)	(1,145,278)	(1,191,089)	(1,238,733)	(1,288,282)
Materials & Contracts	(563,675)	(580,585)	(598,003)	(615,943)	(634,421)	(653,454)	(673,057)	(693,249)	(714,047)	(735,468)
Utilities	(66,300)	(70,278)	(74,495)	(78,964)	(83,702)	(88,724)	(94,048)	(99,691)	(105,672)	(112,012)
Depreciation	(1,065,600)	(722,827)	(779,381)	(797,928)	(845,283)	(880,176)	(912,629)	(963,692)	(964,825)	(974,729)
Interest Expenses	0	0	0	0	0	0	0	0	0	0
Insurance	(77,400)	(79,722)	(82,114)	(84,577)	(87,114)	(89,728)	(92,420)	(95,192)	(98,048)	(100,989)
Other Expenditure	133,070	138,393	143,929	149,686	155,673	161,900	168,376	175,111	182,115	189,400
Total Expenditure	(2,545,035)	(2,256,354)	(2,369,052)	(2,445,875)	(2,553,722)	(2,651,411)	(2,749,056)	(2,867,803)	(2,939,209)	(3,022,081)
Sub-total	(595,012)	(234,087)	(281,717)	(291,319)	(329,718)	(355,655)	(379,165)	(421,313)	(413,570)	(414,655)
Non-Operating Grants, Subsidies & Contributions	1,442,566	875,642	901,911	928,969	956,838	985,543	1,015,109	1,045,562	1,076,929	1,109,237
Profit on Asset Disposals	-	-	-	-	-	-	-	-	-	-
Loss on Asset Disposals	-	-	-	-	-	-	-	-	-	-
Sub-total	1,442,566	875,642	901,911	928,969	956,838	985,543	1,015,109	1,045,562	1,076,929	1,109,237
NET RESULT	847,554	641,555	620,194	637,649	627,119	629,888	635,944	624,249	663,359	694,582
Other Comprehensive Income										
Changes in Valuation of non-current assets	-	-	-	2,938,570	-	-	3,463,217	-	-	3,847,824
Total Other Comprehensive Income	-	-	-	2,938,570	-	-	3,463,217	-	-	3,847,824
TOTAL COMPREHENSIVE INCOME	847,554	641,555	620,194	3,576,219	627,119	629,888	4,099,161	624,249	663,359	4,542,405



16.2 Statement of Comprehensive Income by Program

Shire of Woodanilling Long Term Financial Plan 2016 - 2026										
Statement of Comprehensive Income by Program										
	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
INCOME: REVENUES FROM ORDINARY ACTIVITIES										
<i>EXCLUDING PROFIT ON ASSET DISPOSAL AND NON-OPERATING GRANTS, SUBSIDIES & CONTRIBUTIONS</i>										
Governance	6,695	6,896	7,103	7,316	7,535	7,761	7,994	8,234	8,481	8,735
General Purpose Funding	1,462,473	1,520,090	1,570,093	1,621,796	1,675,262	1,730,552	1,787,730	1,846,865	1,908,025	1,971,283
Law, Order, Public Safety	51,065	52,597	54,175	55,800	57,474	59,198	60,974	62,804	64,688	66,628
Health	300	309	318	328	338	348	358	369	380	391
Education and Welfare	72,480	74,654	76,894	79,201	81,577	84,024	86,545	89,141	91,815	94,570
Housing	13,010	13,400	13,802	14,216	14,643	15,082	15,535	16,001	16,481	16,975
Community Amenities	32,450	33,424	34,426	35,459	36,523	37,618	38,747	39,909	41,107	42,340
Recreation and Culture	2,700	2,781	2,864	2,950	3,039	3,130	3,224	3,321	3,420	3,523
Transport	259,260	267,038	275,049	283,300	291,799	300,553	309,570	318,857	328,423	338,275
Economic Services	20,000	20,600	21,218	21,855	22,510	23,185	23,881	24,597	25,335	26,095
Other Property and Services	29,590	30,478	31,392	32,334	33,304	34,303	35,332	36,392	37,484	38,608
Total Revenue	1,950,023	2,022,267	2,087,334	2,154,555	2,224,004	2,295,756	2,369,890	2,446,490	2,525,639	2,607,425
EXPENDITURE: EXPENSES FROM ORDINARY ACTIVITIES										
<i>EXCLUDING LOSS ON ASSET DISPOSAL AND FINANCE COSTS</i>										
Governance	(176,550)	(181,847)	(187,302)	(192,921)	(198,709)	(204,670)	(210,810)	(217,134)	(223,648)	(230,358)
General Purpose Funding	(13,200)	(13,596)	(14,004)	(14,424)	(14,857)	(15,302)	(15,761)	(16,234)	(16,721)	(17,223)
Law, Order, Public Safety	(127,980)	(131,819)	(135,774)	(139,847)	(144,043)	(148,364)	(152,815)	(157,399)	(162,121)	(166,985)
Health	(45,000)	(46,350)	(47,741)	(49,173)	(50,648)	(52,167)	(53,732)	(55,344)	(57,005)	(58,715)
Education and Welfare	(38,500)	(39,655)	(40,845)	(42,070)	(43,332)	(44,632)	(45,971)	(47,350)	(48,771)	(50,234)
Housing	(55,925)	(57,603)	(59,331)	(61,111)	(62,944)	(64,832)	(66,777)	(68,781)	(70,844)	(72,969)
Community Amenities	(141,960)	(146,219)	(150,605)	(155,124)	(159,777)	(164,571)	(169,508)	(174,593)	(179,831)	(185,226)
Recreation and Culture	(211,700)	(218,051)	(224,593)	(231,330)	(238,270)	(245,418)	(252,781)	(260,364)	(268,175)	(276,220)
Transport	(1,652,730)	(1,337,280)	(1,422,405)	(1,470,829)	(1,549,425)	(1,616,985)	(1,683,597)	(1,770,380)	(1,808,864)	(1,857,825)
Economic Services	(57,600)	(59,328)	(61,108)	(62,941)	(64,829)	(66,774)	(68,777)	(70,841)	(72,966)	(75,155)
Other Property and Services	(23,890)	(24,607)	(25,345)	(26,105)	(26,888)	(27,695)	(28,526)	(29,382)	(30,263)	(31,171)
Total Expenditure	(2,545,035)	(2,256,354)	(2,369,052)	(2,445,875)	(2,553,722)	(2,651,411)	(2,749,056)	(2,867,803)	(2,939,209)	(3,022,081)
Net Result from Operating Activities	(595,012)	(234,087)	(281,717)	(291,319)	(329,718)	(355,655)	(379,165)	(421,313)	(413,570)	(414,655)



Shire of Woodanilling – Long Term Financial Plan

FINANCE COSTS										
Governance	0	0	0	0	0	0	0	0	0	0
Sub-total	0	0	0	0	0	0	0	0	0	0
NON-OPERATING GRANTS, SUBSIDIES, CONTRIBUTIONS										
Health	615,000									
Transport	827,566	875,642	901,911	928,969	956,838	985,543	1,015,109	1,045,562	1,076,929	1,109,237
Sub-total	1,442,566	875,642	901,911	928,969	956,838	985,543	1,015,109	1,045,562	1,076,929	1,109,237
PROFIT / (LOSS) ON DISPOSAL OF ASSETS										
Transport	-	-	-	-	-	-	-	-	-	-
Sub-total	-	-	-	-	-	-	-	-	-	-
NET RESULT	847,554	641,555	620,194	637,649	627,119	629,888	635,944	624,249	663,359	694,582
OTHER COMPREHENSIVE INCOME										
Changes in Valuation of non-current assets	-	-	-	2,938,570	-	-	3,463,217	-	-	3,847,824
Total Other Comprehensive Income	-	-	-	2,938,570	-	-	3,463,217	-	-	3,847,824
TOTAL COMPREHENSIVE INCOME	847,554	641,555	620,194	3,576,219	627,119	629,888	4,099,161	624,249	663,359	4,542,405



16.3 Cash Flow Statement

Shire of Woodanilling Long Term Financial Plan 2016 - 2026										
Statement of Cash Flows										
	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES										
RECEIPTS										
Rates	635,773	664,383	684,314	704,844	725,989	747,769	770,202	793,308	817,107	841,620
Operating Grants, Subsidies & Contributions	987,295	1,016,914	1,047,421	1,078,844	1,111,209	1,144,545	1,178,882	1,214,248	1,250,676	1,288,196
Fees & Charges	289,775	302,815	316,442	330,681	345,562	361,112	377,362	394,344	412,089	430,633
Interest Earnings	14,000	14,280	14,566	14,857	15,154	15,457	15,766	16,082	16,403	16,731
Other Revenue	23,180	23,875	24,592	25,329	26,089	26,872	27,678	28,508	29,364	30,245
Sub-total	1,950,023	2,022,267	2,087,334	2,154,555	2,224,004	2,295,756	2,369,890	2,446,490	2,525,639	2,607,425
PAYMENTS										
Employee Costs (Operating Only)	(905,130)	(941,335)	(978,989)	(1,018,148)	(1,058,874)	(1,101,229)	(1,145,278)	(1,191,089)	(1,238,733)	(1,288,282)
Materials & Contracts	(563,675)	(580,585)	(598,003)	(615,943)	(634,421)	(653,454)	(673,057)	(693,249)	(714,047)	(735,468)
Utilities (gas, electricity, water, etc.)	(66,300)	(70,278)	(74,495)	(78,964)	(83,702)	(88,724)	(94,048)	(99,691)	(105,672)	(112,012)
Insurance	(77,400)	(79,722)	(82,114)	(84,577)	(87,114)	(89,728)	(92,420)	(95,192)	(98,048)	(100,989)
Other Expenditure	133,070	138,393	143,929	149,686	155,673	161,900	168,376	175,111	182,115	189,400
Sub-total	(1,479,435)	(1,533,528)	(1,589,671)	(1,647,947)	(1,708,439)	(1,771,235)	(1,836,427)	(1,904,110)	(1,974,384)	(2,047,352)
Net Cash Provided by (Used in) Operating Activities	470,588	488,739	497,663	506,609	515,565	524,521	533,463	542,380	551,255	560,073
CASH FLOWS FROM INVESTING ACTIVITIES										
Payments for Development of Land Held for Resale	-	-	-	-	-	-	-	-	-	-
Payments for Purchase of Property, Plant & Equipment	(709,250)	(375,000)	(545,000)	(95,000)	(295,000)	(685,000)	(290,000)	(90,000)	(290,000)	(240,000)
Payments for Construction of Infrastructure	(909,035)	(936,306)	(964,395)	(993,327)	(1,023,127)	(1,053,821)	(1,085,435)	(1,117,998)	(1,151,538)	(1,186,084)
Grants / Contributions for the Development of Assets	1,442,566	875,642	901,911	928,969	956,838	985,543	1,015,109	1,045,562	1,076,929	1,109,237
Proceeds from Sales (excluding Land)	51,000	96,750	164,750	38,500	66,500	172,500	50,500	44,000	94,000	43,000
Proceeds from Sale of Land	-	-	-	-	-	-	-	-	-	-
Net Cash Provided by (Used in) Investing Activities	(124,719)	(338,914)	(442,734)	(120,858)	(294,789)	(580,778)	(309,826)	(118,436)	(270,609)	(273,847)
CASH FLOWS FROM FINANCING ACTIVITIES										
Proceeds from New Debentures	0	0	0	0	0	0	0	0	0	0
Net Cash Provided by (Used in) Financing Activities	0	0	0	0	0	0	0	0	0	0
NET INCREASE (DECREASE) IN CASH HELD	345,869	149,825	54,929	385,750	220,776	(56,257)	223,637	423,944	280,646	286,226
Cash at Beginning of Year	834,487	1,180,356	1,330,181	1,385,110	1,770,860	1,991,636	1,935,379	2,159,016	2,582,959	2,863,605
Cash at the End of Year	1,180,356	1,330,181	1,385,110	1,770,860	1,991,636	1,935,379	2,159,016	2,582,959	2,863,605	3,149,831



16.4 Statement of Financial Position (Balance Sheet)

Shire of Woodanilling Long Term Financial Plan 2016 - 2026										
Statement of Financial Position										
	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
ASSETS										
CURRENT ASSETS										
Cash and Cash Equivalents	1,180,356	1,330,181	1,385,110	1,770,860	1,991,636	1,935,379	2,159,016	2,582,959	2,863,605	3,149,831
Receivables	102,713	86,517	89,113	91,786	94,540	97,376	100,297	103,306	106,405	109,598
Inventories	25,000	25,750	26,523	27,318	28,138	28,982	29,851	30,747	31,669	32,619
Total Current Assets	1,308,069	1,442,449	1,500,746	1,889,965	2,114,314	2,061,737	2,289,164	2,717,012	3,001,680	3,292,048
NON-CURRENT ASSETS										
Receivables	-	-	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-	-	-
Property, Plant and Equipment	8,590,158	8,648,809	8,853,096	9,443,475	9,395,733	9,713,817	10,566,144	10,278,639	10,200,972	11,055,204
Infrastructure	19,855,750	21,451,178	21,976,906	24,615,496	25,136,082	25,676,643	28,750,340	29,282,151	29,836,531	33,281,478
Total Non-Current Assets	28,445,908	30,099,987	30,830,002	34,058,971	34,531,815	35,390,460	39,316,484	39,560,790	40,037,503	44,336,682
TOTAL ASSETS	29,753,977	31,542,436	32,330,748	35,948,936	36,646,129	37,452,197	41,605,648	42,277,802	43,039,183	47,628,730
LIABILITIES										
CURRENT LIABILITIES										
Payables	165,446	150,000	153,368	156,837	160,410	164,695	169,109	173,656	178,341	183,165
Total Current Liabilities	165,446	150,000	153,368	156,837	160,410	164,695	169,109	173,656	178,341	183,165
NON-CURRENT LIABILITIES										
Provisions	-	-	-	-	-	-	-	-	-	-
Total Non-Current Liabilities	-	-	-	-	-	-	-	-	-	-
TOTAL LIABILITIES	165,446	150,000	153,368	156,837	160,410	164,695	169,109	173,656	178,341	183,165
NET ASSETS	29,588,531	31,392,436	32,177,380	35,792,099	36,485,719	37,287,501	41,436,539	42,104,147	42,860,841	47,445,566



Shire of Woodanilling – Long Term Financial Plan

	2015/16	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
NET CURRENT ASSETS											
CURRENT ASSETS											
Cash and Cash Equivalents	855,821	1,180,356	1,330,181	1,385,110	1,770,860	1,991,636	1,935,379	2,159,016	2,582,959	2,863,605	3,149,831
Receivables	98,596	102,713	86,517	89,113	91,786	94,540	97,376	100,297	103,306	106,405	109,598
Inventories	23,408	25,000	25,750	26,523	27,318	28,138	28,982	29,851	30,747	31,669	32,619
Inventories - Land Held for Resale	-	-	Missing value	-	-	-	-	-	-	-	-
Total Current Assets	977,825	1,308,069	1,442,449	1,500,746	1,889,965	2,114,314	2,061,737	2,289,164	2,717,012	3,001,680	3,292,048
CURRENT LIABILITIES											
Payables	181,071	165,446	150,000	153,368	156,837	160,410	164,695	169,109	173,656	178,341	183,165
Current Portion of Long Term Borrowings	-	-	-	-	-	-	-	-	-	-	-
Provisions	-	-	-	-	-	-	-	-	-	-	-
Total Current Liabilities	181,071	165,446	150,000	153,368	156,837	160,410	164,695	169,109	173,656	178,341	183,165
NET CURRENT ASSETS	796,754	1,142,623	1,292,449	1,347,378	1,733,128	1,953,903	1,897,041	2,120,055	2,543,357	2,823,338	3,108,883
LESS: Restricted Reserves	(762,940)	(1,012,714)	(1,012,156)	(913,061)	(1,138,285)	(1,202,291)	(986,224)	(1,038,763)	(1,288,551)	(1,388,339)	(1,496,912)
LESS: Restricted Muni	0	0	0	0	0	0	0	0	0	0	0
ADD: Current Long Term Borrowings	0	0	0	0	0	0	0	0	0	0	0
ADD: Cash-backed Leave Reserve	0	0	0	0	0	0	0	0	0	0	0
OPENING/CLOSING FUNDS	33,814	129,909	280,293	434,317	594,843	751,612	910,817	1,081,292	1,254,806	1,434,999	1,611,971



16.5 Equity Statement

Shire of Woodanilling Long Term Financial Plan 2016 - 2026										
Statement of Changes in Equity										
	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
EQUITY										
RETAINED SURPLUS										
Balance 1 July	12,472,456	13,070,236	13,712,349	14,431,637	14,844,062	15,407,176	16,253,131	16,836,535	17,210,997	17,774,568
Transfer from / (to) Reserve	(249,774)	558	99,095	(225,224)	(64,006)	216,067	(52,539)	(249,788)	(99,788)	(108,573)
Net Result	847,554	641,555	620,194	637,649	627,119	629,888	635,944	624,249	663,359	694,582
Balance 30 June	13,070,236	13,712,349	14,431,637	14,844,062	15,407,176	16,253,131	16,836,535	17,210,997	17,774,568	18,360,576
CASH BACKED RESERVES										
Balance 1 July	762,940	1,012,714	1,012,156	913,061	1,138,285	1,202,291	986,224	1,038,763	1,288,551	1,388,339
Transfer (from) / to Reserve	249,774	(558)	(99,095)	225,224	64,006	(216,067)	52,539	249,788	99,788	108,573
Balance 30 June	1,012,714	1,012,156	913,061	1,138,285	1,202,291	986,224	1,038,763	1,288,551	1,388,339	1,496,912
ASSET REVALUATION RESERVE										
Balance 1 July	15,505,581	16,667,931	16,832,681	16,871,181	19,876,252	20,048,147	20,098,024	23,604,599	23,697,935	23,740,254
Total Other Comprehensive Income	-	-	-	2,938,570	-	-	3,463,217	-	-	3,847,824
Balance 30 June	15,505,581	16,667,931	16,832,681	19,809,752	19,876,252	20,048,147	23,561,241	23,604,599	23,697,935	27,588,077
TOTAL EQUITY										
Balance 30 June	29,588,531	31,392,436	32,177,380	35,792,099	36,485,719	37,287,501	41,436,539	42,104,147	42,860,841	47,445,566
Net Assets as Statement Financial Position	29,588,531	31,392,436	32,177,380	35,792,099	36,485,719	37,287,501	41,436,539	42,104,147	42,860,841	47,445,566



16.6 Rate Setting Statement

Shire of Woodanilling Long Term Financial Plan 2016 - 2026										
Rate Setting Statement										
	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
REVENUES										
Rate Levies (Under adopted assumptions)	635,773	664,383	684,314	704,844	725,989	747,769	770,202	793,308	817,107	841,620
Other Revenue	2,756,816	2,233,526	2,304,931	2,378,680	2,454,852	2,533,530	2,614,798	2,698,744	2,785,461	2,875,042
Revenues Sub-total	3,392,589	2,897,909	2,989,246	3,083,524	3,180,841	3,281,298	3,385,000	3,492,052	3,602,568	3,716,663
EXPENSES										
All Operating Expenses	(2,545,035)	(2,256,354)	(2,369,052)	(2,445,875)	(2,553,722)	(2,651,411)	(2,749,056)	(2,867,803)	(2,939,209)	(3,022,081)
Net Operating Profit/(Loss)	847,554	641,555	620,194	637,649	627,119	629,888	635,944	624,249	663,359	694,582
NON CASH ITEMS										
(Profit)/Loss on Asset Disposals	-	-	-	-	-	-	-	-	-	-
Movements in Provisions and Accruals	-	-	-	-	-	(605)	(623)	(642)	(664)	(681)
Depreciation on Assets	1,065,600	722,827	779,381	797,928	845,283	880,176	912,629	963,692	964,825	974,729
Sub-total	1,065,600	722,827	779,381	797,928	845,283	879,571	912,006	963,050	964,161	974,048
CAPITAL EXPENDITURE AND REVENUE										
Development of Land Held for Resale	-	-	-	-	-	-	-	-	-	-
Purchase Land and Buildings	(615,000)	-	-	-	-	-	-	-	-	-
Infrastructure Assets - Roads	(909,035)	(936,306)	(964,395)	(993,327)	(1,023,127)	(1,053,821)	(1,085,435)	(1,117,998)	(1,151,538)	(1,186,084)
Infrastructure Assets - Other	-	-	-	-	-	-	-	-	-	-
Purchase Plant and Equipment	(89,250)	(370,000)	(540,000)	(90,000)	(290,000)	(680,000)	(285,000)	(85,000)	(285,000)	(235,000)
Purchase Furniture and Equipment	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)
Proceeds Disposal of Assets	51,000	96,750	164,750	38,500	66,500	172,500	50,500	44,000	94,000	43,000
Transfers to Reserves	(249,774)	(79,512)	(78,091)	(225,224)	(81,441)	(81,246)	(72,649)	(249,788)	(99,788)	(108,573)
Transfers from Reserves	-	80,070	177,186	-	17,435	297,313	20,110	-	-	-
Net Cash From Investing Activities	(1,817,059)	(1,213,998)	(1,245,550)	(1,275,051)	(1,315,633)	(1,350,254)	(1,377,474)	(1,413,786)	(1,447,326)	(1,491,657)
ESTIMATED SURPLUS/(DEFICIT) JULY 1 B/FWD	33,814	129,909	280,293	434,317	594,843	751,612	910,817	1,081,292	1,254,806	1,434,999
ESTIMATED SURPLUS/(DEFICIT) JUNE 30 C/FWD	129,909	280,293	434,317	594,843	751,612	910,817	1,081,292	1,254,806	1,434,999	1,611,971
CONTROL = 0	-	(0)	(0)	(0)	(0)	(0)	0	(0)	0	(0)



16.7 Ten Year Capital Works Program

Shire of Woodanilling Long Term Financial Plan 2016 - 2026										
Ten Year Capital Works Program										
	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
LAND AND BUILDINGS										
New Buildings	615,000	0	0	0	0	0	0	0	0	0
Total Land and Buildings	615,000	0	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	89,250	370,000	540,000	90,000	290,000	680,000	285,000	85,000	285,000	235,000
Total Plant and Equipment	89,250	370,000	540,000	90,000	290,000	680,000	285,000	85,000	285,000	235,000
Proceeds of Sale	51,000	96,750	164,750	38,500	66,500	172,500	50,500	44,000	94,000	43,000
Book Value Assets Sold	51,000	96,750	164,750	38,500	66,500	172,500	50,500	44,000	94,000	43,000
Profit / (Loss) on Sale	-	-	-	-	-	-	-	-	-	-
FURNITURE AND EQUIPMENT										
Furniture & Equipment	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Profit / (Loss) on Sale	-	-	-	-	-	-	-	-	-	-
INFRASTRUCTURE - ROADS (Would be supported by detailed schedules of road projects)										
Regional Road Group Projects	390,740	402,462	414,536	426,972	439,781	452,975	466,564	480,561	494,978	509,827
MRWA Black Spot Projects	52,550	54,127	55,750	57,423	59,145	60,920	62,747	64,630	66,569	68,566
Roads to Recovery Projects	465,745	479,717	494,109	508,932	524,200	539,926	556,124	572,808	589,992	607,692
Local Roadworks - Renewal		-	-	-	-	-	-	-	-	-
Total Infrastructure Roads	909,035	936,306	964,395	993,327	1,023,127	1,053,821	1,085,435	1,117,998	1,151,538	1,186,084
CAPITAL WORKS TOTAL	1,618,285	1,311,306	1,509,395	1,088,327	1,318,127	1,738,821	1,375,435	1,207,998	1,441,538	1,426,084
TOTAL PROCEEDS OF SALE	51,000	96,750	164,750	38,500	66,500	172,500	50,500	44,000	94,000	43,000
TOTAL BOOK VALUE ASSETS SOL	51,000	96,750	164,750	38,500	66,500	172,500	50,500	44,000	94,000	43,000
NPV RATE 5% (BELOW)										
0.05										
NPV OF CAPITAL WORKS	10,860,018	12,417,033	11,105,726	9,596,331	8,508,004	7,189,877	5,451,057	4,075,621	2,867,623	1,426,084



16.8 Depreciation Schedule

Shire of Woodanilling Long Term Financial Plan 2016 - 2026 Depreciation Schedule										
	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
LAND AND BUILDINGS										
Dep'n Rate:	2%									
Book Value of Land	600,750									
Total Land	600,750	600,750	600,750	600,750	600,750	600,750	600,750	600,750	600,750	600,750
Book Value of Buildings	5,802,661									
Buildings Acquired	615,000	-	-	-	-	-	-	-	-	-
Total Buildings	6,417,661	6,303,411	6,177,343	6,053,796	5,932,720	5,814,066	5,697,784	5,583,829	5,472,152	5,362,709
Depreciation	(114,250)	(126,068)	(123,547)	(121,076)	(118,654)	(116,281)	(113,956)	(111,677)	(109,443)	(107,254)
Book Value of Buildings	6,303,411	6,177,343	6,053,796	5,932,720	5,814,066	5,697,784	5,583,829	5,472,152	5,362,709	5,255,455
PLANT AND EQUIPMENT										
Existing Heavy Plant	1,810,440									
Plant & Equipment Acquisition	89,250	370,000	540,000	90,000	290,000	680,000	285,000	85,000	285,000	235,000
Total Plant & Equipment	1,899,690	2,029,190	2,384,771	2,263,294	2,331,465	2,792,818	2,832,536	2,648,533	2,672,929	2,654,886
Depreciation	(240,500)	(184,419)	(211,477)	(221,829)	(218,646)	(245,282)	(269,004)	(260,603)	(253,043)	(253,739)
Book Value of Motor Vehicles, Plant & Equipment	1,659,190	1,844,771	2,173,294	2,041,465	2,112,818	2,547,536	2,563,533	2,387,929	2,419,886	2,401,148
FURNITURE AND EQUIPMENT										
Dep'n Rate:	20%									
Existing Furniture & Equipment	47,807									
Furniture and Equipment Acquired	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Total Furniture & Equipment	52,807	31,807	30,946	30,256	29,705	29,264	28,911	28,629	28,403	28,223
Depreciation	(26,000)	(5,861)	(5,689)	(5,551)	(5,441)	(5,353)	(5,282)	(5,226)	(5,181)	(5,145)
Book Value of Furniture & Equipment	26,807	25,946	25,256	24,705	24,264	23,911	23,629	23,403	23,223	23,078
TOTAL PROPERTY PLANT AND EQUIPMENT										
New Property Plant and Equipment	709,250	375,000	545,000	95,000	295,000	685,000	290,000	90,000	290,000	240,000
Total	8,970,908	8,965,158	9,193,809	8,948,096	9,738,475	10,080,733	10,003,817	10,656,144	10,568,639	10,440,972
Depreciation	(380,750)	(316,349)	(340,713)	(348,457)	(342,742)	(366,916)	(388,242)	(377,506)	(367,667)	(366,137)
Fair Value Adjustment				843,835			950,569			980,369
Book Value of Total Property Plant and Equipment	8,590,158	8,648,809	8,853,096	9,443,475	9,395,733	9,713,817	10,566,144	10,278,639	10,200,972	11,055,204



Shire of Woodanilling – Long Term Financial Plan

INFRASTRUCTURE (ALL)											
Existing Infrastructure	20,012,315										
New Infrastructure Developed	909,035	936,306	964,395	993,327	1,023,127	1,053,821	1,085,435	1,117,998	1,151,538	1,186,084	
Total Infrastructure	20,921,350	21,857,656	22,415,573	22,970,233	25,638,623	26,189,903	26,762,078	29,868,338	30,433,690	31,022,616	
Depreciation	(1,065,600)	(406,478)	(438,668)	(449,471)	(502,541)	(513,260)	(524,387)	(586,187)	(597,158)	(608,591)	
Fair Value Adjustment		-	-	2,094,735	-	-	2,512,648	-	-	2,867,454	
Book Value Infrastructure	19,855,750	21,451,178	21,976,906	24,615,496	25,136,082	25,676,643	28,750,340	29,282,151	29,836,531	33,281,478	
Total Assets	28,445,908	30,099,987	30,830,002	34,058,971	34,531,815	35,390,460	39,316,484	39,560,790	40,037,503	44,336,682	
Total Depreciation	(1,446,350)	(722,827)	(779,381)	(797,928)	(845,283)	(880,176)	(912,629)	(963,692)	(964,825)	(974,729)	
Depreciation on New Assets		(233,904)	(225,050)	(278,440)	(267,082)	(236,983)	(285,651)	(315,095)	(304,821)	(319,840)	



16.9 Key Performance Indicators

Shire of Woodanilling Long Term Financial Plan 2016 - 2026										
Key Performance Indicators										
	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
OPERATING SURPLUS RATIO										
Operating Revenue	1,950,023	2,022,267	2,087,334	2,154,555	2,224,004	2,295,756	2,369,890	2,446,490	2,525,639	2,607,425
Less Operating Exp incl interest & depreciation	(2,545,035)	(2,256,354)	(2,369,052)	(2,445,875)	(2,553,722)	(2,651,411)	(2,749,056)	(2,867,803)	(2,939,209)	(3,022,081)
= Net Operating Surplus	(595,012)	(234,087)	(281,717)	(291,319)	(329,718)	(355,655)	(379,165)	(421,313)	(413,570)	(414,655)
Divided by Own Source Revenue (Rates)	635,773	664,383	684,314	704,844	725,989	747,769	770,202	793,308	817,107	841,620
Ratio Target - (+ve) Between 0% and 15%	-93.59%	-35.23%	-41.17%	-41.33%	-45.42%	-47.56%	-49.23%	-53.11%	-50.61%	-49.27%
CURRENT RATIO										
Current Assets	1,308,069	1,442,449	1,500,746	1,889,965	2,114,314	2,061,737	2,289,164	2,717,012	3,001,680	3,292,048
Less Restricted Assets	(1,012,714)	(1,012,156)	(913,061)	(1,138,285)	(1,202,291)	(986,224)	(1,038,763)	(1,288,551)	(1,388,339)	(1,496,912)
= Net Current Assets	295,355	430,293	587,685	751,680	912,023	1,075,513	1,250,401	1,428,461	1,613,341	1,795,136
Divided by Current Liabilities less	165,446	150,000	153,368	156,837	160,410	164,695	169,109	173,656	178,341	183,165
Current Liabilities ass'd with Restricted Assets	(17,844)	(23,044)	(28,244)	(33,444)	(38,644)	(43,844)	(49,044)	(54,244)	(59,444)	(64,644)
= Net Current Liabilities	147,602	126,956	125,124	123,393	121,766	120,851	120,065	119,412	118,897	118,521
Ratio Target > or = to 1:1	2.00	3.39	4.70	6.09	7.49	8.90	10.41	11.96	13.57	15.15
RATES COVERAGE RATIO										
Total Rates Revenue	635,773	664,383	684,314	704,844	725,989	747,769	770,202	793,308	817,107	841,620
Divided by Total Expenses	2,545,035	2,256,354	2,369,052	2,445,875	2,553,722	2,651,411	2,749,056	2,867,803	2,939,209	3,022,081
Ratio Target > or = to 40%	25.0%	29.4%	28.9%	28.8%	28.4%	28.2%	28.0%	27.7%	27.8%	27.8%
DEBT SERVICE COVERAGE RATIO										
Operating Surplus before Interest & Depreciation										
= Operating Revenue	1,950,023	2,022,267	2,087,334	2,154,555	2,224,004	2,295,756	2,369,890	2,446,490	2,525,639	2,607,425
Less Operating Expenses	(2,545,035)	(2,256,354)	(2,369,052)	(2,445,875)	(2,553,722)	(2,651,411)	(2,749,056)	(2,867,803)	(2,939,209)	(3,022,081)
Except Interest Expense and Depreciation	1,065,600	722,827	779,381	797,928	845,283	880,176	912,629	963,692	964,825	974,729
= OSBID	470,588	488,739	497,663	506,609	515,565	524,521	533,463	542,380	551,255	560,073
Divided by Principal and Interest	0	0	0	0	0	0	0	0	0	0
Ratio Target > or = 2	0	0	0	0	0	0	0	0	0	0



Shire of Woodanilling – Long Term Financial Plan

ASSET SUSTAINABILITY RATIO										
Capital Renewal Expenditure	1,003,285	1,311,306	1,509,395	1,088,327	1,318,127	1,738,821	1,375,435	1,207,998	1,441,538	1,426,084
Divided by Depreciation Expense	1,065,600	722,827	779,381	797,928	845,283	880,176	912,629	963,692	964,825	974,729
Ratio Target 90% to 100%	94.2%	181.4%	193.7%	136.4%	155.9%	197.6%	150.7%	125.4%	149.4%	146.3%
ASSET CONSUMPTION RATIO										
Deprec'd Replace't Cost Assets (Written Down Value)	28,445,908	30,099,987	30,830,002	34,058,971	34,531,815	35,390,460	39,316,484	39,560,790	40,037,503	44,336,682
Divided by Current Replacement Cost	47,598,837	48,676,239	49,960,585	53,709,043	54,760,088	56,261,925	60,814,926	61,707,830	62,844,547	67,798,616
Ratio Target 50% to 75%	59.8%	61.8%	61.7%	63.4%	63.1%	62.9%	64.6%	64.1%	63.7%	65.4%
Assumed Current Replacement Cost	47,598,837									
New Assets Acquired at Cost	-	1,311,306	1,509,395	1,088,327	1,318,127	1,738,821	1,375,435	1,207,998	1,441,538	1,426,084
Depreciation on New Assets		(233,904)	(225,050)	(278,440)	(267,082)	(236,983)	(285,651)	(315,095)	(304,821)	(319,840)
Fair Value Revaluation (6% - 3-yearly)				2,938,570			3,463,217			3,847,824
New Current Replacement Cost	47,598,837	48,676,239	49,960,585	53,709,043	54,760,088	56,261,925	60,814,926	61,707,830	62,844,547	67,798,616
			1,509,395	1,088,327	1,318,127	1,738,821	1,375,435	1,207,998	1,441,538	1,426,084
ASSET RENEWAL FUNDING RATIO										
Net Present Value of Planned Renewal Expenditure	1,086,002	1,379,670	1,388,216	1,370,904	1,418,001	1,437,975	1,362,764	1,358,540	1,433,811	1,426,084
Divided by NPV of Asset Mgmt Plan Projections	1,618,285	1,311,306	1,509,395	1,088,327	1,318,127	1,738,821	1,375,435	1,207,998	1,441,538	1,426,084
Ratio Target 95% to 105%	67.1%	105.2%	92.0%	126.0%	107.6%	82.7%	99.1%	112.5%	99.5%	100.0%



16.10 Cash Reserves

Shire of Woodanilling Long Term Financial Plan 2016 - 2026										
Cash Reserves										
	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
PLANT REPLACEMENT RESERVE (7150)										
Opening Balance	291,066	448,987	377,931	208,338	363,064	356,572	70,007	52,048	231,338	260,628
Transfer to Reserve	157,921	9,014	7,593	154,726	10,943	10,748	2,151	179,290	29,290	38,075
Transfer From Reserve	0	(80,070)	(177,186)	0	(17,435)	(297,313)	(20,110)	-	-	-
Balance 30 June	448,987	377,931	208,338	363,064	356,572	70,007	52,048	231,338	260,628	298,703
ROAD CONSTRUCTION RESERVES (7200)										
Opening Balance	208,393	212,561	216,720	220,879	225,038	229,197	233,356	237,515	241,674	245,833
Transfer to Reserve	4,168	4,159	4,159	4,159	4,159	4,159	4,159	4,159	4,159	4,159
Transfer From Reserve	0	-	-	-	-	-	-	-	-	-
Balance 30 June	212,561	216,720	220,879	225,038	229,197	233,356	237,515	241,674	245,833	249,992
BUILDING RESERVE (7160)										
Opening Balance	137,055	144,327	151,599	158,871	166,143	173,415	180,687	187,959	195,231	202,503
Transfer to Reserve	7,272	7,272	7,272	7,272	7,272	7,272	7,272	7,272	7,272	7,272
Transfer From Reserve	0	-	-	-	-	-	-	-	-	-
Balance 30 June	144,327	151,599	158,871	166,143	173,415	180,687	187,959	195,231	202,503	209,775
RECREATION RESERVE (7190)										
Opening Balance	113,479	127,346	141,213	155,080	168,947	182,814	196,681	210,548	224,415	238,282
Transfer to Reserve	13,867	13,867	13,867	13,867	13,867	13,867	13,867	13,867	13,867	13,867
Transfer From Reserve	0	-	-	-	-	-	-	-	-	-
Balance 30 June	127,346	141,213	155,080	168,947	182,814	196,681	210,548	224,415	238,282	252,149



Shire of Woodanilling – Long Term Financial Plan

OFFICE EQUIPMENT RESERVE (7180)										
Opening Balance	12,592	17,844	23,044	28,244	33,444	38,644	43,844	49,044	54,244	59,444
Transfer to Reserve	5,252	5,200	5,200	5,200	5,200	5,200	5,200	5,200	5,200	5,200
Transfer From Reserve	0	-	-	-	-	-	-	-	-	-
Balance 30 June	17,844	23,044	28,244	33,444	38,644	43,844	49,044	54,244	59,444	64,644
AFFORDABLE HOUSING RESERVE										
Opening Balance	355	61,649	101,649	141,649	181,649	221,649	261,649	301,649	341,649	381,649
Transfer to Reserve	61,294	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000
Transfer From Reserve	-	-	-	-	-	-	-	-	-	-
Balance 30 June	61,649	101,649	141,649	181,649	221,649	261,649	301,649	341,649	381,649	421,649
TOTAL RESERVES										
Opening Balance	762,940	1,012,714	1,012,156	913,061	1,138,285	1,202,291	986,224	1,038,763	1,288,551	1,388,339
Transfer to Reserve	249,774	79,512	78,091	225,224	81,441	81,246	72,649	249,788	99,788	108,573
Transfer From Reserve	0	(80,070)	(177,186)	-	(17,435)	(297,313)	(20,110)	-	-	-
Total Reserves 30 June	1,012,714	1,012,156	913,061	1,138,285	1,202,291	986,224	1,038,763	1,288,551	1,388,339	1,496,912



16.11 Variable Assumptions Underpinning the Plan

Shire of Woodanilling Long Term Financial Plan 2016 - 2026											
Variable Assumptions Underpinning the Plan											
	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	
OPERATING REVENUES											
Rates - Annual Increases	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Rates - Growth in Rate Base	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
Operating Grants, Subsidies and Contributions	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Non-operating Grants, Subsidies, Contbns	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Fees and Charges	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%
Interest Earnings	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Other revenue	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
OPERATING EXPENSES											
Employee Costs	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Materials and Contracts	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Utility Charges	8.0%	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)	5.2%	5.3%	5.4%	5.5%	5.6%	5.7%	5.8%	5.9%	6.0%	6.1%	
Insurance Expense	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Other Expenditure	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
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%	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%	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%	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%	2.0%