



TOWN *of*
EAST FREMANTLE



“

Strategic Resource Plan

(Incorporating Asset Management Planning
and Long Term Financial Planning)

2019 - 2034

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1.0 Foreword

We are pleased to present the Town of East Fremantle Strategic Resource Plan for 2019 - 2034.

As part of the Town's ongoing commitment to an integrated approach to planning for the future, it provides the Council and the community with a picture of the Town's long term financial and asset management circumstances and assists us to meet our strategic outcomes and objectives.

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

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

The Town of East Fremantle's Strategic Resource Plan is an important planning tool as we strive to achieve the strategies set out in the Town of East Fremantle Strategic Community Plan 2017-2027.

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

This Plan will be used with our Corporate Business Plan and Workforce Plan to achieve our goals and drive the Town in achieving its vision of "Inclusive community, balancing growth and lifestyle."

Jim O'Neill
Mayor

Gary Tuffin
Chief Executive Officer

Our Vision

*“Inclusive
community,
balancing
growth
and lifestyle”*

2.0 Key Information

ASSUMPTIONS


 **2%**
Inflation Rate

 **Increasing**
Population

 **Increasing**
Levels of Service

 **Stable**
Operations

 **Balanced**
Annual Budget


 **3%**
(1% + CPI 2%)
Rates | Fees and Charges

 **2%**
Employee Costs


STATISTICS ¹ | ²

 **9**
Elected
Members

 **37**
Employees

 **5,587**
Electors

 **3,283**
Dwellings

 **17.3km**
Distance from
Perth

 **3.2km²**
Area

 **7,376**
Population

FINANCIAL INFORMATION³

\$7,583,304
Rates Revenue

\$1,220,784
Fees and Charges

\$10,421,930
Operating Revenue

\$10,797,083
Operating Expenditure

\$67,975,886
Net Assets

\$2,082,634
Cash Backed Reserves

\$0
Long Term Borrowings

¹Town of East Fremantle website, 'Statistics'

²Australian Bureau of Statistics East Fremantle (T) (LGA53150) 2016 Census of Population and Housing, viewed 9 April 2019

³Town of East Fremantle 2017-18 Annual Financial Report

3.0 Executive Summary

The following information provides a brief summary of the Strategic Resource Plan 2019 - 2034, this should be read in conjunction with the underlying assumptions detailed in this Plan.

3.1 Planning for a Sustainable and Stable Future

The Town of East Fremantle is planning for a positive and stable future. The Town seeks to maintain, and where possible, improve service levels into the future while ensuring a healthy financial position.

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

3.2 Significant Issues

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

Redevelopment of the East Fremantle Oval and other community infrastructure remains a high priority due to the social, community and economic benefit these assets provide.

Funding the renewal of these assets is likely to be a significant financial challenge beyond the Town's forecast capacity if external funding is not available. Adequate maintenance, renewal and upgrading of significant community assets remains highly dependent on the receipt of external grants and contributions.

The Commonwealth Home Support Programme (CHSP), previously Home and Community Care (HACC) Program, is funded through the Commonwealth Government with a current funding commitment until 30 June 2020. Funding beyond this time is uncertain and the impact of any change has not be modelled within this Plan.

Rate revenue along with fees and charges are forecast to increase by 3.0% (CPI 2% + 1%) over the term of the Plan. These increases are to assist in the long term financial stability of the Town and to increase the level of services to the community.

3.3 Forecast Capital Projects

An extensive capital works program has been planned over the term of the plan with a mixture of new/upgrade assets and asset renewals aimed at ensuring the continued provision of high quality community infrastructure to residents of the Town.

Project by Asset Class	Amount (\$)
Buildings	
East Fremantle Oval Redevelopment Stage 1 (landscaping and soft infrastructure)	6,000,000
East Fremantle Oval Redevelopment Stage 2 (buildings)	10,000,000
Preston Point Redevelopment	4,000,000
Buildings Total	20,000,000
Other Improvements	
Public Arts Program	765,000
Other Improvements Total	765,000
Parks and Ovals	
Merv Cowan - Redevelop Park	500,000
Multi age play spaces	450,000
Pre and primary school age play spaces	750,000
Prepare feasibility study and business plan for a community hub	60,000
Parks and Ovals Total	1,760,000
Roads	
Riverside Road Re-Alignment	1,125,000
Roads Total	1,125,000
Grand Total	23,650,000

4.0 Community Profile, Vision and Objectives

4.1 Location and Heritage

The Town of East Fremantle covers an area of 3.2 square kilometres, bound to the north and west by the Swan river with shared borders to the east with the City of Melville and to the south and west with the City of Fremantle. Formed in 1897, the Town has a rich history and offers its community many unique amenities.

The Plympton precinct today consists of charming worker's cottages which were established largely between 1890 and 1910.

Riverside was established by the merchant elite of Fremantle and is perched high on the cliffs overlooking the river. Further northwards, the Preston Point area developed in the 1950's has houses typical of this time again enjoying the expansive views of the river.

The Woodside and Richmond precincts contain many homes dating from 1900 - 1940. This area is characterised by its fine brick and tile bungalows on generous (quarter acre block or similar) sites with mature garden settings.

The town has a rich history. The local Nyungar aboriginals obtained food and drinking water from the river edges and open grassy areas.

4.2 People

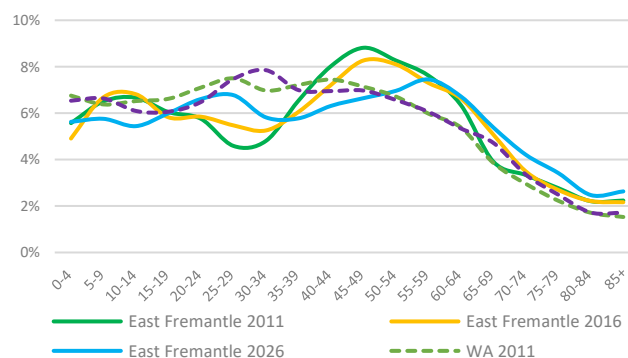
The Town has a strong cultural heritage and approximately 30 clubs and associations; a relatively high number for its population size.

The following statistics reflect the Town's population¹ in comparison to the population of the state of Western Australia.

	2011	2016	2026
Population			
East Fremantle	6,931	↑ 7,765	↑ 9,524
WA	2.39m	↑ 2.47m	↑ 2.93m



4.3 Vision



The Town's strategic vision: ***"Inclusive community, balancing growth and lifestyle."***

4.4 Strategic Objectives

The following key strategic priority areas and principles are captured in the Town's Strategic Community Plan 2017-2027 and considered within the Strategic Resource Plan.

Strategic Priorities:

- Social;
- Economic;
- Built Environment;
- Natural Environment; and
- Leadership and Governance.

Principles:

- Inclusive, Diverse and Connected Community;
- Natural Environment Stewardship;
- Balanced Growth, Valued Heritage and Unique Places; and
- Transparent and Accountable Governance.

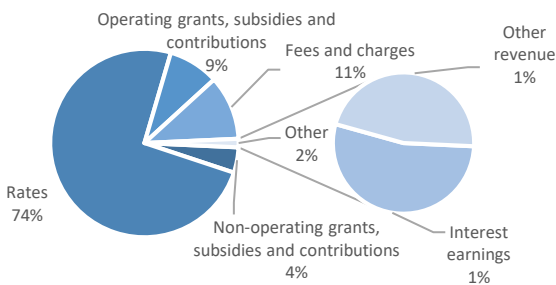
¹ <https://forecast.id.com.au/east-fremantle>; viewed 24 April 2019

5.0 Long Term Financial Planning Overview

5.1 Forecast Revenue

Rates are expected to generate \$8.1m in 2019-20 increasing to \$12.1m in 2033-34 and comprise 77% of operating revenue in year 1. The Town is reliant on receiving more than \$17.5m over the next 15 years in untied operating grants, subsidies and contributions to maintain the current level of operations and services. Non operating grants are expected to be received in years 5 and 15 for the renewal of community infrastructure.

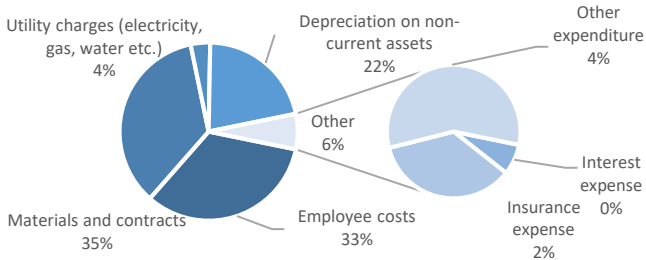
5.2 Revenue Composition Year 1 to 15



5.3 Forecast Expenditure

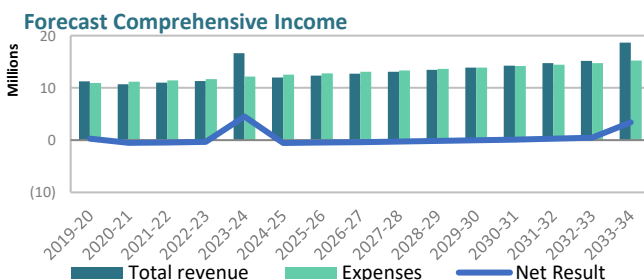
Expenditure is forecast to increase in line with inflation with the exception of depreciation expense which is impacted by the addition of assets.

5.4 Expenditure Composition Year 1 to 15



5.5 Net Result

The chart below reflects in the columns the steady increase in operating revenue and expenditure forecast over the 15 years, with the blue line reflecting the net result. Changes in non-operating grants result in the revenue spikes reflected in the chart.

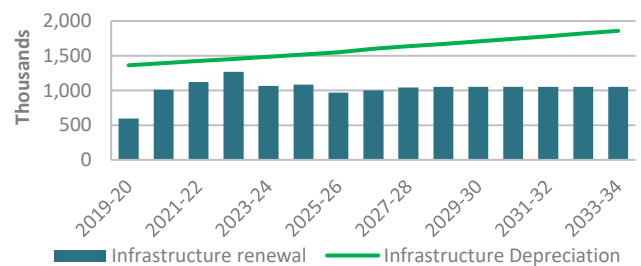


5.6 Depreciation Expense

Depreciation expense increases throughout the Plan from \$2.2m in year 1 to \$3.5m in year 15 as assets are revalued and renewed. Depreciation of infrastructure over the 15 years is \$24.0m, shown by the blue line in the chart below. The planned level of infrastructure asset renewal expenditure at \$15.4m (reflected by the green columns) is over the term of the Plan above the level of depreciation.

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

5.7 Infrastructure Depreciation Expense -V- Asset Renewal Expenditure

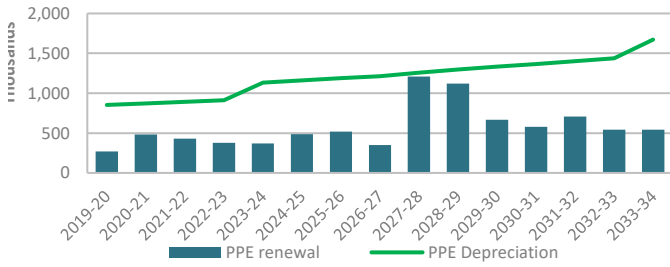


Further improvements in asset management data and the estimation of depreciation expense along with the future renewal of long lived assets may result in a closer alignment between asset renewals and depreciation expense.

Planned property, plant and equipment asset renewals of \$8.7m (reflected by the columns) over the 15 years is above depreciation expense of \$18.0m (reflected by the green line) over the same period as shown in the chart on the following page at 5.8.

5.0 Long term Financial Planning Overview (Continued)

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



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

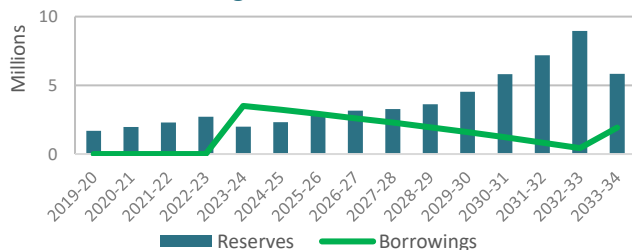
5.9 Maintenance Expenditure

The current maintenance expenditure allocated in the annual operating budget is expected to continue at current levels, with inflationary increases occurring each year. Longer term maintenance costs may increase due to the East Fremantle Oval redevelopment, these have not been included within this model as they are unknown.

5.10 Forecast Borrowings and Cash Reserves

In general, the finances of the Town are expected to remain stable over the long term. Reserves will be utilised to save for major forecast asset renewals and then utilised to fund the renewals resulting in the variations in reserve levels as shown in the chart below. Borrowings will be required to fund the major community asset renewals in year 5 of the plan and then paid down over the remaining term of the Plan.

Forecast Borrowings and Reserves

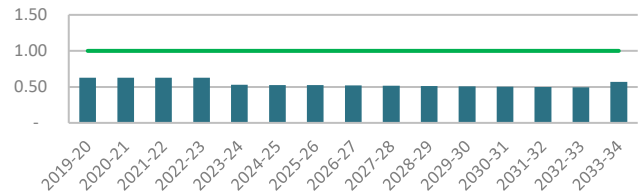


The Town has budgeted two new borrowings, one of \$3.5m in 2023-24 and the second \$2.0m in 2033-34. This is part of its strategy to allow flexibility to respond to sudden or unexpected expenditure requirements. This strategy also provides scope to leverage off future grant funding opportunities when, and if, they become available. The strategy also includes the use of cash backed reserves to save for significant future asset renewal spikes.

5.11 Forecast Operating Ratios 2019-2034

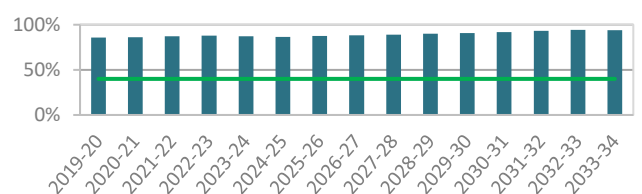
Monitoring the Town’s financial rigidity and financial position along with its asset management performance is undertaken by preparing and monitoring various statutory ratios. The green lines reflect the Department of Local Government, Sport and Cultural Industries’ (the Department) minimum target level of the ratio.

Current Ratio



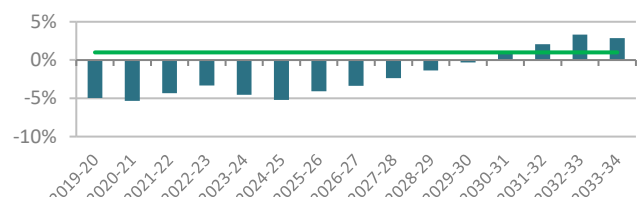
As expected for a Town with a forecast balanced funding surplus position and current borrowing liabilities, the ratio is less than 1.0. This trend is not considered to indicate a threat to the Town’s long term financial position.

Own Source Revenue Coverage Ratio



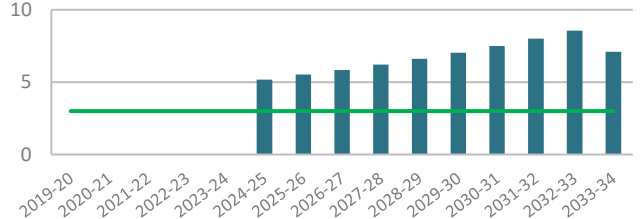
The ratio is above the target indicating the Town is not reliant on grants and contributions.

Operating Surplus Ratio



The ratio above highlights how the cumulative impact of the rates increases are intended to address the Operating Surplus Ratio.

Debt Service Cover Ratio



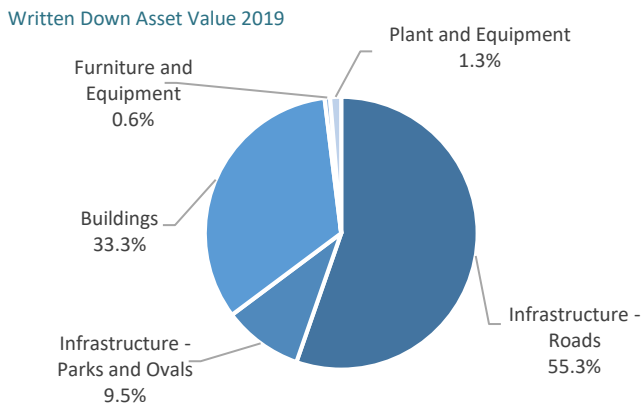
The ratio above reflects the capacity of the Town to take up borrowings for the upgrade of East Fremantle oval.

An explanation of all ratios is provided at Section 14.0.

6.0 Asset Management Planning Overview

6.1 Key Asset Information

The Town controls an asset network with a written down value of just under \$70m, of which Roads and Buildings constitute the largest component value as reflected in the chart below.



6.2 Asset Management Policy

The purpose of an asset management policy is to:

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

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

6.3 Asset Management Strategy

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

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

Modelling was undertaken to determine the long term funding required for asset maintenance and renewal.

By adjusting the estimated useful life of assets, the balance between the risk of loss of asset service and the financial costs of asset renewal and maintenance was determined.

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

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

Recognising a proportion of assets have been constructed with the assistance of external financial contributions, the Town seeks to, within its financial capacity, maintain these assets into the future. A strategy of alignment of estimated asset useful lives with the forecast financial capacity aims to ensure the long term affordability of Town assets. By focusing resources and efforts on a small number of key critical assets, the Town has achieved targeted asset management outcomes integrated with financial planning within its forecast financial capacity based on an annual rate increase of 3% (CPI of 2% + 1%).

6.4 Level of Service

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

Level of service measures are defined for most asset classes within Appendix A.

6.0 Asset Management Planning Overview (Continued)

6.5 Financial Management Strategy for Assets

Based on the 2017-18 Annual Financial Statements and 2018-19 Annual Budget, a financial baseline was determined for operating revenue and expenditure. Modifications to this baseline were made over the 15 year term to predict forecast changes in operating revenue and expenditure.

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

Forecast planned asset renewals for the term of the Plan along with the forecast required asset renewals to maintain services in the future are shown as columns in the chart below with the values in the table on the right. Forecast asset renewals requirements are arrived at based on current estimates of replacement cost and remaining useful life of each asset, assessed from the asset’s condition or age.

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

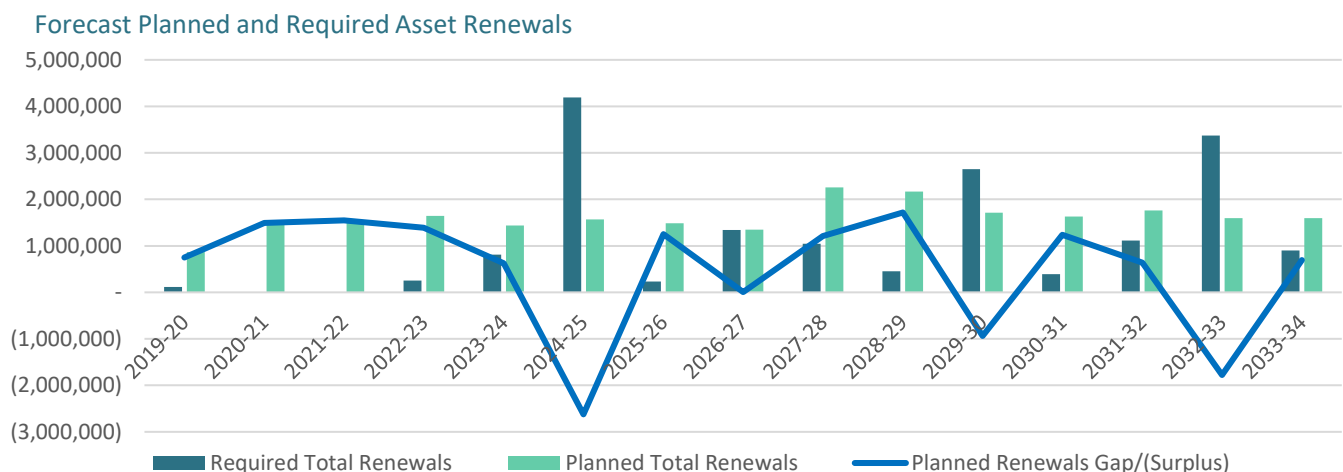
6.6 Forecast Planned and Required Asset Renewals

Year	Planned Asset Renewal \$	Required Asset Renewal \$	Asset Renewal Surplus/ (Deficit) \$
2019-20	115,771	868,105	752,334
2020-21	-	1,489,806	1,489,806
2021-22	-	1,550,989	1,550,989
2022-23	253,767	1,645,194	1,391,427
2023-24	810,114	1,438,162	628,048
2024-25	4,192,542	1,568,894	(2,623,648)
2025-26	232,340	1,486,966	1,254,626
2026-27	1,344,552	1,348,787	4,235
2027-28	1,046,021	2,253,713	1,207,692
2028-29	452,582	2,170,422	1,717,840
2029-30	2,650,363	1,715,435	(934,928)
2030-31	389,906	1,628,886	1,238,980
2031-32	1,116,398	1,757,935	641,537
2032-33	3,372,078	1,592,808	(1,779,270)
2033-34	899,510	1,592,789	693,279
Total	16,875,944	24,108,891	7,232,947

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

The data reflects the spikes in required asset renewals over the next 15 years have been met through the annual planned renewal of assets over the same period.

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

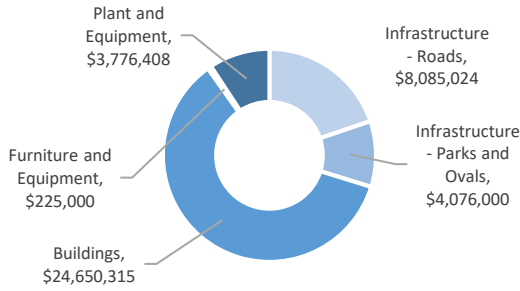


6.0 Asset Management Planning Overview (Continued)

6.7 Planned Asset Expenditure

Combined new and renewal asset expenditure of \$46.6m has been planned as per the previous table. New and upgrade asset expenditure comprises \$22.5m of the total asset expenditure and asset renewal expenditure of \$24.1m.

6.8 Planned Capital Expenditure 2019-2034

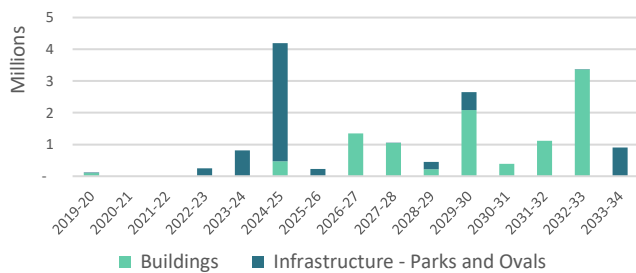


6.9 Required Renewal Expenditure

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

Asset renewal expenditure has been estimated based on forecast renewal costs and timings. Total asset renewals of \$16.8m are forecast to be required over the 15 years of the Plan.

6.10 Required Asset Renewal Expenditure by Asset Class

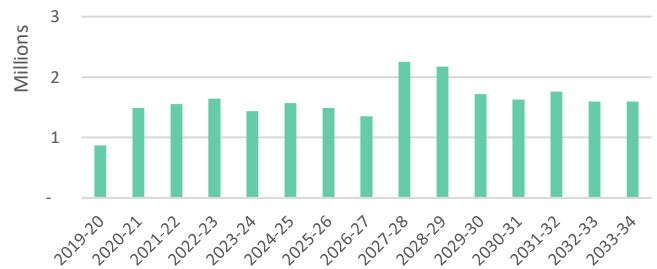


Renewal of buildings and parks and ovals dominate the forecast required asset renewals.

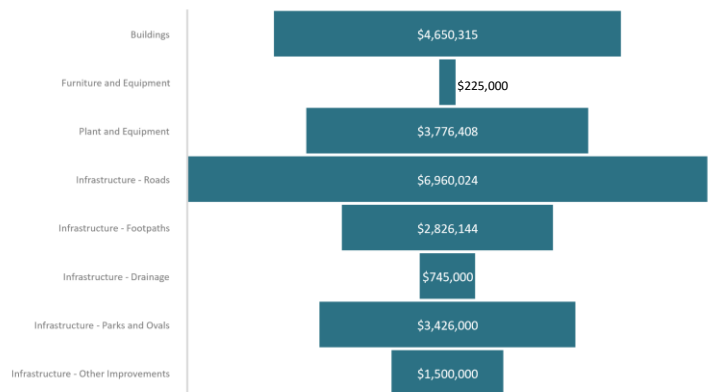
6.11 Planned Asset Renewal

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

6.12 Planned Asset Renewal Expenditure



6.13 Planned Asset Renewal Expenditure by Class

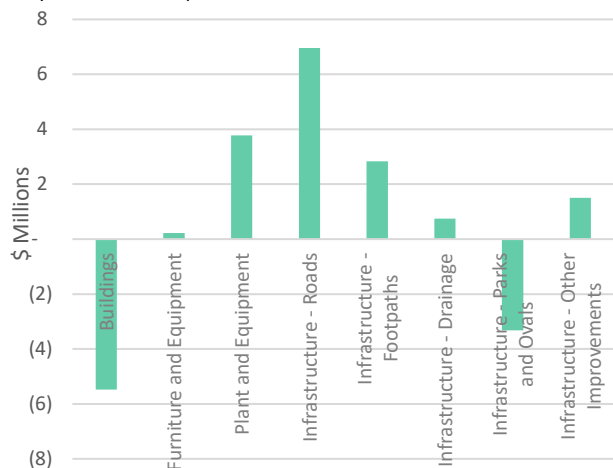


Planned asset renewals by asset class over the 15 years of the plan reflected in the chart above shows the major renewal spend relates to roads and buildings.

6.0 Asset Management Planning Overview (Continued)

6.14 Asset Renewal Funding Surplus/(gap)

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



Asset renewals for buildings, parks and ovals are to occur as part of the significant upgrade of these assets and associated expenditure has been classified as upgrade/new expenditure and not renewal.

6.15 Upgrade/New Expenditure

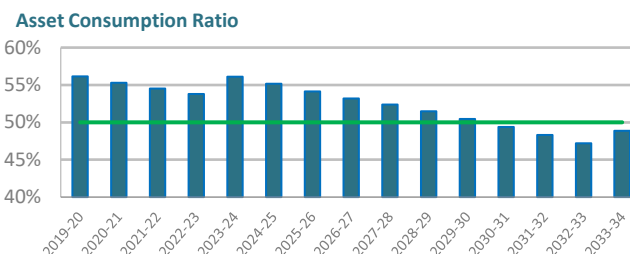
Upgrades to buildings and infrastructure are planned to occur over the next 15 years in response to community expectation. Where funds are available after undertaking essential renewal works, funds will be utilised for improvement and new works. Detailed annual planning will be undertaken for asset upgrade/new expenditure prior to each project.

Upgrade/new asset expenditure by asset class over the 15 years of the plan is reflected in the table below.

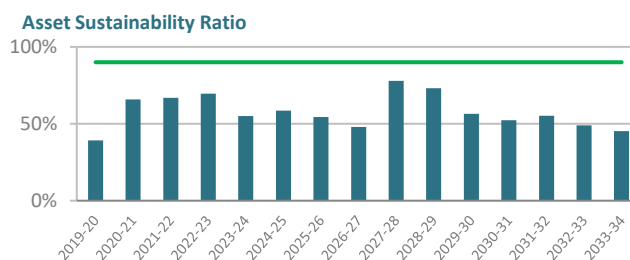
Asset Class	Upgrade/New Expenditure
Buildings	20,000,000
Infrastructure - Other Improvements	765,000
Infrastructure - Parks and Ovals	1,760,000
Infrastructure - Roads	1,125,000
Total new capital expenditure	23,650,000

6.16 Forecast Asset Ratios 2019-2034

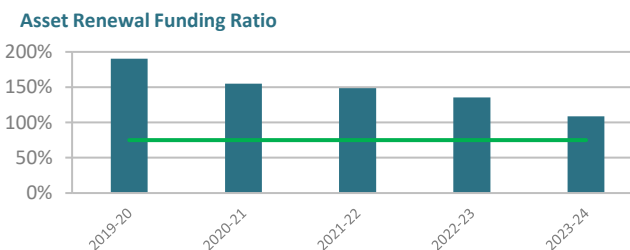
Reflecting the average age of assets, the Asset Consumption ratio reflects how the Town's assets will age whilst the Town uses its resources to renew the East Fremantle oval and other key community infrastructure.



Use of funds for the upgrade of significant community assets and accumulation of funds in cash reserves for renewal of long lived assets beyond the 15 years of the plan results in the asset sustainability ratio being below the target for the duration of the plan as reflected in the chart below.



Whilst the asset sustainability ratio is below the target and reflects assets are being renewed at a level below the level of depreciation expense, the asset renewal funding ratio shown in the chart below reflects assets are being renewed at an appropriate rate aligned to their estimated remaining useful life.



7.0 Scenario Modelling

7.1 Scenario Modelling

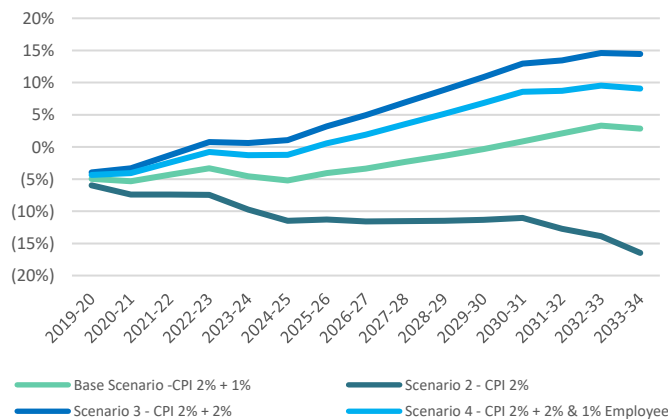
Scenarios were developed to test the financial impact of reduced levels of operating funding with modelling for the impact on the Town of various reduced funding levels.

To ascertain the effect of reduced funding levels, a base scenario was developed with a rate and Fees and charges yield increase of 1% above inflation (2%). Three alternative scenarios were also developed from this base as reflected in the table below. All other assumptions remained the same across the three scenarios.

Scenario	Rates and Fees & Charges Increase above	
	CPI (2%)	Total Increase
Base Scenario	1%	3%
Scenario 2	0%	2%
Scenario 3	2%	4%
Scenario 4	2% & 1% increase in Employee costs	4% & 3% increase in Employee costs

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

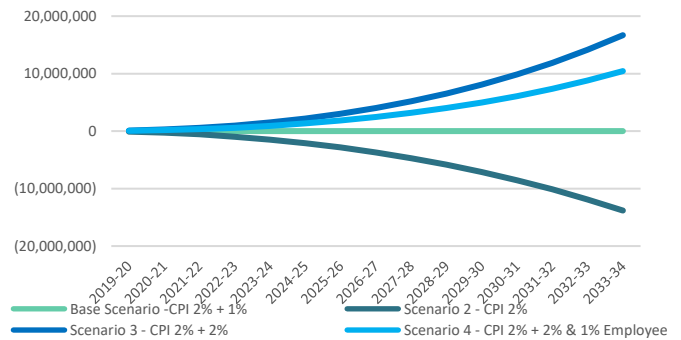
7.2 Scenario Comparison – Operating Surplus Ratio



The chart above reflects the impact of the same change in total rates yield on the Town’s Operating Surplus Ratio (other assumptions remaining the same). The base scenario was selected as it improved the operating surplus ratio

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

7.3 Estimated Surplus (Deficit) June 30 Carried Forward



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

	Estimated Surplus/(Deficit)		
	Scenario 2 - CPI 2%	Scenario 3 - CPI 2%	Scenario 4 - CPI 2% + 2% & 1% Employee
	(89,792)	89,796	52,960
	(276,116)	277,919	164,652
	(566,048)	573,442	341,239
	(967,006)	986,022	589,335
	(1,477,945)	1,525,907	915,988
	(2,102,890)	2,203,996	1,328,739
	(2,847,249)	3,031,847	1,835,628
	(3,716,625)	4,021,739	2,445,256
	(4,716,827)	5,186,691	3,166,770
	(5,853,884)	6,540,504	4,009,918
	(7,134,052)	8,097,802	4,985,072
	(8,563,815)	9,874,083	6,103,289
	(10,149,889)	11,885,750	7,376,312
	(11,899,239)	14,150,165	8,816,636
	(13,819,089)	16,685,700	10,437,536

7.4 East Fremantle Oval Redevelopment

The 3% annual increase in rates, applied in the base scenario, results in an additional \$13.8m in rate revenue over the life of the Plan, compared to a 2% annual increase. This additional rates revenue is applied to the Town’s own source contribution to the redevelopment of the East Fremantle Oval and recreation facilities in the Preston Point Precinct, which has a combined total project cost of \$20m.

8.0 Strategic Planning and Policies

8.1 Linkage with Other Plans

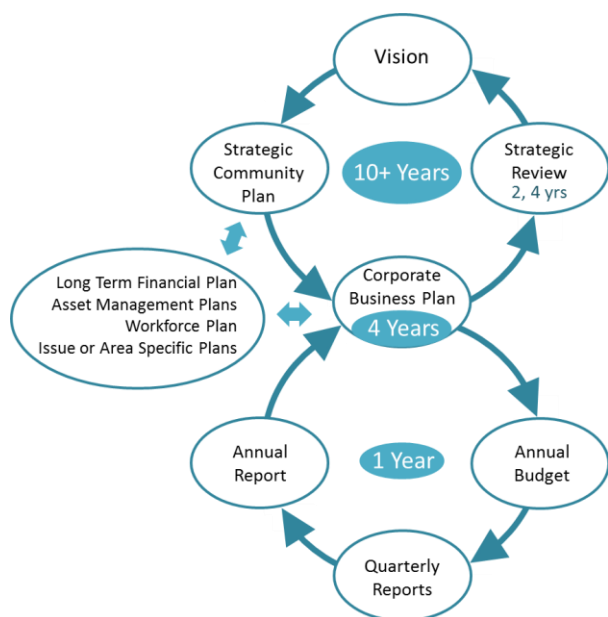
The Strategic Resource Plan is one component of a number of integrated strategic planning practices the Town has developed. Combining asset management planning and long term financial planning into one document, the Strategic Resource Plan considers, and influences, workforce planning along with other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

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

8.2 Strategic Documents Linkage

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

Diagram: Integrated Planning and Reporting Cycle²



8.3 Strategic Community Plan 2017-2027

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

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

8.4 Corporate Business Plan

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

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

8.5 Workforce and Other Strategic Plans

The Workforce Plan and other strategic plans integrate with the Strategic Resource Plan through the workforce requirement for assets and financial resources along with the requirements for a workforce to manage the Town's assets and financial resources. As far as possible, these requirements are met in the Plan.

The Town's Workforce Plan has been considered in the development of this Strategic Resource Plan. No financial impacts are expected from the Workforce Plan with employee costs forecast to rise in line with forecast inflation at 2%.

² Department of Local Government, Sport and Cultural Industries, Integrated Planning and Reporting: Framework and Guidelines, September 2016

9.0 Risk Management

9.1 Risk Management

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

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

The Town's investment policy requires the investment of surplus funds (including cash reserves) to be in term deposits held by authorised deposit taking institutions or Treasury bonds.

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

9.2 Certainty of Assumptions

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

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

9.3 Sensitivity Analysis

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

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

10.0 Assumptions, Risks, Uncertainties and Sensitivity

10.1 Revenue – Assumptions, Risks, Uncertainties and Sensitivity

Disclosure/Assumption	Assessed Financial Risk	Impact of High Financial Risk Assumptions	Level of Uncertainty	Financial Impact and Sensitivity for Assumption with High Level of Uncertainty/Risk
Town Growth in Population: The number of residents in the Town is expected to grow.	Low	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
Rates Level Increase: Annual rates have been based on an increase in the total rate yield of 1% higher than forecast inflation rate of 2%.	High	Renewal of assets and particularly the funding of the East Fremantle Oval redevelopment project (\$13.8m) is dependent on these rates increases being imposed for the term of this Plan.	Medium	There is a medium level of uncertainty, as the rates increase is reassessed each year.
Operating Grants and Contributions: Increases in line with inflation forecast.	Low	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
Non-operating Grants and Contributions: Remain in line with funding requirements identified for various capital works.	High	The forecast new capital works program is highly dependent on Government grants and contributions. Changes in these levels would impact directly on the amount spent on capital projects and ultimately impact on service levels.	High	± \$87,750 to the value of non-operating grants and contributions per 1% movement in the value over the life of the Plan.
Fees and Charges: Increases 1% higher than forecast inflation rate of 2%.	Medium	Not assessed as high financial risk.	Low	Not assessed as high level of uncertainty.
Interest Earnings: Interest earning of an average rate of 2.50% per annum.	Low	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
Other Revenue: Increases in line with inflation.	Low	Not assessed as high financial risk.	Low	Not assessed as high level of uncertainty.
Profit on Asset Disposal: Profit on asset disposal results from a misallocation of depreciation over the life of the asset. As the level of depreciation is considered appropriate no profit on asset disposals has been included.	Low	Not assessed as high financial risk.	Low	Not assessed as high level of uncertainty.

10.0 Assumptions, Risks, Uncertainties and Sensitivity (Continued)

10.2 Expenditure – Assumptions, Risks, Uncertainties and Sensitivity

Disclosure/Assumption	Assessed Financial Risk	Impact of High Financial Risk Assumptions	Level of Uncertainty	Financial Impact and Sensitivity for Assumption with High Level of Uncertainty/Risk
Employee Costs: Increased annually by forecast inflation.	Medium	It is assumed that any additional FTE will be funded by a contra reduction in materials and contracts expenditure.	Low	Not assessed as high level of uncertainty.
Materials and Contracts: Increased annually by forecast inflation.	Medium	Not assessed as high financial risk.	High	± \$689,064 to the value of materials and contracts per 1% movement in the value over the life of the Plan.
Depreciation: Depreciation has been calculated using an average rate for each asset class based on the weighted average estimated remaining useful life of assets in the class.	Low	Not assessed as high financial risk.	Low	Not assessed as high level of uncertainty.
Insurance: Base year increased in line with inflation.	Medium	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
Other Expenditure: Base year increased in line with inflation.	Medium	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
Loss on Asset Disposal: A loss on asset disposal results from a misallocation of depreciation over the life of the asset. As the level of depreciation is considered appropriate in the Plan no loss on asset disposals has been included in the Plan.	Low	Not assessed as high financial risk.	Low	Not assessed as high level of uncertainty.

10.0 Assumptions, Risks, Uncertainties and Sensitivity (Continued)

10.3 Assets – Assumptions, Risks, Uncertainties and Sensitivity

Disclosure/Assumption	Assessed Financial Risk	Impact of High Financial Risk Assumptions	Level of Uncertainty	Financial Impact and Sensitivity for Assumption with High Level of Uncertainty/Risk
Revaluations: In line with annual inflation.	Low	The revaluation of assets may result in changes in asset ratio analysis and depreciations leading to a change in the net result. The revaluation of assets will have no impact on Cashflows.	High	±\$347,305 to the value of property, plant and equipment per 1% movement in the value over the life of the Plan. ±\$556,379 to the value of infrastructure assets per 1% movement in the value over the life of the Plan.
Impairment of Assets: No impairment of assets has been assumed over the life of the Plan. Impairment of assets usually occurs due to unplanned or unforeseen events such as natural disasters.	High	A widespread major impairment event may result in a requirement for high levels of expenditure to maintain service levels.	Medium	Unable to be quantified.
Infrastructure Assets: Expenditure has been based on historical levels escalated by inflation.	Medium	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
Property, Plant and Equipment: Building expenditure is in accordance with condition assessments and plant expenditure is based on the Plant Replacement Program.	High	Planned expenditure is highly dependent on receipt of capital grants for buildings.	Medium	Not assessed as high level of uncertainty.

10.0 Assumptions, Risks, Uncertainties and Sensitivity (Continued)

10.4 Liabilities – Assumptions, Risks, Uncertainties and Sensitivity

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

10.0 Assumptions, Risks, Uncertainties and Sensitivity (Continued)

10.5 Equity Risks, Uncertainties and Sensitivity

Disclosure/Assumption	Assessed Financial Risk	Impact of High Financial Risk Assumptions	Level of Uncertainty	Financial Impact and Sensitivity for Assumption with High Level of Uncertainty/Risk
Cash Backed Reserves: It has been assumed the Town will invest cash reserves in term deposits with banking institutions and these funds will be available for use during the term of the Plan.	Low	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
Revaluation Surplus: Increasing in line with inflation based revaluation.	Low	The revaluation of assets to their fair value may result in changes in asset ratio analysis and depreciation leading to a change in the net result. The revaluations of assets will have no impact on Cashflows.	High	±\$347,305 to the value of property, plant and equipment per 1% movement in the value over the life of the Plan. ±\$556,379 to the value of infrastructure assets per 1% movement in the value over the life of the Plan.

10.0 Assumptions, Risks, Uncertainties and Sensitivity (Continued)

10.6 Other – Assumptions, Risks, Uncertainties and Sensitivity

Disclosure/Assumption	Assessed Financial Risk	Impact of High Financial Risk Assumptions	Level of Uncertainty	Financial Impact and Sensitivity for Assumption with High Level of Uncertainty/Risk
Ownership of Strategic Assets: The Town has not planned for the ownership of any strategic assets to be transferred to another party over the term of the Plan.	High	Any significant changes to the ownership of strategic assets would require an amendment to this Plan and, depending on the circumstance, be subject to community consultation.	Low	Not assessed as high level of uncertainty.
Inflators: Forecast inflation at 2% per annum.	Medium	Not assessed as high financial risk.	High	± \$995,075 to operating revenue per 1% movement in the inflators over the life of the Plan. ± \$1,202 936 to operating expenditure per 1% movement in the inflators over the life of the Plan.
Commercial Activities: The Town has no plans to undertake a significant commercial activity during the period of the Plan.	Medium	Not assessed as high financial risk.	Low	Not assessed as high level of uncertainty.
General Economic Forecasts for State: The economic forecast for the State is closely linked to the success of the mining industry. Demands for minerals is forecast to remain stable in the short term with a corresponding stability of the state economy.	Medium	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
General Economic Forecasts for Region: Historically, the metropolitan region's economy is heavily dependent on the economy of the State as whole and this remains the assumption for the term of this Plan.	Low	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.

11.0 Monitoring and Performance

11.1 Monitoring

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

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

11.2 Ratio Targets

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

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

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

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

12.0 Improvement Plan

12.1 Strategic Resource Improvement Plan

All strategic plans require continuous development in order to improve the quality of planning. The following asset management areas are suggested as worthy of focus in the future.

Hierarchy: A hierarchy exists for road assets and should be further developed for other asset classes.

Level of Service: Level of service measures were defined within the previous Asset Management Plan. No systems are currently in place to record and report against these levels of service.

Risk Management: Risk management is used as a decision making tool to define and treat risks facing the Town when seeking to meet its defined objectives. The Town is in the very early stages of utilising risk techniques. As risk management is developed, a greater understanding of risks will be formalised.

Operation and Maintenance: The Town does not have a current documented Operation and Maintenance Strategy.

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

New, Upgrade and Disposal: The Town does not have a current documented Capital Investment Plan to address future asset demands or Asset Disposal Plan (other than the disposal of plant and equipment).

There are a number of improvement actions as per the Asset Management Improvement Plan, some key improvement actions resulting from this Strategic Resourcing Plan are to:

- Report levels of service for key assets;
- Improve the accuracy of future financial forecasts through improved forecasting of operational, maintenance, renewal, new and upgrade costs; and
- Maintain formal asset maintenance and renewal programs for all assets.

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Appendix A1 - Infrastructure - Roads

1.1 Significant Matters

The continued provision of the road network remains one of the key priorities and major expenditure items for the Town. The continued planning for future road infrastructure renewals influenced by condition based estimation of the remaining useful life is essential to reducing the risk of sudden unexpected road failure.

1.2 Road Inventory

The Town of East Fremantle has a road network servicing an area of 3.1¹ square kilometres. Road assets within this Plan include the following components:

- Kerbing; and
- Subgrade, Pavement and Seal.

Road asset information is recorded within a road inventory database. In 2018, a road infrastructure condition report and valuation were undertaken by an external consultant which forms the basis of the measurements and current replacement cost estimates. Verification of the accuracy of the valuation data is not within the scope of this Plan and has not been undertaken.

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

The table below details the road asset components.

Roads Assets	Length (m)	Current Replacement Cost (\$)
Local Distributor		
Subgrade	4,150	\$1,883,480
Sealed Pavement	4,150	\$2,589,733
Surface	4,150	\$702,364
Access Road		
Subgrade	29,113	\$9,777,446
Sealed Pavement	29,113	\$12,220,555
Surface	29,113	\$3,622,014
Distributor A		
Subgrade	1,170	\$449,280
Sealed Pavement	1,170	\$617,747
Surface	1,170	\$168,480
Distributor B		
Subgrade	2,280	\$1,040,520
Sealed Pavement	2,280	\$1,430,686
Surface	2,280	\$387,551
Kerbing	73,406	\$2,060,506
Road Assets Total	183,545	\$36,950,362

The table on the following page, 1.2.1 Road Asset Hierarchy, defines the road asset terminology used in the above table.

¹ Australian Bureau of Statistics East Fremantle (T) LGA53150 (LGA) 2016 Census of Population and Housing, viewed 9 April 2019

Appendix A1 – Infrastructure - Roads (Continued)

1.2.1 Road Asset Hierarchy²

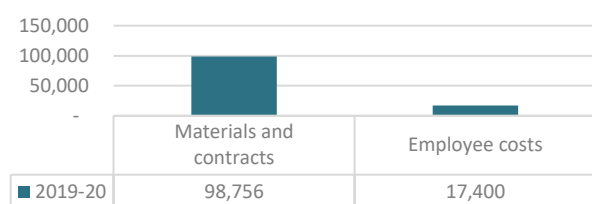
Hierarchy Categories	Description
Local Distributor –Built Up Area	Roads that carry traffic within a cell and link District Distributors or Primary Distributors at the boundary, to access roads. The route of Local Distributors should discourage through traffic so that the cell formed by the grid of higher order distributor roads, only carries traffic belonging to, or serving the area. Local Distributors should accommodate buses, but discourage trucks. These are managed by local government.
Access Road	Provide access to abutting properties with safety aspects having priority over the vehicle movement function. In urban areas, these roads are bicycle and pedestrian friendly, with aesthetics and amenity also important. Access Roads are managed by local government.
Distributor A	Carry traffic between industrial, commercial and residential areas and generally connect to Primary Distributors. These are likely to be truck routes and provide only limited access to adjoining property. These are managed by local government.
Distributor B	Perform a similar function to type A District Distributors, but with reduced capacity due to flow restrictions caused by frequent property accesses and roadside parking in many instances. These are often older roads with a traffic demand in excess of that originally intended. These are managed by local government.

1.3 Financial Summary

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

1.3.1 Maintenance Expenditure by Nature or Type

Road maintenance expenditure is forecast to increase in line with inflation and is comprised of the following estimated costs in 2019-20:



Trimming of roadside vegetation and clearing of drains road maintenance operation along with a low level of reactionary minor repair works. As far as possible the road maintenance program is scheduled annually, based on staff knowledge of road conditions.

1.3.2 New Expenditure

Realignment and resurfacing of Riverside Road is planned to be undertaken in 2019/20. This is a \$1.23m project, with Main Roads WA funding of \$821k. The project will extend from East Street to the Zephyr Carpark. Road safety related projects will be prioritised where issues are identified.

1.3.3 Renewal Expenditure

Road works are prioritised based on staff knowledge of the conditions of roads and expected usage patterns and is conducted during the budget process. All planned works are funded through a combination of internal funds and external grants.

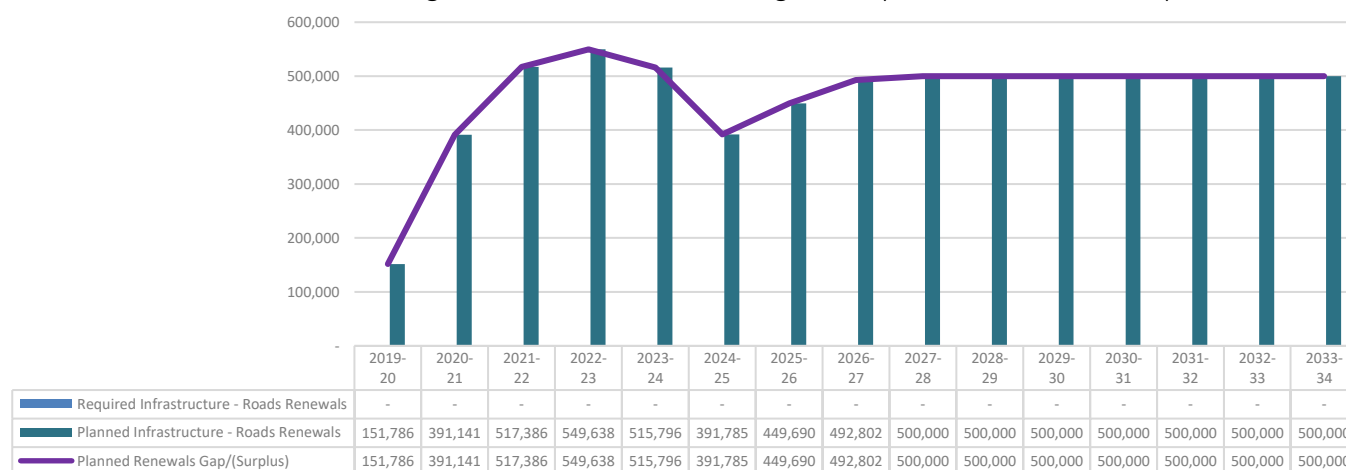
In the chart on the following page, planned road expenditure is shown as green columns, with required road renewals as the blue columns (currently no required renewals are forecast within the 15 years of the Plan). The purple line shows the difference between the two expenditure levels. Planned road renewal over the term totals \$6.96m, with required road renewals only required in the years following the term of this Plan. Currently the Town is planning to renew road assets ahead of forecast requirements.

² Main Roads WA Road Information Mapping, Western Australian Road Hierarchy

Appendix A1 – Infrastructure - Roads (Continued)

1.3.4 Forecast Planned and Required Road Renewal Expenditure

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



One of the largest impacts on road component lives is the volume and weight of traffic traversing a road length. Where this exceeds the roads construction capabilities sudden unexpected road failure may occur. Whilst road renewals may be forecast based on the age and condition of the asset, expected traffic volumes and weights are an important factor and difficult to forecast. The values represented in the chart above are detailed in the table below.

	Required Roads Renewals \$	Planned Roads Renewals \$	Roads Renewal Funding (Gap)/Surplus \$
2019-20	\$0	\$151,786	\$151,786
2020-21	\$0	\$391,141	\$391,141
2021-22	\$0	\$517,386	\$517,386
2022-23	\$0	\$549,638	\$549,638
2023-24	\$0	\$515,796	\$515,796
2024-25	\$0	\$391,785	\$391,785
2025-26	\$0	\$449,690	\$449,690
2026-27	\$0	\$492,802	\$492,802
2027-28	\$0	\$500,000	\$500,000
2028-29	\$0	\$500,000	\$500,000
2029-30	\$0	\$500,000	\$500,000
2030-31	\$0	\$500,000	\$500,000
2031-32	\$0	\$500,000	\$500,000
2032-33	\$0	\$500,000	\$500,000
2033-34	\$0	\$500,000	\$500,000
Total	\$0	\$6,960,024	\$6,960,024

Based on the above, the Town is planning to over service road renewals. There is opportunity to reallocate funds from the road renewals program to other asset renewal projects or utilise the funds to upgrade the road network, over the life of the Plan.

Appendix A1 – Infrastructure - Roads (Continued)

1.3.5 Level of Service

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

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

1.3.6 Road Construction

Key Performance Measure	Level of Service	Performance Measure Process	Performance Target
Sealed Road Construction			
Condition	Sealed roads are constructed to a high standard.	Customer complaints.	One complaint per road per year.
Safety	To ensure all roads are being constructed in a safe manner and road is made safe and signed correctly when unmanned.	Customer complaints.	One per road.
		Number of damage/injury claims.	0 claims.
Cost Effectiveness	Efficient capital works program.	Projects completed within the timeframe and on budget.	100% completed within timeframe and on budget.

1.3.7 Road Maintenance

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

Appendix A1 – Infrastructure - Roads (Continued)

1.3.8 Risk Management

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

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

1.3.9 Improvement

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

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

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

Appendix A2 – Infrastructure - Drainage

2.1 Significant Matters

The Town provides a network of drainage infrastructure which includes pits and pipes. The determination of appropriate intervention points for renewal work, along with forecasting the timing and amount of funding required, is important to ensure this work can be undertaken prior to any asset failure. A current assessment reflects drainage infrastructure with a current replacement cost of \$4.47m. Further detailed investigation of these assets is required to confirm the timing and costs of the required renewal intervals.

Asset renewal of drainage prior to its failure helps prevent damage to other assets including roads.

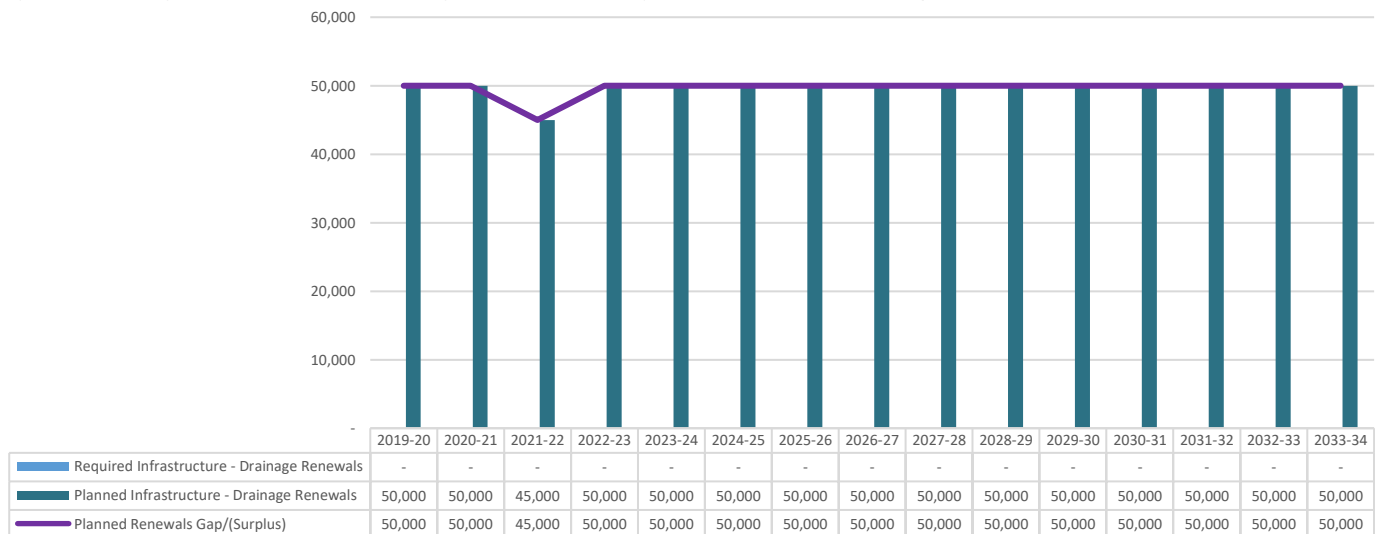
2.2 Inventory

The Town is developing a basic drainage asset inventory which is maintained within the road asset inventory system. Utilising the dimension data held and the unit rates provided by the Town, a current replacement cost has been estimated as set out below.

Drainage Asset	Current Replacement Cost (\$)
Pit	\$1,799,051
Pipe	\$2,669,209
Drainage Assets Total	\$4,468,259

2.3 Forecast Planned and Required Drainage Renewals

Table drains will be maintained and renewed as part of the renewal of road pavements. Pipe drains will be assessed as part of road pavement works and replaced where required when undertaking these works.



Currently no drainage renewals are forecast as being required within the next 15 years. However, an annual allowance has been made to provide for any drainage renewals which may be required.

Appendix A2 – Infrastructure - Drainage (Continued)

2.4 Financial Summary

The financial impacts of managing the Town’s drainage infrastructure assets including the maintenance and renewal costs are included under Appendix A1 Infrastructure - Roads.

2.5 Level of Service

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

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

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

Appendix A2 – Infrastructure - Drainage (Continued)

2.6 Risk Management

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

Risk	Consequence	Risk Rating	Risk Treatment
Asset condition decreases due to flood damage.	Desired level of service not maintained.	Medium	Ensure adequate drainage in road design and maintenance to mitigate risk of flood damage.
Climate change.	Likelihood of severe storm damage increases.	Medium	Consider climate change when managing assets.
Significant unforeseen increases in maintenance or renewal costs.	Desired level of service not maintained.	Medium	Monitor costs and adjust long-term plans accordingly.
Asset condition decreases due to inadequate renewal program.	Desired level of service not maintained.	Medium	Determine maintenance priorities based on lifecycle cost.
Asset condition decreases due to inadequate maintenance program.	Desired level of service not maintained.	Low	Determine maintenance priorities based risk assessment and lifecycle cost.
Health and safety incident whilst working on assets causing fatality or serious injury.	Prosecution risk.	Low	Ensure Council has compliant Health and Safety policy. Ensure staff and contractors are trained in policy and all procedures are complied with.

2.7 Improvement

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

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

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

Appendix A3 – Infrastructure - Footpaths

3.1 Significant Matters

The Town provides a network of footpaths for pedestrians and other users and has developed a basic footpath asset inventory and is developing and implementing an annual assessment process for related infrastructure. A footpath program has been identified to be established and implemented in the future. The impact of street trees on footpaths is one of the most significant challenges to managing the Town's footpath network.

3.2 Inventory

Footpath asset information is recorded within the Town's road inventory database (RAMM). The assets within the asset class were valued in 2018 with all road infrastructure assets. The current replacement cost at the time of the last valuation was \$9.62m.

3.2.1 Composition of Estimated Current Replacement Cost of Footpaths

Footpath Type	Length	Current Replacement Cost \$
Asphalt	25,419	\$4,033,872
Slabs	2,968	\$598,934
Concrete	29,128	\$4,475,579
Brick Paving	1,441	\$500,892
All Other	52	\$7,987
Footpaths Total	59,008	\$9,617,264

3.3 Financial Summary

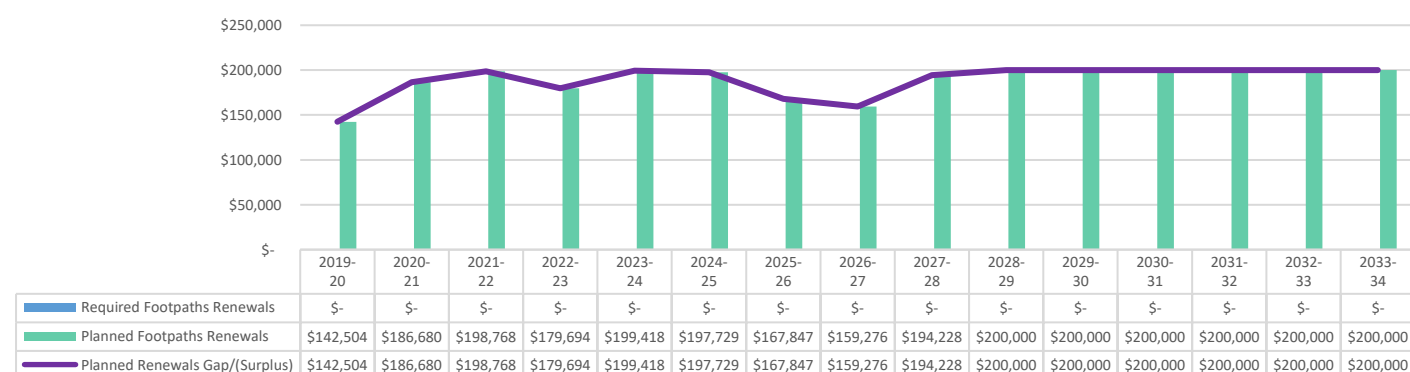
The financial impact of managing the Town footpaths assets including the maintenance and renewal costs are included under Appendix A1 – Infrastructure - Roads.

3.3.1 Renewal Expenditure

Footpaths renewals are planned to occur in line with required renewal timing. Work is prioritised using staff knowledge of the conditions of the footpaths.

In the chart below, forecast planned footpaths expenditure is shown by the green columns, with required footpaths renewals as the blue columns. The purple line indicates the difference between the two expenditure levels. Required footpaths renewal is planned in the years following the term of the Plan, with expenditure planned in line with this timing.

3.3.2 Forecast Planned and Required Footpath Renewal Expenditure



Based on the above, the Town is planning to over service footpath renewals. There is opportunity to reallocate funds from the footpath renewals program to other asset renewal projects or utilise the funds to upgrade the footpath network, over the life of the Plan.

Appendix A3 – Infrastructure - Footpaths

3.4 Level of Service

Levels of service have not been previously monitored. Detailed performance measures and performance targets for footpaths are defined in the table below.

Key Performance Measure	Level of Service	Performance Measure Process	Performance Target
Condition	Footpaths are maintained to a reasonable standard and on a regular basis.	Customer complaints.	One complaint per year.
		Routine footpath inspection.	Two per year with managers.
Function	To ensure that all footpaths are maintained in order to provide a useable and safe footpaths network for users.	Customer complaints.	One complaint per year.
Function	To ensure that any maintenance issues that arise are dealt with promptly.	Within 2 working days of notification.	95% addressed.
Safety	To provide a footpath network that is free of hazards.	Hazard removed within 2 hours of notification.	95% addressed.
Cost Effectiveness	Efficient footpath maintenance program.	Maintenance program completed within timeframe and on budget.	100% completed within timeframe and on budget.

Appendix A3 – Infrastructure - Footpaths

3.5 Risk Management

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

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

3.6 Improvement Plan

Allocating resources to improving asset management planning for footpaths is not currently viewed as a priority as the associated risks are able to be managed through annual operational planning.

Appendix A4 – Buildings

4.1 Significant Matters

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

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

4.2 Inventory

Land and buildings were valued by independent professional valuers in 2017, based on an inspection undertaken. The replacement costs of the various types of buildings contained within the valuation report is presented in the table below. A building inventory is maintained within the Town's financial management system.

4.2.1 Composition of Estimated Current Replacement Cost of Building Assets

Buildings	Location	Current Replacement Cost (\$)
Town Hall	135 Canning Hwy	\$6,900,000
Dovenby House	1 Council Place	\$680,000
Old Police Station	133 Canning Hwy	\$550,000
Old Prison Cells & Toilet Block	133 Canning Hwy	\$79,000
Carport	133 Canning Hwy	\$12,000
Old Turnstile Building	Moss Street	\$56,000
West Side Turnstiles	Moss Street	\$75,000
Rotunda	Fletcher Street	\$90,000
East Fremantle Child Health Clinic	Fletcher Street	\$398,000
Gazebo	Richmond Crescent	\$40,000
Richmond Raceway	Silas Street	\$103,500
East Fremantle Croquet Club	59 Allen Street	\$169,500
Administration & Store	59 Allen Street	\$408,000
Transportable Store	59 Allen Street	\$11,500
Vehicle Garage	59 Allen Street	\$205,500
Pump House	59 Allen Street	\$19,000
East Gate Turnstile	Allen Street	\$71,000
Community Centre	Wauhop Road	\$1,480,000
Community Centre Solar Panels	Wauhop Road	\$32,000
Change Rooms	Wauhop Road	\$452,000
East Fremantle Junior Football Club	Preston Point Road	\$650,000
1st Leeuwin Sea Scouts Shed	Riverside Road	\$442,000
East Fremantle Cricket & Lacrosse Club	Jerrat Drive	\$810,000
Commercial Building	128 George Street	\$334,000
Allen Street Units (61)	61 Allen Street	\$181,500
Allen Street Units (63-65)	63-65 Allen Street	\$324,000
Allen Street Units (67-69)	67-69 Allen Street	\$292,000

Appendix A4 – Buildings (Continued)

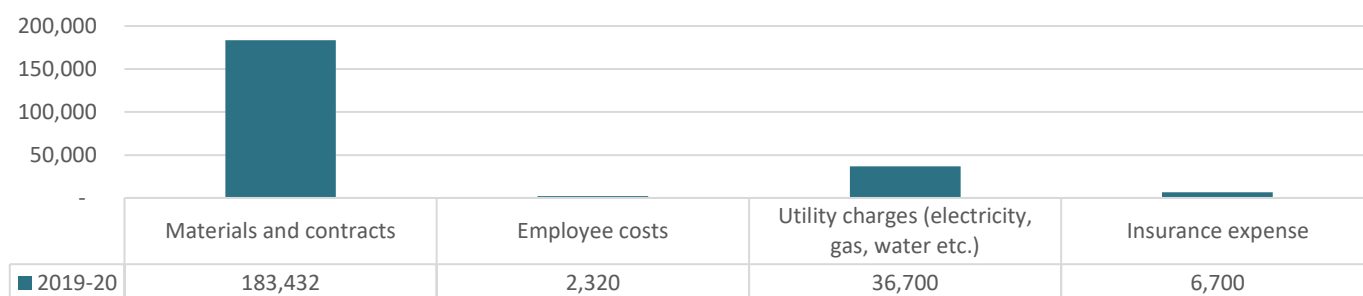
Buildings	Location	Current Replacement Cost (\$)
WG Truscott Pavilion	Moss Street	\$5,750,000
Lyn Lathorn Pavilion	Moss Street	\$10,300,000
MG Cowan Stand	Moss Street	\$1,660,000
4 Tier Commentary Stand	Moss Street	\$79,000
JP McKenzie Pre Primary School	61 George Street	\$550,000
Art Shed	42 Glyde Street	\$53,000
Glyde In Community Learning Centre	42 Glyde Street	\$310,000
EH Gray Old Infant Health Building	80 Canning Highway	\$159,000
Richmond Early Childhood Centre	Corner Fraser & Osborne Roads	\$860,000
Preston Point Road Recreation Facilities	Jerrat Drive	\$1,800,000
1st Fremantle Sea Scouts Shed	Jerrat Drive	\$690,000
Zephyr Kiosk	Riverside Road	\$326,000
Zephyr Kiosk Toilet Block	Riverside Road	\$153,000
East Fremantle Bowling Club	Fletcher Street	\$2,400,000
Plympton Steps Pump House	Riverside Road	\$109,500
Buildings Total		\$40,065,000

4.3 Financial Summary

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

4.3.1 Maintenance Expenditure by Nature or Type

Routine maintenance expenditure is forecast to increase in line with inflation and is comprised of the following estimated costs in 2019-20:



4.3.2 New/Upgrade Asset Expenditure

The table below reflects new/upgrade building projects currently planned within the Long Term Financial Plan. These projects are forecasted to be funded partially from external contributions, reserves with the balance being sourced from general purpose funding.

Year	Project	Planned Expenditure \$
2023-24	Preston Point Redevelopment	4,000,000
2023-24	East Fremantle Oval - Redevelopment - Stage 1	6,000,000
2033-34	East Fremantle Oval - Redevelopment - Stage 1	10,000,000
Total		\$20,000,000

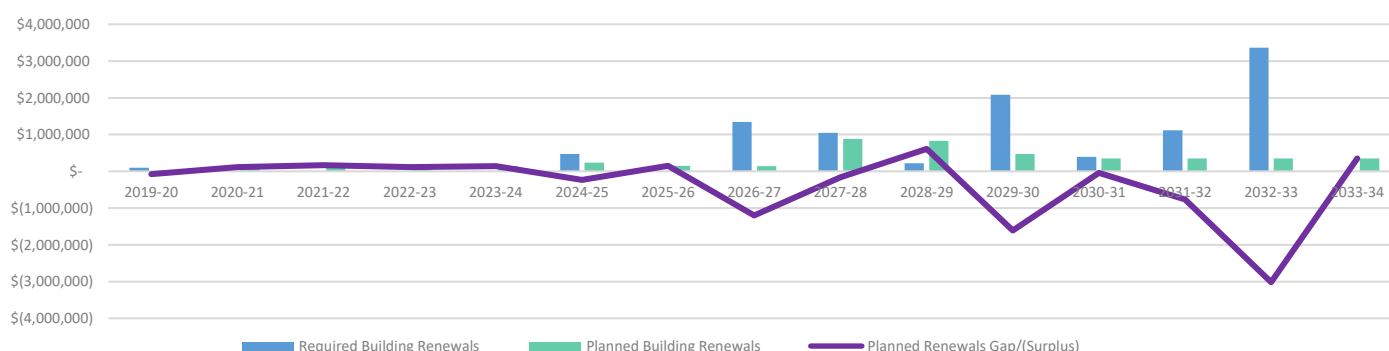
Appendix A4 – Buildings (Continued)

4.3.3 Renewal Expenditure

Using the estimated remaining useful life and the 'reinstatement with new' values provided in the independent valuation report, the timing and extent of future property renewals has been forecast (adjusted for inflation).

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

4.3.4 Forecast Planned and Required Building Renewal Expenditure



The timing and extent of building renewals in the later years of the Plan will be subject to condition based assessments closer to the estimated renewal timing, along with further assessment of demand. All funds currently allocated to building renewals in the Plan will be placed in the building cash reserves if not required for the renewal of minor building components. Both the timing and costs associated with building renewals are highly variable, and in many instances, dependent on the level of building maintenance.

4.3.5 Forecast Planned and Required Building Renewal Expenditure

The values represented in the chart above are detailed in the table below. Planned building renewals are in line with the forecast required renewals.

	Required Building Renewals \$	Planned Building Renewals \$
2019-20	\$96,039	\$14,585
2020-21	\$0	\$112,150
2021-22	\$0	\$166,299
2022-23	\$0	\$112,391
2023-24	\$0	\$137,770
2024-25	\$474,522	\$239,725
2025-26	\$0	\$146,337
2026-27	\$1,344,552	\$143,311
2027-28	\$1,045,678	\$877,906
2028-29	\$214,967	\$825,605
2029-30	\$2,082,060	\$474,236
2030-31	\$389,906	\$350,000
2031-32	\$1,116,398	\$350,000
2032-33	\$3,367,444	\$350,000
2033-34	\$0	\$350,000
Total	\$10,131,566	\$4,650,315

Appendix A4 – Buildings (Continued)

4.4 Level of Service

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

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

4.5 Risk Management

An assessment of risks associated with maintaining an inventory of building assets has identified the following risks and the treatment strategy for each risk.

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

4.6 Improvement

Improving asset management planning for buildings is not currently viewed as a priority, as risks are able to be managed through annual planning and improvements are limited by funding availability. Demand for building assets is expected to remain relatively stable into the future. Enhanced monitoring and reporting of the key performance measures is important to help ensure the adequate maintenance of the Town's building assets.

Appendix A5 – Infrastructure – Parks and Ovals

5.1 Significant Matters

The Town controls a network of parks and ovals infrastructure made up of the following:

- Sport and Recreation facilities;
- Active and passive reserves; and
- Other minor facilities.

The nature of these assets is one of changing requirements due to both community expectations and climatic conditions and will require further analysis to fully consider future funding requirements.

5.2 Inventory

The Town's parks and ovals current replacement cost at the time of valuation at 30 June 2018 was \$9.25m.

5.2.1 Composition of Estimated Current Replacement Cost of Infrastructure – Parks and Ovals Assets

Parks and Ovals Assets	Estimated Current Replacement Cost (\$)
Amenities	\$385,300
Bin	\$6,863
Bore and Pump	\$336,646
Fence	\$870,684
Gate	\$51,211
Irrigation	\$722,266
Light	\$306,470
Lighting	\$234,563
East Fremantle Oval	\$30,058
Preston Point Road Recreation Facilities	\$785,035
Croquet Club	\$22,543
Raceway Park	\$16,031
Leeuwin Carpark No 1	\$1,030,548
Townsite	\$1,342,574
Townsite	\$164,315
Glyde In Community Learning Centre	\$16,031
Minor Structure Polygon	\$162,585
Playground Lines	\$26,417
Playground Point	\$222,772
Playground Polygon	\$946,748
Public Art	\$66,656
Sign	\$129,544
Turf	\$1,378,569
Infrastructure – Parks and Ovals Total	\$9,254,427

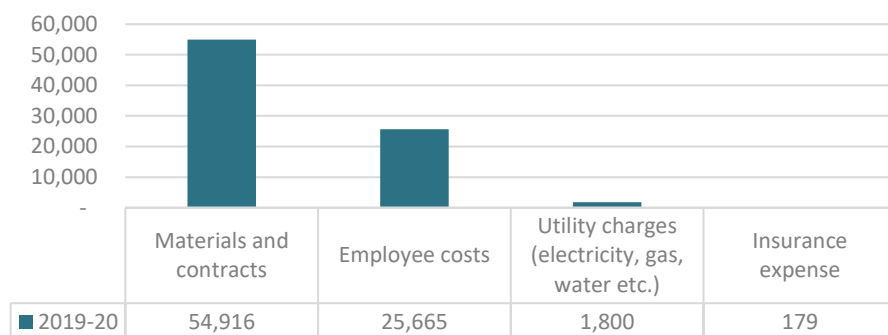
Appendix A5 – Infrastructure – Parks and Ovals (Continued)

5.3 Financial Summary

The financial impact of managing the Town’s parks and ovals assets is broken down into maintenance, new and renewal expenditure.

5.3.1 Maintenance Expenditure by Nature or Type

Parks and reserves maintenance expenditure is forecast to increase in line with inflation and is comprised of the following estimated costs in 2019-20:



5.3.2 New/Upgrade Asset Expenditure

The table below reflects new/upgrade building projects currently planned within the Long Term Financial Plan. These projects are forecasted to be funded partially from external contributions, reserves with the balance being sourced from general purpose funding.

Year	Project	Planned Expenditure \$
2021-22	Pre and primary school age play spaces	50,000
2025-26	Pre and primary school age play spaces	50,000
2026-27	Merv Cowan – Park Redevelopment	500,000
2029-30	Pre and primary school age play spaces	50,000
Total		\$650,000

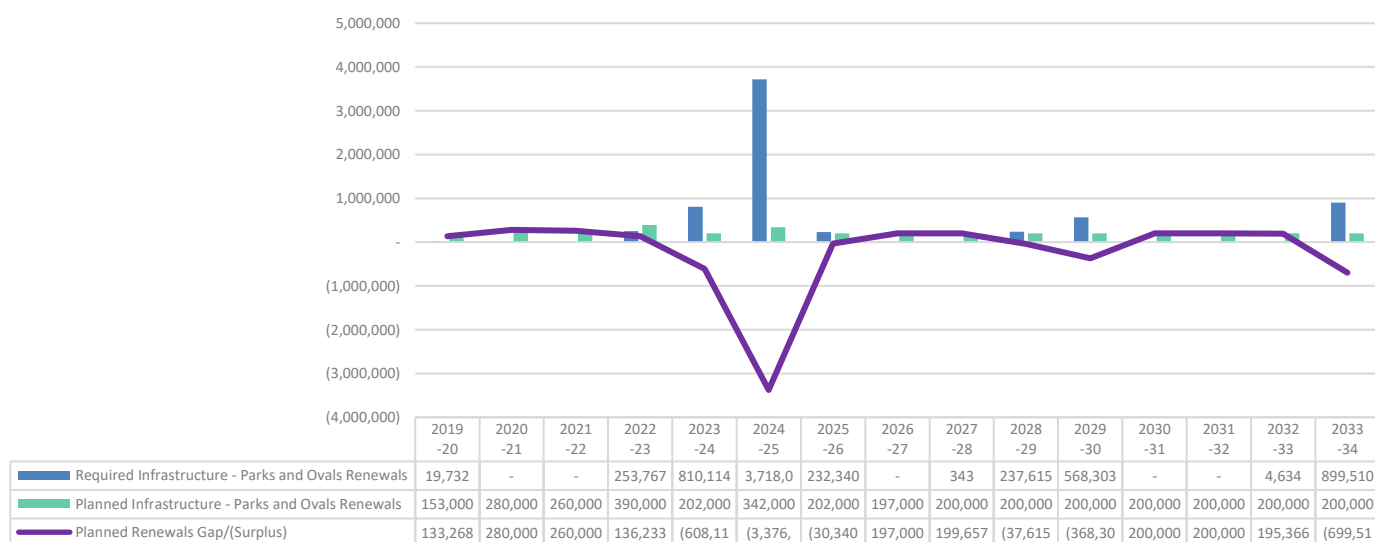
Appendix A5 – Infrastructure – Parks and Ovals (Continued)

5.3.3 Renewal Expenditure

Required parks and ovals asset renewals over the next 15 years have been forecast based on the estimated remaining useful life of the assets per the valuation. Minor asset renewals will be determined and funded within the annual budget cycle.

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

5.3.4 Forecast Planned and Required Parks and Ovals Asset Renewal Expenditure



5.4 Level of Service

Detailed performance measures and performance targets for Infrastructure- Parks and Ovals are defined in the table below

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

5.5 Improvement

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

Appendix A6 – Infrastructure – Car Parks

6.1 Significant Matters

The Town provides public car parks for residents and visitors and has developed a basic asset inventory. The nature of these assets is one of changing requirements due to both community expectations and climatic conditions and will require further analysis to fully consider future funding requirements.

6.2 Inventory

The Town's car park assets current replacement cost at the time of valuation at 30 June 2018 was \$3.67m.

6.2.1 Composition of Estimated Current Replacement Cost of Infrastructure – Car Parks Assets

Car Park Assets	Length (m)	Current Replacement Cost (\$)
Sealed	4,320	3,588,710
SW Channel	2,880	80,842
Car Park Assets Total	7,200	3,669,551

6.3 Financial Summary

The financial impacts of managing the Town's car park assets including the maintenance and renewal costs are included under Appendix A1 Roads Infrastructure.

6.4 Level of Service

Detailed performance measures and performance targets for car parks are defined in the table below

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

6.5 Improvement

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

Appendix A7 – Infrastructure – Other Improvements

7.1 Significant Matters

The Town provides a range of other infrastructure for residents and visitors, with the main component being bus shelters, and have developed a basic asset inventory. The nature of these assets is one of changing requirements due to both community expectations and climatic conditions and will require further analysis to fully consider future funding requirements.

7.2 Inventory

The Town's bus shelter infrastructure assets current replacement cost at the time of valuation at 30 June 2018 was \$299,657.

7.3 Financial Summary

The Town has included planned renewal for Other Infrastructure assets at \$100,000 per year for the term of the Plan.

7.4 Level of Service

Detailed performance measures and performance targets for Infrastructure-Other are defined in the table below

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

7.5 Improvement

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

Appendix A8 – Plant and Equipment

8.1 Significant Matters

The Town's plant and equipment portfolio includes items such as loaders, trucks and passenger vehicles. A 15 year plant replacement program is updated on an annual basis as part of the Town's annual budget process.

8.2 Inventory

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

8.2.1 Composition of Estimated Current Replacement Cost of Plant and Equipment Assets

Asset	Current Replacement Cost \$
Passenger Vehicle	387,637
Truck	217,344
Mower	144,120
Bus	52,800
Total	801,901

8.3 Financial Summary

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

8.3.1 Plant Disposals

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

Appendix A8 – Plant and Equipment (Continued)

8.4 Level of Service

Levels of service have not been previously monitored.

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

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

8.5 Risk Management

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

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

8.6 Improvement Plan

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

Appendix A9 – Estimated Asset Life and Residual Value

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

Asset Class	Asset Sub-Class	Pavement Type	Estimated Useful Life	Materials Remaining in-situ
Buildings			50	
Infrastructure - Car Parks	Sealed	Sealed Pavement	80	
Infrastructure - Car Parks	Sealed	Surface	25	
Infrastructure - Car Parks	Sealed	Subgrade	0	100%
Infrastructure - Car Parks	SW Channel	Kerbing	60	
Infrastructure - Drainage	SW Drainage	Pipe	50	
Infrastructure - Drainage	SW Drainage	Pit	60	
Infrastructure - Footpaths	Footpath	Asphalt	60	
Infrastructure - Footpaths	Footpath	Slabs	40	
Infrastructure - Footpaths	Footpath	Concrete	80	
Infrastructure - Footpaths	Footpath	Brick Paving	60	
Infrastructure - Footpaths	Footpath	All Other	40	
Infrastructure - Other Improvements	Bus Shelter	Bus Shelter	20	
Infrastructure - Parks and Ovals	Park	Fence	25	
Infrastructure - Parks and Ovals	Park	Bore and Pump	20	
Infrastructure - Parks and Ovals	Park	Minor Structure	50	
Infrastructure - Parks and Ovals	Park	Amenities	20	
Infrastructure - Parks and Ovals	Park	Minor Structure Polygon	70	
Infrastructure - Parks and Ovals	Park	Lighting	20	
Infrastructure - Parks and Ovals	Park	Irrigation	30	
Infrastructure - Parks and Ovals	Park	Public Art	20	
Infrastructure - Parks and Ovals	Park	Turf	10	
Infrastructure - Parks and Ovals	Park	Playground Point	25	
Infrastructure - Parks and Ovals	Park	Playground Lines	40	
Infrastructure - Parks and Ovals	Park	Gate	40	
Infrastructure - Parks and Ovals	Park	Light	20	
Infrastructure - Parks and Ovals	Park	Playground Polygon	70	
Infrastructure - Parks and Ovals	Park	Bin	15	
Infrastructure - Parks and Ovals	Park	Turf	80	
Infrastructure - Parks and Ovals	Park	Sign	15	
Infrastructure - Roads	Sealed	Sealed Pavement	60	
Infrastructure - Roads	Sealed	Surface	25	
Infrastructure - Roads	Sealed	Surface	25	
Infrastructure - Roads	Sealed	Surface	25	
Infrastructure - Roads	Sealed	Sealed Pavement	60	
Infrastructure - Roads	Sealed	Subgrade	0	100%
Infrastructure - Roads	Sealed	Sealed Pavement	80	
Infrastructure - Roads	Sealed	Subgrade	0	100%
Infrastructure - Roads	Sealed	Sealed Pavement	60	
Infrastructure - Roads	Sealed	Subgrade	0	100%
Infrastructure - Roads	Sealed	Subgrade	0	100%
Infrastructure - Roads	Sealed	Surface	25	
Infrastructure - Roads	SW Channel	Kerbing	60	
Infrastructure - Roads	SW Channel	Table Drain	40	
Land			50	100%

Appendix B1 – Forecast Financial Statements

Financial Statements

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

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

Statements of Comprehensive Income

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

Statement of Financial Position

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

Statement of Changes in Equity

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

Statement of Cashflows

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

Statement of Funding

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

Statement of Net Current Asset Composition

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

Statement of Fixed Asset Movements

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

Statement of Fixed Asset Funding

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

Forecast Ratios

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

Nature or Type

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

Appendix B1 – Forecast Financial Statements (Continued)

Service Programs

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

Objectives	Services
Governance	Members of Council Governance – general
General purpose funding	Rates Other general purpose funding
Law, order, public safety	Fire prevention Animal control Other law, order, public safety
Health	Maternal and infant health Preventative services <ul style="list-style-type: none"> - Immunisation - Meat inspection - Administration and inspection - Pest control - Other Other health
Education and welfare	Pre-school Other education Care of families and children Aged and disabled <ul style="list-style-type: none"> - Senior citizens centres - Meals on wheels Other welfare
Housing	Staff housing Other housing
Community amenities	Sanitation <ul style="list-style-type: none"> - Household refuse - Other Sewerage Urban stormwater drainage Protection of environment Town planning and regional development Other community amenities

Objectives	Services
Recreation and culture	Public halls, civic centre Swimming areas Other recreation and sport Television and radio re-broadcasting Libraries Other culture
Transport	Streets, roads, bridges, depots <ul style="list-style-type: none"> - Construction (not capitalised) - Maintenance Road plant purchase (if not capitalised) Parking facilities Traffic control Aerodromes Water transport facilities
Economic services	Rural services Tourism and area promotion Building control Sale yards and markets Plant nursery Other economic services
Other property and services	Private works Public works overheads Plant operation Salaries and wages Unclassified Town Planning Schemes

Appendix B2 – Forecast Statement of Comprehensive Income by Nature or Type 2019-2034

	2015-16	2016-17	2017-18	Base	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Revenues																				
Rates	6,893,029	7,370,900	7,583,304	7,819,800	8,054,394	8,296,026	8,544,907	8,801,254	9,065,292	9,337,251	9,617,369	9,905,890	10,203,067	10,509,159	10,824,434	11,149,167	11,483,642	11,828,151	12,182,995	
Operating grants, subsidies and contributions	1,027,294	1,476,719	1,238,605	1,165,936	1,104,474	1,026,563	1,047,095	1,068,037	1,089,398	1,111,185	1,133,409	1,156,076	1,179,197	1,202,780	1,226,836	1,251,371	1,276,398	1,301,926	1,327,965	
Fees and charges	1,295,417	1,372,970	1,220,784	1,175,630	1,194,418	1,230,252	1,267,160	1,305,173	1,344,333	1,384,659	1,426,201	1,468,987	1,513,054	1,558,447	1,605,199	1,653,354	1,702,954	1,754,043	1,806,664	
Interest earnings	220,100	235,921	216,943	192,000	45,713	57,266	64,374	72,606	83,448	64,924	73,351	86,277	94,225	97,065	105,904	128,621	160,407	195,242	239,269	
Other revenue	117,597	70,949	162,294	77,000	78,540	80,111	81,712	83,345	85,012	86,711	88,444	90,211	92,017	93,860	95,739	97,652	99,605	101,597	103,630	
	9,553,437	10,527,459	10,421,930	10,430,366	10,477,539	10,690,218	11,005,248	11,330,415	11,667,483	11,984,730	12,338,774	12,707,441	13,081,560	13,461,311	13,858,112	14,280,165	14,723,006	15,180,959	15,660,523	
Expenses																				
Employee costs	(3,031,590)	(3,267,301)	(3,527,962)	(3,683,695)	(3,757,372)	(3,832,525)	(3,909,173)	(3,987,359)	(4,067,106)	(4,148,447)	(4,231,412)	(4,316,046)	(4,402,371)	(4,490,422)	(4,580,227)	(4,671,833)	(4,765,267)	(4,860,579)	(4,957,794)	
Materials and contracts	(3,843,726)	(4,147,089)	(3,333,254)	(4,464,705)	(3,899,605)	(4,017,595)	(4,097,940)	(4,179,893)	(4,303,492)	(4,389,549)	(4,477,349)	(4,606,900)	(4,699,035)	(4,793,038)	(4,888,902)	(4,986,673)	(5,086,410)	(5,188,148)	(5,291,917)	
Utility charges (electricity, gas, water etc.)	(387,623)	(154,131)	(292,551)	(310,950)	(400,197)	(408,201)	(416,364)	(424,694)	(433,188)	(441,850)	(450,686)	(459,695)	(468,893)	(478,273)	(487,837)	(497,591)	(507,548)	(517,699)	(528,052)	
Depreciation on non-current assets	(2,533,323)	(2,614,799)	(2,700,093)	(2,695,133)	(1,964,944)	(2,008,735)	(2,056,115)	(2,101,735)	(2,348,774)	(2,402,795)	(2,457,655)	(2,528,204)	(2,598,575)	(2,669,308)	(2,736,056)	(2,800,028)	(2,865,278)	(2,931,833)	(3,199,722)	
Interest expense	0	0	0	0	0	0	0	0	0	(154,338)	(141,407)	(127,888)	(113,754)	(98,976)	(83,526)	(67,373)	(50,484)	(32,827)	(59,367)	
Insurance expense	(242,092)	(178,159)	(207,943)	(251,449)	(256,480)	(261,610)	(266,841)	(272,179)	(277,622)	(283,173)	(288,839)	(294,616)	(300,511)	(306,520)	(312,651)	(318,906)	(325,285)	(331,789)	(338,427)	
Other expenditure	(155,731)	(201,475)	(735,280)	(697,010)	(413,722)	(421,997)	(430,436)	(439,044)	(447,824)	(456,780)	(465,917)	(475,235)	(484,738)	(494,433)	(504,321)	(514,409)	(524,698)	(535,192)	(545,897)	
	(10,194,085)	(10,562,954)	(10,797,083)	(12,102,942)	(10,692,320)	(10,950,663)	(11,176,869)	(11,404,904)	(11,878,006)	(12,276,932)	(12,513,265)	(12,808,584)	(13,067,877)	(13,330,970)	(13,593,520)	(13,856,813)	(14,124,970)	(14,398,067)	(14,921,176)	
	(640,648)	(35,495)	(375,153)	(1,672,576)	(214,781)	(260,445)	(171,621)	(74,489)	(210,523)	(292,202)	(174,491)	(101,143)	13,683	130,341	264,592	423,352	598,036	782,892	739,347	
Non-operating grants, subsidies and contributions	353,781	80,000	68,975	147,726	750,000	0	0	0	5,000,000	25,000	0	0	0	0	0	0	0	0	0	3,000,000
Profit on disposal of assets	33,818	44,057	15,021	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loss on asset disposal	(5,651)	(127,872)	(3,076)	(27,247)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NET RESULT	(258,700)	(39,310)	(294,233)	(1,552,097)	535,219	(260,445)	(171,621)	(74,489)	4,789,477	(267,202)	(174,491)	(101,143)	13,683	130,341	264,592	423,352	598,036	782,892	3,739,347	
Other Comprehensive Income	222,818	778,856	(6,967,432)	0	1,227,728	1,251,050	1,262,898	1,278,140	1,294,145	1,500,347	1,510,118	1,523,842	1,537,221	1,560,208	1,582,230	1,593,138	1,598,035	1,609,632	1,614,150	
TOTAL COMPREHENSIVE INCOME	(35,882)	739,546	(7,261,665)	(1,552,097)	1,762,947	990,605	1,091,277	1,203,651	6,083,622	1,233,145	1,335,627	1,422,699	1,550,904	1,690,549	1,846,822	2,016,490	2,196,071	2,392,524	5,353,497	

Refer to Appendix B15 – Forecast Significant Accounting Policies

Appendix B3 – Forecast Statement of Comprehensive Income by Program 2019-2034

	2015-16	2016-17	2017-18	Base	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenue																			
Governance	103,643	46,751	76,429	20,500	20,915	21,338	21,770	22,210	22,660	23,119	23,587	24,064	24,552	25,050	25,558	26,076	26,604	27,143	27,694
General purpose funding	7,294,175	8,010,490	8,091,136	8,191,566	8,439,338	8,700,286	8,964,222	9,236,937	9,520,148	9,782,111	10,079,390	10,389,778	10,704,058	11,022,365	11,356,079	11,713,357	12,089,683	12,479,335	12,888,762
Law, order, public safety	28,968	29,214	32,299	29,180	30,055	30,957	31,885	32,841	33,827	34,842	35,887	36,965	38,073	39,215	40,391	41,603	42,851	44,137	45,461
Health	12,288	12,545	14,949	14,577	15,014	15,465	15,929	16,408	16,901	17,408	17,931	18,469	19,023	19,593	20,181	20,786	21,410	22,052	22,714
Education and welfare	901,556	937,073	947,418	912,422	931,496	850,977	868,875	887,156	905,831	924,906	944,392	964,298	984,633	1,005,406	1,026,626	1,048,304	1,070,449	1,093,074	1,116,188
Housing	85,760	86,034	80,722	80,080	82,482	84,956	87,505	90,130	92,834	95,619	98,488	101,443	104,486	107,621	110,850	114,176	117,601	121,129	124,763
Community amenities	212,329	314,831	214,944	210,000	163,771	168,684	173,744	178,957	184,326	189,856	195,552	201,419	207,461	213,686	220,097	226,700	233,501	240,506	247,722
Recreation and culture	345,933	418,108	406,954	389,324	318,241	327,418	336,864	346,584	356,588	366,881	377,477	388,382	399,608	411,163	423,055	435,294	447,891	460,857	474,202
Transport	373,253	410,220	392,910	444,000	333,535	343,352	353,460	363,867	374,584	385,617	396,977	408,672	420,715	433,115	445,883	459,028	472,565	486,502	500,853
Economic services	151,755	210,644	90,411	107,200	110,411	113,720	117,126	120,634	124,249	127,970	131,804	135,751	139,818	144,006	148,319	152,761	157,338	162,052	166,906
Other property and services	43,777	51,549	73,758	31,517	32,281	33,065	33,868	34,691	35,535	36,401	37,289	38,200	39,133	40,091	41,073	42,080	43,113	44,172	45,258
	9,553,437	10,527,459	10,421,930	10,430,366	10,477,539	10,690,218	11,005,248	11,330,415	11,667,483	11,984,730	12,338,774	12,707,441	13,081,560	13,461,311	13,858,112	14,280,165	14,723,006	15,180,959	15,660,523
Expenses Excluding Finance Costs																			
Governance	(806,186)	(901,975)	(951,811)	(1,145,547)	(1,055,662)	(1,076,992)	(1,098,877)	(1,121,071)	(1,153,374)	(1,176,776)	(1,200,640)	(1,225,688)	(1,251,158)	(1,277,084)	(1,303,271)	(1,329,785)	(1,356,831)	(1,384,413)	(1,422,192)
General purpose funding	(75,599)	(106,908)	(75,186)	(97,763)	(99,718)	(141,712)	(144,546)	(147,436)	(190,384)	(194,192)	(198,076)	(242,037)	(246,877)	(251,814)	(256,851)	(261,988)	(267,227)	(272,571)	(278,023)
Law, order, public safety	(102,663)	(94,869)	(100,817)	(154,617)	(157,709)	(160,863)	(164,080)	(167,361)	(170,708)	(174,121)	(177,603)	(181,156)	(184,780)	(188,479)	(192,248)	(196,091)	(200,011)	(204,012)	(208,092)
Health	(143,514)	(184,286)	(157,058)	(197,651)	(201,375)	(205,403)	(209,513)	(213,704)	(218,037)	(222,400)	(226,851)	(231,393)	(236,025)	(240,751)	(245,570)	(250,485)	(255,498)	(260,613)	(265,885)
Education and welfare	(1,161,379)	(1,163,888)	(1,160,679)	(1,057,823)	(1,055,571)	(1,076,816)	(1,098,565)	(1,120,671)	(1,149,204)	(1,172,397)	(1,196,050)	(1,220,609)	(1,245,613)	(1,271,088)	(1,296,907)	(1,323,123)	(1,349,862)	(1,377,136)	(1,410,923)
Housing	(28,827)	(31,798)	(36,276)	(55,630)	(55,012)	(56,122)	(57,260)	(58,415)	(60,036)	(61,253)	(62,493)	(63,789)	(65,109)	(66,453)	(67,811)	(69,187)	(70,592)	(72,025)	(73,927)
Community amenities	(2,302,292)	(2,416,560)	(2,191,691)	(2,792,902)	(2,645,920)	(2,698,843)	(2,752,824)	(2,807,888)	(2,864,266)	(2,921,557)	(2,979,996)	(3,039,620)	(3,100,434)	(3,162,467)	(3,225,733)	(3,290,257)	(3,356,074)	(3,423,208)	(3,491,899)
Recreation and culture	(2,403,887)	(2,479,975)	(2,864,048)	(3,024,759)	(2,332,064)	(2,380,628)	(2,431,315)	(2,481,863)	(2,619,091)	(2,674,480)	(2,730,878)	(2,794,636)	(2,858,997)	(2,924,202)	(2,988,394)	(3,052,112)	(3,117,108)	(3,183,408)	(3,336,485)
Transport	(2,962,635)	(2,909,367)	(2,972,147)	(3,276,004)	(2,820,104)	(2,878,501)	(2,939,272)	(3,000,051)	(3,151,041)	(3,217,186)	(3,284,549)	(3,359,740)	(3,435,727)	(3,512,774)	(3,588,959)	(3,664,839)	(3,742,242)	(3,821,194)	(3,990,493)
Economic services	(113,703)	(156,903)	(80,523)	(127,963)	(130,522)	(133,132)	(135,794)	(138,510)	(141,279)	(144,104)	(146,987)	(149,927)	(152,925)	(155,983)	(159,102)	(162,284)	(165,530)	(168,841)	(172,219)
Other property and services	(93,400)	(116,425)	(206,847)	(172,283)	(138,663)	(141,651)	(144,823)	(147,934)	(160,586)	(164,128)	(167,735)	(172,101)	(176,478)	(180,899)	(185,148)	(189,289)	(193,511)	(197,819)	(211,671)
	(10,194,085)	(10,562,954)	(10,797,083)	(12,102,942)	(10,692,320)	(10,950,663)	(11,176,869)	(11,404,904)	(11,878,006)	(12,122,594)	(12,371,858)	(12,680,696)	(12,954,123)	(13,231,994)	(13,509,994)	(13,789,440)	(14,074,486)	(14,365,240)	(14,861,809)
Finance Costs																			
Recreation and culture	0	0	0	0	0	0	0	0	0	(154,338)	(141,407)	(127,888)	(113,754)	(98,976)	(83,526)	(67,373)	(50,484)	(32,827)	(59,367)
	0	0	0	0	0	0	0	0	0	(154,338)	(141,407)	(127,888)	(113,754)	(98,976)	(83,526)	(67,373)	(50,484)	(32,827)	(59,367)
Non Operating Grants, Subsidies and Contributions																			
Recreation and culture	167,500	80,000	0	0	0	0	0	0	5,000,000	25,000	0	0	0	0	0	0	0	0	3,000,000
Transport	98,141	0	68,975	147,726	750,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	353,781	80,000	68,975	147,726	750,000	0	0	0	5,000,000	25,000	0	0	0	0	0	0	0	0	3,000,000
Profit/(Loss) on Disposal of Assets																			
Governance	1,504	7,708	0	(6,000)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Health	2,840	4,054	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Education and welfare	0	4,163	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Community amenities	0	(953)	(3,076)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Recreation and culture	17,833	(104,920)	4,636	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Transport	2,732	6,133	9,514	(21,247)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other property and services	0	0	871	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	28,167	(83,815)	11,945	(27,247)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NET RESULT	(258,700)	(39,310)	(294,233)	(1,552,097)	535,219	(260,445)	(171,621)	(74,489)	4,789,477	(267,202)	(174,491)	(101,143)	13,683	130,341	264,592	423,352	598,036	782,892	3,739,347
Other Comprehensive Income	222,818	778,856	(6,967,432)	0	1,227,728	1,251,050	1,262,898	1,278,140	1,294,145	1,500,347	1,510,118	1,523,842	1,537,221	1,560,208	1,582,230	1,593,138	1,598,035	1,609,632	1,614,150
TOTAL COMPREHENSIVE INCOME	(35,882)	739,546	(7,261,665)	(1,552,097)	1,762,947	990,605	1,091,277	1,203,651	6,083,622	1,233,145	1,335,627	1,422,699	1,550,904	1,690,549	1,846,822	2,016,490	2,196,071	2,392,524	5,353,497

Refer to Appendix B15 – Forecast Significant Accounting Policies

Appendix B4 – Forecast Statement of Financial Position 2019-2034

	2016	2017	2018	Base	30 June 20	30 June 21	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	30 June 32	30 June 33	30 June 34
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
CURRENT ASSETS																			
Unrestricted Cash and Equivalents	1,125,901	1,640,581	1,396,010	613,153	613,153	613,153	613,153	613,153	613,153	613,153	613,153	613,153	613,153	613,153	613,153	613,153	613,153	613,153	613,153
Restricted Cash and Cash Equivalent	3,452,085	3,251,730	2,082,634	1,215,357	1,677,415	1,961,750	2,291,094	2,724,806	1,983,789	2,320,885	2,837,912	3,155,836	3,269,408	3,622,974	4,531,703	5,803,165	7,196,489	8,957,596	5,827,679
Trade and Other Receivables	235,259	281,256	377,166	377,166	377,166	377,166	377,166	377,166	377,166	377,166	377,166	377,166	377,166	377,166	377,166	377,166	377,166	377,166	377,166
TOTAL CURRENT ASSETS	4,813,245	5,173,567	3,855,810	2,205,676	2,667,734	2,952,069	3,281,413	3,715,125	2,974,108	3,311,204	3,828,231	4,146,155	4,259,727	4,613,293	5,522,022	6,793,484	8,186,808	9,947,915	6,817,998
NON-CURRENT ASSETS																			
Other Receivables	70,873	57,438	28,590	28,590	28,590	28,590	28,590	28,590	28,590	28,590	28,590	28,590	28,590	28,590	28,590	28,590	28,590	28,590	28,590
Property Plant and Equipment	16,637,084	17,431,317	19,260,483	19,551,162	19,273,343	19,108,336	18,844,891	18,496,324	27,908,275	27,601,520	27,276,740	26,772,128	27,043,392	27,206,080	26,919,094	26,485,849	26,108,259	25,557,423	34,776,527
Infrastructure	54,253,746	53,515,735	45,848,514	46,286,212	47,864,920	48,736,197	49,761,575	50,880,081	51,792,769	52,711,417	53,557,710	54,856,491	55,697,819	56,532,596	57,402,707	58,209,859	59,002,186	59,778,772	60,538,671
TOTAL NON-CURRENT ASSETS	70,961,703	71,004,490	65,137,587	65,865,964	67,166,853	67,873,123	68,635,056	69,404,995	79,729,634	80,341,527	80,863,040	81,657,209	82,769,801	83,767,266	84,350,391	84,724,298	85,139,035	85,364,785	95,343,788
TOTAL ASSETS	75,774,948	76,178,057	68,993,397	68,071,640	69,834,587	70,825,192	71,916,469	73,120,120	82,703,742	83,652,731	84,691,271	85,803,364	87,029,528	88,380,559	89,872,413	91,517,782	93,325,843	95,312,700	102,161,786
CURRENT LIABILITIES																			
Trade and Other Payables	540,249	274,648	359,978	990,319	990,319	990,319	990,319	990,319	990,319	990,319	990,319	990,319	990,319	990,319	990,319	990,319	990,319	990,319	990,319
Current Portion of Long-term Liabilities	0	0	0	0	0	0	0	0	284,156	297,087	310,606	324,740	339,518	354,968	371,121	388,010	405,667	424,127	166,028
Provisions	677,822	657,407	603,309	603,309	603,309	603,309	603,309	603,309	603,309	603,309	603,309	603,309	603,309	603,309	603,309	603,309	603,309	603,309	603,309
TOTAL CURRENT LIABILITIES	1,218,071	932,055	963,287	1,593,628	1,593,628	1,593,628	1,593,628	1,593,628	1,877,784	1,890,715	1,904,234	1,918,368	1,933,146	1,948,596	1,964,749	1,981,638	1,999,295	2,017,755	1,759,656
NON-CURRENT LIABILITIES																			
Long-term Borrowings	0	0	0	0	0	0	0	0	3,215,844	2,918,757	2,608,151	2,283,411	1,943,893	1,588,925	1,217,804	829,794	424,127	0	1,753,688
Provisions	58,872	8,451	54,224	54,224	54,224	54,224	54,224	54,224	54,224	54,224	54,224	54,224	54,224	54,224	54,224	54,224	54,224	54,224	54,224
TOTAL NON-CURRENT LIABILITIES	58,872	8,451	54,224	54,224	54,224	54,224	54,224	54,224	3,270,068	2,972,981	2,662,375	2,337,635	1,998,117	1,643,149	1,272,028	884,018	478,351	54,224	1,807,912
TOTAL LIABILITIES	1,276,943	940,506	1,017,511	1,647,852	1,647,852	1,647,852	1,647,852	1,647,852	5,147,852	4,863,696	4,566,609	4,256,003	3,931,263	3,591,745	3,236,777	2,865,656	2,477,646	2,071,979	3,567,568
NET ASSETS	74,498,005	75,237,551	67,975,886	66,423,788	68,186,735	69,177,340	70,268,617	71,472,268	77,555,890	78,789,035	80,124,662	81,547,361	83,098,265	84,788,814	86,635,636	88,652,126	90,848,197	93,240,721	98,594,218
EQUITY																			
Retained Surplus	22,127,123	22,288,168	23,163,031	22,478,210	22,551,371	22,006,591	21,505,626	20,997,425	26,527,919	25,923,621	25,232,103	24,813,036	24,713,147	24,489,922	23,845,785	22,997,675	22,202,387	21,224,172	28,093,436
Reserves - Cash Backed	3,452,085	3,251,730	2,082,634	1,215,357	1,677,415	1,961,750	2,291,094	2,724,806	1,983,789	2,320,885	2,837,912	3,155,836	3,269,408	3,622,974	4,531,703	5,803,165	7,196,489	8,957,596	5,827,679
Asset Revaluation Surplus	48,918,797	49,697,653	42,730,221	42,730,221	43,957,949	45,208,999	46,471,897	47,750,037	49,044,182	50,544,529	52,054,647	53,578,489	55,115,710	56,675,918	58,258,148	59,851,286	61,449,321	63,058,953	64,673,103
TOTAL EQUITY	74,498,005	75,237,551	67,975,886	66,423,788	68,186,735	69,177,340	70,268,617	71,472,268	77,555,890	78,789,035	80,124,662	81,547,361	83,098,265	84,788,814	86,635,636	88,652,126	90,848,197	93,240,721	98,594,218

Refer to Appendix B15 – Forecast Significant Accounting Policies

Appendix B5 – Forecast Statement of Changes in Equity 2019-2034

	2016	2017	2018	Base	30 June 20	30 June 21	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	30 June 32	30 June 33	30 June 34
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
RETAINED SURPLUS																			
Opening Balance	22,385,823	22,127,123	22,288,168	23,163,030	22,478,210	22,551,371	22,006,591	21,505,626	20,997,425	26,527,919	25,923,621	25,232,103	24,813,036	24,713,147	24,489,922	23,845,785	22,997,675	22,202,387	21,224,172
Net Result	(258,700)	(39,310)	(294,233)	(1,552,097)	535,219	(260,445)	(171,621)	(74,489)	4,789,477	(267,202)	(174,491)	(101,143)	13,683	130,341	264,592	423,352	598,036	782,892	3,739,347
Amount transferred (to)/from Reserves		200,355	1,169,096	867,277	(462,058)	(284,335)	(329,344)	(433,712)	741,017	(337,096)	(517,027)	(317,924)	(113,572)	(353,566)	(908,729)	(1,271,462)	(1,393,324)	(1,761,107)	3,129,917
Closing Balance	22,127,123	22,288,168	23,163,031	22,478,210	22,551,371	22,006,591	21,505,626	20,997,425	26,527,919	25,923,621	25,232,103	24,813,036	24,713,147	24,489,922	23,845,785	22,997,675	22,202,387	21,224,172	28,093,436
RESERVES - CASH/INVESTMENT BACKED																			
Opening Balance	3,452,085	3,452,085	3,251,730	2,082,634	1,215,357	1,677,415	1,961,750	2,291,094	2,724,806	1,983,789	2,320,885	2,837,912	3,155,836	3,269,408	3,622,974	4,531,703	5,803,165	7,196,489	8,957,596
Amount transferred to/(from) Retained Surplus	0	(200,355)	(1,169,096)	(867,277)	462,058	284,335	329,344	433,712	(741,017)	337,096	517,027	317,924	113,572	353,566	908,729	1,271,462	1,393,324	1,761,107	(3,129,917)
Closing Balance	3,452,085	3,251,730	2,082,634	1,215,357	1,677,415	1,961,750	2,291,094	2,724,806	1,983,789	2,320,885	2,837,912	3,155,836	3,269,408	3,622,974	4,531,703	5,803,165	7,196,489	8,957,596	5,827,679
ASSET REVALUATION SURPLUS																			
Opening Balance	48,695,979	48,918,797	49,697,653	42,730,221	42,730,221	43,957,949	45,208,999	46,471,897	47,750,037	49,044,182	50,544,529	52,054,647	53,578,489	55,115,710	56,675,918	58,258,148	59,851,286	61,449,321	63,058,953
Total Other Comprehensive Income	222,818	778,856	(6,967,432)	0	1,227,728	1,251,050	1,262,898	1,278,140	1,294,145	1,500,347	1,510,118	1,523,842	1,537,221	1,560,208	1,582,230	1,593,138	1,598,035	1,609,632	1,614,150
Closing Balance	48,918,797	49,697,653	42,730,221	42,730,221	43,957,949	45,208,999	46,471,897	47,750,037	49,044,182	50,544,529	52,054,647	53,578,489	55,115,710	56,675,918	58,258,148	59,851,286	61,449,321	63,058,953	64,673,103
TOTAL EQUITY	74,498,005	75,237,551	67,975,886	66,423,788	68,186,735	69,177,340	70,268,617	71,472,268	77,555,890	78,789,035	80,124,662	81,547,361	83,098,265	84,788,814	86,635,636	88,652,126	90,848,197	93,240,721	98,594,218

Appendix B6 – Forecast Statement of Cashflows 2019-2034

	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Cash Flows From Operating Activities																
Receipts																
Rates	8,054,394	8,296,026	8,544,907	8,801,254	9,065,292	9,337,251	9,617,369	9,905,890	10,203,067	10,509,159	10,824,434	11,149,167	11,483,642	11,828,151	12,182,995	
Operating grants, subsidies and contributions	1,104,474	1,026,563	1,047,095	1,068,037	1,089,398	1,111,185	1,133,409	1,156,076	1,179,197	1,202,780	1,226,836	1,251,371	1,276,398	1,301,926	1,327,965	
Fees and charges	1,194,418	1,230,252	1,267,160	1,305,173	1,344,333	1,384,659	1,426,201	1,468,987	1,513,054	1,558,447	1,605,199	1,653,354	1,702,954	1,754,043	1,806,664	
Interest earnings	45,713	57,266	64,374	72,606	83,448	64,924	73,351	86,277	94,225	97,065	105,904	128,621	160,407	195,242	239,269	
Other revenue	78,540	80,111	81,712	83,345	85,012	86,711	88,444	90,211	92,017	93,860	95,739	97,652	99,605	101,597	103,630	
	10,477,539	10,690,218	11,005,248	11,330,415	11,667,483	11,984,730	12,338,774	12,707,441	13,081,560	13,461,311	13,858,112	14,280,165	14,723,006	15,180,959	15,660,523	
Payments																
Employee costs	(3,757,372)	(3,832,525)	(3,909,173)	(3,987,359)	(4,067,106)	(4,148,447)	(4,231,412)	(4,316,046)	(4,402,371)	(4,490,422)	(4,580,227)	(4,671,833)	(4,765,267)	(4,860,579)	(4,957,794)	
Materials and contracts	(3,899,605)	(4,017,595)	(4,097,940)	(4,179,893)	(4,303,492)	(4,389,549)	(4,477,349)	(4,606,900)	(4,699,035)	(4,793,038)	(4,888,902)	(4,986,673)	(5,086,410)	(5,188,148)	(5,291,917)	
Utility charges	(400,197)	(408,201)	(416,364)	(424,694)	(433,188)	(441,850)	(450,686)	(459,695)	(468,893)	(478,273)	(487,837)	(497,591)	(507,548)	(517,699)	(528,052)	
Interest expenses	0	0	0	0	0	(154,338)	(141,407)	(127,888)	(113,754)	(98,976)	(83,526)	(67,373)	(50,484)	(32,827)	(59,367)	
Insurance expenses	(256,480)	(261,610)	(266,841)	(272,179)	(277,622)	(283,173)	(288,839)	(294,616)	(300,511)	(306,520)	(312,651)	(318,906)	(325,285)	(331,789)	(338,427)	
Other expenditure	(413,722)	(421,997)	(430,436)	(439,044)	(447,824)	(456,780)	(465,917)	(475,235)	(484,738)	(494,433)	(504,321)	(514,409)	(524,698)	(535,192)	(545,897)	
	(8,727,376)	(8,941,928)	(9,120,754)	(9,303,169)	(9,529,232)	(9,874,137)	(10,055,610)	(10,280,380)	(10,469,302)	(10,661,662)	(10,857,464)	(11,056,785)	(11,259,692)	(11,466,234)	(11,721,454)	
Net Cash Provided By (Used In) Operating Activities	1,750,163	1,748,290	1,884,494	2,027,246	2,138,251	2,110,593	2,283,164	2,427,061	2,612,258	2,799,649	3,000,648	3,223,380	3,463,314	3,714,725	3,939,069	
Cash Flows from Investing Activities																
Payments for purchase of property, plant & equipment	(270,815)	(481,985)	(429,835)	(375,862)	(10,370,948)	(487,380)	(517,429)	(349,709)	(1,209,485)	(1,120,422)	(665,435)	(578,886)	(707,935)	(542,808)	(10,542,789)	
Payments for construction of infrastructure	(1,767,290)	(1,052,821)	(1,216,154)	(1,314,332)	(1,112,214)	(1,126,514)	(1,064,537)	(1,544,078)	(1,089,228)	(1,095,000)	(1,145,000)	(1,095,000)	(1,095,000)	(1,095,000)	(1,095,000)	
Non-operating grants, subsidies and contributions	750,000	0	0	0	5,000,000	25,000	0	0	0	0	0	0	0	0	3,000,000	
Proceeds from sale of plant & equipment	0	70,851	90,839	96,660	103,894	99,553	112,916	95,256	124,767	108,857	73,484	93,089	120,955	89,857	73,214	
Net Cash Provided By (Used In) Investing Activities	(1,288,105)	(1,463,955)	(1,555,150)	(1,593,534)	(6,379,268)	(1,489,341)	(1,469,050)	(1,798,531)	(2,173,946)	(2,106,565)	(1,736,951)	(1,580,797)	(1,681,980)	(1,547,951)	(8,564,575)	
Cash Flows from Financing Activities																
Repayment of debentures	0	0	0	0	0	(284,156)	(297,087)	(310,606)	(324,740)	(339,518)	(354,968)	(371,121)	(388,010)	(405,667)	(504,411)	
Proceeds from new debentures	0	0	0	0	3,500,000	0	0	0	0	0	0	0	0	0	2,000,000	
Net Cash Provided By (Used In) Financing Activities	0	0	0	0	3,500,000	(284,156)	(297,087)	(310,606)	(324,740)	(339,518)	(354,968)	(371,121)	(388,010)	(405,667)	1,495,589	
Net Increase (Decrease) in Cash Held	462,058	284,335	329,344	433,712	(741,017)	337,096	517,027	317,924	113,572	353,566	908,729	1,271,462	1,393,324	1,761,107	(3,129,917)	
Cash at beginning of year	1,828,510	2,290,568	2,574,903	2,904,247	3,337,959	2,596,942	2,934,038	3,451,065	3,768,989	3,882,561	4,236,127	5,144,856	6,416,318	7,809,642	9,570,749	
Cash and Cash Equivalents at the End of Year	2,290,568	2,574,903	2,904,247	3,337,959	2,596,942	2,934,038	3,451,065	3,768,989	3,882,561	4,236,127	5,144,856	6,416,318	7,809,642	9,570,749	6,440,832	

Refer to Appendix B15 – Forecast Significant Accounting Policies

Appendix B7 – Forecast Statement of Funding 2019-2034

	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
FUNDING FROM OPERATIONAL ACTIVITIES																
Revenues																
Rates	8,054,394	8,296,026	8,544,907	8,801,254	9,065,292	9,337,251	9,617,369	9,905,890	10,203,067	10,509,159	10,824,434	11,149,167	11,483,642	11,828,151	12,182,995	
Operating grants, subsidies and contributions	1,104,474	1,026,563	1,047,095	1,068,037	1,089,398	1,111,185	1,133,409	1,156,076	1,179,197	1,202,780	1,226,836	1,251,371	1,276,398	1,301,926	1,327,965	
Fees and charges	1,194,418	1,230,252	1,267,160	1,305,173	1,344,333	1,384,659	1,426,201	1,468,987	1,513,054	1,558,447	1,605,199	1,653,354	1,702,954	1,754,043	1,806,664	
Interest earnings	45,713	57,266	64,374	72,606	83,448	64,924	73,351	86,277	94,225	97,065	105,904	128,621	160,407	195,242	239,269	
Other revenue	78,540	80,111	81,712	83,345	85,012	86,711	88,444	90,211	92,017	93,860	95,739	97,652	99,605	101,597	103,630	
	10,477,539	10,690,218	11,005,248	11,330,415	11,667,483	11,984,730	12,338,774	12,707,441	13,081,560	13,461,311	13,858,112	14,280,165	14,723,006	15,180,959	15,660,523	
Expenses																
Employee costs	(3,757,372)	(3,832,525)	(3,909,173)	(3,987,359)	(4,067,106)	(4,148,447)	(4,231,412)	(4,316,046)	(4,402,371)	(4,490,422)	(4,580,227)	(4,671,833)	(4,765,267)	(4,860,579)	(4,957,794)	
Materials and contracts	(3,899,605)	(4,017,595)	(4,097,940)	(4,179,893)	(4,303,492)	(4,389,549)	(4,477,349)	(4,606,900)	(4,699,035)	(4,793,038)	(4,888,902)	(4,986,673)	(5,086,410)	(5,188,148)	(5,291,917)	
Utility charges (electricity, gas, water etc.)	(400,197)	(408,201)	(416,364)	(424,694)	(433,188)	(441,850)	(450,686)	(459,695)	(468,893)	(478,273)	(487,837)	(497,591)	(507,548)	(517,699)	(528,052)	
Depreciation on non-current assets	(1,964,944)	(2,008,735)	(2,056,115)	(2,101,735)	(2,348,774)	(2,402,795)	(2,457,655)	(2,528,204)	(2,598,575)	(2,669,308)	(2,736,056)	(2,800,028)	(2,865,278)	(2,931,833)	(3,199,722)	
Interest expense	0	0	0	0	0	(154,338)	(141,407)	(127,888)	(113,754)	(98,976)	(83,526)	(67,373)	(50,484)	(32,827)	(59,367)	
Insurance expense	(256,480)	(261,610)	(266,841)	(272,179)	(277,622)	(283,173)	(288,839)	(294,616)	(300,511)	(306,520)	(312,651)	(318,906)	(325,285)	(331,789)	(338,427)	
Other expenditure	(413,722)	(421,997)	(430,436)	(439,044)	(447,824)	(456,780)	(465,917)	(475,235)	(484,738)	(494,433)	(504,321)	(514,409)	(524,698)	(535,192)	(545,897)	
	(10,692,320)	(10,950,663)	(11,176,869)	(11,404,904)	(11,878,006)	(12,276,932)	(12,513,265)	(12,808,584)	(13,067,877)	(13,330,970)	(13,593,520)	(13,856,813)	(14,124,970)	(14,398,067)	(14,921,176)	
	(214,781)	(260,445)	(171,621)	(74,489)	(210,523)	(292,202)	(174,491)	(101,143)	13,683	130,341	264,592	423,352	598,036	782,892	739,347	
Funding Position Adjustments																
Depreciation on non-current assets	1,964,944	2,008,735	2,056,115	2,101,735	2,348,774	2,402,795	2,457,655	2,528,204	2,598,575	2,669,308	2,736,056	2,800,028	2,865,278	2,931,833	3,199,722	
Net Funding From Operational Activities	1,750,163	1,748,290	1,884,494	2,027,246	2,138,251	2,110,593	2,283,164	2,427,061	2,612,258	2,799,649	3,000,648	3,223,380	3,463,314	3,714,725	3,939,069	
FUNDING FROM CAPITAL ACTIVITIES																
Inflows																
Proceeds on disposal	0	70,851	90,839	96,660	103,894	99,553	112,916	95,256	124,767	108,857	73,484	93,089	120,955	89,857	73,214	
Non-operating grants, subsidies and contributions	750,000	0	0	0	5,000,000	25,000	0	0	0	0	0	0	0	0	3,000,000	
Outflows																
Purchase of property plant and equipment	(270,815)	(481,985)	(429,835)	(375,862)	(10,370,948)	(487,380)	(517,429)	(349,709)	(1,209,485)	(1,120,422)	(665,435)	(578,886)	(707,935)	(542,808)	(10,542,789)	
Purchase of infrastructure	(1,767,290)	(1,052,821)	(1,216,154)	(1,314,332)	(1,112,214)	(1,126,514)	(1,064,537)	(1,544,078)	(1,089,228)	(1,095,000)	(1,145,000)	(1,095,000)	(1,095,000)	(1,095,000)	(1,095,000)	
Net Funding From Capital Activities	(1,288,105)	(1,463,955)	(1,555,150)	(1,593,534)	(6,379,268)	(1,489,341)	(1,469,050)	(1,798,531)	(2,173,946)	(2,106,565)	(1,736,951)	(1,580,797)	(1,681,980)	(1,547,951)	(8,564,575)	
FUNDING FROM FINANCING ACTIVITIES																
Inflows																
Transfer from reserves	45,000	45,000	145,000	45,000	1,545,000	45,000	45,000	45,000	45,000	386,000	45,000	45,000	45,000	45,000	6,360,000	
New borrowings	0	0	0	0	3,500,000	0	0	0	0	0	0	0	0	0	2,000,000	
Outflows																
Transfer to reserves	(507,058)	(329,335)	(474,344)	(478,712)	(803,983)	(382,096)	(562,027)	(362,924)	(158,572)	(739,566)	(953,729)	(1,316,462)	(1,438,324)	(1,806,107)	(3,230,083)	
Repayment of past borrowings	0	0	0	0	0	(284,156)	(297,087)	(310,606)	(324,740)	(339,518)	(354,968)	(371,121)	(388,010)	(405,667)	(504,411)	
Net Funding From Financing Activities	(462,058)	(284,335)	(329,344)	(433,712)	4,241,017	(621,252)	(814,114)	(628,530)	(438,312)	(693,084)	(1,263,697)	(1,642,583)	(1,781,334)	(2,166,774)	4,625,506	

Refer to Appendix B15 – Forecast Significant Accounting Policies

Appendix B8 – Forecast Statement of Net Current Asset Composition 2019-2034

	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Estimated Surplus/Deficit July 1 B/Fwd	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
CURRENT ASSETS															
Unrestricted Cash and Equivalents	613,153	613,153	613,153	613,153	613,153	613,153	613,153	613,153	613,153	613,153	613,153	613,153	613,153	613,153	613,153
Restricted Cash and Cash Equivalent	1,677,415	1,961,750	2,291,094	2,724,806	1,983,789	2,320,885	2,837,912	3,155,836	3,269,408	3,622,974	4,531,703	5,803,165	7,196,489	8,957,596	5,827,679
Trade and Other Receivables	377,166	377,166	377,166	377,166	377,166	377,166	377,166	377,166	377,166	377,166	377,166	377,166	377,166	377,166	377,166
CURRENT LIABILITIES															
Trade and Other Payables	(990,319)	(990,319)	(990,319)	(990,319)	(990,319)	(990,319)	(990,319)	(990,319)	(990,319)	(990,319)	(990,319)	(990,319)	(990,319)	(990,319)	(990,319)
Reserves	(1,677,415)	(1,961,750)	(2,291,094)	(2,724,806)	(1,983,789)	(2,320,885)	(2,837,912)	(3,155,836)	(3,269,408)	(3,622,974)	(4,531,703)	(5,803,165)	(7,196,489)	(8,957,596)	(5,827,679)
Estimated Surplus/Deficit June 30 C/Fwd	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Appendix B9 – Forecast Statement of Fixed Asset Movements 2019-2034

	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
CAPITAL WORKS - INFRASTRUCTURE															
Infrastructure - Roads	1,276,786	391,141	517,386	549,638	515,796	391,785	449,690	492,802	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Infrastructure - Footpaths	142,504	186,680	198,768	179,694	199,418	197,729	167,847	159,276	194,228	200,000	200,000	200,000	200,000	200,000	200,000
Infrastructure - Drainage	50,000	50,000	45,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Infrastructure - Parks and Ovals	153,000	280,000	310,000	390,000	202,000	342,000	252,000	697,000	200,000	200,000	250,000	200,000	200,000	200,000	200,000
Infrastructure - Other Improvements	145,000	145,000	145,000	145,000	145,000	145,000	145,000	145,000	145,000	145,000	145,000	145,000	145,000	145,000	145,000
Total Capital Works - Infrastructure	1,767,290	1,052,821	1,216,154	1,314,332	1,112,214	1,126,514	1,064,537	1,544,078	1,089,228	1,095,000	1,145,000	1,095,000	1,095,000	1,095,000	1,095,000
Represented by:															
Additions - Expansion, Upgrades and New	1,170,000	45,000	95,000	45,000	45,000	45,000	95,000	545,000	45,000	45,000	95,000	45,000	45,000	45,000	45,000
Additions - Renewal	597,290	1,007,821	1,121,154	1,269,332	1,067,214	1,081,514	969,537	999,078	1,044,228	1,050,000	1,050,000	1,050,000	1,050,000	1,050,000	1,050,000
Total Capital Works - Infrastructure	1,767,290	1,052,821	1,216,154	1,314,332	1,112,214	1,126,514	1,064,537	1,544,078	1,089,228	1,095,000	1,145,000	1,095,000	1,095,000	1,095,000	1,095,000
Asset Movement Reconciliation															
Total Capital Works Infrastructure	1,767,290	1,052,821	1,216,154	1,314,332	1,112,214	1,126,514	1,064,537	1,544,078	1,089,228	1,095,000	1,145,000	1,095,000	1,095,000	1,095,000	1,095,000
Depreciation Infrastructure	(1,114,306)	(1,138,842)	(1,165,498)	(1,191,058)	(1,217,128)	(1,243,721)	(1,272,473)	(1,316,452)	(1,345,030)	(1,374,180)	(1,405,541)	(1,435,902)	(1,466,870)	(1,498,457)	(1,530,678)
Revaluation of Infrastructure assets (Inflation)	925,724	957,298	974,722	995,232	1,017,602	1,035,855	1,054,229	1,071,155	1,097,130	1,113,957	1,130,652	1,148,054	1,164,197	1,180,043	1,195,577
Net Movement in Infrastructure Assets	1,578,708	871,277	1,025,378	1,118,506	912,688	918,648	846,293	1,298,781	841,328	834,777	870,111	807,152	792,327	776,586	759,899
CAPITAL WORKS - PROPERTY, PLANT AND EQUIPMENT															
Buildings	14,585	112,150	166,299	112,391	10,137,770	239,725	146,337	143,311	877,906	825,605	474,236	350,000	350,000	350,000	10,350,000
Furniture and Equipment	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Plant and Equipment	241,230	354,835	248,536	248,471	218,178	232,655	356,092	191,398	316,579	279,817	176,199	213,886	342,935	177,808	177,789
Total Capital Works Property, Plant and Equipment	270,815	481,985	429,835	375,862	10,370,948	487,380	517,429	349,709	1,209,485	1,120,422	665,435	578,886	707,935	542,808	10,542,789
Represented by:															
Additions - Expansion, Upgrades and New	0	0	0	0	10,000,000	0	0	0	0	0	0	0	0	0	10,000,000
Additions - Renewal	270,815	481,985	429,835	375,862	370,948	487,380	517,429	349,709	1,209,485	1,120,422	665,435	578,886	707,935	542,808	542,789
Total Capital Works Property, Plant and Equipment	270,815	481,985	429,835	375,862	10,370,948	487,380	517,429	349,709	1,209,485	1,120,422	665,435	578,886	707,935	542,808	10,542,789
Asset Movement Reconciliation															
Total Capital Works Property, Plant and Equipment	270,815	481,985	429,835	375,862	10,370,948	487,380	517,429	349,709	1,209,485	1,120,422	665,435	578,886	707,935	542,808	10,542,789
Depreciation Property, Plant and Equipment	(850,638)	(869,893)	(890,617)	(910,677)	(1,131,646)	(1,159,074)	(1,185,182)	(1,211,752)	(1,253,545)	(1,295,128)	(1,330,515)	(1,364,126)	(1,398,408)	(1,433,376)	(1,669,044)
Net Book Value of disposed/Written Off assets	0	(70,851)	(90,839)	(96,660)	(103,894)	(99,553)	(112,916)	(95,256)	(124,767)	(108,857)	(73,484)	(93,089)	(120,955)	(89,857)	(73,214)
Revaluation of Property, Plant and Equipment (Inflation)	302,004	293,752	288,176	282,908	276,543	464,492	455,889	452,687	440,091	446,251	451,578	445,084	433,838	429,589	418,573
Net Movement in Property, Plant and Equipment	(277,819)	(165,007)	(263,445)	(348,567)	9,411,951	(306,755)	(324,780)	(504,612)	271,264	162,688	(286,986)	(433,245)	(377,590)	(550,836)	9,219,104
CAPITAL WORKS - TOTALS															
Capital Works															
Total Capital Works Infrastructure	1,767,290	1,052,821	1,216,154	1,314,332	1,112,214	1,126,514	1,064,537	1,544,078	1,089,228	1,095,000	1,145,000	1,095,000	1,095,000	1,095,000	1,095,000
Total Capital Works Property, Plant and Equipment	270,815	481,985	429,835	375,862	10,370,948	487,380	517,429	349,709	1,209,485	1,120,422	665,435	578,886	707,935	542,808	10,542,789
Total Capital Works	2,038,105	1,534,806	1,645,989	1,690,194	11,483,162	1,613,894	1,581,966	1,893,787	2,298,713	2,215,422	1,810,435	1,673,886	1,802,935	1,637,808	11,637,789
Fixed Asset Movement															
Net Movement in Infrastructure Assets	1,578,708	871,277	1,025,378	1,118,506	912,688	918,648	846,293	1,298,781	841,328	834,777	870,111	807,152	792,327	776,586	759,899
Net Movement in Property, Plant and Equipment	(277,819)	(165,007)	(263,445)	(348,567)	9,411,951	(306,755)	(324,780)	(504,612)	271,264	162,688	(286,986)	(433,245)	(377,590)	(550,836)	9,219,104
Net Movement in Fixed Assets	1,300,889	706,270	761,933	769,939	10,324,639	611,893	521,513	794,169	1,112,592	997,465	583,125	373,907	414,737	225,750	9,979,003

Refer to Appendix B15 – Forecast Significant Accounting Policies

Appendix B10 – Forecast Statement of Capital Funding 2019-2034

	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Capital Expenditure															
Infrastructure - Roads	1,276,786	391,141	517,386	549,638	515,796	391,785	449,690	492,802	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Infrastructure - Footpaths	142,504	186,680	198,768	179,694	199,418	197,729	167,847	159,276	194,228	200,000	200,000	200,000	200,000	200,000	200,000
Infrastructure - Drainage	50,000	50,000	45,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Infrastructure - Parks and Ovals	153,000	280,000	310,000	390,000	202,000	342,000	252,000	697,000	200,000	200,000	250,000	200,000	200,000	200,000	200,000
Infrastructure - Other Improvements	145,000	145,000	145,000	145,000	145,000	145,000	145,000	145,000	145,000	145,000	145,000	145,000	145,000	145,000	145,000
Buildings	14,585	112,150	166,299	112,391	10,137,770	239,725	146,337	143,311	877,906	825,605	474,236	350,000	350,000	350,000	10,350,000
Furniture and Equipment	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Plant and Equipment	241,230	354,835	248,536	248,471	218,178	232,655	356,092	191,398	316,579	279,817	176,199	213,886	342,935	177,808	177,789
Total - Capital Expenditure	2,038,105	1,534,806	1,645,989	1,690,194	11,483,162	1,613,894	1,581,966	1,893,787	2,298,713	2,215,422	1,810,435	1,673,886	1,802,935	1,637,808	11,637,789
Funded By:															
Capital Grants & Contributions															
Infrastructure - Roads	750,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Infrastructure - Parks and Ovals	0	0	0	0	0	25,000	0	0	0	0	0	0	0	0	0
Buildings	0	0	0	0	5,000,000	0	0	0	0	0	0	0	0	0	3,000,000
Total - Capital Grants & Contributions	750,000	0	0	0	5,000,000	25,000	0	0	0	0	0	0	0	0	3,000,000
Own Source Funding															
Infrastructure - Roads	526,786	391,141	517,386	549,638	515,796	391,785	449,690	492,802	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Infrastructure - Footpaths	142,504	186,680	198,768	179,694	199,418	197,729	167,847	159,276	194,228	200,000	200,000	200,000	200,000	200,000	200,000
Infrastructure - Drainage	50,000	50,000	45,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Infrastructure - Parks and Ovals	153,000	280,000	310,000	390,000	202,000	317,000	252,000	697,000	200,000	200,000	250,000	200,000	200,000	200,000	200,000
Infrastructure - Other Improvements	145,000	145,000	145,000	145,000	145,000	145,000	145,000	145,000	145,000	145,000	145,000	145,000	145,000	145,000	145,000
Buildings	14,585	112,150	166,299	112,391	1,637,770	239,725	146,337	143,311	877,906	825,605	474,236	350,000	350,000	350,000	5,350,000
Furniture and Equipment	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Plant and Equipment	241,230	283,984	157,697	151,811	114,284	133,102	243,176	96,142	191,812	170,960	102,715	120,797	221,980	87,951	104,575
Total - Own Source Funding	1,288,105	1,463,955	1,555,150	1,593,534	2,879,268	1,489,341	1,469,050	1,798,531	2,173,946	2,106,565	1,736,951	1,580,797	1,681,980	1,547,951	6,564,575
Borrowings															
Buildings	0	0	0	0	3,500,000	0	0	0	0	0	0	0	0	0	2,000,000
Total - Borrowings	0	0	0	0	3,500,000	0	0	0	0	0	0	0	0	0	2,000,000
Other (Disposals & C/Fwd)															
Plant and Equipment	0	70,851	90,839	96,660	103,894	99,553	112,916	95,256	124,767	108,857	73,484	93,089	120,955	89,857	73,214
Total - Other (Disposals & C/Fwd)	0	70,851	90,839	96,660	103,894	99,553	112,916	95,256	124,767	108,857	73,484	93,089	120,955	89,857	73,214
Total Capital Funding	2,038,105	1,534,806	1,645,989	1,690,194	11,483,162	1,613,894	1,581,966	1,893,787	2,298,713	2,215,422	1,810,435	1,673,886	1,802,935	1,637,808	11,637,789

Refer to Appendix B15 – Forecast Significant Accounting Policies

Appendix B11 – Forecast Ratios 2019-2034

	Target Range		Average	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34		
	>	>																		
LIQUIDITY RATIOS																				
Current Ratio	>	1.00	>	1.20	0.55	0.63	0.63	0.63	0.63	0.53	0.53	0.52	0.52	0.52	0.51	0.51	0.50	0.50	0.49	0.57
OPERATING RATIOS																				
Operating Surplus Ratio	>	1.00%	>	15.00%	0.48%	(2.29%)	(2.70%)	(1.72%)	(0.73%)	(1.99%)	(2.69%)	(1.56%)	(0.88%)	0.11%	1.06%	2.09%	3.25%	4.45%	5.64%	5.16%
Own Source Revenue Coverage Ratio	>	40.00%	>	60.00%	91.33%	87.66%	88.25%	89.10%	89.98%	89.06%	88.57%	89.55%	90.18%	91.08%	91.96%	92.92%	94.02%	95.20%	96.40%	96.06%
BORROWINGS RATIOS																				
Debt Service Cover Ratio	>	3	>	5	6.75	-	-	-	-	-	5.17	5.53	5.83	6.22	6.61	7.03	7.50	8.01	8.55	7.09
FIXED ASSET RATIOS																				
Asset Sustainability Ratio	>	90.00%	>	110.00%	64.45%	44.18%	74.17%	75.43%	78.28%	61.23%	65.29%	60.50%	53.35%	86.73%	81.31%	62.70%	58.17%	61.35%	54.33%	49.78%
Asset Consumption Ratio	>	50.00%	>	60.00%	54.01%	56.43%	55.76%	55.20%	54.69%	57.14%	56.37%	55.56%	54.78%	54.14%	53.44%	52.60%	51.70%	50.84%	49.88%	51.57%
Asset Renewal Funding Ratio	>	75.00%	>	95.00%	134.73%	168.65%	141.79%	136.29%	125.14%	101.80%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Refer to Appendix B15 – Forecast Significant Accounting Policies

Appendix B12 – Forecast Planned and Required Asset Renewals 2019-2034

Required Asset Renewals 2019-2034

	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Asset Class															
Buildings	96,039	-	-	-	-	474,522	-	1,344,552	1,045,678	214,967	2,082,060	389,906	1,116,398	3,367,444	-
Infrastructure - Footpaths	65,947	-	-	-	-	-	392,777	-	-	653,959	-	-	-	-	-
Infrastructure - Parks and Ovals	19,732	-	-	253,767	810,114	3,718,020	232,340	-	343	237,615	568,303	-	-	4,634	899,510
Total	181,718	-	-	253,767	810,114	4,192,542	625,117	1,344,552	1,046,021	1,106,541	2,650,363	389,906	1,116,398	3,372,078	899,510

Planned Asset Renewals 2019-2034

	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Asset Class															
Buildings	14,585	112,150	166,299	112,391	137,770	239,725	146,337	143,311	877,906	825,605	474,236	350,000	350,000	350,000	350,000
Furniture and Equipment	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Plant and Equipment	241,230	354,835	248,536	248,471	218,178	232,655	356,092	191,398	316,579	279,817	176,199	213,886	342,935	177,808	177,789
Infrastructure - Roads	151,786	391,141	517,386	549,638	515,796	391,785	449,690	492,802	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Infrastructure - Footpaths	142,504	186,680	198,768	179,694	199,418	197,729	167,847	159,276	194,228	200,000	200,000	200,000	200,000	200,000	200,000
Infrastructure - Drainage	50,000	50,000	45,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Infrastructure - Parks and Ovals	153,000	280,000	260,000	390,000	202,000	342,000	202,000	197,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
Infrastructure - Other Improvements	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Total	868,105	1,489,806	1,550,989	1,645,194	1,438,162	1,568,894	1,486,966	1,348,787	2,253,713	2,170,422	1,715,435	1,628,886	1,757,935	1,592,808	1,592,789

Asset Renewal Funding Surplus (Deficit) 2019-2034

	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Asset Class															
Buildings	(81,454)	112,150	166,299	112,391	137,770	(234,797)	146,337	(1,201,241)	(167,772)	610,638	(1,607,824)	(39,906)	(766,398)	(3,017,444)	350,000
Furniture and Equipment	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Plant and Equipment	241,230	354,835	248,536	248,471	218,178	232,655	356,092	191,398	316,579	279,817	176,199	213,886	342,935	177,808	177,789
Infrastructure - Roads	151,786	391,141	517,386	549,638	515,796	391,785	449,690	492,802	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Infrastructure - Footpaths	76,557	186,680	198,768	179,694	199,418	197,729	(224,930)	159,276	194,228	(453,959)	200,000	200,000	200,000	200,000	200,000
Infrastructure - Drainage	50,000	50,000	45,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Infrastructure - Parks and Ovals	133,268	280,000	260,000	136,233	(608,114)	(3,376,020)	(30,340)	197,000	199,657	(37,615)	(368,303)	200,000	200,000	195,366	(699,510)
Infrastructure - Other Improvements	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Total	686,387	1,489,806	1,550,989	1,391,427	628,048	(2,623,648)	861,849	4,235	1,207,692	1,063,881	(934,928)	1,238,980	641,537	(1,779,270)	693,279

Appendix B15 – Forecast Significant Accounting Policies

Basis of Preparation

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

The Local Government (Financial Management) Regulations 1996 take precedence over Australian Accounting Standards. Regulation 16 prohibits a local government from recognising as assets Crown land that is a public thoroughfare, such as land under roads, and land not owned by but under the control or management of the local government, unless it is a golf course, showground, racecourse or recreational facility of State or regional significance. Consequently, some assets, including land under roads acquired on or after 1 July 2008, have not been recognised in this Plan. This is not in accordance with the requirements of AASB 1051 Land Under Roads paragraph 15 and AASB 116 Property, Plant and Equipment paragraph 7.

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

Critical Accounting Estimates

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

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

The Local Government Reporting Entity

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

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

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

Refer to Appendix B15 – Forecast Significant Accounting Policies

Base Year Balances

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

Rounding Off Figures

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

Comparative Figures

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

Forecast Fair Value Adjustments

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

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

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

Rates, Grants, Donations and Other Contributions

Rates, grants, donations and other contributions are recognised as revenues when the local government obtains control over the assets comprising the contributions.

Control over assets acquired from rates is obtained at the commencement of the rating period or, where earlier, upon receipt of the rates.

Goods and Services Tax (GST)

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

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

Superannuation

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

Appendix B15 – Forecast Significant Accounting Policies (Continued)

Cash and Cash Equivalents

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

Trade and Other Receivables

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

Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Collectability of trade and other receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. An allowance for doubtful debts is raised when there is objective evidence that they will not be collectible.

Inventories

General

Inventories are measured at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Land held for resale

Land purchased for development and sale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development, borrowing costs and holding costs until completion of development. Finance costs and holding charges incurred after development is completed are expensed.

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

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

Fixed Assets

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

Revaluation

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

Land under roads

In Western Australia, all land under roads is Crown Land, the responsibility for managing which, is vested in the local government.

Effective as at 1 July 2008, Council elected not to recognise any value for land under roads acquired on or before 30 June 2008. This accords with the treatment available in *Australian Accounting Standard AASB 1051 - Land Under Roads* and the fact *Local Government (Financial Management) Regulation 16(a)(i)* prohibits local governments from recognising such land as an asset.

In respect of land under roads acquired on or after 1 July 2008, as detailed above, *Local Government (Financial Management) Regulation 16(a)(i)* prohibits local governments from recognising such land as an asset.

Whilst such treatment is inconsistent with the requirements of *AASB 1051, Local Government (Financial Management) Regulation 4(2)* provides, in the event of such an inconsistency, the *Local Government (Financial Management) Regulations* prevail.

Consequently, any land under roads acquired on or after 1 July 2008 is not included as an asset of the Council.

Depreciation

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

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

Appendix B15 – Forecast Significant Accounting Policies (Continued)

Fixed Assets (Continued)

Asset Class	Effective average depreciation rate
Buildings	2.00%
Infrastructure - Roads	1.24%
Infrastructure - Footpaths	1.53%
Infrastructure - Drainage	1.87%
Infrastructure - Parks and Ovals	3.26%
Infrastructure - Car Parks	1.14%
Infrastructure - Other Improvements	5.00%

Depreciation (Continued)

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

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

Impairment of Assets

In accordance with Australian Accounting Standards the Town's assets, other than inventories, are assessed at each reporting date to determine whether there is any indication they may be impaired.

Where such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount.

Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another standard (e.g. *AASB 116*) whereby any impairment loss of a revaluation decrease in accordance with that other standard.

For non-cash generating assets such as roads, drains, public buildings and the like, value in use is represented by the depreciated replacement cost of the asset.

At the time of the preparation of the Plan, it is not possible to estimate the amount of impairment losses.

Trade and Other Payables

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

Employee Benefits

Short-Term Employee Benefits

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

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

Other Long-Term Employee Benefits

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

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

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

Appendix B15 – Forecast Significant Accounting Policies (Continued)

Borrowing Costs

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

Provisions

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

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

Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not legal ownership, are transferred to the Town, are classified as finance leases.

Finance leases are capitalised recording an asset and a liability at the lower amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

Current and Non-Current Classification

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the Town's operational cycle. In the case of liabilities where the Town does not have the unconditional right to defer settlement beyond 12 months, such as vested long service leave, the liability is classified as current even if not expected to be settled within the next 12 months. Inventories held for trading are classified as current even if not expected to be realised in the next 12 months except for land held for sale where it is held as non-current based on the Town's intentions to release for sale.

Appendix C1 – Glossary

Funding Gap

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

Infrastructure Assets

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

Key Performance Indicator

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

Level of Service

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

Maintenance

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

Planned Maintenance

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

Reactive Maintenance

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

Significant Maintenance

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

Unplanned Maintenance

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

Maintenance Expenditure

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

Modern Equivalent Asset

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

Net Present Value (NPV)

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

Appendix C1 – Glossary (Continued)

Non-Revenue Generating Investments

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

Operations Expenditure

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

Pavement Management System

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

Recoverable Amount

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

Recurrent Expenditure

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

Recurrent Funding

Funding to pay for recurrent expenditure.

Remaining Useful Life

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

Renewal

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

Residual Value

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

Revenue Generating Investments

Investments for the provision of goods and services to sustain or improve services to the community that are expected to generate some savings or revenue to offset operating costs, eg public halls and theatres, childcare centres, sporting and recreation facilities, tourist information centres, etc.

Risk Management

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

Section or Segment

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

Service Potential

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

Service Potential Remaining

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

Specific Maintenance

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

Sub-Component

Smaller individual parts that make up a component part.

Useful Life

May be expressed as either:

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

Other Matters

Preparation

This Plan was prepared for the Town of East Fremantle by Moore Stephens.

Reliance

This Plan has been prepared for the exclusive use of the Town of East Fremantle and for the purposes specified in our letter of engagement and is not to be used for any other purpose or distributed to any other party without Moore Stephen's prior consent. This Plan is supplied in good faith and reflects the knowledge, expertise and experience of the engagement consultant and is based on the information and representations provided by the Town of East Fremantle. We accept no responsibility for any loss occasioned by any person acting or refraining from action as a result of reliance on the report, other than the Town of East Fremantle.

This Plan contains quantitative and qualitative statements, including projections, estimates, opinions and forecasts concerning the anticipated future performance of Town of East Fremantle and the environment in which it operates ('Forward Looking Statements').

None of these Forward Looking Statements are or will be representations as to future matters. The Forward Looking Statements are, and will be, based on a large number of assumptions and are, and will be, subject to significant uncertainties and contingencies, many, if not all, of which are outside the control of the Town of East Fremantle. Actual future events may vary significantly from the Forward Looking Statements. Recipients should make their own investigations and enquiries regarding assumptions, uncertainties and contingencies which may affect the Town of East Fremantle and the impact that a variation in future outcomes may have on the Plan and the Town of East Fremantle.

Disclaimer

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