Long Term Financial Plan
2021-22 to 2030-31

March 2021

Natural | Connected | Prosperous

Acknowledgement of country

“Kaya, Nala Maat Kaya Noonduk (Hello, Our Family Welcomes You) to Wadandi Boodja (Saltwater People’s Country) – we all come together on Boodja (Country). Whilst on Wadandi Boodja we ask that you respect the land by walking softly and take the time to listen to Boodja as she Wongi (Talks).

We respect the presence of the Demmala Goomala (Ancestors) whose Djanga (Spirits) reside on Boodja and whose Djenna (feet) walk the land and whose Djanga Korda (heart spirit) flows through all creation.
Wooditup (Margaret River) is the heart of Wadandi Boodja (country), a meeting place between land and sea, connecting us all with Wadandi Boodja.

The Wadandi Boodja (Motherland) reaches from Bunbury, along the coast of Geographe Bay, extending to Yallingup (Place of Holes) to Talinup, Augusta (Place of Reeds) inland to Nannup (The Stopping Place), taking in the region of Undalup (Busselton) The Wadan Boodja (Sea Country) is of great spiritual significance to the coastal Wadandi people.

Boodja – Land, Country, Mother Earth – is our most important resource. No matter what culture or religion – all of us rely on Nala Boodja, Our Country.

It is up to all of us to listen to the land, understand the connection to Country that we all have and realise how urgent it is to work together to make better decisions on how we can create that balance, ensuring sustainability for the generations to come, in order to protect and preserve the beauty of Boodja.

Whilst living, travelling, visiting and holidaying on Wadandi Boodja (Saltwater People’s Country) we ask that you respect the area and walk softly on the country, taking the time to listen to Boodja (Country) as she Wongi (Talks) of the Season, and leave nothing but footprints”.

Wadandi Traditional Cultural Custodian Wayne “Wonitji” Webb.

Alignment with Community Strategic Plan

This document relates to Key Result Area 5 Effective Leadership and Governance in the Community Strategic Plan 2036 and specifically the outcome of effective and integrated strategy, planning, financial and asset management.

Key Result Area 1
Valuing, protecting and enhancing the natural environment

Key Result Area 2
Welcoming, inclusive and healthy communities

Key Result Area 3
Ensuring sustainable development

Key Result Area 4
Vibrant and diverse economy

Key Result Area 5
Effective leadership and governance

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LTFP Highlights

For the 10 financial years from 2021-22 to 2030-31 the following results are forecast based upon the assumptions included in the plan:

What	When
A balanced financial budget.	Every year
Rate yield increase, excluding rates from property growth, is equivalent to the forecast cost escalation rate.	Every year
The maximum increase for all expenditure and revenue is generally the forecast cost escalation rate.	Every year
Capital works program of over $127 million.	Over 10 years
Loan principal outstanding reduces to $5.6 million with only 3 outstanding loans in the portfolio.	In year 10
Funds allocated to the major project of renewing the Margaret River Aquatic/Recreation Centre building.	2022-23
Over $62 million for road related works.	Over 10 years
Over $23 million for community buildings, including removing asbestos, building renewals and major projects.	Over 10 years
Over $9 million for waste management works such as converting Davis Road landfill to a transfer station are 100% Shire funded.	Over 10 years
Profits from caravan park operations are reinvested to upgrade and develop these assets.	Over 10 years
Continued focus and commitment to environmental works including the environmental management fund.	Over 10 years
Benchmark targets for the majority of financial performance ratios are exceeded.	Over 10 years
Net Assets increase to over $572 million.	2030-31
Total Reserves almost exceed Loan Principal Outstanding.	Every year

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Executive Summary

The Long Term Financial Plan (LTFP) is one of the key documents of the Shire's Integrated Planning and Reporting Framework. The LTFP is reviewed annually and this version will be used as the framework for informing the preparation of the 2021-22 Budget.

This version of the LTFP is a baseline model as some information that will critically influence future financial forecasts, such as the Forward Capital Works Plan, Plant Replacement Program and Workforce Plan are to be reviewed to ensure their proposed expenditures are able to be funded.

The LTFP forecasts operating revenues and operating expenditures for 10 years and uses the 2020-21 budget as the basis for these forecasts. Various assumptions underpin the escalation rates used and these assumptions reference index and statistical data relevant to the local government industry and the Shire.

Future capital works and their funding are based on a developing forward capital works planning process that endeavours to detail projects and works using asset management and other approved plans. The stages, timing and proposed funding mix for these projects and works are also documented as part of this process. Over $127 million of capital expenditure have been included in the LTFP, however forecast capital expenditures have been reduced to match available capital funding and funding generated from operations.

Balancing forecast capital and operating expenditure with available funding will require reprioritising and changing the timing of projects and works as well as assuming the availability of non-Council funding sources such as grants.

A high level risk assessment of the validity and impact of assumptions and forecasts indicates the level of risk is medium to high but is mitigated to some extent by employing a conservative approach.

A number of scenarios were considered at a high level to assess the sensitivity and impact of assumptions.

Statutory ratios have been forecast and confirm results for 4 of the 7 statutory ratios may exceed benchmark targets. The recording of a net operating deficit due to operating expenditure (including depreciation) exceeding operating revenue, and insufficient funds being available to be allocated to the long term renewal of the Shire's asset base have resulted in the Operating Surplus, Asset Sustainability and Asset Renewal Funding ratios not achieving benchmark targets.

Overall this LTFP provides a basic financial framework for the next 10 years and will be refined once updated data and information becomes available from informing plans and documents such as the Forward Capital Works Plan and Workforce Plan. Deficiencies in the capital works detail included in this LTFP does not provide a sufficient level of confidence for longer term financial planning but does provide an adequate and reasonably robust financial framework for the preparation of the 2021-22 Budget.

Although subject to refinement , the plan continues to highlight the need to to focus on the net operating result in order to record an operating surplus and free up funds to reduce the asset renewal gap.

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1.0 Introduction

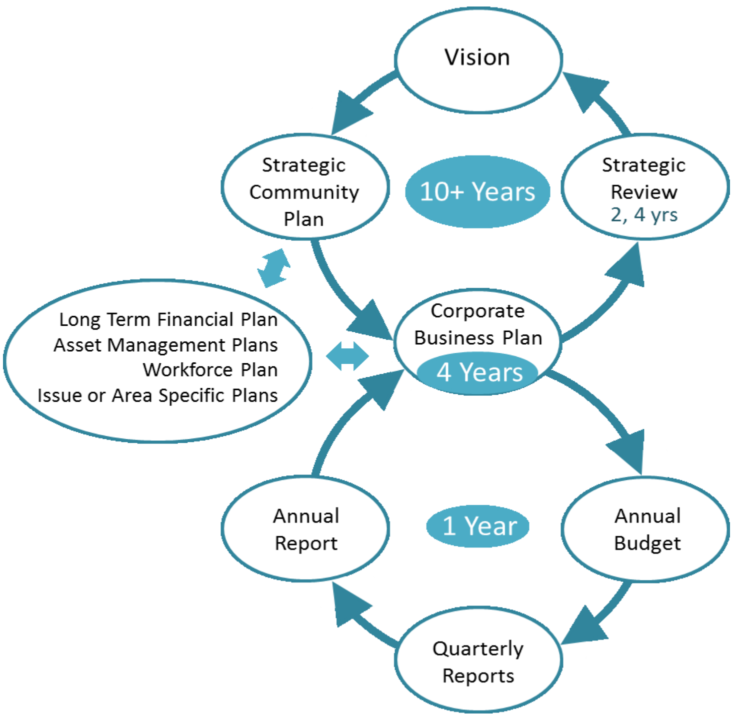
The 2021-22 to 2030-31 Long Term Financial Plan (LTFP) is the sixth version of the plan prepared in accordance with the Integrated Planning and Reporting (IPR) framework. A plan for the 10 years from 2020-21 was not completed as the response to the COVID-19 pandemic rendered this plan's assumptions as not being applicable to 2020-21 or for the formulation of that year's budget.

The IPR framework was introduced in Western Australia as part of the State Government's Local Government Reform Program. All local governments were required to have their first suite of IPR documents in place by 1 July 2013. The documents include:

- A Strategic Community Plan;
- A Corporate Business Plan;
- An Asset Management Plan;
- A Workforce Plan;
- A Long Term Financial Plan;
- Any other issue or area specific plans; and
- The Annual Budget.

The first two documents are the minimum requirements of the Plan for the Future of the District as legislated under Section 5.56(1) of the *Local Government Act 1995* (the Act).

IPR is a cyclical process and commences with the community visioning that is included in the 10 plus year Strategic Community Plan. The Corporate Business Plan provides details of programs and activities for four years. The Annual Budget is obtained from the first year of the Corporate Business Plan. The Long Term Financial Plan models resourcing implications of alternative strategic scenarios and provides the financial context for the Corporate Business Plan in terms of available resources and the prioritisation necessary to achieve outcomes.



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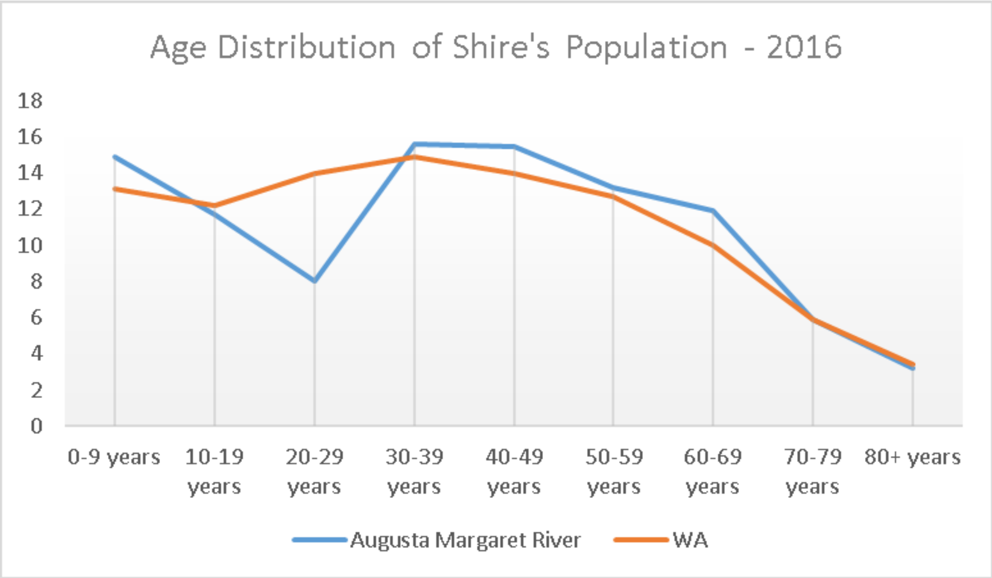
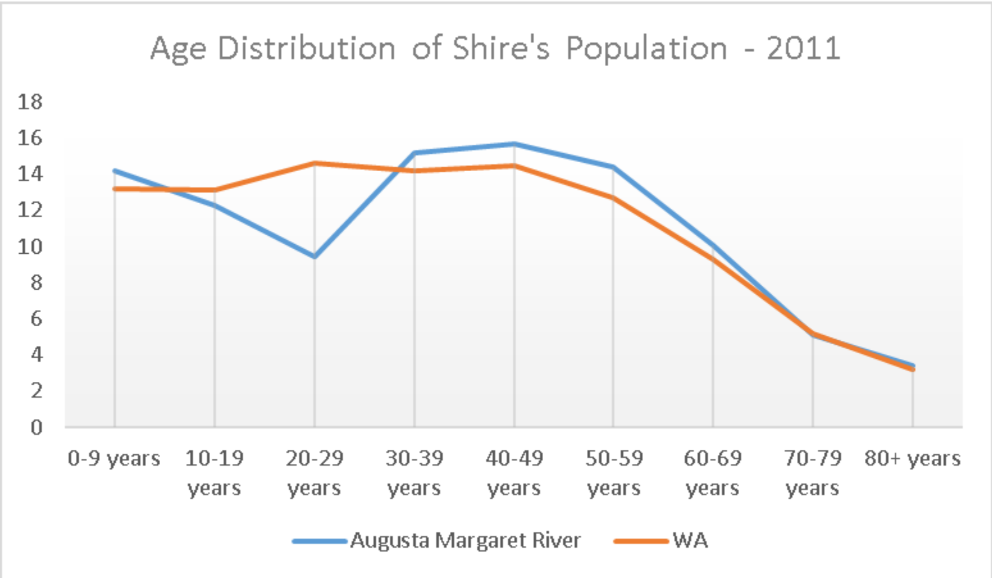
2.0 Context

To provide some context the following local government profile information has been obtained from the Australian Bureau of Statistics (ABS) and is based on the 2016 Census.

14,258 people were resident in the Shire. Aboriginal and Torres Strait Islander people made up 1.4% of the population. Females and males are equally represented as they also are in WA. The median age of people in the Shire was 39 years and was the same as the 2011 census.. Children aged 0-14 years made up 21.7% of the population and people aged over 65 years made up 14.4% of the population.





The above charts show that compared to WA the Shire has less people in the 20 to 29 age group but more in the age group from 30 to 69 years. This is similar to the 2011 census although the difference in the 20 to 29 and 60 to 69 age groups are more pronounced.

69.6% of people were born in Australia with the next most common countries of birth being England (7.6%) and New Zealand (3%). 85.3% of people only spoke English at home. Of people aged 15 years and over 49.6% were married, 12.3% were either divorced or separated and 34.1% had never married.

29.5% of people were attending an educational institution. Of these 31% were in primary school, 21.2% in secondary school and 10.8% in a tertiary or technical institution. The proportion of primary school students was higher than for WA while the proportion of tertiary or technical students was lower and was the same result as the 2011 census.

Of the 3,716 families in the Shire (3,072 families in 2011), 43.2% were couples with children, 42.2% were couples without children and 14% were one parent families. The proportion of couple families without children was higher than that recorded for WA (38.5%) and Australia (37.8%).

Table 1: Employment and related statistics

Statistical Category		Shire 2011	Shire 2016	Shire (%)	WA	Australia
Employment	Worked full time	3,068	3,495	48.4%	57.0%	57.7%
	Worked part time	2,178	2,841	39.3%	30.0%	30.4%
	Away from work		550	7.6%	5.2%	5.0%
	Unemployed	250	335	4.6%	7.8%	6.9%
Industry	Beverage manufacturing	463	428	6.3%	0.1%	0.1%
	Accommodation	316	333	4.9%	1.0%	1.1%
	School education	302				
	Primary education		241	3.6%	2.6%	2.2%
	Cafes, restaurants,	273	248	3.7%	2.3%	2.4%
	Supermarkets & grocery		182	2.7%	2.4%	2.4%
	Fruit and tree nut growing	172				
Median Weekly Inc.	Personal	\$593	\$671		\$724	\$662
	Family	\$1,327	\$1,524		\$1,910	\$1,734
	Household	\$1,096	\$1,285		\$1,595	\$1,438
Occupation	Technician and trades	1,020	1,185	17.2%	16.2%	13.5%
	Managers	1,032	1,162	16.9%	12.0%	13.0%
	Professionals	805	1,095	15.9%	20.5%	22.2%
	Labourers	841	992	14.4%	9.7%	9.5%
	Community services		746	10.8%	10.6%	10.8%
	Sales		640	9.3%	8.8%	9.4%
	Clerical & administrative	575	626	9.1%	13.0%	13.6%

The above table includes 2011 figures as a comparative and at a broad level shows that:

- employment in the Shire has grown, the number of part time workers is higher than WA and Australia, the number of full time workers and unemployment is lower than WA and Australia;
- beverage manufacturing continues to be the major employment industry and employment in supermarkets and grocery stores is now greater than employment in fruit and nut growing;
- median weekly income has increased but is still lower compared to WA and Australia; and
- the number of people in each occupation has increased with the most common occupations being technicians and trades, managers, professionals and labourers. The occupations of community service workers and sales workers were not listed in 2011.

The Shire's Community Profile shows the preliminary estimated resident population (ERP) of the Shire was 16,172 in June 2019, an increase of 46% over the 2006 population of 11,052. The average annual growth rate between 2012 and 2019 was 3.6%.

Table 2: Estimated permanent resident population change between 2012 and 2019

	2012	2013	2014	2015	2016	2017	2018	2019
Shire	12,870	13,487	13,996	14,419	14,819	15,234	15,694	16,172
Change	642	617	509	423	400	415	460	478
Change %	5.25	4.79	3.77	3.02	2.77	2.80	3.02	3.05

3.0 Model Framework

The financial reporting framework for the LTFP mirrors that of the statutory financial statements with forecast financial information being reported at the Nature or Type level.

The LTFP uses the 2020-21 Budget as the base for its operating revenue and operating expenditure. These budget allocations are reviewed to remove once off revenue and expenditure items for the year as well as any items which are funded by once off operating grants. The remaining items represent the base year operating revenue and operating expenditure which are escalated to provide 10 year forecasts.

Operating revenue and operating expenditure items are escalated in accordance with the assumptions which are described in greater detail in the next sections.

In addition to removing once off items from the base year, known once off items are added to future years. For example, major expenditures that occur less frequently than annually such as community surveys, property revaluations for rating purposes and fair value asset revaluation costs are added to future years.

Capital expenditure is obtained from a Forward Capital Works Plan (FCWP) which uses as a key input Asset Management Plans for the various asset classes. Details of works to be completed on an individual asset basis such as a road, path or playground are generally not included within the FCWP as the objective is to provide details at a summary level and allow the greater level of detail to be provided in Annual Budgets.

The funding breakdown for capital expenditure including grants, loans, reserves and ratepayer funds are determined and included in the LTFP. The general intention is to maximise funds obtained from external sources, minimise loan borrowings and use reserve funds wherever possible.

Once all expenditure and revenue have been loaded into the LTFP a process of re-prioritisation and re-allocation of capital projects and funding sources is required as available funding in any one year is often insufficient to meet expenditure demands.

For this version of the LTFP the following process was used to more clearly demonstrate the balancing process and additional funding or savings required.

1. An LTFP model forecasting all operating revenue and operating expenditure at a base escalation rate of 1.75% per annum for the term of the plan was prepared. Generally, forecast operating expenditure and forecast operating revenues are not changed as these represent the base level of operations for the Shire.
2. This LTFP was updated with the revised FCWP, capital grants, expected transfers to and from reserves, loan borrowings and the known percentage changes expected to expenditure. In this case the only increase above the base escalation rate was that employee salaries and wages are expected to increase by up to 2.5% from 2020-21 as this is the maximum percentage agreed in the 2019 Enterprise Agreement. The results of this model are the base model.
3. In order to achieve a balanced outcome rates are normally increased to fund the shortfall between expenditure (operating and capital) and funding including operating revenue, capital grants, asset sale proceeds and reserve transfers. This is the objective of the rate setting process. However, recognising there is community and political pressure to minimise rate increases, a "*savings/increased funding required*" target for capital works has been included. The results of this model are the initial balanced model.

Once a base scenario has been balanced, assumptions and growth factors are changed so the impact of alternative scenarios upon expenditure and revenue can be considered.

A series of statutory financial statements and ratios are used to assess and compare the outcome of the base and other scenarios.

4.0 Basis of Forecasts

Economic Outlook

The State Government of WA's 2020-21 Budget Paper No. 3 provides information on the economic and fiscal outlook for the State. This document includes the following comments.

"The COVID-19 pandemic has had an unprecedented impact on the global, ntional and State economies. However, despite initial sharp falls in activity, Western Australia's economy is recovering at faster rate tha other States and the national economy. This reflects better health outcomes, strong State Government assistance, an industry structure geared towards mining, and a commodity-intensive stimulus in China, which has underpinned strong export volumes and prices (particularly for iron ore)

Due to the successful containment of COVID-19 cases behind Western Australia's had border, restrictions were removed erlier than anticipated and before the larger States, allowing businesses and households to progressively re-commence their usual activity and support the economy…

Nonetheless, similar to economies around the world, the pandemic has resulted in a weaker growth outlook. Economic growth is anticipated to moderate in 2020-21, with Gross State Product (GSP) projected to grow by a modest 1.25% in 2020-21 (down from 2.5% forecast at the 2019-20 Mid-year review."

The following table of economic forecasts is also obtained from the Budget papers and in general expect lower rates of growth than the 2019-20 Estimates.

Table 3: Economic Forecasts

	2019-20 Estimate	2020-21 Estimate	2021-22 Estimate	2022-23 Estimate	2023-24 Estimate
Gross State Product	2.0%	1.25%	2.75%	1.25%	1.5%
Unemployment Rate	6.1%	8.0%	7.0%	6.25%	6.0%
Population	1.3%	0.8%	0.7%	1.0%	1.3%
Perth CPI	1.3%	1.5%	1.75%	1.75%	2.0%
Wage Price Index	1.7%	1.5%	1.75%	2.0%	2.25%

The equivalent forecasts from the 2019-20 Budget papers were as follows.

	2018-19 Estimate	2019-20 Estimate	2020-21 Estimate	2021-22 Estimate	2022-23 Estimate
Gross State Product	2.0%	3.5%	3.0%	3.0%	3.0%
Unemployment Rate	6.25%	6.0%	5.75%	5.5%	5.25%
Population	1.0%	1.3%	1.5%	1.6%	1.7%
Perth CPI	1.25%	1.75%	2.25%	2.5%	2.5%
Wage Price Index	1.75%	2.25%	2.75%	3.0%	3.25%

Being the only available forecast data for the short term, the forward estimates for 2021-22 to 2023-24 will be used as the basis for escalating some expenditure and revenue categories.

Interest Rates

The Reserve Bank's cash reference rate reduced to a historic low of 0.10% on 3 November 2020 with no indication of the rate changing in the near future. This low rate will negatively impact interest earned on investments but will result in low loan borrowing rates.

Indexes

To guide the determination of escalation rates for expenditure and revenue categories, the Wage Price Index (WPI), Consumer Price Index (CPI) and the Local Government Cost Index (LGCI) are referred to.

Wage Price Index

The WPI is calculated by the Australian Bureau of Statistics and measures the change in wages for the public and private sectors. The seasonally adjusted index for Australia rose 1.4% for the 12 months to 30 September 2020 compared to 2.2% for the 12 months to 30 September 2019. For the public sector the seasonally adjusted index rose by 1.8% for the 12 months to 30 September 2020 compared to 2.5% for the 12 months to 30 September 2019.

Western Australia has the slowest growth in annual terms at 1.2% for the public sector.

Consumer Price Index

CPI is calculated by the ABS and takes into consideration changes in the cost of a basket of goods for a household. It is often argued that CPI is not reflective of items purchased by local governments and therefore changes in this index are only used as a broad guide for forecasting value changes in revenue and expenditure.

Table 4: Change in Perth CPI by financial year

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Consumer Price Index	3.0%	1.8%	0.9%	0.6%	0.9%	1.3%	1.3%

Table 5: Change in Perth CPI by quarter

Quarter ending	Percentage change from previous quarter	Percentage change from corresponding quarter of previous year
December 2020	-1.0	-0.1
September 2020	1.8	1.3
June 2020	-1.2	0.1
March 2020	0.4	2.1
December 2019	0.4	1.6
September 2019	0.5	1.6
June 2019	0.7	1.6
March 2019	-0.1	1.1
December 2018	0.5	1.3
September 2018	0.5	1.2
June 2018	0.2	1.1
March 2018	0.1	0.9
December 2017	0.4	0.8
September 2017	0.5	0.8
June 2017	0.0	0.7
March 2017	0.0	1.0
December 2016	0.4	0.4
September 2016	0.4	0.5
June 2016	0.3	0.5
March 2016	-0.6	0.7

Table 4 shows the annual change in the Perth CPI has steadied and is most likely due to the response to COVID-19 after having steadily increased for the previous 3 years. Table 5 indicates

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some volatiity in the quarterly change in the Perth CPI for 2020, while the comparison to the corresponding quarter of the previous year showed an increasing trend to March 2020 but has been more variable after that quarter.

Local Government Cost Index (LGCI)

The LGCI takes into consideration a number of indexes and components that influence local government expenditure. WALGA's Local Government Economic Briefing document of February 2019 provided the following table.

	5 year average	2017-18 (%)	2018-19 (%)	2019-20 (%)	2020-21 (%)
Wages (WA Price Index)	1.9	1.5	1.75	2.75	3.0
Road and Bridge Construction	0.6	1.7	2.7	1.25	1.50
Non-residential building	-0.3	-0.6	1.4	1.4	1.4
Other costs (Perth CPI)	1.5	0.9	1.5	2.0	2.5
Machinery and equipment	1.1	1.9	0.3	1.0	1.2
Electricity and street lighting	1.1	0	7.4	6.0	5.1
Local Government Cost Index	**1.3**	**1.5**	**1.7**	**2.0**	**2.8**

The calculation of the above appears to use index forecasts from the 2018-19 State Government Budget which would have been the latest available at the time of preparation (February 2019). As the 2019-20 budget forecast indexes are more conservative it is likely the forecast Local Government Cost Index would be lower.

The last available update of the LGCI published in November 2019 recorded an increase of 0.4% for the September 2019 quarter and an annual increase of 1.6%. Updated forecasts for the LGCI are not available.

Enterprise Agreement

The Shire's Enterprise Agreement 2019 provides for annual base salary increases of:

- 2% for 2019-20; and
- for 2020-21 and 2021-22, 2% or the Perth CPI % change for the 12 months to 31 March plus 0.5%, whichever is the greater, up to a maximum of 2.5%.

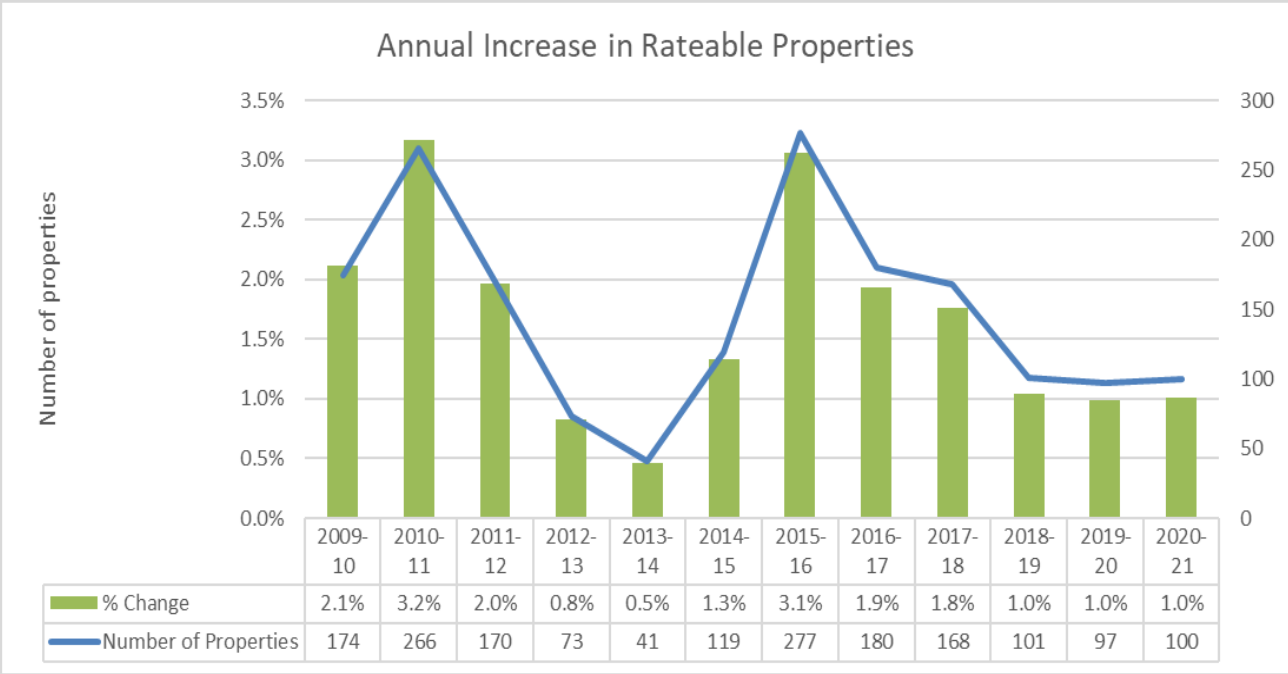
For the purpose of preparing the LTFP, the annual increase for 2021-22 is estimated to be 2.5%. It should be noted the actual CPI change for the 12 months to 31 March will not be available until April. A similar base increase is applied for 2022-23 and future years. Total employee costs are forecast to increase by 3% per annum from 2021-22 to 2025-26 and 2.5% per annum thereafter.

This percentage increase takes into consideration employee annual performance based increases as well as any increase in the number of employees.

Property Growth

Growth in the Shire's properties database results in additional rateable properties and therefore rate revenue. As the property growth rate has a direct relationship with rate revenue it is essential a realistic growth rate be included in the LTFP.

Historical property growth rates are used to inform possible future growth and are represented in the following chart.



The chart shows the annual rate of property growth has steadied after reaching its lowest point in 2013-14 and is now about 1%. However, the 2020-21 figures reported above are budget estimates and evidence shows the actual growth rate for 2020-21 will exceed this estimate. For the purpose of the LTFP forecasts an annual growth rate of about 2%, which is similar to WA Treasury's population growth forecast, will be used to escalate rate revenue (interim rates) in the initial plan years and is reduced for the second half of the plan.

Workforce

There has been minimal change in the number of full time equivalent positions (FTEs) since 2013-14 and this situation is not forecast to change in the short term. The following table shows historic workforce numbers.

Table 7: Workforce Summary

	13-14	14-15	15-16	16-17	17-18	18-19	19-20	20-21
Total workforce budget (FTEs)	168.0	166.3	165.3	167.4	168.1	170.9	175.1	178.8
Grant funded positions (FTEs)	2.3	1.1	0.5	1.5	1.5	0.5	0.5	0.5
Annual change in number of FTEs	1.6	-1.7	-1.0	2.1	0.7	2.8	4.2	3.7
Annual percentage change in FTEs	1.0%	-1.0%	-0.6%	1.2%	0.5%	1.7%	2.5%	2.1%

Growth in the workforce is likely to be inevitable as the number of properties, population and demand for services increases. The Workforce Planning document is in the process of being updated and its outputs will not be available for inclusion in the 2021-22 version of the LTFP. The update process uses a methodology which considers service levels, changing service demands, organisational risk areas, employee demographics and other factors.

Like previous versions of the LTFP this version includes minimal workforce growth. This position has been adopted on the assumption service level planning and an updated workforce plan will provide improved information to inform future LTFPs. The implication of this approach is that any future workforce growth will need to be funded by expenditure decreases or revenue increases, including property rates.

Summary of Forecasts Used in the LTFP

Having considered the available data, the following forecasts have been used in the base LTFP. Also shown in the table are the index forecasts used to inform the escalation rates.

Table 8: Summary of LTFP Forecasts

Category	2021-22	2022-23	2023-24	2024-25	2025-26 on
CPI forecast	1.75%	1.75%	2.0%	n/a	n/a
LGCI forecast	n/a				
WPI forecast	1.75%	2.0%	2.25%	n/a	n/a
Enterprise Agmt	2.5%				
Rates increase	2%	2%	2%	2%	2%
Property growth	2%	2%	2%	2%	1%
Fees and Charges	1.75%	1.75%	2%	2%	2.25%
Employee Costs (including growth)	3%	3%	3%	3%	3% to 2.5%
Superannuation	10%	10.5%	11%	11.5%	12%[1]
Materials	1%	1%	1.25%	1.25%	1.5%-1.75%
Insurance	2%	2%	2%	2%	2%
Utilities	1.75%	1.75%	1.75%	1.75%	1.75%
Interest payable	1.5%				
Interest earned	0.5%	0.5%	0.5%	1%	1%
Base Escalation	1.75%	1.75%	1.75%	1.75%	1.75%

[1] Superannuation will increase in 0.5% increments from July 2021 until it reaches 12% in 2025-26.

5.0 Major Assumptions/Qualifications

The following are major assumptions or qualifications which underpin this version of the LTFP.

- No change in the type and level of services provided to the community is assumed which in effect means that recurrent expenditure forecast for 2021-22 is the Shire's base operating expenditure.
- The financial impact of the Community Strategic Plan 2036 that was adopted by Council on 27 September 2017 and is currently being reviewed has been broadly considered, however specific strategies to deliver outcomes for the five key result areas may not be included.
- As an updated Workforce Plan is being developed no significant changes to the current workforce have been included for the term of this LTFP.
- Consultants were engaged in February 2018 to prepare a waste management strategy for the Shire which will determine future processes for waste collection and waste processing. This strategy will have an impact upon future fees and charges, capital and operating expenditures and has been broadly reflected in this LTFP as the financial detail of this strategy is planned to be reviewed.
- As Asset Management Plans for assets such as buildings are being updated to determine and justify the annual amount required to be allocated for the renewal of this asset type, the amounts included in the FCWP are estimates.
- The expenditure and funding details included in the FCWP are best estimates and subject to refinement as project plans, designs, approvals and procurement progress.
- To balance the LTFP a "savings or additional funding required" target has been included for each year of the FCWP. This target indicates that some projects have been included in the FCWP without adequate consideration of how they could be funded in the context of the Shire's operating and funding position.
- Waste management is treated in the LTFP as a self funded business unit which means any excess income is transferred to the Waste Management reserve after all operating expenditure, capital expenditure and the return to the organisation to fund administrative costs have been deducted.
- Caravan Parks are treated in the LTFP in the same way as Waste Management with capital expenditures funded from operations and funds being transferred to the Caravan Park Upgrade reserve.
- Funds obtained from developer contributions are transferred to the Developer Contributions reserve.
- Funds are transferred to the Plant Replacement reserve to assist with future year's plant purchases and is the only asset renewal reserve able to be replenished.
- Interest earned on reserves is returned to reserves where this is legislatively required.
- Regional Road Group grants and Roads to Recovery grants are assumed to continue for the term of the plan.
- Capital grants from various funding bodies are included where it is possible they may be a funding partner, however, these grants are not confirmed.

Overall, changes to this LTFP are relatively minor when compared to the previous version and there is also increased reliance upon using the estimated inflation factor as a forecasting basis rather than using a variety of forecasting percentages for the different revenue and expenditure categories.

6.0 Operating Revenue Assumptions

Rates

Rates have been been increased by 2% per annum for the duration of the plan. This forecast rate increase is equivalent to the State Government's CPI forecast for Perth. Growth in the number of rateable assessments also increases the total amount obtained from property rates. This increase is the minimum required to fund the forecast deficit between expenditure and revenue with some expenditure items generally forecast to increase by at least the inflation factor.

Operating Grants, subsidies and contributions

Once off grants budgeted for 2020-21 have been removed.

Ongoing operating grants for the emergency services area have been retained and these grants are forecast to escalate at the same rate as base inflation. Financial Assistance Grants are forecast to escalate at the base inflation factor as the Shire has until 2020-21 been a minimum grant local government and the General Purpose Grant component is paid on a per capita basis. All other operating grants and contributions have been escalated to increase by the base inflation factor using the 2019-20 budget amount as the base.

Fees and charges

Fees and charges have been increased by the base escalation factor for the first 2 years and then by up to 0.5% above this escalation factor in order to take into consideration both growth in services and an increased level of cost recovery.

Service charges

No service charge has been included. Previously a service charge of $333.33 per property was imposed on properties in the main street of Cowaramup to recover the cost of undergrounding of electricity. The charge was imposed for 10 years and ended in 2020-21.

Interest earnings

Interest is earned on the balance of reserves and any surplus cash. The default interest rate for investments is 0.5% for the term of the LTFP and is conservative as it is marginally lower than the average rate of interest currently earned on term deposits.

Other revenue

The base rate of escalation of 1.75% has been applied to this category which has a total revenue of $35,400 in the base year.

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7.0 Operating Expenditure Assumptions

Once off adjustments to the base

Expenditure carried over from the 2019-20 financial year that was included in the 2020-21 budget has been removed from the base year of the LTFP. A number of once off items included in the 2020-21 budget have also been removed. If the item was grant funded the grant has also been removed. The following table provides some detail of the items removed or changed.

Table 9: Adjustments to the base year

Description of Adjustment	Amount
Affordable housing strategy feasibility study	12,000
Implementation of limestone cliff stability recommendations	20,000
Landfill closure management plan	20,000
Recreation services masterplanning	10,000
Asset data collection	30,000
GRV revaluation	150,000
Radio Margaret River contribution	20,000
Events strategy implementation	25,000
Mitigation Activity Fund expenditure	351,000
Forward planning grant expenditure	47,500
Contribution to South West Waste Group	18,700
Sustainability initiatives	160,000
Affordable housing strategy site feasibility assessment	30,000
Implementation of limestone cliff stability recommendations	170,000
Coastal management grant expenditure	105,000
Limestone cliff stability assessment review	50,000
Remove additional contribution for Community Resource Centre	45,000
Remove contribution for Margaret River Men's Shed	50,000
Reduce Holiday Parks special projects	250,000
Mitigation Activity Fund grant	(351,000)
Forward Planning grant	(47,500)
Coastal adaptation and planning grant	(87,500)
Subtotal	1,078,200
Increase General Purpose & Local Roads Grant to include advance payment	745,739
Total of Adjustments to Base Year	**1,823,939**

Recurrent Items for Future Years

Some expenditure items are incurred on a regular basis but do not occur every year. These items may be cyclic in nature and are often of high value. LTFP forecast years have been increased to include the following items.

Table 10: Adjustments for future year's items

Description of expenditure item	Amount	Years Included
Gross Rental Value (GRV) property revaluation is required every 3 years with the last review on 1/7/2018.	165,000 to180,000	2021-22, 2024-25, 2027-28, 2030-31
Local government elections are conducted every 2 years and are assumed to be by postal vote.	49,000 to 59,000	2021-22, 2023-24, 2025-26, 2027-28, etc
Customer survey is commissioned every 3 years, last survey completed in 2019-20 (scheduled for 2018-19).	26,000 to 30,000	2021-22, 2024-25, 2027-28, 2030-31

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The review of the appropriateness and effectiveness of financial systems (LGFM Reg 5(2)(c) is conducted every 2 years with the last review in 2019-20.	15,000	2021-22, 2023-24, 2025-26, 2027-28, 2029-30
The review of the appropriateness and effectiveness of risk management, internal controls and legislative compliance (LG Audit Reg 17) is conducted every 2 years with the last review in 2020-21.	15,000	2022-23, 2024-25, 2026-27, 2028-29, 2030-31
Updated fair value valuations are provided for land and buildings (L&B), and infrastructure has been revised to a 5 year's cycle. The cost varies by asset class.	30,000 75,000	L&B – every 5 years from 2021-22 Infrastructure every 5 years from 2022-23
Contribution to Busselton Margaret River Regional Airport marketing fund ($25,000 for 5 years)	25,000	to be paid to 2023-24 (removed 2024-25)
Jetty inspections every 5 years	30,000	2025-26, 2030-31
Resealing of skateparks every 2 years	50,000	2021-22, 2023-24, 2025-26, 2027-28, etc
Waste expenditure to increase by transport and disposal costs	1,000,000	From 2025-26
Increased revenue from chalets	100,000	From 2021-22

Employee costs

Employee expenses have been increased by 1.25% above the base escalation factor of 1.75% for the first 5 years of the plan and then by 0.75% above escalation for the remainder of the plan. These increases allow for:

- changes to the employee enterprise agreement;
- annual performance based increases for eligible employees;
- legislated increases to the Superannuation Guarantee Charge (SGC); and
- growth in the workforce.

The three year 2019 employee enterprise agreement provides for an increase of 2% or 0.5% above the CPI increase for Perth at 31 March, whichever is the greater, up to a maximum increase of 2.5%. This enterprise agreement is scheduled to be renegotiated in 2021-22.

Eligible employees who satisfy agreed performance obligations are entitled to a step increase within their salary level. This step increase is equivalent to about a 2% increase. It is estimated 50% of employees would receive this step increase subject to their satisfactory performance, as employees on the maximum step for a level, negotiated salary and contract staff are not entitled to this increase.

From 2021-22 superannuation will increase by an additional 0.5% per annum until it achieves the 12% target in 2025-26. This increase is in accordance with legislative changes and results in the SGC increasing as shown in the following table. It should be noted that employees that are party to the enterprise agreement already receive a Superannuation contribution of 10%.

Year	Annual Increase	Cumulative Increase	Superannuation Guarantee Charge
2021-22	0.5%	0.5%	10.0%
2022-23	0.5%	1.0%	10.5%
2023-24	0.5%	1.5%	11.0%
2024-25	0.5%	2.0%	11.5%
2025-26	0.5%	2.5%	12.0%

The annual increase to forecast employee expenses does provide some opportunity for an increase in workforce growth. However, these details need to be included within an updated Workforce Plan.

The combined impact of annual salary increases, annual performance increases and the increase in the SGC is to increase total employee costs (salaries, superannuation, training, workers compensation, protective clothing, uniforms, FBT, etc) from the base year amount of $16.166 million to $16.651 million in 2021-22.

On average annual increases in employee costs for the duration of the plan are forecast to be in the order of $0.500 million. By 2030-31 total employee expenses are forecast to be $21.203 million. For context, employee costs represented 72% of rates for the base amount and this percentage is not forecast to change for the term of the plan. The stability of the ratio of employee costs to rates confirms firstly that employee costs are being restrained and secondly that as a service organisation providing a wide range of services employee costs are the Shire's most significant expenditure item. Service levels and delivery changes will be required to reduce this ratio.

Materials and contracts

In order to support balancing forecast years and to reduce the net operating deficit, savings are required to materials and contracts expenditure. For this reason the plan has assumed savings will occur over time. The forecast increase for the first 2 years has been limited to 0.75% below the escalation rate, 0.50% below for the next 2 years and 0.25% for the next 4 years and no reduction for the last 2 years. This approach is risky as it relies upon expenditure savings to offset some items of expenditure such as road maintenance, reserves maintenance and building maintenance possibly increasing at a rate greater than forecast inflation.

Materials and contracts expenditure is expected to reduce from $9.642 million for the base year to $9.518 million in 2021-22. The reduction of $0.124 million or 1% is not significant and is required to offset the impact of the low forecast increase to rates for 2020-21 which will primarily be required to fund increased employee costs.

For 2022-23 materials and contracts are forecast to increase to $9.759 million or by 2.5%. Although the forecast cost escalation rate for this year is 1% the inclusion of recurrent expenditure items has increased the percentage increase for the year. Annual percentage changes for future years are also impacted by the inclusion and removal of these recurrent expenditure items.

By the end of the plan materials and contracts expenditure has increased to $12.031 million or 41% of rates compared to 43% of rates for the base year.

Utility charges

Expenditure has been escalated by the base inflation factor of 1.75%. Savings expected to be realised from the investment in solar technology in particular justifies not increasing utility charges by greater than the forecast escalation rate when historically increases in utility costs have tended to exceed inflation.

Utility charges are forecast to increase from the base year amount of $0.948 million to $0.965 million in 2021-22 (an increase of 1.75%) and to $1.128 million in 2030-31. Utility charges represent 4% of rates and this remains consistent for the term of the plan.

Depreciation

The allocation of depreciation is based on historical asset values that are revalued for fair value purposes by the inflation factor and also increased to include capital expenditure projections. The rate of depreciation is the average rate of depreciation for each asset class. Due to this methodology depreciation is at risk of being overstated.

Depreciation is forecast to increase from the base year amount of $9.517 million to $9.608 million in 2021-22 (an increase of 1%) to $11.200 million in 2030-31. Over the term of the plan depreciation is either the second or third highest expenditure category. As a percentage of rates, depreciation varies from 42% in 2021-22 to 40% in 2030-31.

Interest expenses

The forecast interest rate for new loans is 1.5% and has been used to calculate interest expense for the loan expected to be drawn down during 2022-23 for building renewal works for the Aquatic Centre. For all existing loans at 30 June 2021 interest is calculated using their actual interest rate.

Interest is forecast to decrease from the base year amount of $0.452 million to $0.414 milion in 2021-22 and $0.130 million in 2030-31. The repayment of loans and the low interest rate for new loans has contributed to this reduction. In 2030-31 the plan forecasts that only 4 loans will be outstanding being the loan for the Civic and Administration building (to be fully repaid on 30/12/2031), the 2 loans for the HEART building and the proposed loan for the building renewal works for the Margaret River Aquatic Centre.

Insurance

Costs have been escalated by 0.25% above the base escalation factor of 1.75% for every year. The rationale for this greater increase is to ensure insurance costs reflect increased insured property values and likely increased insurance risk in the future.

Insurance is forecast to increase from the base year amount of $0.688 million to $0.702 million in 2021-22 (an increase of 2%) to $0.838 million in 2030-31.

Other expenses

The base rate of escalation has been applied to this category which has a total expenditure of $1.114 million in the base year to $1.382 million in 2030-31. This category includes Members of Council sitting fees, allowances and travel expenses, Corporate and Community Services contributions, Landcare contributions and Members of Council donations and projects.

8.0 Capital Expenditure and Funding Assumptions

A capital works programme based on a Forward Capital Works Plan (FCWP) has been prepared listing capital projects for the next 10 years. However the FCWP needs to be updated to reflect information to support and justify the inclusion of the capital items and amounts. This supporting information should describe each item in greater detail and identify planned expenditure and funding by year, project responsibility, approvals, level of community consultation and risk assessment. It is recognised the level of detail is likely to be at a high level so a reference to supporting asset management information is required which lists each individual project and an assessment of factors such as condition, risk and level of use to allow a priority rating and preferred timeframe to be determined. Various assumptions are necessary to allow this assessment to be prepared.

The FCWP provides summary information for 14 asset classes including plant and equipment, buildings, furniture and equipment, infrastructure roads, road bridges, drainage, parks and reserves, waste management, public utilities, aerodromes, car parks, paths, caravan and camping, boat ramps and jetties.

$127.545 million is identified as being able to be funded for the 10 years with $50.715 million (40%) funded from general revenue, $52.345 million (41%) from grants and contributions, $12.284 million (10%) from reserves and $4.200 million (3%) from asset sale proceeds with the majority resulting from the sale of plant and equipment. Only one additional loan has been included which is $8.000 million (6% of the capital funding) for the Aquatic Centre building renewal project. Savings or additional funding of $20.525 million over 10 years are required to deliver the full FCWP.

Roads and Related Infrastructure

Individual roads are not listed in the FCWP as this would make the programme unwieldy. This level of detail is included with the Asset Management Plan's road works programmes. The following table summarises expenditure and funding for the road works categories in the FCWP and shows the proportion which is being funded from general revenue.

Table 11: Road Works 10 Year Allocation and Funding Mix

	10 Year Allocation ($'000)	Grant Funding ($'000)	Reserve Funding ($'000)	General Revenue ($'000)	General Revenue %
Road Reconstruction	35,665	23,777	0	11,888	33%
Road Resurfacing	7,000	6,490	0	510	7%
Low Order Road Renewal	3,000	0	0	3,000	100%
Kerbs	750	0	0	750	100%
Gravel Road Resheeting	5,400	2,720	0	2,680	50%
Carparks	1,505	0	100	1,405	93%
Drainage	3,090	0	0	3,090	100%
Road Bridges	7,750	7,750	0	0	0%
Other Projects	1,045	0	100	945	90%
Savings/Funding Required	(3,043)	0	0	(3,043)	0
	62,162	40,737	200	21,225	34%

The above table highlights the following:

- road reconstruction projects are 2/3rd funded through Main Roads WA's Regional Roads Group grants allocation and 1/3rd Shire funded;
- road resurfacing projects are largely funded through the Roads to Recovery grant program which for the purposes of this plan is assumed to continue;
- gravel road resheeting projects are funded by the main roads direct grant and the Shire in equal proportions;
- renewal of low order roads in rural areas is fully funded by the Shire;

- road bridge projects are fully funded by special purpose grants administered through the WA Local Government Grants Commission and provided to Main Roads WA;
- carpark projects include ACROD upgrades, various Margaret River Precinct Plan projects, an annual allocation for renewal of carparks, Recreational Vehicle parking and carpark upgrades/development for Hasluck Street, Fearn Avenue and Station Road/Wallcliffe Road;
- at this sage other projects include repairs to roads used as detours during the Margaret River main street project, Margaret River precinct plan projects, stage 2 of Curtis Street, Gloucester Park internal roads and Ellis Street rehabilitation; and
- over the term of the plan savings or additional funding totalling $3.043 million are required to deliver all of the projects identified in the FCWP.

Paths

$4.401 million of path projects are able to be funded in this plan although $6.976 million of projects are included in the FCWP. This means that $2.575 million of savings or additional funding are required and could be achieved by reducing some annual allocations or using the allocations for specific projects. Plan allocations include:

- accessibility upgrades of $0.300 million;
- footpath expansions works of $1.811 million;
- footpath renewal works of $2.800 million;
- Margaret River precinct plan projects of $0.085 million;
- Wadandi track allocation of $1.000 million;
- mountain bike trail development allocation of $0.180 million; and
- Cape Leeuwin trail to lighthouse of $0.800 million.

Reserve transfers of $0.120 million and possible grants of $0.346 million leaves the Shire funding the balance of $3.935 million.

Parks and Reserves

The plan includes $8.182 million of parks and reserves projects and an additional $5.820 million of projects identified as requiring additional funding or that need to be deferred. A $14.001 million capital works programme for this asset class is unable to be funded within the constraints of this LTFP. Some of the projects proposed include:

- Alexandra Bridge foreshore management plan works totalling $0.750 million;
- Margaret River precinct plan projects totalling $0.515 million;
- pedestrian structure works such as the Carters Road underpass, Margaret River pedestrian bridge, renewal projects and trail bridges totalling $3.941 million;
- Gloucester Park projects totalling $2.520 million;
- playground renewal of $1.290 million;
- allocation for public open space renewal and upgrade projects of $1.835 million;
- Rapids Landing oval masterplan and playground of $0.110 million;
- Implementation of stage 1 of the Rivermouth to Gas Bay plan of $0.400 million;
- Prevelly Gnarabup coastal works of $0.340 million;
- limestone cliffs project of $0.270 million;
- Augusta foreshore walls of $0.400 million;
- tourism directional and entry signage of $0.200 million; and
- annual allocations for bridle trails, Augusta interpretation plan, cemeteries, etc.

A contribution of $5.552 million from the Shire is included in the plan as reserve transfers totalling $0.200 million and grants of $2.430 million partly fund the above works.

Boat ramps and jetties

$1.800 million is allocated towards the renewal of boat ramps and jetties and is assumed to be fully funded by the Shire.

Waste Management

$9.350 million has been allocated for specific waste management projects including the development of a transfer station ($3.350 million), implementation of the landfill capping and closure plan ($5.500 million) and an allocation of $0.500 million for the renewal of infrastructure. The majority of the works ($8.850 million) are funded by transferred funds from the waste management reserve and the balance is funded from waste management revenue.

Holiday Parks

Revenue generated by the Turner and Flinders Bay holiday parks is able to fund allocations for building works of $2.000 million, the renewal of infrastructure of $1.500 million and the renewal of caravan park equipment of $0.500 million over the 10 years of the plan.

Plant and Equipment

The LTFP includes a Plant Replacement Program detailing each vehicle and item of mobile plant, their expected replacement year, estimated replacement cost and estimated disposal value. These values are escalated by 1.75% per annum. The total value of this replacement program over 10 years is $13.413 million. $2.914 million is transferred from the plant replacement reserve to partly fund this program and expected sale proceeds of $4.200 million are also a funding source. However, the amount of $6.298 million required to be funded by the Shire is $0.781 million greater than the amount able to be funded. Therefore savings by deferring/delaying replacements or additional funding in the later years of the plan are required.

Some other minor items are included in this asset class such as a boom gate for the depot, pool blanket and other items for the aquatic centre and a basketball hoop system for the recreation centre.

Buildings

Savings or additional funding of $8.308 million are required as the total building program able to be funded in this plan is $23.354 million not the amount of $31.660 million proposed in the FCWP. Possible grants of $8.533 million and an $8.000 million loan reduce the Shire's contribution to $6.821 million. The projects and allocations that are included in the plan are included in the following table.

	10 Year Allocation ($'000)	Grant Funding ($'000)	Loan Funding ($'000)	General Revenue ($'000)	General Revenue %
Alexandra Bridge foreshore toilets	200	100	0	100	50%
Building renewal works	7,700	0	0	7,700	100%
Asbestos replacement	1,000	0	0	1,000	100%
Augusta museum (CIP)	4,370	2,000	0	2,370	54%
Aquatic Centre pool liner	300	0	300	0	
Aquatic Centre building	11,700	4,000	7,700	0	
Recreation Centre upgrade – basketball courts (CIP)	2,030	600	0	1,430	70%
Childcare Centre (CIP)	2,610	1,300	0	1,310	50%
Rapids Landing oval toilets and changerooms (CIP)	1,200	350	0	850	85%
Tennis Club bldg. upgrade	100	33	0	67	67%
Western Pavilion upgrade	450	150	0	300	50%
Savings/Funding Required	(8,306)	0	0	(8,306)	0
	23,354	8,533	8,000	6,821	29%

A number of the above projects were identified in a Community Infrastructure Plan (CIP) and are at this stage unapproved and unfunded and therefore the majority of savings required for this asset class of $8.306 million can be achieved by removing these projects and possibly including them in future plans if and when the projects are better formulated.

An asbestos replacement and reinstatement program builds upon works already completed and allows for $1 million of works over the 10 years of the LTFP. When added to the loan funded allocation of $1 million in 2018-19 this will allow 91% of the expected $2.2 million required over the 15 year timeframe to be replaced.

An annual allowance for building renewal works is included in the programme and commences with an allocation of $0.600 million in 2021-22 which is increased to $0.700 million the next year and then $0.800 million per annum for the remainder of the plan. Over the 10 years $7.700 million is allocated to building renewal but may need to reviewed and should be supported by an asset management program for building renewals.

Furniture and Equipment

$0.496 million has been allocated to the renewal of furniture and equipment including library equipment, general furniture equipment and computer servers and related ICT equipment.

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9.0 Funding Assumptions

Grants

Grants have been used to fund specific capital projects wherever possible and have been described in the previous section.

Loans

One new loan is proposed to be drawn down in 2022-23 as follows:

- $8.000 million for the renewal of the Aquatic Centre building and related works is assumed to be drawn down on 5/1/23 for a term of 20 years at a fixed interest rate of 1.5%.

Reserves

$12.284 million is assumed to be required to be drawn from reserves to fund specific capital projects. An additional $1.284 million is assumed to be drawn from the Developer Contributions reserve to fund the repayment of loan principal and interest for the loans drawn down for the Cultural Centre redevelopment (loan 192) and Margaret River Youth Precinct (loan 193) projects.

The transfers for capital projects from reserves include:

- $8.850 million from the Waste Management reserve for landfill closure and the development of a waste transfer station, however, the estimated cost of these projects is subject to review;
- $0.300 million in 2021-22 from the Developer Contributions reserve for Gloucester Park internal roads and development project could be funded from this reserve but needs to be confirmed;
- $0.100 million in 2023-24 from the Old Settlement reserve towards formalising the carpark could be funded from this reserve but needs to be confirmed;
- $0.120 million in 2021-22 from the Augusta Revitalisation reserve towards the construction of the the Leeuwin Path; and
- $2.914 million from the Plant reserve to assist purchase of plant.

A major assumption applies to Waste Services in that all operating revenue less operating expenditure is transferred to the Waste Management reserve and all waste services capital expenditure is transferred from the reserve. This approach allows this reserve to be built up over time in order to fund major expenditures during the term of the plan.

$9.465 million is assumed to be transferred to reserves and includes interest earned on the investments which cash back reserves where legislation requires interest to be retained.

The main transfers to reserves include:

- Surplus waste services revenue of $4.000 million over the 10 years are forecast to be transferred to the Waste Management reserve;
- Caravan park operations profits of $0.500 million over the 10 years are forecast to be transferred to the Caravan Park Upgrade reserve;
- Anticipated Developer Plan Contributions of $0.200 million per annum are forecast to be transferred to the Developer Contributions reserve; and
- Transfers to the Plant Replacement reserve totalled $2.825 million;

By 2030-31 the balance of reserves is forecast to be $9.565 million. The reserves with the largest balances are as follows.

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Table 12: Reserve Balances

	Opening Balance ($'000)	2021-22 Balance ($'000)	2025-26 Balance ($'000)	2030-31 Balance %
Employee Leave	370	372	379	389
Caravan Park Upgrade	347	397	597	847
Waste Management	5,790	5,640	2,440	934
Infrastructure Asset	593	596	608	624
Plant Replacement	726	778	1,203	670
Developer Contributions	951	709	938	1,415
Road Asset	1,000	1,000	1,000	1,000
Emergency Disaster Relief	1,695	1,695	1,695	1,695
Total of all reserves	**13,669**	**13,265**	**10,842**	**9,565**

It should be noted that the balances of the last two reserves in the above table are expected to reduce significantly in 2020-21 as the funds are being used.

While the table does not show all the reserves it does highlight that reserve balances are decreasing. Additionally, reserves provide a source of funding for capital projects which hasn't been fully considered in this plan. For example:

- the Developer Contributions reserve is able to increase at a steady rate provided growth in properties continues, however the funds being reserved should be allocated to the development of capital projects; and
- funds within the Infrastructure Asset reserve are available to be used for specific projects in accordance with the conditions associated with the contribution that was provided.

Asset Sale Proceeds

Proceeds from asset sales included in this plan are limited to the possible sale price of vehicles and mobile plant when they are replaced with $4.200 million included for the 10 years. No proceeds are included from the possible sale of land although some sales may occur in the future.

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10.0 Financial Risk Assessment

As the LTFP uses assumptions as the basis for expenditure and revenue forecasts there is a high level of risk the outcomes forecast by the model will not be achieved. Specific areas of risk include but are not limited to those in the following table.

Table 13: Risk Assessment

Escalation The base rate of 1.75% is too low as a forecast escalation rate. The risk of this rate being exceeded is not mitigated as higher escalation rates for employee expenses, materials and insurance have not been included.		
Likelihood: Medium	Consequence: Medium	Risk Rating: Medium
State Government Decisions Possibility the State Government do not provide grants such as Regional Roads Group grants. As these grants have been provided for many years it is unlikely they will be discontinued and the risk is very low.		
Likelihood: Low	Consequence: High	Risk Rating: Low
State Government Cost Shifting The impact of State Government financial decisions which shift costs to local government, has not been included and may result in expenditure exceeding forecasts. Risk could be partly mitigated by the use of higher escalation rates for some materials and contracts items.		
Likelihood: High	Consequence: Low	Risk Rating: Medium
Property Growth Property growth rates impact revenue for rates, fees and charges and developer contributions. If growth rates do not achieve projections, forecast revenues will not be achieved. As increases are in accordance with the forecast inflation rate, revenue forecasts could be considred to be conservative.		
Likelihood: Medium	Consequence: Medium	Risk Rating: Medium
Capital Works Forecasts Capital works expenditure and funding forecasts are broad estimates based on the current cost of these projects. Cost escalation will have an impact on future years. This risk can be mitigated by preparing more detailed capital works proposals and business cases so that more accurate cost estimates can be included in the FCWP and LTFP.		
Likelihood: High	Consequence: High	Risk Rating: High
Capital Works Funding Assumptions To balance the LTFP assumptions relating to the timing and funding (use of grants and reserves) of projects have been made. If the timing and funding mix of specific projects change, pressure will be placed upon delivery of capital projects in the years proposed and forecasts will need to be amended.		
Likelihood: Medium	Consequence: High	Risk Rating: High
New Assets Operating and Maintenance Costs New and upgraded infrastructure assets may require increased operating and maintenance needs and ongoing financial costs. There is therefore the financial risk of revenue and expenditure forecasts being inadequate to meet these possible cost increases. This risk can be mitigated by completing business cases and whole of life costs analyses for capital projects so these financial impacts can be included in the LTFP.		
Likelihood: High	Consequence: Medium	Risk Rating: Medium

Table 13: Risk Assessment (continued)

Annual Rate Yield Increase Assumption of a rate revenue increase equivalent to the escalation rate (plus property growth), is a financial risk which places pressure upon the organisation to meet future cost increases imposed by external influences and to meet service needs arising from increased demand upon the workforce and the implementation of new and upgraded capital infrastructure.		
Likelihood: High	Consequence: High	Risk Rating: High
LTFP Balancing Decisions To balance the LTFP decisions have been made about expenditure and revenue forecasts which are necessary from a financial planning perspective but may not actually occur. For example, if forecast grant funds for a project are not received other funding will be required and the forecast balanced position would not be achieved. Additionally, a "savings/additional funding required" amount has had to be included for many years of the capital works programme to achieve a balanced budget position.		
Likelihood: High	Consequence: High	Risk Rating: High
Escalation Rates Used to Determine Forecasts Assumptions used as the basis for forecast revenue and expenditure escalation rates may result in these escalation rates being understated (or overstated) and consequently the legitimacy of the LTFP as a planning document is compromised. This risk is mitigated to some extent by a conservative approach being adopted.		
Likelihood: High	Consequence: Medium	Risk Rating: Medium

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11.0 Model Results – The Base Balanced Model

Model reference “Base Scenario – Balanced - Version 1.4” has the following percentage increases.

Shire of Augusta Margaret River

Summary of Percentage Adjustments on Prior Year

For the period 2021 - 2031

Base Scenario - Balanced - Version 1.4

	1	2	3	4	5	6	7	8	9	10
	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
	$	$	$	$	$	$	$	$	$	$
OPERATING										
Revenues										
Rates	3.47%	3.29%	3.25%	3.21%	2.88%	2.57%	2.56%	2.54%	2.53%	2.52%
Operating grants, subsidies and contributions	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%
Non-operating grants, subsidies and contributions	(16.71%)	62.66%	(32.64%)	(27.12%)	19.20%	(33.55%)	8.55%	88.18%	(50.19%)	(9.56%)
Fees and charges	2.77%	1.75%	2.00%	2.00%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%
Service charges	(1.00)	-	-	-	-	-	-	-	-	-
Interest earnings	(55.76%)	(15.01%)	1.79%	26.49%	3.30%	(0.31%)	(1.98%)	(1.96%)	(1.57%)	1.02%
Other revenue	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%
	2.51%	2.68%	2.80%	2.88%	2.64%	2.42%	2.40%	2.40%	2.39%	2.39%
Expenses										
Employee costs	3.00%	3.00%	3.00%	3.00%	3.00%	2.50%	2.50%	2.50%	2.50%	2.50%
Materials and contracts	(1.28%)	2.52%	2.32%	(0.71%)	14.10%	0.95%	(0.72%)	4.04%	1.69%	0.31%
Utility charges (electricity, gas, water etc.)	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%
Depreciation on non-current assets	0.95%	5.00%	2.72%	2.89%	2.90%	2.34%	2.41%	2.02%	0.54%	1.78%
Interest expense	(8.36%)	(10.78%)	19.13%	(11.22%)	(11.59%)	(13.71%)	(16.24%)	(16.00%)	(18.59%)	(23.87%)
Insurance expense	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Other expenditure	1.75%	2.63%	5.19%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%
	1.20%	3.17%	2.93%	1.84%	5.37%	1.89%	1.50%	2.61%	1.67%	1.63%

The table shows a number of the revenue and expenditure categories change by the base escalation factor of 1.75% and that changes for other categories vary in accordance with specific assumptions related to the category.

The table also shows the average annual increase in operating revenue over 10 years is 2.5% and for operating expenditure (including depreciation) is 2.4%. These averages confirm the conservative nature of this LTFP.

Overview and Statements

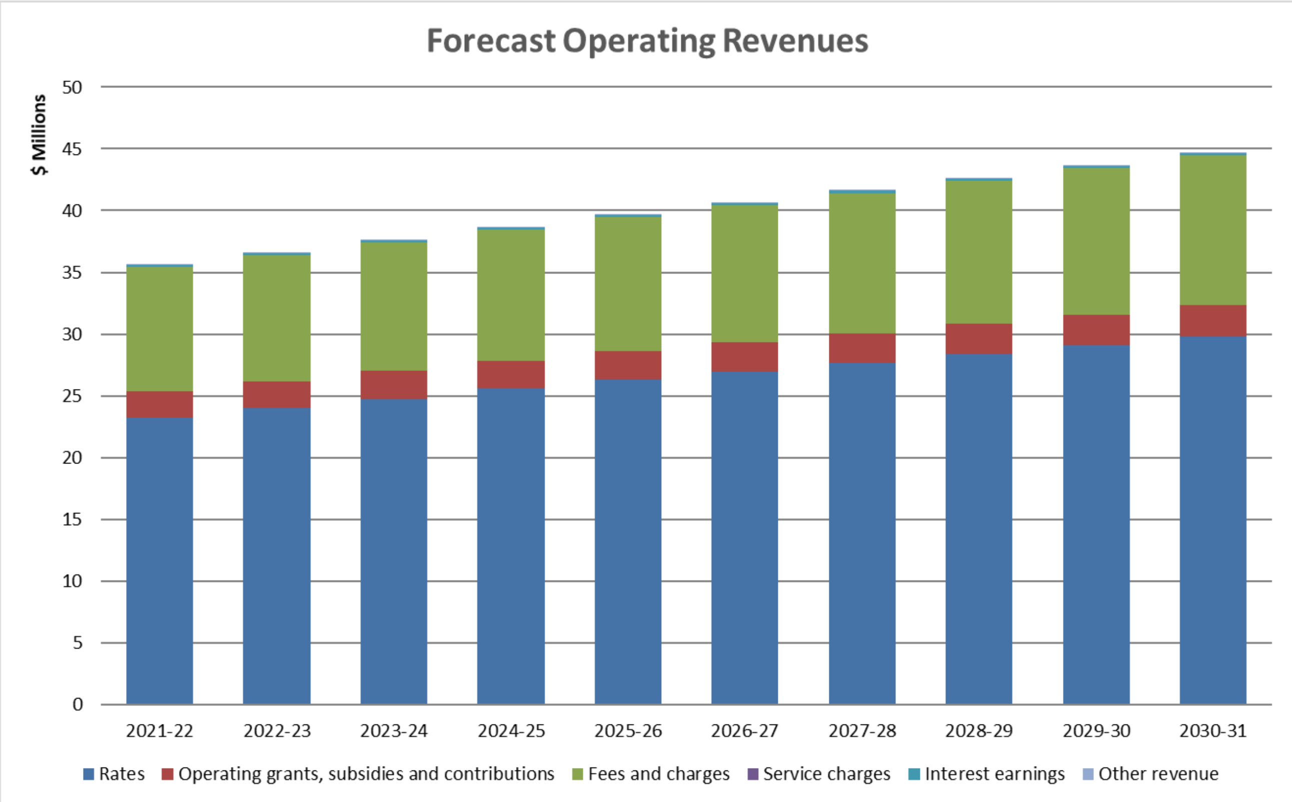
The Statement of Financial Position, Statement of Comprehensive Income by Nature or Type and the Funding Statement are the key statements used to examine the summarised financial forecasts.

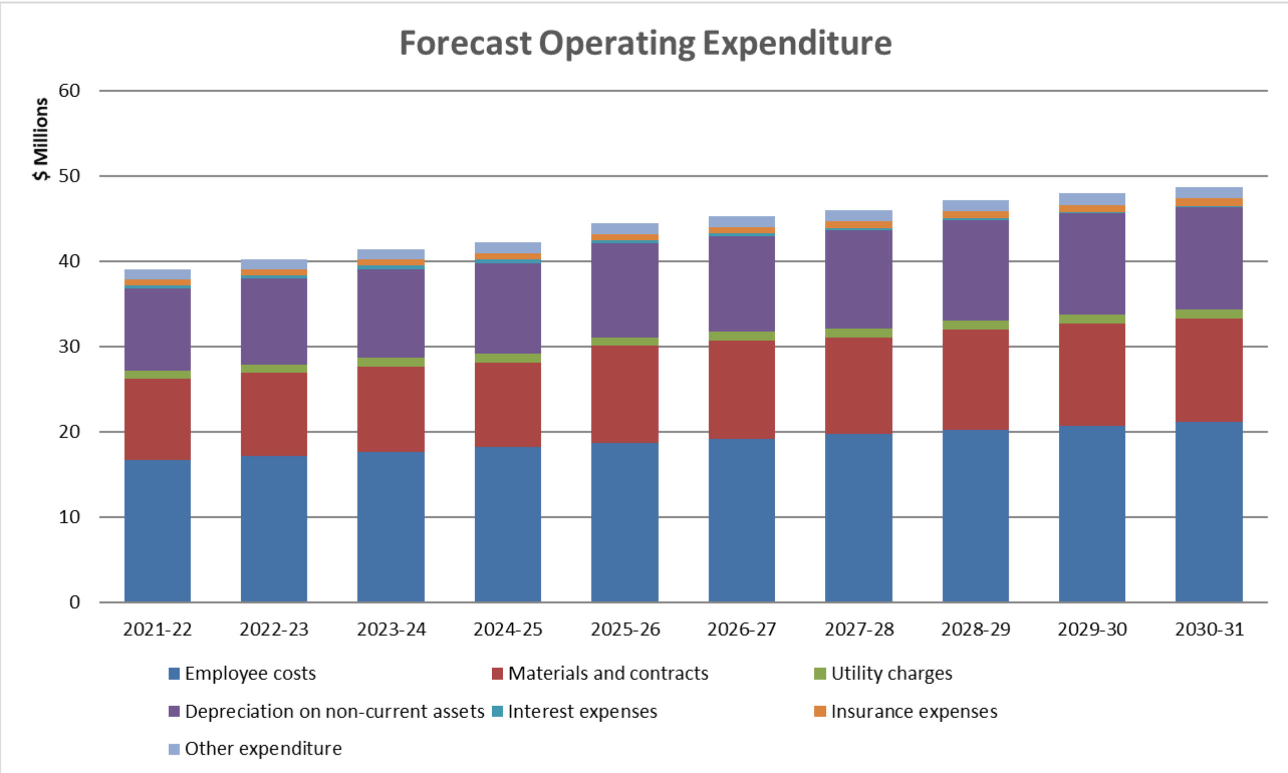
The **Statement of Financial Position** shows net assets are forecast to increase from $470.597 million from the 30 June 2021 base year to $572.217 million at 30 June 2031. This represents an overall increase of 22% over 10 years. The main contributor to this increase is the growth in non-current assets specifically infrastructure and property, plant and equipment.

Loan borrowings are forecast to decrease from $8.518 million for the base year to $5.654 million at 30 June 2031.

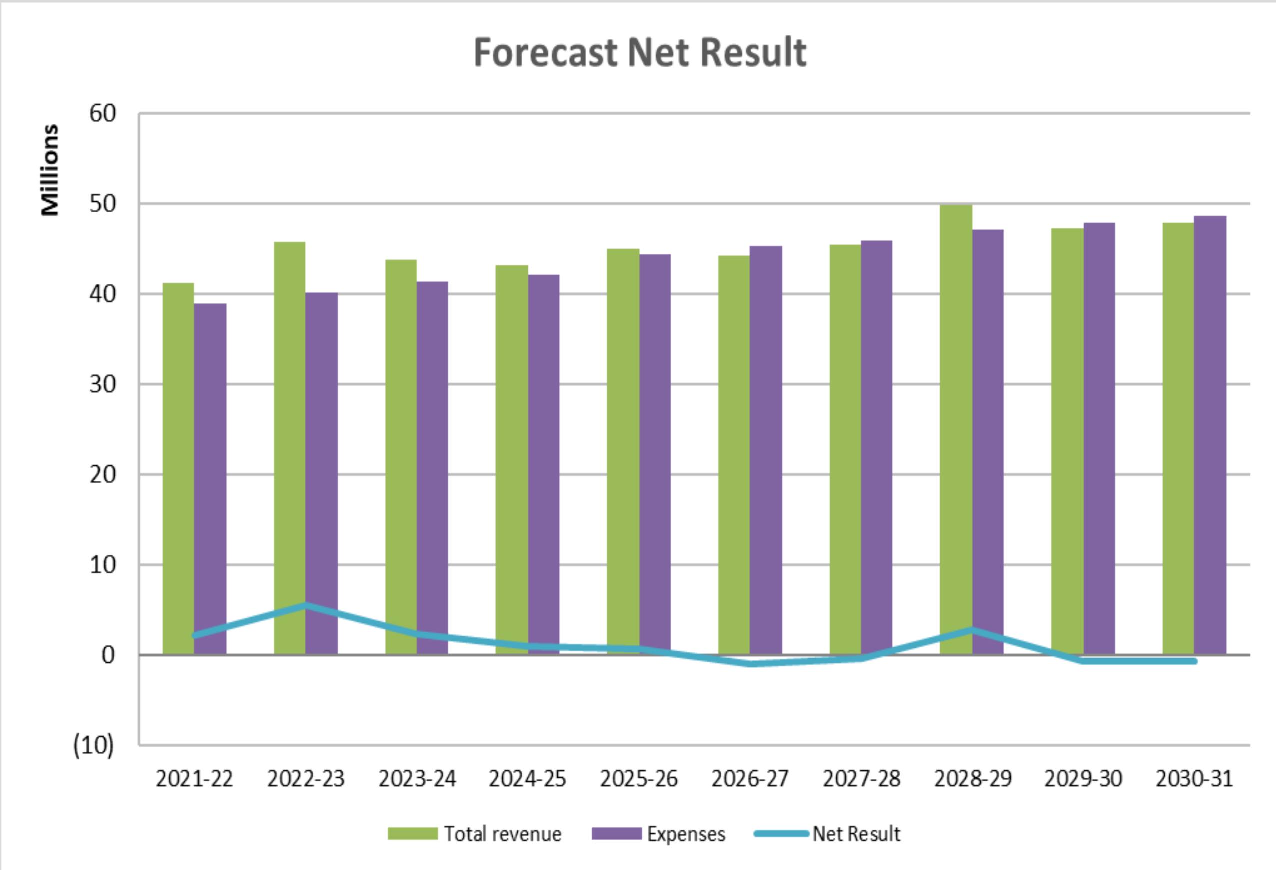
Reserves are forecast to decrease from $13.669 million for the base year to $9.565 million at 30 June 2031 as a result of reserve funds being used to fund capital projects. Reserves represent the majority of the Shire’s forecast cash balance.

The **Statement of Comprehensive Income** shows operating revenue increasing from $34.753 million for the base year to $44.708 million for 2030-31. For the same timeframe operating expenditure increases from $38.527 million to $48.717 million. The net operating result deteriorates from a deficit of $3.366 million in 2021-22 to a deficit of $4.008 million in 2030-31. The main reason for the increase in the net operating result (deficit) is the increased allocation of depreciation.





The net result takes into consideration non-operating or capital grants and profit/(loss) on asset disposals. Higher capital grants for major capital projects in the first years of the plan have caused the forecast net result for the first five years to be a surplus. As capital grants reduce this net result deteriorates and deficits are recorded from 2026-27 onwards. However, these results do not represent a cash surplus/deficit as the inclusion of the non-cash item of depreciation has a significant impact.

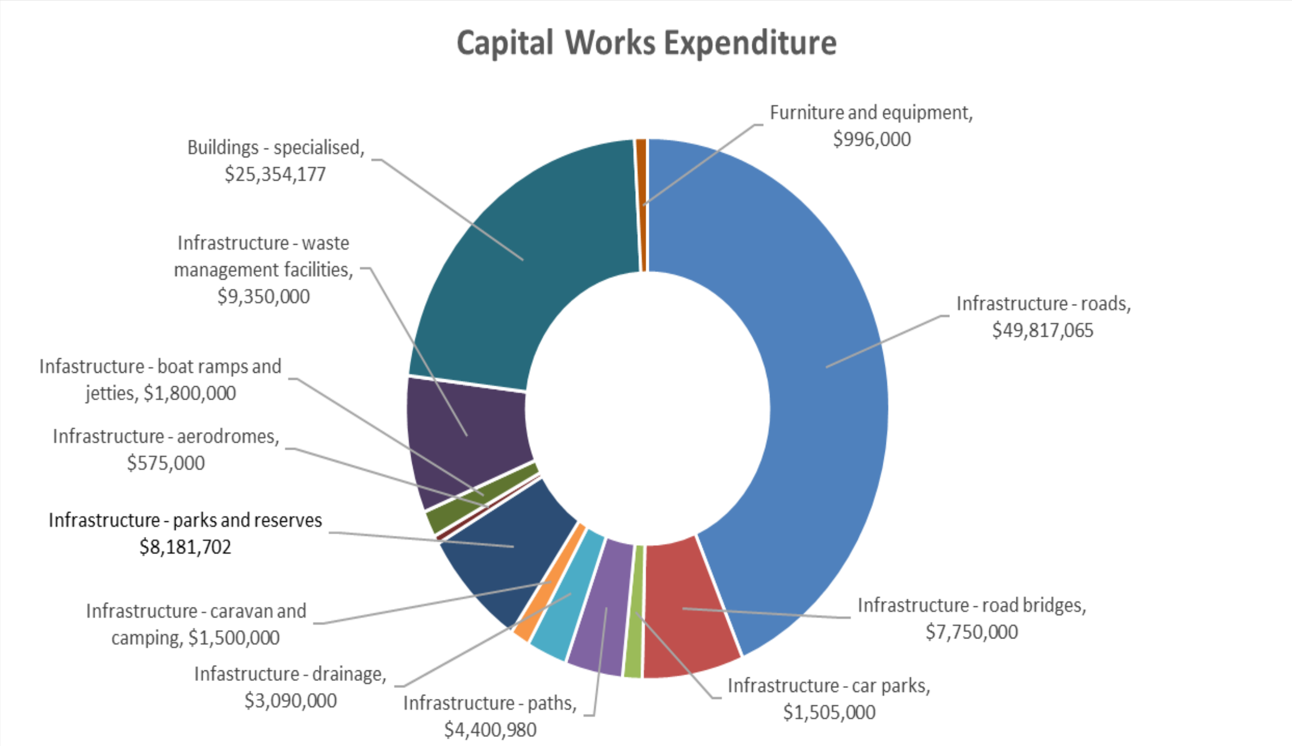


The **Statement of Funding** shows a balanced forecast budget position which means no additional funding is required to be sourced to meet forecast expenditure demands. Rather than presenting budget deficits and surpluses for each year, balancing adjustments have been processed against the Plant Replacement reserve in order to present a balanced (nil surplus/deficit) position for each year.

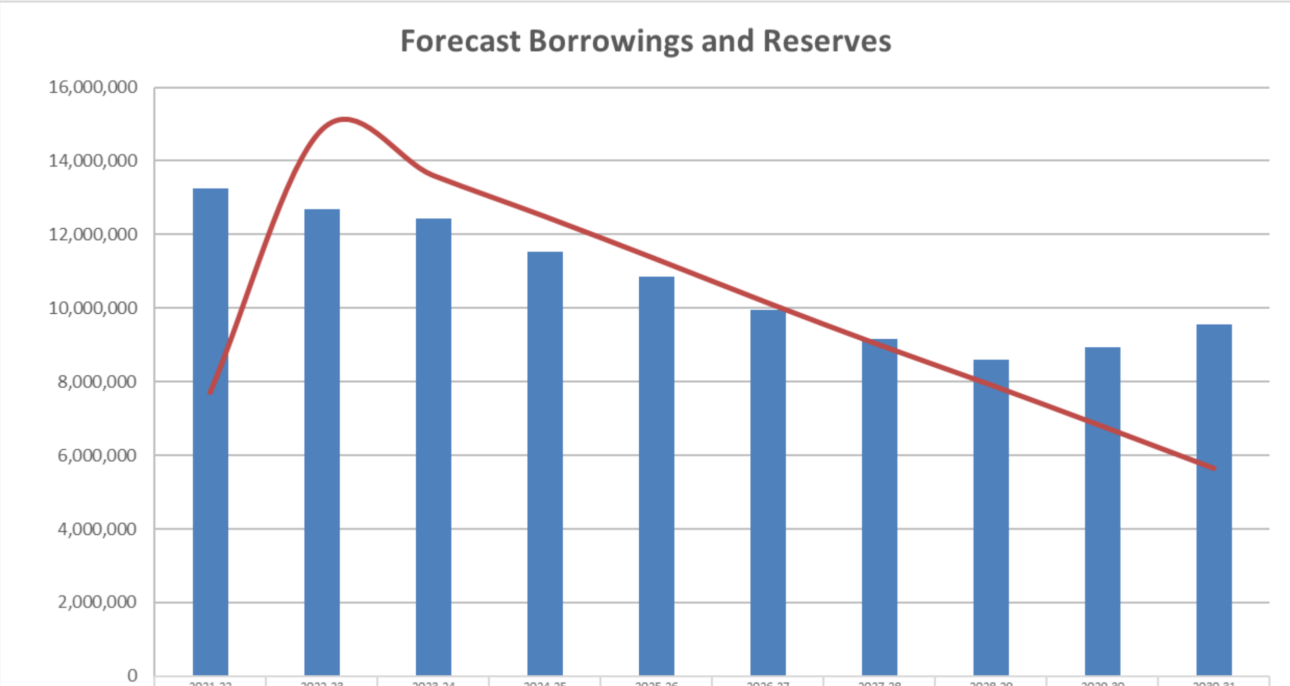
In addition to the operating revenue and expenditure details from the Statement of Comprehensive Income this statement includes funding inflows and outflows from capital activities and funding inflows and outflows from financing activities.

The capital activities section of the statement shows that for 2021-22 $12.224 million of capital works is required to be funded from operating revenue, loan borrowings and reserve transfers. Capital expenditure increases significantly to $23.663 million in 2022-23 as the Margaret River aquatic centre building renewal/upgrade project is scheduled for that year. By 2030-31 capital works are forecast to decrease to $9.944 million after waste management works are completed. However, the timing and quantum of these waste management works may change.

Total capital works planned for the major asset classes for the term of the LTFP are shown in the following chart. For the 10 years a total of $127.545 million has been allocated to capital works. However, the FCWP included in the LTFP identified total capital works of $148.070 million which exceeds the amount able to be funded in the LTFP by $20.525 million.



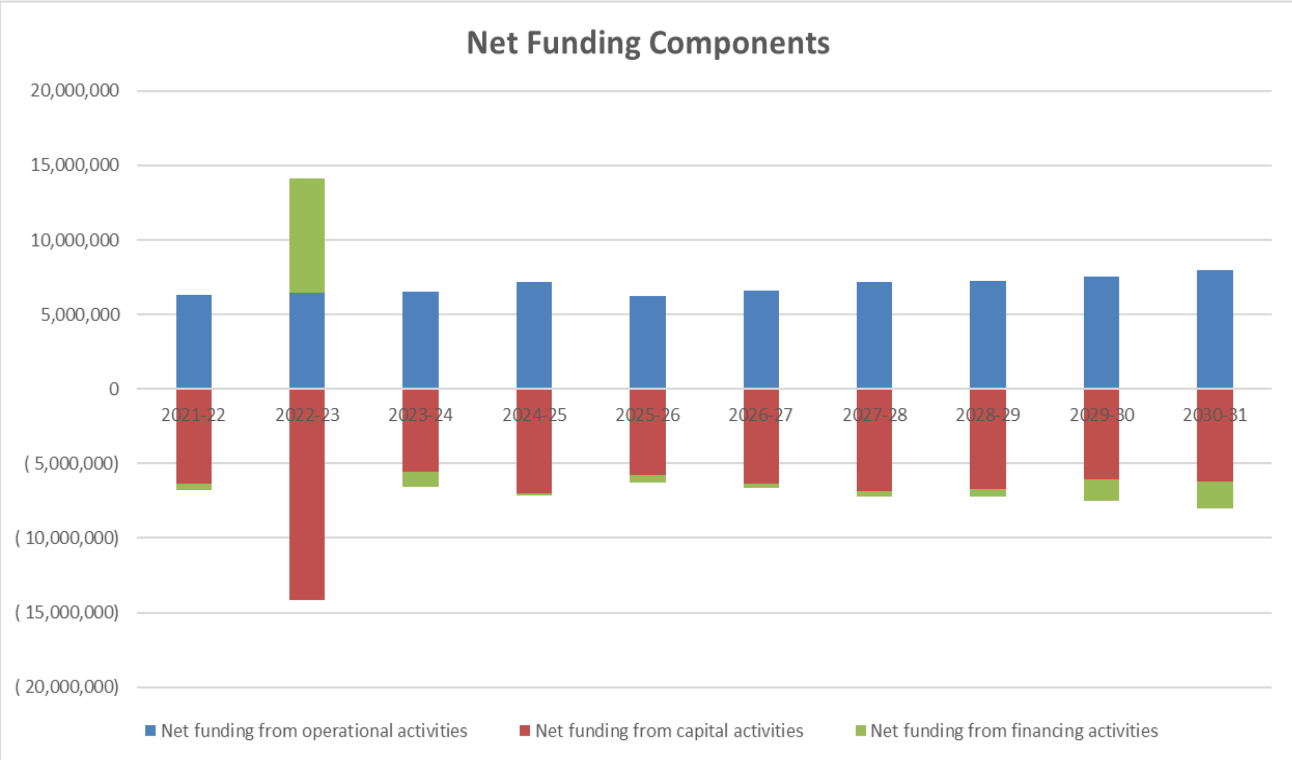
The financing activities section of the statement includes new borrowings with one new loan planned to be drawn down in 2022-23 as well as loan repayments and reserve transfers. The following chart shows that loan borrowings are expected to reduce and despite large transfers from reserves the balance of reserves exceeds loan principal outstanding.



	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
Reserves	13,264,506	12,695,289	12,445,494	11,530,723	10,842,136	9,938,196	9,166,945	8,583,371	8,947,484	9,565,373
Borrowings	7,711,008	14,843,673	13,603,234	12,490,517	11,332,528	10,144,724	9,004,428	7,920,098	6,796,785	5,654,225

Significantly the statement assumes a brought forward position for 2021-22 of only $0.500 million which means few items or projects have been carried forward from 2020-21. Recent financial history has shown that items carried forward, over budget revenue and under budget expenditure have resulted in a reasonable budget surplus being brought forward and it is possible this may occur for 2020-21. If this is the case this positive result would mitigate some of the risk associated with possibly under-forecasting operating expenditures.

The following chart shows for the term of the plan the net funding sources for operating and capital expenditure represented in the Statement of Funding.



The chart shows that:

- Net funding from operational activities is reasonably consistent every year increasing from an inflow of $6.275 million to $7.995 million. However, the 27% increase over 10 years should be greater in order to fund a greater proportion of capital works.
- Net funding from capital activities which represents capital expenditure less capital grants is reasonably consistent over the 10 years when the large outflow in 2022-23 is disregarded. An outflow of $6.357 million in 2021-22 increases to $14.141 million in 2022-23 and then decreases to $6.235 million by the end of the plan.
- Net funding from financing activities represents transfers to and from reserves as well as the drawdown and repayment of loan borrowings. For every year of the LTFP apart from 2022-23 there is a net outflow of funds to reserves and loan repayments. The drawdown of a loan in 2022-23 to fund a capital project results in a net inflow of funds. The net outflow of funds varies from $0.419 million in year 1 to $1.760 million in year 10 and indicates more is being used to repay loan borrowings and also being transferred to reserves.

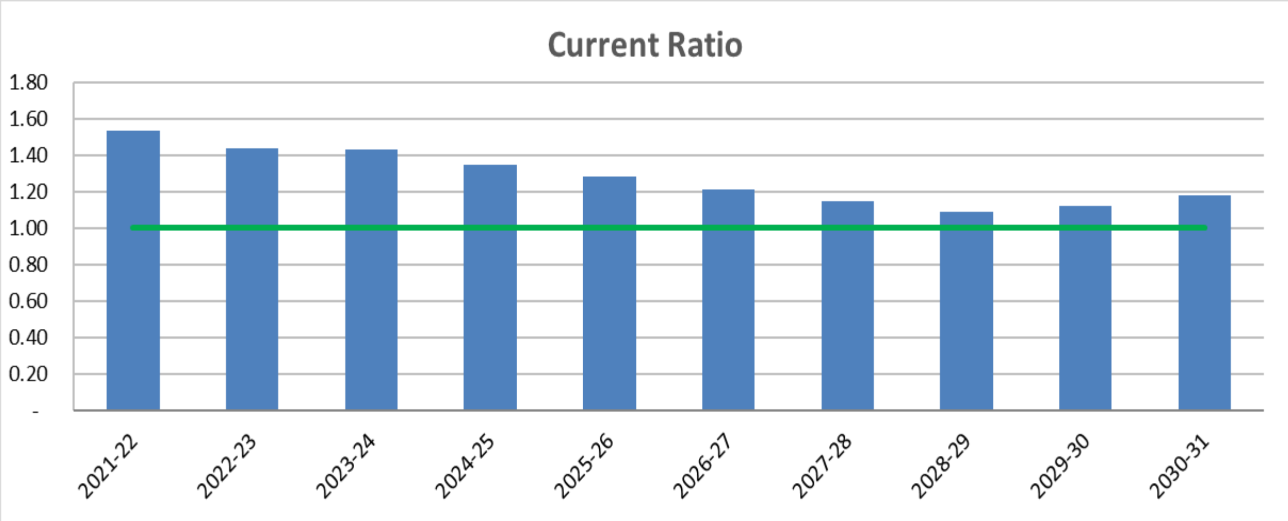
Overall, the Statement of Funding shows a balanced annual result but based on analysis of its net funding components does not necessarily indicate an improving financial position.

Copies of each of the statutory statements are included at the end of this document.

Ratios and Performance

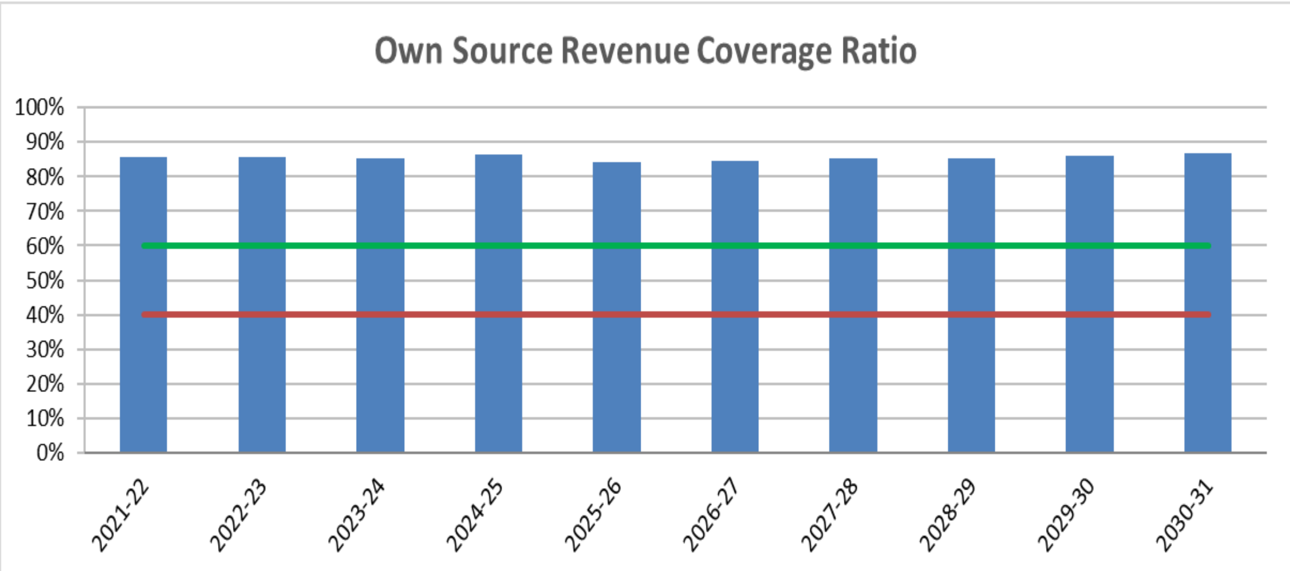
The following charts show the forecast statutory ratio results with the solid lines representing the targets set by the Department of Local Government, Sport and Cultural Industries (DLGSCI).

The results for the Own Source Revenue Coverage, Debt Service Cover, Asset Consumption and Current ratios exceed the benchmark targets. Declining cash balances have resulted in the Current ratio reducing over the term of the plan but it still marginally exceeds the target.

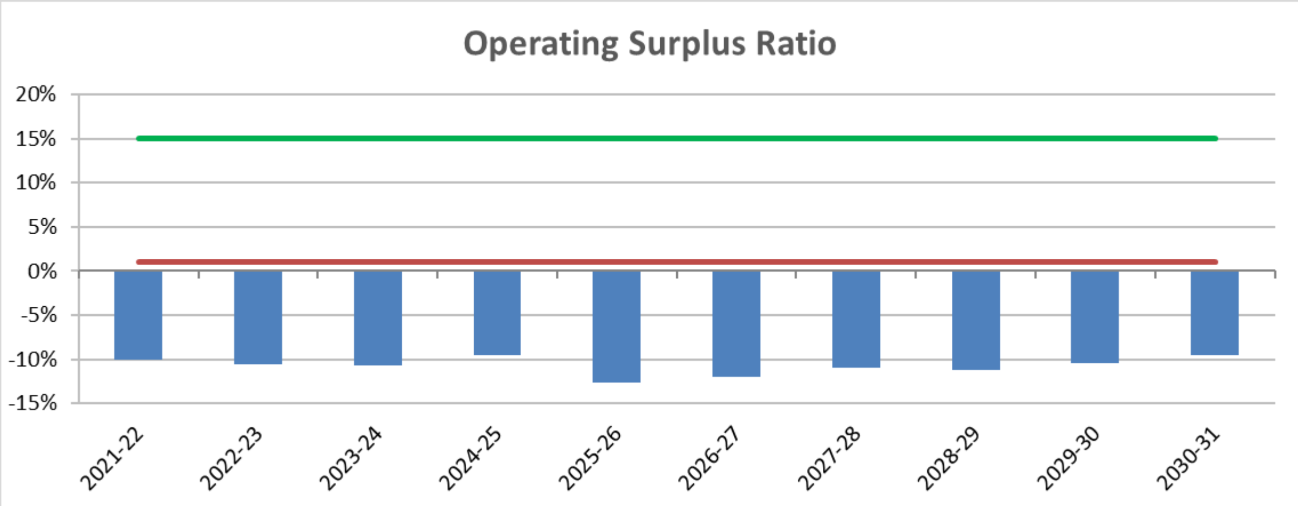


Recording a net operating deficit for each year of the LTFP has resulted in the Operating Surplus ratio not achieving the benchmark and despite an emphasis on asset renewal expenditure the benchmark targets for the Asset Sustainability and Asset Renewal ratios are not achieved despite almost achieving the target on a number of occasions. The results of these ratios indicate expenditure on asset renewal is insufficient or capital works expenditure has not been categorised appropriately.

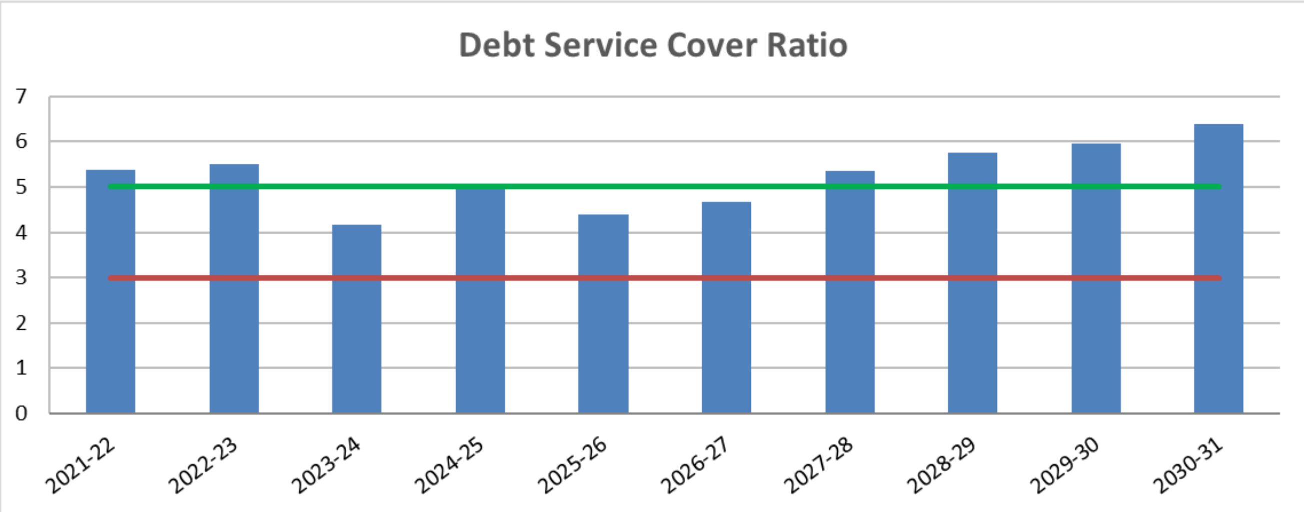
The Shire's ability to generate the majority of its revenue from rates and fees and charges rather than relying upon operating grants has contributed to the strong Own Source Revenue Coverage ratio.



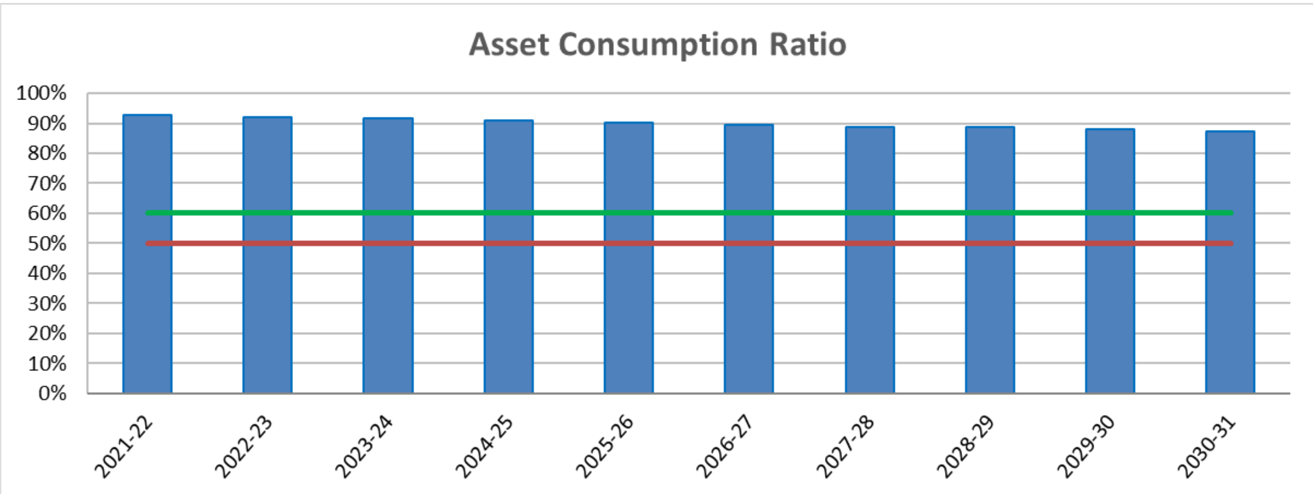
The recording of annual net operating deficits has resulted in the Operating Surplus ratio not achieving benchmark targets.



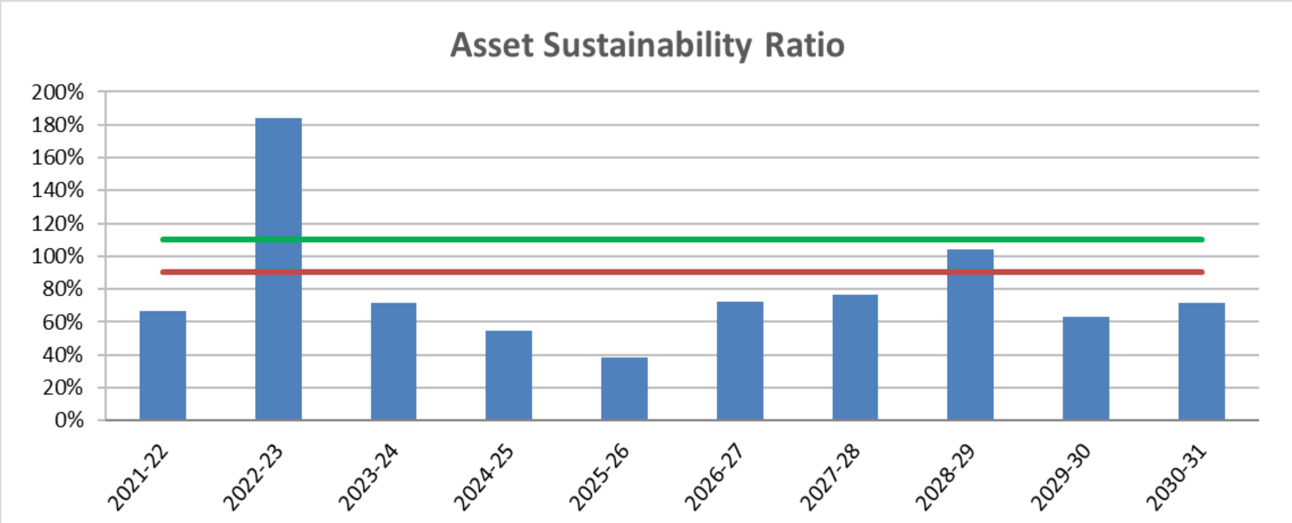
The forecast results indicate the Shire has a strong ability to repay loan principal and interest from its operating revenue although the results declined after the proposed drawdown of the proposed loan for the aquatic centre building works.



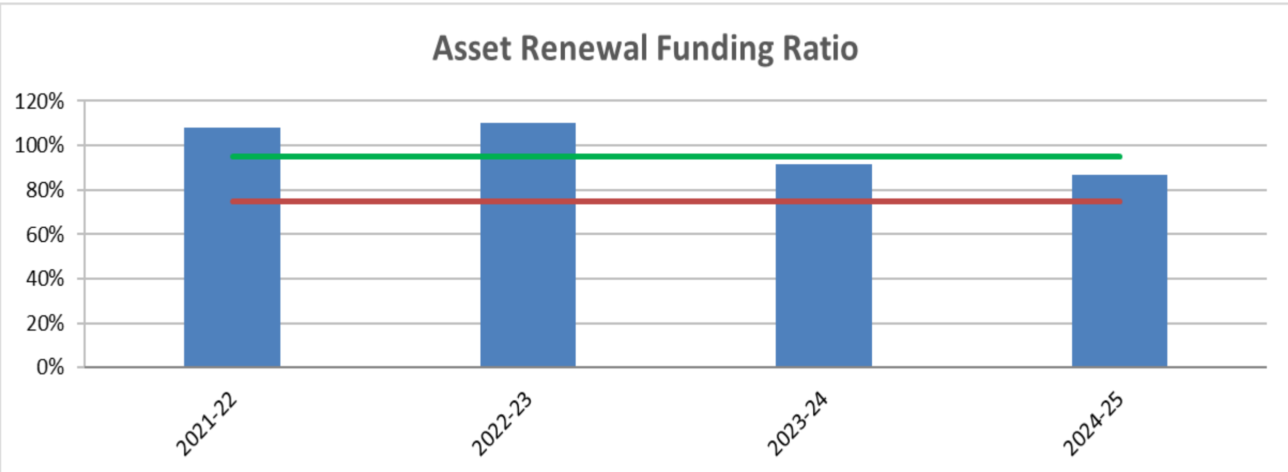
The declining trend of this ratio shows the Shire needs to invest in capital expenditure to ensure assets do not deteriorate and to build on the strong results evident in the initial years of the forecast.



Allocating greater expenditure to asset renewal will result in the following ratio achieving benchmark targets.



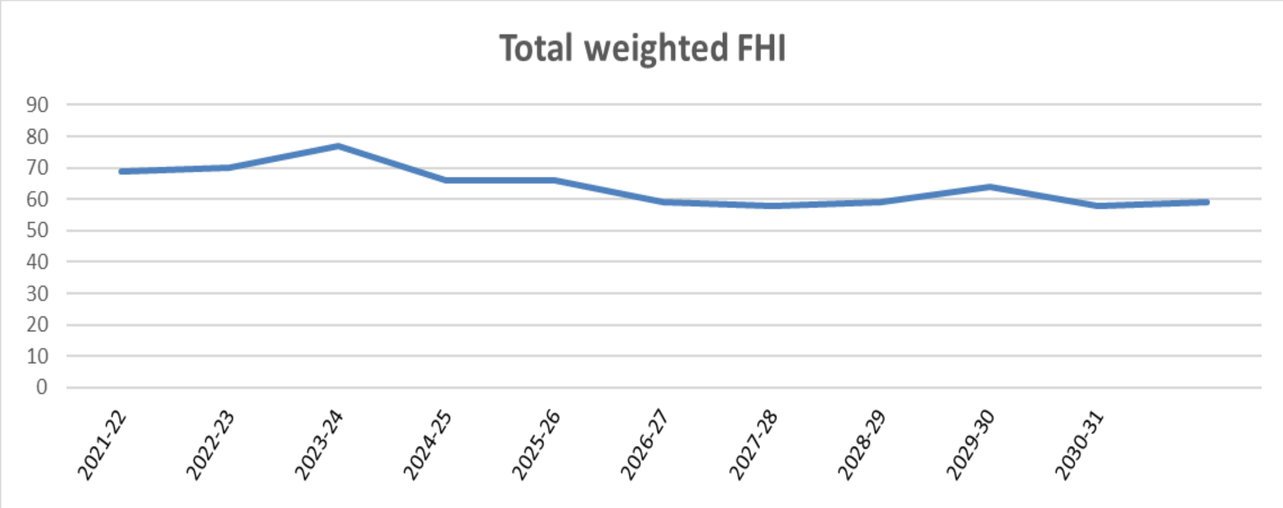
The Asset Renewal ratio compares the amounts allowed in the LTFP for asset renewal with the Asset Management Plan (AMP) and shows that for the first year of the plan the net present value of asset renewal expenditure in the LTFP exceeds the net present value of asset renewal expenditure in the AMP. This result is corroborated in the Asset Renewal Gap section which identified that total asset renewal expenditure in the LTFP exceeds that of the AMP. The result for the next year is similar but then declines for the next 2 years. However, the results for for 2022-23 onwards are indicative as they are not based on 10 years data as this was not available.



A Financial Health Indicator (FHI) score which is the equivalent of that published on the DLGSCI's My Council website and which takes into consideration the results of each of the individual ratios, shows that although the forecast result does not achieve the benchmark target of 70 it is reasonably close for the first years but then has a deteriorating trend.

The calculation of the FHI is complex and firstly assigns a score of between 0 and 10 for each ratio depending on whether the ratio's results exceed a benchmark. Ratios are then weighted according to perceived importance with the Current Ratio and the Operating Surplus Ratios having the highest weightings.

The forecast FHI results take into consideration the strong results of the Current Ratio, Own Source Revenue Coverage Ratio, Debt Service Cover Ratio and Asset Consumption Ratio. These results are offset by the three ratios not achieving targets, specifically the operating surplus ratio (as the forecast financial result is a net operating deficit) and the asset sustainability and asset renewal ratios (as there are insufficient funds being allocated to asset renewal). This indicates the net operating result must be improved by increasing operating revenue and decreasing operating expenditure so increased funds can be allocated to meeting asset renewal needs.



Asset Renewal Gap

Asset renewal amounts identified in the LTFP for all asset classes apart from plant & equipment and furniture and equipment are compared against the Asset Management Plan's (AMP) asset renewal needs to determine the asset renewal gap. The comparative information was obtained from the 2019-20 to 2028-29 Asset Management Plan that was adopted by Council on 10 June 2020.

The following table and chart show the asset renewal expenditure identified in the LTFP varies quite significantly each year although the total asset renewal expenditure for the 10 years detailed in the LTFP and the AMP are not as significantly different as previous plan comparisons. For 6 of the 10 years an asset renewal shortfall is identified with the LTFP allocating insufficient funds compared to the asset renewal needs of the AMP. Surprisingly for the other 4 years the LTFP is allocating more than is required in the AMP.

The categorisation of projects in the LTFP as either increasing or maintaining service levels will have impacted the results as it appears some projects may have been classified as being primarily renewal in nature. A bias towards categorising expenditure as maintaining rather than increasing service levels naturally increases the asset renewal amount. A cumulative renewal gap of $9.775 million is over 50% lower than that shown in previous LTFP/AMP comparisons and raises some doubt about the quality of the data being compared.

		LTFP 2021-22 to 2030-31	Asset Management Plan	Renewal Gap	Cumulative Renewal Gap
Planned capital renewals year 1	2021-22	5,330,515	6,967,368	(1,636,853)	(1,636,853)
Planned capital renewals year 2	2022-23	12,465,546	6,332,257	6,133,289	4,496,436
Planned capital renewals year 3	2023-24	6,771,276	4,748,422	2,022,854	6,519,290
Planned capital renewals year 4	2024-25	4,466,122	10,102,388	(5,636,266)	883,024
Planned capital renewals year 5	2025-26	3,174,085	11,360,755	(8,186,670)	(7,303,646)
Planned capital renewals year 6	2026-27	6,114,501	7,190,868	(1,076,367)	(8,380,013)
Planned capital renewals year 7	2027-28	7,094,702	12,712,400	(5,617,698)	(13,997,711)
Planned capital renewals year 8	2028-29	10,485,029	6,201,142	4,283,887	(9,713,824)
Planned capital renewals year 9	2029-30	6,817,148	11,373,866	(4,556,718)	(14,270,542)
Planned capital renewals year 10	2030-31	7,153,000	2,657,630	4,495,370	(9,775,172)
		69,871,924	79,647,096	(9,775,172)	

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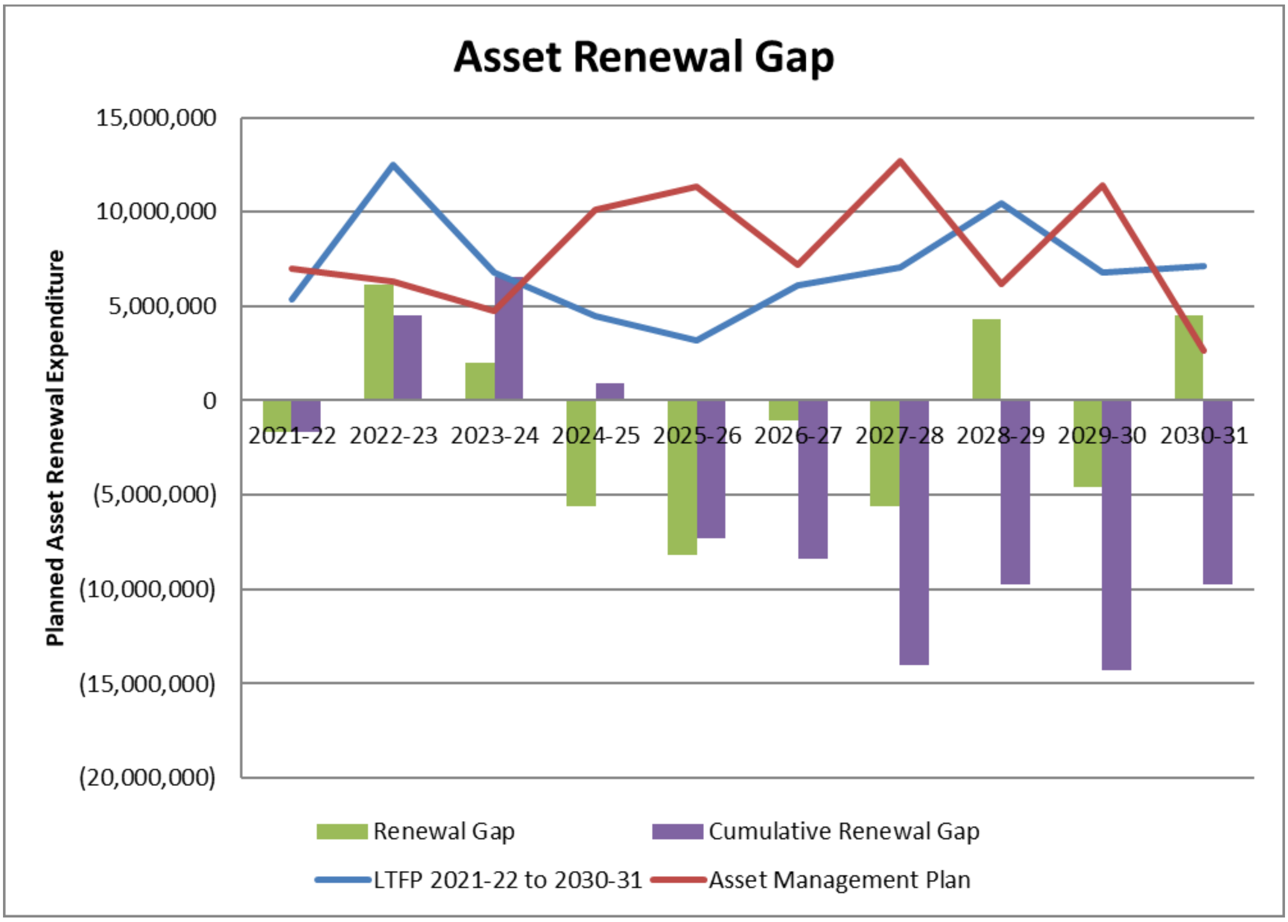
Asset Renewal Gap
Planned Asset Renewal Expenditure
15,000,000
10,000,000
5,000,000
0
(5,000,000)
(10,000,000)
(15,000,000)
(20,000,000)
2021-22
2022-23
2023-24
2024-25
2025-26
2026-27
2027-28
2028-29
2029-30
2030-31
Renewal Gap
Cumulative Renewal Gap
LTFP 2021-22 to 2030-31
Asset Management Plan

12.0 Scenarios

To determine the sensitivity and the financial impact of changing the assumptions used to prepare the baseline balanced or conservative LTFP model detailed in this document, scenarios may be considered. However, as the assumptions for this version of the LTFP are not complex, the process of preparing and running full scale scenario models did not occur. The following table outlines possible scenarios and likely results.

Table 14: Possible Scenarios

Possible Scenario	Likely Outcome
A pessimistic annual property growth rate of 1% (rather than 2%) with all other assumptions unchanged.	This scenario will result in annual interim rates reducing by 50% or about $75,000 in 2021-22. This reduction would flow through to every year of the LTFP.
An optimistic annual property growth rate of 4% (rather than 2%) with all other assumptions unchanged.	This scenario will result in annual interim rates doubling or almost $150,000 extra being raised in 2021-22. This increase would flow through to every year of the LTFP.
An annual base escalation factor of 2% (rather than 1.75%) with all assumptions that are dependent on this base inflation factor increasing.	This scenario will result in all operating revenue and operating expenditure increasing by 0.25%. However the increases will not change the quantum of the net operating result significantly.
A rate yield increase of 1.75% in years 1 and 2 in accordance with the State Government's CPI forecast with all other assumptions unchanged.	This scenario will result in reduced rate revenue of approximately $50,000 in year 1 (2021-22) reducing by a further $50,000 for year 2 (2022-23) onwards as there is an ongoing and cumulative impact from a rate yield change. Rate increases of 2% have already been factored in from 2023-24. The reduced revenue increases pressure upon funding additional services or increased asset renewal.
A rate yield increase of 3% in year 1 of the plan with all other assumptions unchanged.	This scenario will result in increased rate revenue of approximately $220,000 in 2021-22 increasing to approximately $260,000 in 2030-31 due to the compound impact of the increase over time.

13.0 Forecast Financial Statements

The following forecast financial statements are included for reference:

- Forecast Statement of Comprehensive Income by Nature or Type
- Forecast Statement of Financial Position
- Forecast Statement of Funding
- Capital Funding
- Capital Works Summary

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Shire of Augusta Margaret River

Forecast Statement of Comprehensive Income - *by Nature or Type*

For the period 2021 - 2031

Base Scenario - Balanced - Version 1.4

	1	2	3	4	5	6	7	8	9	10
	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
	$	$	$	$	$	$	$	$	$	$
Revenues										
Rates	23,232,698	23,997,352	24,777,299	25,572,845	26,309,302	26,985,488	27,675,197	28,378,701	29,096,274	29,828,200
Operating grants, subsidies and contributions	2,152,243	2,189,906	2,228,229	2,267,222	2,306,898	2,347,268	2,388,346	2,430,143	2,472,672	2,515,942
Fees and charges	10,035,187	10,210,805	10,415,020	10,623,320	10,862,345	11,106,750	11,356,647	11,612,170	11,873,444	12,140,596
Service charges	0	0	0	0	0	0	0	0	0	0
Interest earnings	168,343	143,073	145,634	184,206	190,283	189,689	185,932	182,279	179,416	181,250
Other revenue	36,021	36,651	37,292	37,944	38,609	39,285	39,972	40,672	41,384	42,107
	35,624,492	36,577,787	37,603,474	38,685,537	39,707,437	40,668,480	41,646,094	42,643,965	43,663,190	44,708,095
Expenses										
Employee costs	(16,650,900)	(17,150,435)	(17,664,944)	(18,194,894)	(18,740,749)	(19,209,273)	(19,689,507)	(20,181,747)	(20,686,294)	(21,203,453)
Materials and contracts	(9,518,382)	(9,758,577)	(9,984,582)	(9,913,384)	(11,311,086)	(11,418,771)	(11,337,042)	(11,795,085)	(11,994,500)	(12,031,411)
Utility charges	(964,704)	(981,587)	(998,764)	(1,016,243)	(1,034,026)	(1,052,119)	(1,070,534)	(1,089,270)	(1,108,333)	(1,127,728)
Depreciation on non-current assets	(9,607,637)	(10,087,557)	(10,361,846)	(10,661,804)	(10,971,329)	(11,228,200)	(11,499,156)	(11,730,966)	(11,793,780)	(12,003,678)
Interest expenses	(414,057)	(369,409)	(440,091)	(390,699)	(345,428)	(298,065)	(249,666)	(209,729)	(170,740)	(129,976)
Insurance expenses	(701,587)	(715,619)	(729,932)	(744,530)	(759,421)	(774,610)	(790,102)	(805,904)	(822,022)	(838,463)
Other expenditure	(1,133,607)	(1,163,444)	(1,223,804)	(1,245,220)	(1,267,011)	(1,289,187)	(1,311,747)	(1,334,701)	(1,358,058)	(1,381,824)
	(38,990,874)	(40,226,628)	(41,403,963)	(42,166,774)	(44,429,050)	(45,270,225)	(45,947,754)	(47,147,402)	(47,933,727)	(48,716,533)
	(3,366,382)	(3,648,841)	(3,800,489)	(3,481,237)	(4,721,613)	(4,601,745)	(4,301,660)	(4,503,437)	(4,270,537)	(4,008,438)
Non-operating grants, subsidies and contributions	5,623,500	9,147,000	6,161,000	4,490,000	5,352,000	3,556,333	3,860,333	7,264,333	3,618,333	3,272,333
NET RESULT	2,257,118	5,498,159	2,360,511	1,008,763	630,387	(1,045,412)	(441,327)	2,760,896	(652,204)	(736,105)
Other comprehensive income	8,071,410	8,253,849	8,632,664	8,795,012	8,971,088	9,112,331	9,253,450	9,388,348	9,689,011	9,811,635
TOTAL COMPREHENSIVE INCOME	10,328,528	13,752,008	10,993,175	9,803,775	9,601,475	8,066,919	8,812,123	12,149,244	9,036,807	9,075,530

Shire of Augusta Margaret River

Forecast Statement of Financial Position

For the period 2021 - 2031

Base Scenario - Balanced - Version 1.4

	1	2	3	4	5	6	7	8	9	10
	30 June 22	**30 June 23**	**30 June 24**	**30 June 25**	**30 June 26**	**30 June 27**	**30 June 28**	**30 June 29**	**30 June 30**	**30 June 31**
	$	$	$	$	$	$	$	$	$	$
CURRENT ASSETS										
Unrestricted cash and cash equivalents	5,188,261	5,207,889	5,224,794	5,233,699	5,236,199	5,236,199	5,236,199	5,236,199	5,236,199	5,236,199
Financial assets	9,115,532	8,546,315	8,296,520	7,381,749	6,693,162	5,789,222	5,017,971	4,434,397	4,798,510	5,416,399
Trade and other receivables	2,256,541	2,256,541	2,256,541	2,256,541	2,256,541	2,256,541	2,256,541	2,256,541	2,256,541	2,256,541
Inventories	148,191	148,191	148,191	148,191	148,191	148,191	148,191	148,191	148,191	148,191
Contract assets	0	0	0	0	0	0	0	0	0	0
Other assets	302,544	302,544	302,544	302,544	302,544	302,544	302,544	302,544	302,544	302,544
TOTAL CURRENT ASSETS	17,011,069	16,461,480	16,228,590	15,322,724	14,636,637	13,732,697	12,961,446	12,377,872	12,741,985	13,359,874
NON-CURRENT ASSETS										
Financial assets	135,524	115,896	98,991	90,086	87,586	87,586	87,586	87,586	87,586	87,586
Other receivables	35,987	35,987	35,987	35,987	35,987	35,987	35,987	35,987	35,987	35,987
Property plant and equipment	98,428,760	110,920,468	112,004,429	113,550,001	116,160,761	117,363,356	118,913,906	119,877,620	121,075,358	122,270,820
Infrastructure	389,394,420	398,356,602	407,275,172	415,335,429	421,856,742	428,437,202	435,329,730	446,014,504	452,366,147	458,485,766
Intangible assets	0	0	0	0	0	0	0	0	0	0
TOTAL NON-CURRENT ASSETS	487,994,691	509,428,953	519,414,579	529,011,503	538,141,076	545,924,131	554,367,209	566,015,697	573,565,078	580,880,159
TOTAL ASSETS	505,005,760	525,890,433	535,643,169	544,334,227	552,777,713	559,656,828	567,328,655	578,393,569	586,307,063	594,240,033
CURRENT LIABILITIES										
Trade and other payables	3,318,823	3,318,823	3,318,823	3,318,823	3,318,823	3,318,823	3,318,823	3,318,823	3,318,823	3,318,823
Contract liabilities	4,807,719	4,807,719	4,807,719	4,807,719	4,807,719	4,807,719	4,807,719	4,807,719	4,807,719	4,807,719
Current portion of long-term liabilities	867,335	1,240,439	1,112,717	1,157,989	1,187,804	1,140,296	1,084,330	1,123,313	1,142,560	820,273
Provisions	2,489,200	2,489,200	2,489,200	2,489,200	2,489,200	2,489,200	2,489,200	2,489,200	2,489,200	2,489,200
TOTAL CURRENT LIABILITIES	11,483,077	11,856,181	11,728,459	11,773,731	11,803,546	11,756,038	11,700,072	11,739,055	11,758,302	11,436,015
NON-CURRENT LIABILITIES										
Contract liabilities	26,450	26,450	26,450	26,450	26,450	26,450	26,450	26,450	26,450	26,450
Lease liabilities	124,729	124,729	124,729	124,729	124,729	124,729	124,729	124,729	124,729	124,729
Long-term borrowings	6,843,673	13,603,234	12,490,517	11,332,528	10,144,724	9,004,428	7,920,098	6,796,785	5,654,225	4,833,952
Provisions	5,602,298	5,602,298	5,602,298	5,602,298	5,602,298	5,602,298	5,602,298	5,602,298	5,602,298	5,602,298
TOTAL NON-CURRENT LIABILITIES	12,597,150	19,356,711	18,243,994	17,086,005	15,898,201	14,757,905	13,673,575	12,550,262	11,407,702	10,587,429
TOTAL LIABILITIES	24,080,227	31,212,892	29,972,453	28,859,736	27,701,747	26,513,943	25,373,647	24,289,317	23,166,004	22,023,444
NET ASSETS	**480,925,533**	**494,677,541**	**505,670,716**	**515,474,491**	**525,075,966**	**533,142,885**	**541,955,008**	**554,104,252**	**563,141,059**	**572,216,589**
EQUITY										
Retained surplus	221,014,575	227,081,951	229,692,257	231,615,791	232,934,765	232,793,293	233,123,217	236,467,687	235,451,370	234,097,376
Reserves - cash backed	13,264,506	12,695,289	12,445,494	11,530,723	10,842,136	9,938,196	9,166,945	8,583,371	8,947,484	9,565,373
Asset revaluation surplus	246,646,452	254,900,301	263,532,965	272,327,977	281,299,065	290,411,396	299,664,846	309,053,194	318,742,205	328,553,840
TOTAL EQUITY	**480,925,533**	**494,677,541**	**505,670,716**	**515,474,491**	**525,075,966**	**533,142,885**	**541,955,008**	**554,104,252**	**563,141,059**	**572,216,589**

Shire of Augusta Margaret River

Forecast Statement of Funding - for the period 2021 - 2031

Base Scenario - Balanced - Version 1.4

	1	2	3	4	5	6	7	8	9	10
	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
	$	$	$	$	$	$	$	$	$	$
FUNDING FROM OPERATIONAL ACTIVITIES										
Revenues										
Rates	23,232,698	23,997,352	24,777,299	25,572,845	26,309,302	26,985,488	27,675,197	28,378,701	29,096,274	29,828,200
Operating grants, subsidies and contributions	2,152,243	2,189,906	2,228,229	2,267,222	2,306,898	2,347,268	2,388,346	2,430,143	2,472,672	2,515,942
Fees and charges	10,035,187	10,210,805	10,415,020	10,623,320	10,862,345	11,106,750	11,356,647	11,612,170	11,873,444	12,140,596
Service charges	0	0	0	0	0	0	0	0	0	0
Interest earnings	168,343	143,073	145,634	184,206	190,283	189,689	185,932	182,279	179,416	181,250
Other revenue	36,021	36,651	37,292	37,944	38,609	39,285	39,972	40,672	41,384	42,107
	35,624,492	36,577,787	37,603,474	38,685,537	39,707,437	40,668,480	41,646,094	42,643,965	43,663,190	44,708,095
Expenses										
Employee costs	(16,650,900)	(17,150,435)	(17,664,944)	(18,194,894)	(18,740,749)	(19,209,273)	(19,689,507)	(20,181,747)	(20,686,294)	(21,203,453)
Materials and contracts	(9,518,382)	(9,758,577)	(9,984,582)	(9,913,384)	(11,311,086)	(11,418,771)	(11,337,042)	(11,795,085)	(11,994,500)	(12,031,411)
Utility charges (electricity, gas, water etc.)	(964,704)	(981,587)	(998,764)	(1,016,243)	(1,034,026)	(1,052,119)	(1,070,534)	(1,089,270)	(1,108,333)	(1,127,728)
Depreciation on non-current assets	(9,607,637)	(10,087,557)	(10,361,846)	(10,661,804)	(10,971,329)	(11,228,200)	(11,499,156)	(11,730,966)	(11,793,780)	(12,003,678)
Interest expense	(414,057)	(369,409)	(440,091)	(390,699)	(345,428)	(298,065)	(249,666)	(209,729)	(170,740)	(129,976)
Insurance expense	(701,587)	(715,619)	(729,932)	(744,530)	(759,421)	(774,610)	(790,102)	(805,904)	(822,022)	(838,463)
Other expenditure	(1,133,607)	(1,163,444)	(1,223,804)	(1,245,220)	(1,267,011)	(1,289,187)	(1,311,747)	(1,334,701)	(1,358,058)	(1,381,824)
	(38,990,874)	(40,226,628)	(41,403,963)	(42,166,774)	(44,429,050)	(45,270,225)	(45,947,754)	(47,147,402)	(47,933,727)	(48,716,533)
	(3,366,382)	(3,648,841)	(3,800,489)	(3,481,237)	(4,721,613)	(4,601,745)	(4,301,660)	(4,503,437)	(4,270,537)	(4,008,438)
Funding position adjustments										
Depreciation on non-current assets	9,607,637	10,087,557	10,361,846	10,661,804	10,971,329	11,228,200	11,499,156	11,730,966	11,793,780	12,003,678
Movement in non current liabilities	33,979	0	0	0	0	0	0	0	0	0
Net funding from operational activities	6,275,234	6,438,716	6,561,357	7,180,567	6,249,716	6,626,455	7,197,496	7,227,529	7,523,243	7,995,240
FUNDING FROM CAPITAL ACTIVITIES										
Inflows										
Proceeds on disposal	244,196	375,818	222,796	431,426	313,550	614,777	548,189	805,366	207,497	436,703
Non-operating grants, subsidies and contributions	5,623,500	9,147,000	6,161,000	4,490,000	5,352,000	3,556,333	3,860,333	7,264,333	3,618,333	3,272,333
Outflows										
Purchase of property plant and equipment	(1,927,820)	(13,956,870)	(2,248,233)	(2,987,925)	(4,004,779)	(2,939,200)	(3,272,271)	(2,963,472)	(2,373,647)	(2,620,827)
Purchase of infrastructure	(10,296,515)	(9,706,546)	(9,706,276)	(8,916,122)	(7,441,085)	(7,574,501)	(7,964,702)	(11,833,000)	(7,488,000)	(7,323,000)
Net funding from capital activities	(6,356,639)	(14,140,598)	(5,570,713)	(6,982,621)	(5,780,314)	(6,342,591)	(6,828,451)	(6,726,773)	(6,035,817)	(6,234,791)
FUNDING FROM FINANCING ACTIVITIES										
Inflows										
Transfer from reserves	1,416,684	1,572,736	1,246,684	1,946,684	1,646,684	1,926,392	1,744,182	1,556,177	106,100	406,100
New borrowings	0	8,000,000	0	0	0	0	0	0	0	0
Outflows										
Transfer to reserves	(1,012,588)	(1,003,519)	(996,889)	(1,031,913)	(958,097)	(1,022,452)	(972,931)	(972,603)	(470,213)	(1,023,989)
Advances to community groups	0	0	0	0	0	0	0	0	0	0
Repayment of past borrowings	(822,691)	(867,335)	(1,240,439)	(1,112,717)	(1,157,989)	(1,187,804)	(1,140,296)	(1,084,330)	(1,123,313)	(1,142,560)
Net funding from financing activities	(418,595)	7,701,882	(990,644)	(197,946)	(469,402)	(283,864)	(369,045)	(500,756)	(1,487,426)	(1,760,449)
Estimated surplus/deficit July 1 B/Fwd	500,000	0	0	0	0	0	0	0	0	0
Estimated surplus/deficit June 30 C/Fwd	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Shire of Augusta Margaret River

Forecast Statement of Capital Funding - for the period 2021 - 2031

Base Scenario - Balanced - Version 1.4

	1	2	3	4	5	6	7	8	9	10
	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
	$	$	$	$	$	$	$	$	$	$
Capital expenditure										
Infrastructure - roads	6,107,535	5,353,546	4,803,276	4,663,122	3,823,085	4,566,501	5,125,000	5,125,000	5,125,000	5,125,000
Infrastructure - road bridges	250,000	600,000	1,700,000	500,000	400,000	300,000	0	4,000,000	0	0
Infrastructure - car parks	180,000	125,000	230,000	240,000	130,000	120,000	120,000	120,000	120,000	120,000
Infrastructure - paths	725,980	355,000	340,000	340,000	340,000	340,000	340,000	340,000	640,000	640,000
Infastructure - drainage	100,000	330,000	350,000	330,000	330,000	330,000	330,000	330,000	330,000	330,000
Infrastructure - caravan and camping	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
Infrastructure - parks and reserves	1,530,000	1,325,000	850,000	925,000	500,000	500,000	631,702	500,000	730,000	690,000
Infrastructure - aerodromes	345,000	10,000	25,000	10,000	10,000	10,000	10,000	10,000	135,000	10,000
Infastructure - boat ramps and jetties	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000
Infrastructure - waste management faci	700,000	1,250,000	1,050,000	1,550,000	1,550,000	1,050,000	1,050,000	1,050,000	50,000	50,000
Infrastructure - public utilities	28,000	28,000	28,000	28,000	28,000	28,000	28,000	28,000	28,000	28,000
Buildings - specialised	800,000	12,650,000	1,500,000	1,450,000	2,833,000	800,000	1,400,000	1,122,029	1,649,148	1,150,000
Furniture and equipment	145,000	105,000	89,000	75,000	129,000	109,000	86,000	86,000	86,000	86,000
Plant and equipment	982,820	1,201,870	659,233	1,462,925	1,042,779	2,030,200	1,786,271	1,755,443	638,499	1,384,827
Total - Capital expenditure	**12,224,335**	**23,663,416**	**11,954,509**	**11,904,047**	**11,445,864**	**10,513,701**	**11,236,973**	**14,796,472**	**9,861,647**	**9,943,827**
Funded by:										
Capital grants & contributions										
Infrastructure - roads	3,953,000	3,467,000	3,411,000	2,915,000	2,919,000	3,256,333	3,260,333	3,264,333	3,268,333	3,272,333
Infrastructure - road bridges	250,000	600,000	1,700,000	500,000	400,000	300,000	0	4,000,000	0	0
Infrastructure - paths	290,500	55,000	0	0	0	0	0	0	0	0
Infrastructure - parks and reserves	830,000	825,000	350,000	425,000	0	0	0	0	0	0
Infrastructure - aerodromes	300,000	0	0	0	0	0	0	0	0	0
Buildings - specialised	0	4,200,000	700,000	650,000	2,033,000	0	600,000	0	350,000	0
Total - Capital grants & contributions	**5,623,500**	**9,147,000**	**6,161,000**	**4,490,000**	**5,352,000**	**3,556,333**	**3,860,333**	**7,264,333**	**3,618,333**	**3,272,333**
Own source funding										
Infrastructure - roads	2,154,535	1,886,546	1,392,276	1,748,122	904,085	1,310,168	1,864,667	1,860,667	1,856,667	1,852,667
Infrastructure - car parks	180,000	125,000	230,000	240,000	130,000	120,000	120,000	120,000	120,000	120,000
Infrastructure - paths	435,480	300,000	340,000	340,000	340,000	340,000	340,000	340,000	640,000	640,000
Infastructure - drainage	100,000	330,000	350,000	330,000	330,000	330,000	330,000	330,000	330,000	330,000
Infrastructure - caravan and camping	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
Infrastructure - parks and reserves	700,000	500,000	500,000	500,000	500,000	500,000	631,702	500,000	730,000	690,000
Infrastructure - aerodromes	45,000	10,000	25,000	10,000	10,000	10,000	10,000	10,000	135,000	10,000
Infastructure - boat ramps and jetties	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000
Infrastructure - waste management faci	700,000	1,250,000	1,050,000	1,550,000	1,550,000	1,050,000	1,050,000	1,050,000	50,000	50,000
Infrastructure - public utilities	28,000	28,000	28,000	28,000	28,000	28,000	28,000	28,000	28,000	28,000
Buildings - specialised	800,000	450,000	800,000	800,000	800,000	800,000	800,000	1,122,029	1,299,148	1,150,000
Furniture and equipment	145,000	105,000	89,000	75,000	129,000	109,000	86,000	86,000	86,000	86,000
Plant and equipment	738,624	826,052	436,437	1,031,499	729,229	1,415,423	1,238,082	950,077	431,002	948,124
Total - Own source funding	**6,356,639**	**6,140,598**	**5,570,713**	**6,982,621**	**5,780,314**	**6,342,591**	**6,828,451**	**6,726,773**	**6,035,817**	**6,234,791**
Borrowings										
Buildings - specialised	0	8,000,000	0	0	0	0	0	0	0	0
Total - Borrowings	**0**	**8,000,000**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Other (disposals & C/Fwd)										
Plant and equipment	244,196	375,818	222,796	431,426	313,550	614,777	548,189	805,366	207,497	436,703
Total - Other (disposals & C/Fwd)	**244,196**	**375,818**	**222,796**	**431,426**	**313,550**	**614,777**	**548,189**	**805,366**	**207,497**	**436,703**
Total Capital Funding	**12,224,335**	**23,663,416**	**11,954,509**	**11,904,047**	**11,445,864**	**10,513,701**	**11,236,973**	**14,796,472**	**9,861,647**	**9,943,827**
Unfunded - capital works										
Total - Unfunded - capital works	0	0	0	0	0	0	0	0	0	0

Shire of Augusta Margaret River

Forecast Statement of Capital Works - for the period 2021 - 2031

Base Scenario - Balanced - Version 1.4

Sum of Capital Project Value for Ye		Year										
Asset class	**Project**	**2021-22**	**2022-23**	**2023-24**	**2024-25**	**2025-26**	**2026-27**	**2027-28**	**2028-29**	**2029-30**	**2030-31**	**Grand Total**
⊟Furniture and equipment												
	ICT - Servers, Storage and UPS	59,000	35,000	5,000	5,000	59,000	5,000	16,000	16,000	16,000	16,000	232,000
	Libraries Equipment	16,000					24,000					40,000
	CS Shredder Main office replacement						10,000					10,000
	Records Desktop scanner			14,000								14,000
	Various Furniture and Equipment - annual allocation	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	200,000
	Annual Allocation for C/Pk Equipment	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	500,000
Furniture and equipment Total		**145,000**	**105,000**	**89,000**	**75,000**	**129,000**	**109,000**	**86,000**	**86,000**	**86,000**	**86,000**	**996,000**
⊟Plant and equipment												
	Margaret River Recreation Centre - Basketball hoop system		40,000									40,000
	Margaret River Aquatic Centre - pool blanket, lane ropes, chlorine dosing system					88,000						88,000
	Decommision old washdown facility		100,000									100,000
	Boom gate security to depot				50,000							50,000
	Plant Replacement Program	977,820	1,051,870	659,233	1,412,925	954,779	2,030,200	1,786,271	2,536,588	638,499	1,364,827	13,413,012
	Savings or additional funding required								(781,145)			(781,145)
	RV Signage		10,000									10,000
	Parking wayfinding signage	5,000										5,000
	Trail Signage Implementation										20,000	20,000
Plant and equipment Total		**982,820**	**1,201,870**	**659,233**	**1,462,925**	**1,042,779**	**2,030,200**	**1,786,271**	**1,755,443**	**638,499**	**1,384,827**	**12,944,867**
⊟Infrastructure - paths												
	Allocation for Footpath expansion works	181,000	110,000	190,000	190,000	190,000	190,000	190,000	190,000	190,000	190,000	1,811,000
	Wadandi Track - annual allocation	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	1,000,000
	MTB Trail Development - annual allocation		20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	180,000
	Accessibililty upgrades for footpaths	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	300,000
	MRPP - Trail adaptation	25,000										25,000
	Cape Leeuwin Tourism Precinct - Leeuwin Trail to Light house	400,000	400,000									800,000
	Footpath renewal works FWCP (to be reviewed)	200,000	200,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	2,800,000
	Savings or additional funding required	(210,020)	(565,000)	(300,000)	(300,000)	(300,000)	(300,000)	(300,000)	(300,000)			(2,575,020)
	MRPP - Old Settlement linkage pathways		60,000									60,000
Infrastructure - paths Total		**725,980**	**355,000**	**340,000**	**340,000**	**340,000**	**340,000**	**340,000**	**340,000**	**640,000**	**640,000**	**4,400,980**
⊟Infrastructure - aerodromes												
	Augusta Airstrip - relocation of Aero Club hangar	35,000		15,000								50,000
	Airstrip renewal projects - FCWP	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	135,000	10,000	225,000
	Augusta Airstrip - grant funded works	300,000										300,000
	Augusta Airstrip											
	Augusta Airstrip											
Infrastructure - aerodromes Total		**345,000**	**10,000**	**25,000**	**10,000**	**10,000**	**10,000**	**10,000**	**10,000**	**135,000**	**10,000**	**575,000**
⊟Infrastructure - public utilities												
	Annual Allocation for Waste Water Recycling System	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	180,000
	Annual allocation for renewal of water tanks and stand pipes	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	100,000
Infrastructure - public utilities Total		**28,000**	**28,000**	**28,000**	**28,000**	**28,000**	**28,000**	**28,000**	**28,000**	**28,000**	**28,000**	**280,000**
⊟Infrastructure - car parks												
	ACROD upgrades (ramps, kerbs, pedestrian crossings, etc)	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	200,000
	Annual allocation Carpark - renewal				100,000	100,000	100,000	100,000	100,000	100,000	100,000	700,000
	RV Parking - Margaret River	25,000										25,000
	RV Parking - Augusta	25,000										25,000
	Fearn Avenue car park - drainage works and asphalt	110,000										110,000
	Upgrade/formalisation of depot carpark			40,000								40,000
	MRPP - Rework Rotary Park carpark			20,000								20,000
	Hasluck Street, Cowaramup carpark				120,000							120,000
	MRPP - Formalise Old Settlement carpark			150,000								150,000
	MRPP - Formalise Apex Weir carpark					10,000						10,000
	Upgrade Station Road/Wallcliffe Road carpark		105,000									105,000
Infrastructure - car parks Total		**180,000**	**125,000**	**230,000**	**240,000**	**130,000**	**120,000**	**120,000**	**120,000**	**120,000**	**120,000**	**1,505,000**

Shire of Augusta Margaret River

Forecast Statement of Capital Works - for the period 2021 - 2031

Base Scenario - Balanced - Version 1.4

Sum of Capital Project Value for Ye		Year										
Asset class	**Project**	**2021-22**	**2022-23**	**2023-24**	**2024-25**	**2025-26**	**2026-27**	**2027-28**	**2028-29**	**2029-30**	**2030-31**	**Grand Total**
⊟Buildings - specialised												
	Annual Allocation for C/Pk Buildings	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	2,000,000
	Asbestos Replacement program		200,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	1,000,000
	Western Pavilion (Cricket/Soccer) Upgrade				450,000							450,000
	Tennis/Rugby Club Building upgrade					100,000						100,000
	Annual allocation for building renewal works (incl Public Toilet improvement program CIP)	600,000	700,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	7,700,000
	Margaret River Aquatic Centre - pool liner, plant & equipment renewal		300,000									300,000
	Margaret River Recreation Centre (not CIP)		11,700,000									11,700,000
	MR Childcare Centre (CIP) -Develop the Outside School Hours Care facility		410,000	1,200,000	1,000,000							2,610,000
	Savings or additional funding required		(860,000)	(1,000,000)	(1,400,000)	(2,367,000)	(500,000)	(1,500,000)	(177,971)	(500,852)		(8,305,823)
	Alexandra Bridge foreshore management plan Stage 3 (Toilets)			200,000								200,000
	Augusta Library/Museum development (CIP)				300,000	4,000,000	70,000					4,370,000
	Margaret River Recreation Centre Upgrade (Basketball courts)						130,000	1,800,000	100,000			2,030,000
	Rapids Landing School Oval (CIP)- Public toilet and changerooms								100,000	1,050,000	50,000	1,200,000
Buildings - specialised Total		**800,000**	**12,650,000**	**1,500,000**	**1,450,000**	**2,833,000**	**800,000**	**1,400,000**	**1,122,029**	**1,649,148**	**1,150,000**	**25,354,177**
⊟Infrastructure - parks and reserves												
	Expand depot yard			30,000								30,000
	Noise barrier between depot and external properties			30,000								30,000
	Augusta Foreshore Walls	100,000	100,000	100,000	100,000							400,000
	Bridle Trails - annual allocation	20,000		10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	100,000
	Augusta Interpretation Plan - annual allocation	20,000	20,000	20,000	20,000	20,000						100,000
	Prevelly Gnarabup Coastal Works	150,000	150,000	20,000	20,000							340,000
	Annual Allocation for Cemetery Works - renewal	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	100,000
	Pedestrian structure works - Trail bridges	825,000										825,000
	Pedestrian structure works - renewal - including MRPP rest spots & bike racks	300,400	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	2,100,400
	Annual Allocation for Playground - renewal FCWP	150,000	110,000	140,000	120,000	120,000	160,000	130,000	120,000	120,000	120,000	1,290,000
	Annual Allocation for Public Open Space - renewal	80,000	100,000	75,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	955,000
	Annual Allocation for Public Open Space - upgrade	50,000	60,000	100,000	70,000	100,000	100,000	100,000	100,000	100,000	100,000	880,000
	MRPP - Verge landscaping	20,000										20,000
	MRPP - Rotary Park managed revegatation	10,000										10,000
	MRPP - Barrett Street Weir revegation works	10,000										10,000
	Augusta Youth precinct Upgrade (skate & BMX) (CIP)		70,000									70,000
	Gloucester Park Dev (CIP) - master plan implementation	400,000	400,000	500,000	500,000	400,000						2,200,000
	MRPP - Entry statement	30,000										30,000
	Rapids Landing School Oval (CIP) - Masterplan and Playground		10,000		100,000							110,000
	Rivermouth-Gas Bay plan implementation - Stage 1 !(to be reviewed)	100,000	100,000	100,000	100,000							400,000
	Signage - Tourism directional and entry (CAPEROC)	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	200,000
	Limestone Cliffs project	190,000				40,000				40,000		270,000
	Alexandra Bridge foreshore management plan - Stage 1	120,000										120,000
	Savings or additional funding required	(1,075,400)	(1,131,000)	(880,000)	(1,325,000)	(1,000,000)	(150,000)	(68,298)	(190,000)			(5,819,698)
	MRPP - Old Settlement landscaping		40,000									40,000
	Playground capitalisation - Riflebutts		350,000									350,000
	Pedestrian structure works - MRPP - Carters Road Underpass		566,000									566,000
	Alexandra Bridge foreshore management plan - Stage 2 (Excluding boat ramp)		150,000									150,000
	MRPP - Rendall Close revegetation works			25,000								25,000
	Playground capitalisation - Cowaramup			350,000								350,000
	Pedestrian structure works - upgrades											
	MRPP - Rotary Park landscaping				30,000							30,000
	Pedestrian structure works - MRPP - Margaret River Pedestrian Bridge				450,000							450,000
	Alexandra Bridge foreshore management plan - Stage 2 (Boatramp)				400,000							400,000
	MRPP - Rotary Park playground upgrade					350,000						350,000
	Depot renewal					50,000	50,000	50,000	50,000	50,000	50,000	300,000
	Alexandra Bridge foreshaore management plan - Stage 4					80,000						80,000
	Gloucester Park Dev - water sevices upgrade							80,000	80,000	80,000	80,000	320,000
Infrastructure - parks and reserves Total		**1,530,000**	**1,325,000**	**850,000**	**925,000**	**500,000**	**500,000**	**631,702**	**500,000**	**730,000**	**690,000**	**8,181,702**

Shire of Augusta Margaret River

Forecast Statement of Capital Works - for the period 2021 - 2031

Base Scenario - Balanced - Version 1.4

Sum of Capital Project Value for Ye		Year										
Asset class	**Project**	**2021-22**	**2022-23**	**2023-24**	**2024-25**	**2025-26**	**2026-27**	**2027-28**	**2028-29**	**2029-30**	**2030-31**	**Grand Total**
Infastructure - drainage												
	Annual Allocation for Drainage works (may include renewal and upgrade)	100,000	330,000	330,000	330,000	330,000	330,000	330,000	330,000	330,000	330,000	3,070,000
	MRPP - Townview Tce stormwater implementation			20,000								20,000
Infastructure - drainage Total		**100,000**	**330,000**	**350,000**	**330,000**	**330,000**	**330,000**	**330,000**	**330,000**	**330,000**	**330,000**	**3,090,000**
Infrastructure - roads												
	Annual Allocation for Kerbs	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	750,000
	Annual Allocation for Gravel Road Resheeting	450,000	550,000	550,000	550,000	550,000	550,000	550,000	550,000	550,000	550,000	5,400,000
	Caves Rd/Wallcliffe Rd Roundabout											
	Annual Allocation for Road Resurfacing (may include Rehab projects as well)	700,000	700,000	700,000	700,000	700,000	700,000	700,000	700,000	700,000	700,000	7,000,000
	Curtis Street (stage 2)	20,000	150,000	150,000								320,000
	Low Order Road Renewal Program (Rural)	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	3,000,000
	Road Reconstruction Program (RRG) - Preservation	3,075,000	3,720,000	3,750,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	31,545,000
	Road Reconstruction Program (RRG) - Improvement/expansion	1,500,000	120,000				500,000	500,000	500,000	500,000	500,000	4,120,000
	Margaret River detour roads repairs	100,000	100,000									200,000
	Ellis Street Rehabilitation	200,000										200,000
	Gloucester Park Internal Roads (Developer Contributions)	100,000										100,000
	Savings or additional funding required	(412,465)	(391,454)	(736,724)	(111,878)	(831,915)	(558,499)					(3,042,935)
	MRPP - Close vehicle access to Old Settlement from main street		30,000									30,000
	MRPP - Install physical barrier alongside Bussell Hwy			15,000								15,000
	MRPP - Right hand turning lane into Carters Road from Bussell Hwy				150,000							150,000
	MRPP - Close vehicle access to Old Carters Road (if required)					30,000						30,000
	Major project											
Infrastructure - roads Total		**6,107,535**	**5,353,546**	**4,803,276**	**4,663,122**	**3,823,085**	**4,566,501**	**5,125,000**	**5,125,000**	**5,125,000**	**5,125,000**	**49,817,065**
Infrastructure - caravan and camping												
	Annual Allocation for Infrastructure -renewal	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	1,500,000
Infrastructure - caravan and camping Total		**150,000**	**150,000**	**150,000**	**150,000**	**150,000**	**150,000**	**150,000**	**150,000**	**150,000**	**150,000**	**1,500,000**
Infastructure - boat ramps and jetties												
	Boat Ramps - Renewal - annual allocation	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	1,800,000
Infastructure - boat ramps and jetties Total		**180,000**	**180,000**	**180,000**	**180,000**	**180,000**	**180,000**	**180,000**	**180,000**	**180,000**	**180,000**	**1,800,000**
Infrastructure - road bridges												
	Bridge renewal program FCWP	250,000	600,000	1,700,000	500,000	400,000	300,000		4,000,000			7,750,000
Infrastructure - road bridges Total		**250,000**	**600,000**	**1,700,000**	**500,000**	**400,000**	**300,000**		**4,000,000**			**7,750,000**
Infrastructure - waste management facilities												
	Implement Landfill Capping & Closure Plan	500,000	1,000,000	1,000,000			1,000,000	1,000,000	1,000,000			5,500,000
	Development of Transfer Station	150,000	200,000		1,500,000	1,500,000						3,350,000
	Waste Services infrastructure renewal	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	500,000
	Implement Landfill Capping & Closure Plan											
Infrastructure - waste management facilities Total		**700,000**	**1,250,000**	**1,050,000**	**1,550,000**	**1,550,000**	**1,050,000**	**1,050,000**	**1,050,000**	**50,000**	**50,000**	**9,350,000**
Grand Total		**12,224,335**	**23,663,416**	**11,954,509**	**11,904,047**	**11,445,864**	**10,513,701**	**11,236,973**	**14,796,472**	**9,861,647**	**9,943,827**	**127,544,791**