

Long-Term Financial Plan

2022 - 2037



Town of
Port Hedland

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1.0 Foreword

We are pleased to present the Town of Port Hedland Long-Term Financial Plan (LTFP) for 2022 - 2037.

This Plan is part of the Town's ongoing commitment to an integrated approach to planning for the District's future. It provides the Council and the community with a picture of the Town's long-term financial circumstances and assists us to meet our strategic outcomes and objectives, both during and beyond the current global economic uncertainties.

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 as the town grows. The Town will require a clear understanding of its capacity to meet these service expectations as it maintains a strong focus on sound financial management.

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

The Town of Port Hedland's Long-Term Financial Plan is an important planning tool as we strive to achieve the strategies set out in the Town of Port Hedland Strategic Community Plan 2022 - 2032.

This Plan will be used with the Corporate Business Plan, Asset Management Plan and Workforce Plan to achieve our goals and drive the Town in achieving its vision of "Together, we create a thriving, resilient and inclusive future for our diverse community".

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

Peter Carter
Mayor

Carl Askew
Chief Executive Officer

Our Vision

A vision statement outlines what a community aspires to become, without its current barriers, and is tied to what it values as a community.

The statement below is the intended outcome of our Strategic Community Plan 2022-2032:

"Together, we create a thriving, resilient and inclusive future for our diverse community"

Our Mission

A mission statement is a concise statement about why an organisation exists and its overall intention. It supports the vision and helps communicate organisational goals and directions to employees, stakeholders and the wider community.

The statement below is the intended purpose of the Town of Port Hedland:

"To guide the growth and development of the Hedland community, economy and environment through the provision of strong civic leadership, provision of high-quality services and facilitation of active community participation"

2.0 Key Information

ASSUMPTIONS ¹



3.0%
Inflation Rate



Increasing
Population



Increasing
Levels of Service



Increasing
Operations



Balanced
Annual Budget



3.5% (CPI 3.0%+0.5%²)
from 2023/24 ↑
Rates



3.0%
from 2023/24 ↑
Fees and Charges



3.0%
from 2023/24 ↑
Employee Costs

STATISTICS ³



9
Elected Members



248
Employees



8,330
Electors



7,667
Dwellings



1,800km
Distance from Perth



18,467km²
Area



15,144
Population

¹ From 2023/24 onwards; 2022/23 aligned to the adopted budget
² The additional 0.5% will allow the Town to prioritise investment in housing and community infrastructure.

³ WALGA Online Local Government Directory 2019/20, Town of Port Hedland

3.0 Executive Summary

The following information provides a brief summary of the Long-Term Financial Plan 2022 - 2037. This should be read in conjunction with the underlying assumptions detailed in this Plan.

3.1 Planning for a Sustainable Future

The Town of Port Hedland is planning for a positive future, despite current economic uncertainty. The Town seeks to improve service levels into the future while ensuring a healthy financial position is maintained.

Long-term development, maintenance and renewal of the Town's infrastructure remains a significant challenge. External funding will be required to develop the Town's infrastructure to provide economic and social benefits to the district and broader region.

3.2 Significant Issues

The development of community infrastructure is a key priority for the Town with construction of community buildings dominating the forecast capital expenditure in the Plan.

Childcare and housing are substantial barriers to the growth of the town. This is reflected in these areas being investment priorities in the Plan.

Road maintenance and road renewal also remain a high priority for the Town due to the strategic economic benefit the road network provides to the district and broader region.

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

Rate revenue is forecast to increase at 3.5% (CPI 3.0%+0.5%) per year from 2023/24 for the duration 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 where possible. These increases will be reviewed annually when setting future budgets and as the impacts of the current global economic instability are more apparent.

Due to the current world-wide supply chain issues, the economic forecast has an increased level of uncertainty.

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. External funding is essential to undertake these works.

Projects by Asset Class	2022-2037 Total Project \$
Buildings - Non-specialised	
Childcare Developments	10,000,000
Key Workers Housing	40,000,000
Landfill - Closure	10,000,000
Landfill - New Site	20,000,000
Marina Community Building	10,000,000
Marina Eco Caravan Park	3,000,000
SHISH Stage 1 - Entrances, Kevin Scott Oval, Pavilion and Diamond Sports Field	42,920,000
SHISH Stage 2 - Multi-use Sports Field and Carpark	27,105,000
SHISH Stage 3 - Existing Stadium Refurbishment	26,508,000
SHISH Stage 4 - Aquatic Centre, Indoor Sports Hall, Dry Recreation and External Courts	100,000,000
SHISH Stage 5 - Diamond Sports Pavilion	8,927,000
Port Hedland Sports and Community Hub - Stage 2A	10,000,000
Solar Farm	10,000,000
Staff Housing Expansion	10,000,000
Staff Housing Renewal and Upgrade Program	8,400,000
Strategic Commercial Projects	6,500,000
Staff Housing	3,505,000
Landfill Community Recycling Centre	3,500,000
South Hedland Town Centre Redevelopment	8,000,000
Library	13,500,000
Performing Arts Centre	49,400,000
Civic and Community Precinct	80,000,000
Buildings - Non-specialised Total	501,265,000
Buildings - Specialised	
Community and Commercial Building Renewal Program	9,100,000
Buildings - New	21,443,000
Buildings - Specialised Total	30,543,000

3.0 Executive Summary (Continued)

3.3 Forecast Capital Projects (Continued)

Projects by Asset Class	2022-2037 Total Project \$
Land - Freehold Land	
Land Acquisition	7,650,000
Land - Freehold Land Total	7,650,000
Plant and Equipment	
IT Renewals	7,851,200
Plant Replacement Program	33,279,419
Playground Renewal Program	10,500,000
Plant and Equipment New/Upgrades	2,295,750
Annual Renewal Plant Replacement Program	4,683,660
IT Hardware and Software Renewals	779,000
Plant and Equipment Total	59,389,029
Infrastructure - Bus Shelters	
Bus Shelters *delivery subject to grant funding	840,000
Infrastructure - Bus Shelters Total	840,000
Infrastructure - Drainage	
Drainage Renewal Program	18,200,000
Infrastructure - Drainage New/Upgrades	3,024,000
Infrastructure - Drainage Total	21,224,000
Infrastructure - Footpaths	
Access Inclusion Maintenance Program	420,000
Dual Use Path and Lighting Masterplan	3,000,000
Footpath Renewal Program	10,850,000
Infrastructure - Footpaths Upgrades/New	3,100,000
Infrastructure - Footpaths Total	17,370,000
Infrastructure - Other	
Carpark Renewal Program	3,045,000
Council Community Strategies (Youth, Safety, Economic Development)	7,500,000
Restricted Access Program	3,500,000
Softfall Renewal Program	6,160,000
South Hedland Street Furniture Renewal	1,820,000
Infrastructure - Other New/upgrades	2,230,000
Infrastructure - Other Upgrades	13,556,000
Seawalls Construction	6,952,300
Infrastructure - Other Renewals	3,496,700
Infrastructure - Other Total	48,260,000

Projects by Asset Class	2022-2037 Total Project \$
Infrastructure - Parks and Ovals	
BBQ Renewal Program	2,128,000
Drinking Fountains Renewal Program	1,022,000
Irrigation Infrastructure Renewal	3,822,000
JD - Stage 3 - Landscaping and pump track	6,000,000
Park Lighting Upgrade Program	2,240,000
Shade Structure Renewal Program	3,360,000
Tree Planting Program	4,200,000
Turf Renewal Program	2,702,000
Infrastructure - Parks and Ovals Total	25,474,000
Infrastructure - Roads and Bridges	
Airport Precinct RAV 10 into Kingsford Smith	10,000,000
Kerb Renewal Program	5,600,000
Regional Road Group Allocations	15,586,970
Remote Community Roads Renewal Program	8,003,464
Road Reseal Program - Sealed Roads	22,400,000
Road Reseal Program - Unsealed Roads	7,000,000
South Hedland Cemetery Masterplan	1,800,000
Wedgefield Route 1 and 2	16,600,000
Infrastructure - Parks and Ovals Upgrades	8,325,000
Infrastructure - Roads and Bridges Upgrades	2,483,000
Cooke Point Access	7,700,000
Infrastructure - Roads and Bridges Total	105,498,434
Grand Total	817,513,463

The majority of planned capital projects are substantially funded from external sources and will not be undertaken if this funding is not realised. The level of external funding by project is further detailed in Appendix A8.

4.0 Community Profile, Vision and Objective

4.1 Location

The Town of Port Hedland is a dynamic, fast-growing community in Western Australia’s Pilbara region, located approximately 1,800 kilometres north of Perth. Covering 18,467 square kilometres, the Town is home to 15,984 people from diverse cultural backgrounds, with most of the urban population living in the twin settlements of Port Hedland and South Hedland.

Physically, Port Hedland’s town is dominated by its natural deep anchorage harbour. Included in the Town of Port Hedland area is the industrial precinct of Wedgefield and the remote communities of Strelley and Yandeyarra.

Although recognised for its significant port and resource industry contributions, Hedland also continues to be a vital part of the Pilbara region for arts and culture, ecology, sport, business, tourism and regional services.

Hedland is home to unique desert landscapes, a tropical savannah climate, internationally renowned nature reserves and a stunning coastal waterfront which continues to attract both residents and tourists.

4.2 Heritage

Port Hedland is home to the Kariyarra people. Kariyarra people refer to the area as Marapikurrinya, which alludes to the hand-like formation of the coastal tidal creeks. The larger Pilbara region is what local custodians call Bilybarra, meaning ‘dry country’, an area that embodies many sacred sites and over 31 language groups.

Non-Indigenous settlement began in April 1863, when Captain Peter Hedland, aboard the ship Mystery, ran aground in the narrow entrance of a channel while looking for locations for a port to service the expanding Pilbara pastoral industry. He named the site, Mangrove Harbour after observing an impressive body of water appearing like an inland lake. Two months later, the State’s Surveyor-General renamed the area Port Hedland in the Captain’s honour.

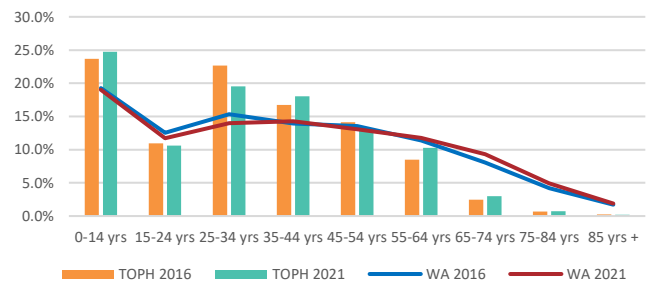
The town was gazetted in 1895 with early settlers looking for opportunities in pearling or farming, and later, in gold mining. The discovery of hinterland iron ore deposits in 1965 with its subsequent mining and export brought significant development.

4.3 People

The following statistics reflect the district’s population in comparison to the population of the state of Western Australia at the time of the 2016 and 2021 census.

Population ¹	2016		2021
Town of Port Hedland	14,463	↑	15,680
WA	2.47m	↑	2.66m

The age demographic of the district’s population is reflected by the orange (2016 census) and green (2021 census) columns in the chart below. When compared to the age demographic of the West Australian population reflected by the lines, it is apparent the Town of Port Hedland has a lower percentage of older residents.



4.4 Vision

The Town’s strategic vision identified in the Strategic Community Plan 2022 - 2032 is: Together, we create a thriving, resilient and inclusive future for our diverse community.

4.5 Strategic Objectives

The following key themes are identified in the Town’s Strategic Community Plan 2022 - 2032 and considered within the Long-Term Financial Plan:

- **Our Community:** We honour our people and our cultural heritage - ensuring wellbeing, diversity, creativity and strong civic engagement and dialogue
- **Our Economy:** We build prosperity for all - enabling sustained and diversified economic and employment growth
- **Our Built and Natural Environment:** We treasure and protect our natural environment and provide sustainable and resilient infrastructure and built form
- **Our Leadership:** We are united in our actions to connect, listen, support and advocate, thereby leveraging the potential of our people, places and resources

¹ 2021 Port Hedland (LGA57280), Australian Bureau of statistics 2021 Census of Population and Housing | Australian Bureau of Statistics (abs.gov.au), viewed 15 August 2022

5.0 Long-Term Financial Planning Overview

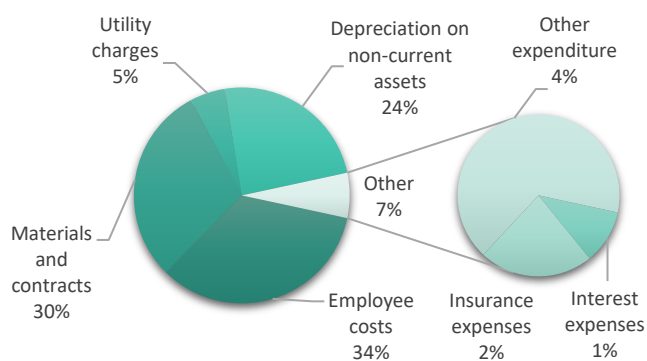
5.1 Forecast Revenue

Rates are budgeted to generate \$62m in 2022/23, thereafter increasing at 3.5% (CPI 3.0%+0.5%) per annum to \$94m in 2036/37, and comprise 72% of operating revenue over the term of the Plan. The additional 0.5% increase in rates will allow the Town to prioritise investments in housing and community infrastructure.

The LTFP does not consider the rating mix as this will be determined annually based on property valuations received at the time of adopting the annual budget.

The Town is expecting to receive more than \$82.6m over the next 15 years in operating grants, subsidies and contributions to maintain the current level of operations and services. Non-operating grants are expected to vary significantly during the term of the Plan as the extensive capital works program is undertaken.

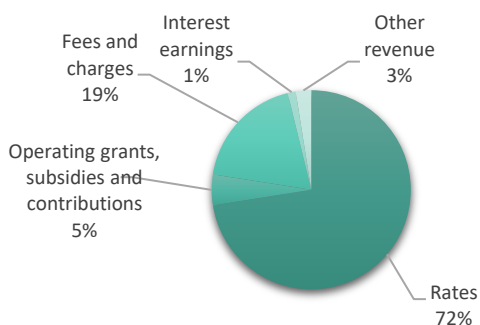
5.2 Revenue Composition Year 1 to 15



5.3 Forecast Expenditure

Operating expenditure is forecast to increase in line with inflation with the exception of depreciation expense which is impacted by the significant addition of assets over the term of the Plan.

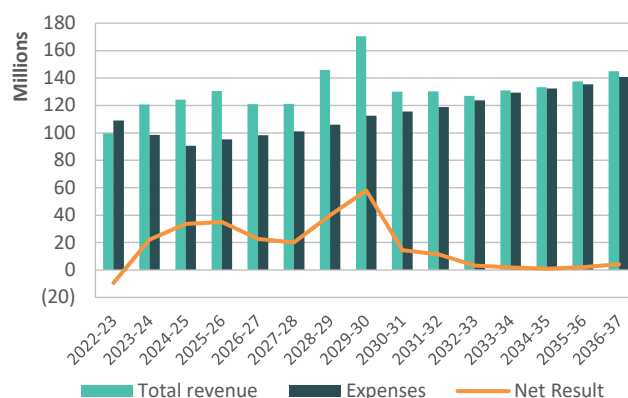
5.4 Expenditure Composition Year 1 to 15



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 orange line reflecting the net result. The positive net result is largely due to the forecast level of capital grant funding without which the full capital program will not be undertaken.

5.6 Revenue and Expenditure Year 1 to 15



A positive net result over the long-term indicates inflation adjusted asset values may increase due to continued investment in assets. Changes in asset funding or changes to expected useful life of assets as they are better understood may impact the net result.

5.7 Depreciation Expense

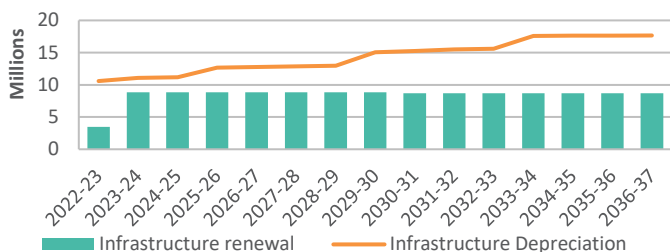
Ideally, the average asset renewal should be in line with depreciation expense over the long-term, to ensure the value of assets is maintained. The Town is prioritising construction of new assets over renewal of existing assets in response to community expectation and the need for increased capacity to meet increasing population. 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.

Where the planned asset renewals are lower than depreciation, the written down value of these particular assets will decrease over time as depreciation erodes the value of the assets. Revaluation of assets in line with inflation and construction of new assets masks a real decrease in value of existing assets where planned asset renewals are lower than depreciation.

5.0 Long-Term Financial Planning Overview (Continued)

5.8 Infrastructure Depreciation Expense -V- Asset Renewal Expenditure

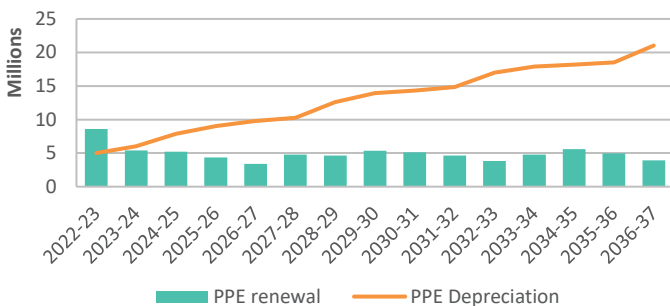
Depreciation expense increases throughout the Plan from \$10.5m in year 1 to \$17.7m in year 15 as assets are revalued, constructed and renewed. Depreciation of infrastructure over the 15 years is \$215.9m, shown by the orange line in the chart below. The planned level of infrastructure asset renewal expenditure at \$126.4m (reflected by the green columns) is, over the term of the Plan, below the level of depreciation. In 2022/23 all expenses have been allocated to renewal of assets and require further review to identify new and upgrade projects.



Further review of asset useful lives for infrastructure assets in future may be required as changes occur in the construction techniques of assets occur and usage levels vary.

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

Planned property, plant and equipment asset renewals of \$74.6m (reflected by the green columns) over the 15 years is less than the depreciation expense of \$196.5m (reflected by the orange line) over the same period, as shown in the chart below.



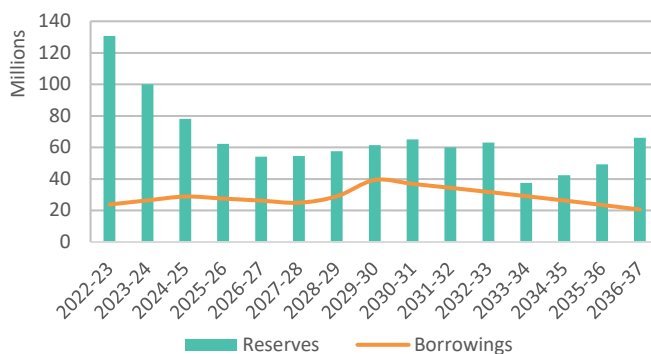
Further improvements in asset management data and the estimation of depreciation expense, along with the future renewal of long lived assets may result in a closer alignment between asset renewals and depreciation expense.

5.10 Maintenance Expenditure

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

5.11 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 beyond the term of the Plan, after being drawn down significantly in the first four years to fund capital projects. The graph below shows the initial decrease in reserves in the green columns and subsequent increase over time.



Borrowings are increasing slightly in the initial years of the Plan as new borrowings are taken up to facilitate the capital projects planned. Further borrowings to fund asset expansion are planned from 2029/30 as reflected by the orange line in the chart above.

5.12 Monitoring and Performance

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.

6.0 Strategic Planning and Policies

6.1 Linkage with Other Plans

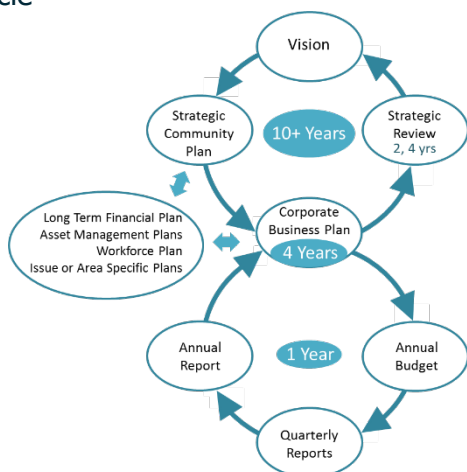
The Long-Term Financial Plan is one component of a number of integrated strategic planning practices the Town has developed. The Plan considers, and influences, asset management and workforce planning along with other key strategic plans. This Long-Term Financial Plan has been prepared to achieve compliance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

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

6.2 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



6.3 Strategic Community Plan

The Strategic Community Plan has been prepared to cover a minimum period of 10 years and set out the community’s vision, aspirations and objectives for the 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.

6.4 Corporate Business Plan

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

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

6.5 Asset Management Plan

The Town is currently developing asset management plans, these plans will set service standards for assets and contain work schedules applying financial resources to the renewal of assets over the next 10+ years. These renewal schedules will inform the Town’s future Long-Term Financial Plans and Corporate Business Plan and are to be used as a basis for forecasting capital expenditure.

6.6 Workforce and Other Strategic Plans

The Workforce Plan and other strategic plans integrate with the Long-Term Financial Plan through the workforce requirement for assets and financial resources, along with the requirements for a workforce to manage the 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 Long-Term Financial Plan. No financial impacts are expected from the Workforce Plan, with employee costs forecast to rise at the forecast inflation rate of 3.0%.

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

7.0 Risk Management

7.1 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 to ensure the level is adequate.

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

The 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.

7.2 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.

7.3 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.

8.0 Assumptions, Risks, Uncertainties and Sensitivity

8.1 Revenue – Assumptions, Risks, Uncertainties and Sensitivity

Disclosure/Assumption	Assessed Financial Risk	Impact of High Financial Risk Assumptions	Level of Uncertainty	Financial Impact and Sensitivity for Assumption with High Level of Uncertainty/Risk
District Growth in Population: The number of residents in the district is expected to increase.	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 3.5% (CPI 3.0%+0.5%) from 2023/24 onwards.	Medium	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
Operating Grants and Contributions: Increases in line with inflation forecast.	Low	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
Non-operating Grants and Contributions: Remain in line with funding requirements identified for various capital works.	High	The forecast capital works program is highly dependent on third party grants and contributions. Changes in these levels would impact directly on the amount spent on capital projects and ultimately impact on service levels.	High	± \$3,120,151 to the value of non-operating grants and contributions per 1% movement in the value over the life of the Plan.
Fees and Charges: Increases in line with inflation forecast.	Medium	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
Interest Earnings: Interest earning of an average rate of 2% 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.

8.0 Assumptions, Risks, Uncertainties and Sensitivity (Continued)

8.2 Expenditure – Assumptions, Risks, Uncertainties and Sensitivity

Disclosure/Assumption	Assessed Financial Risk	Impact of High Financial Risk Assumptions	Level of Uncertainty	Financial Impact and Sensitivity for Assumption with High Level of Uncertainty/Risk
Employee Costs: Increased annually by forecast inflation.	Medium	Not assessed as high financial risk.	Low	Not assessed as high level of uncertainty.
Materials and Contracts: Increased annually by forecast inflation. A high level of uncertainty exists in relation to current global inflationary pressures.	Medium	Not assessed as high financial risk.	High	± \$5,087,723 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 depreciation rate based on the estimated useful lives on individual assets.	Low	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
Insurance: Base year increased in line with inflation. A high level of uncertainty exists in relation to current global climatic changes.	Medium	Not assessed as high financial risk.	High	± \$262,431 to the value of insurance per 1% movement in the value over the life of the Plan.
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.

8.0 Assumptions, Risks, Uncertainties and Sensitivity (Continued)

8.3 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	±\$7,677,610 to the value of property, plant and equipment per 1% movement in the value over the life of the Plan. ±\$3,230,357 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 an extensive capital works program reliant on capital grants.	High	The capital works program is highly dependent on Government grants and contributions. Changes in these levels would impact directly on the amount spent on capital projects and ultimately on service levels.	High	±\$3,120,151 to the value of infrastructure assets per 1% movement in the capital grants received over the life of the Plan.
Property, Plant and Equipment: Building expenditure is in accordance with the 10 Year Capital Plan, and plant expenditure is based on the Plant Replacement Program.	Medium	Not assessed as high financial risk as the frequency of capital grants for buildings is not as pervasive as roadwork's and plant and equipment replacement is not influenced by external grant funds.	Medium	Not assessed as high level of uncertainty.

8.0 Assumptions, Risks, Uncertainties and Sensitivity (Continued)

8.4 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.

8.0 Assumptions, Risks, Uncertainties and Sensitivity (Continued)

8.5 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	±\$7,677,610 to the value of property, plant and equipment per 1% movement in the value over the life of the Plan. ±\$3,230,357 to the value of infrastructure assets per 1% movement in the value over the life of the Plan.

8.0 Assumptions, Risks, Uncertainties and Sensitivity (Continued)

8.6 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 3.0% per annum.	Medium	Not assessed as high financial risk.	High	± \$16,546,586 to operating revenue per 1% movement in the inflators over the life of the Plan. ± \$17,068,861 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 region's economy is heavily dependent on mining and this remains the assumption for the term of this Plan.	Medium	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.

Appendix A1 Forecast Financial Statements

Financial Statements

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

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

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

Statements of Comprehensive Income

Often referred to as the operating statement, it shows the revenues and expenses over the periods classified by two methods (by 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.

Forecast Capital Works

Details planned capital projects by asset class by year.

Nature or Type

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

Appendix A2 Forecast Statement of Comprehensive Income by Nature or Type 2022 – 2037

	Budget 2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenues															
Rates	62,144,000	64,319,041	66,570,206	68,900,164	71,311,670	73,807,580	76,390,844	79,064,523	81,831,781	84,695,893	87,660,249	90,728,358	93,903,850	97,190,484	100,592,151
Operating grants, subsidies and contributions	3,711,000	4,621,186	4,759,820	4,902,615	5,049,694	5,201,185	5,357,220	5,517,939	5,683,476	5,853,983	6,029,602	6,210,492	6,396,807	6,588,710	6,786,373
Fees and charges	16,658,000	17,157,741	17,672,476	18,202,650	18,748,733	19,311,194	19,890,533	20,487,252	21,101,873	21,734,931	22,386,978	23,058,590	23,750,345	24,462,852	25,196,736
Interest earnings	1,817,000	2,757,433	2,097,966	1,658,217	1,342,140	1,179,422	1,187,709	1,250,057	1,326,899	1,397,306	1,299,002	1,358,799	846,256	944,512	1,081,254
Other revenue	2,232,000	2,298,959	2,367,927	2,438,965	2,512,138	2,587,504	2,665,130	2,745,082	2,827,434	2,912,258	2,999,625	3,089,615	3,182,305	3,277,774	3,376,108
	86,562,000	91,154,360	93,468,395	96,102,611	98,964,375	102,086,885	105,491,436	109,064,853	112,771,463	116,594,371	120,375,456	124,445,854	128,079,563	132,464,332	137,032,622
Expenses															
Employee costs	(31,222,000)	(32,158,668)	(33,123,428)	(34,117,135)	(35,140,656)	(36,194,877)	(37,280,731)	(38,399,161)	(39,551,132)	(40,737,668)	(41,959,805)	(43,218,597)	(44,515,163)	(45,850,614)	(47,226,139)
Materials and contracts	(50,932,000)	(37,833,136)	(26,608,133)	(27,406,386)	(28,228,607)	(29,075,465)	(29,947,735)	(31,346,170)	(32,286,551)	(33,255,152)	(34,252,820)	(35,280,417)	(36,338,842)	(37,428,994)	(38,551,869)
Utility charges	(4,816,000)	(4,960,477)	(5,109,294)	(5,262,572)	(5,420,452)	(5,583,067)	(5,750,561)	(5,923,073)	(6,100,761)	(6,283,785)	(6,472,296)	(6,666,466)	(6,866,458)	(7,072,447)	(7,284,623)
Depreciation on non-current assets	(15,750,610)	(17,113,624)	(19,062,190)	(21,679,696)	(22,524,696)	(23,129,696)	(25,534,736)	(28,989,600)	(29,592,870)	(30,331,140)	(32,587,068)	(35,517,379)	(35,836,379)	(36,151,379)	(38,689,293)
Interest expenses	(856,000)	(710,900)	(782,299)	(798,897)	(763,181)	(726,457)	(768,498)	(973,968)	(1,084,791)	(1,015,462)	(944,179)	(870,884)	(795,525)	(718,040)	(638,373)
Insurance expenses	(1,411,000)	(1,453,328)	(1,496,929)	(1,541,834)	(1,588,091)	(1,635,733)	(1,684,806)	(1,735,352)	(1,787,414)	(1,841,037)	(1,896,267)	(1,953,156)	(2,011,751)	(2,072,101)	(2,134,262)
Other expenditure	(4,122,000)	(4,245,662)	(4,373,033)	(4,504,226)	(4,639,352)	(4,778,533)	(4,921,891)	(5,069,549)	(5,221,635)	(5,378,288)	(5,539,636)	(5,705,827)	(5,877,001)	(6,053,308)	(6,234,908)
	(109,109,610)	(98,475,795)	(90,555,306)	(95,310,746)	(98,305,035)	(101,123,828)	(105,888,958)	(112,436,873)	(115,625,154)	(118,842,532)	(123,652,071)	(129,212,726)	(132,241,119)	(135,346,883)	(140,759,467)
	(22,547,610)	(7,321,435)	2,913,089	791,865	659,340	963,057	(397,522)	(3,372,020)	(2,853,691)	(2,248,161)	(3,276,615)	(4,766,872)	(4,161,556)	(2,882,551)	(3,726,845)
Non-operating grants, subsidies and contributions	12,667,000	29,532,641	30,751,291	34,282,571	22,032,641	19,032,641	40,362,641	61,328,355	17,351,765	13,606,765	6,523,355	6,523,355	5,123,355	5,023,355	7,873,355
Fair value adjustments to investment property	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Profit on asset disposals	400,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loss on asset disposal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NET RESULT	(9,480,610)	22,211,206	33,664,380	35,074,436	22,691,981	19,995,698	39,965,119	57,956,335	14,498,074	11,358,604	3,246,740	1,756,483	961,799	2,140,804	4,146,510
Other comprehensive income	0	0	26,809,246	32,767,435	0	0	49,461,677	36,155,759	0	0	71,301,865	40,578,136	0	0	84,902,053
TOTAL COMPREHENSIVE INCOME	(9,480,610)	22,211,206	60,473,626	67,841,871	22,691,981	19,995,698	89,426,796	94,112,094	14,498,074	11,358,604	74,548,605	42,334,619	961,799	2,140,804	89,048,563

Refer to Appendix A9 – Forecast Significant Accounting Policies

Appendix A3 Forecast Statement of Financial Position 2022 – 2037

	Budget														
	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	30 June 35	30 June 36	30 June 37
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
CURRENT ASSETS															
Unrestricted cash and cash equivalents	7,159,595	4,857,595	4,857,595	4,857,595	4,857,595	4,857,595	4,857,595	4,857,595	4,857,595	4,857,595	4,857,595	4,857,595	4,857,595	4,857,595	4,857,595
Restricted cash and cash equivalent	130,712,037	100,040,636	78,053,303	62,249,401	54,113,471	54,527,982	57,645,256	61,487,395	65,007,750	60,092,485	63,082,379	37,455,300	42,367,934	49,205,127	66,056,144
Financial assets	52,803	52,803	52,803	52,803	52,803	52,803	52,803	52,803	52,803	52,803	52,803	52,803	52,803	52,803	52,803
Trade and other receivables	8,808,609	8,808,609	8,808,609	8,808,609	8,808,609	8,808,609	8,808,609	8,808,609	8,808,609	8,808,609	8,808,609	8,808,609	8,808,609	8,808,609	8,808,609
Inventories	1,645,699	1,645,699	1,645,699	1,645,699	1,645,699	1,645,699	1,645,699	1,645,699	1,645,699	1,645,699	1,645,699	1,645,699	1,645,699	1,645,699	1,645,699
Other assets	123,315	123,315	123,315	123,315	123,315	123,315	123,315	123,315	123,315	123,315	123,315	123,315	123,315	123,315	123,315
TOTAL CURRENT ASSETS	148,502,058	115,528,657	93,541,324	77,737,422	69,601,492	70,016,003	73,133,277	76,975,416	80,495,771	75,580,506	78,570,400	52,943,321	57,855,955	64,693,148	81,544,165
NON-CURRENT ASSETS															
Financial assets	430,790	430,790	430,790	430,790	430,790	430,790	430,790	430,790	430,790	430,790	430,790	430,790	430,790	430,790	430,790
Other receivables	1,407,936	1,407,936	1,407,936	1,407,936	1,407,936	1,407,936	1,407,936	1,407,936	1,407,936	1,407,936	1,407,936	1,407,936	1,407,936	1,407,936	1,407,936
Inventories	1,266,054	1,266,054	1,266,054	1,266,054	1,266,054	1,266,054	1,266,054	1,266,054	1,266,054	1,266,054	1,266,054	1,266,054	1,266,054	1,266,054	1,266,054
Other assets	142,442	142,442	142,442	142,442	142,442	142,442	142,442	142,442	142,442	142,442	142,442	142,442	142,442	142,442	142,442
Investment property	67,302,118	67,302,118	67,302,118	67,302,118	67,302,118	67,302,118	67,302,118	67,302,118	67,302,118	67,302,118	67,302,118	67,302,118	67,302,118	67,302,118	67,302,118
Property plant and equipment	172,003,821	221,156,298	305,855,966	356,767,753	387,688,397	407,420,595	499,389,431	558,029,289	567,277,239	581,981,011	655,823,339	687,447,537	689,080,977	690,006,379	767,761,047
Infrastructure	243,428,508	252,019,622	252,215,736	283,682,989	282,287,807	280,797,625	279,212,443	321,183,156	320,454,110	319,496,064	314,613,018	348,277,797	339,945,440	331,498,083	323,035,726
TOTAL NON-CURRENT ASSETS	485,981,669	543,725,260	628,621,042	711,000,082	740,525,544	758,767,560	849,151,214	949,761,785	958,280,689	972,026,415	1,040,985,697	1,106,274,674	1,099,575,757	1,092,053,802	1,161,346,113
TOTAL ASSETS	634,483,727	659,253,917	722,162,366	788,737,504	810,127,036	828,783,563	922,284,491	1,026,737,201	1,038,776,460	1,047,606,921	1,119,556,097	1,159,217,995	1,157,431,712	1,156,746,950	1,242,890,278
CURRENT LIABILITIES															
Trade and other payables	11,044,258	11,044,258	11,044,258	11,044,258	11,044,258	11,044,258	11,044,258	11,044,258	11,044,258	11,044,258	11,044,258	11,044,258	11,044,258	11,044,258	11,044,258
Contract liabilities	4,443,763	4,443,763	4,443,763	4,443,763	4,443,763	4,443,763	4,443,763	4,443,763	4,443,763	4,443,763	4,443,763	4,443,763	4,443,763	4,443,763	4,443,763
Lease liabilities	40,503	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Current portion of long-term liabilities	1,000,513	1,165,177	1,266,733	1,302,449	1,339,171	1,625,868	2,159,384	2,458,815	2,528,143	2,599,429	2,672,721	2,748,082	2,825,566	2,905,235	2,987,152
Provisions	2,578,822	2,578,822	2,578,822	2,578,822	2,578,822	2,578,822	2,578,822	2,578,822	2,578,822	2,578,822	2,578,822	2,578,822	2,578,822	2,578,822	2,578,822
TOTAL CURRENT LIABILITIES	19,107,859	19,232,020	19,333,576	19,369,292	19,406,014	19,692,711	20,226,227	20,525,658	20,594,986	20,666,272	20,739,564	20,814,925	20,892,409	20,972,078	21,053,995
NON-CURRENT LIABILITIES															
Non-current liabilities	40,379,830	40,379,830	40,379,830	40,379,830	40,379,830	40,379,830	40,379,830	40,379,830	40,379,830	40,379,830	40,379,830	40,379,830	40,379,830	40,379,830	40,379,830
Long-term borrowings	122,811,743	25,246,566	27,579,833	26,277,384	24,938,213	23,312,345	26,852,961	36,894,146	34,366,003	31,766,574	29,093,853	26,345,771	23,520,205	20,614,970	17,627,818
Provisions	141,449	141,449	141,449	141,449	141,449	141,449	141,449	141,449	141,449	141,449	141,449	141,449	141,449	141,449	141,449
TOTAL NON-CURRENT LIABILITIES	63,333,022	65,767,845	68,101,112	66,798,663	65,459,492	63,833,624	67,374,240	77,415,425	74,887,282	72,287,853	69,615,132	66,867,050	64,041,484	61,136,249	58,149,097
TOTAL LIABILITIES	82,440,881	84,999,865	87,434,688	86,167,955	84,865,506	83,526,335	87,600,467	97,941,083	95,482,268	92,954,125	90,354,696	87,681,975	84,933,893	82,108,327	79,203,092
NET ASSETS	552,042,846	574,254,052	634,727,678	702,569,549	725,261,530	745,257,228	834,684,024	928,796,118	943,294,192	954,652,796	1,029,201,401	1,071,536,020	1,072,497,819	1,074,638,623	1,163,687,186
EQUITY															
Retained surplus	350,821,693	403,704,300	459,356,013	510,234,351	541,062,262	560,643,449	597,491,294	651,605,490	662,583,209	678,857,078	679,113,924	706,497,486	702,546,651	697,850,262	685,145,755
Reserves - cash backed	130,712,037	100,040,636	78,053,303	62,249,401	54,113,471	54,527,982	57,645,256	61,487,395	65,007,750	60,092,485	63,082,379	37,455,300	42,367,934	49,205,127	66,056,144
Asset revaluation surplus	70,509,116	70,509,116	97,318,362	130,085,797	130,085,797	130,085,797	179,547,474	215,703,233	215,703,233	215,703,233	287,005,098	327,583,234	327,583,234	327,583,234	412,485,287
TOTAL EQUITY	552,042,846	574,254,052	634,727,678	702,569,549	725,261,530	745,257,228	834,684,024	928,796,118	943,294,192	954,652,796	1,029,201,401	1,071,536,020	1,072,497,819	1,074,638,623	1,163,687,186

Refer to Appendix A9 – Forecast Significant Accounting Policies

Appendix A4 Forecast Statement of Changes in Equity 2022 – 2037

	Budget 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	30 June 35	30 June 36	30 June 37
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
RETAINED SURPLUS															
Opening balance	302,092,312	356,773,837	400,282,464	478,469,766	554,914,697	625,232,920	697,699,760	734,833,044	765,521,108	782,050,284	797,083,369	805,105,002	821,913,794	827,138,632	831,368,193
Net result	(7,953,911)	14,551,980	57,006,853	64,319,149	76,222,633	76,010,426	41,102,747	36,332,144	19,528,244	19,594,110	14,893,826	2,245,430	12,109,893	12,468,551	7,434,412
Amount transferred (to)/from reserves	62,635,436	28,956,647	21,180,449	12,125,782	(5,904,410)	(3,543,586)	(3,969,463)	(5,644,080)	(2,999,068)	(4,561,025)	(6,872,193)	14,563,362	(6,885,055)	(8,238,990)	(10,984,911)
Closing balance	356,773,837	400,282,464	478,469,766	554,914,697	625,232,920	697,699,760	734,833,044	765,521,108	782,050,284	797,083,369	805,105,002	821,913,794	827,138,632	831,368,193	827,817,694
RESERVES - CASH/INVESTMENT BACKED															
Opening balance	193,347,473	130,712,037	101,755,390	80,574,941	68,449,159	74,353,569	77,897,155	81,866,618	87,510,698	90,509,766	95,070,791	101,942,984	87,379,622	94,264,677	102,503,667
Amount transferred to/(from) retained surplus	(62,635,436)	(28,956,647)	(21,180,449)	(12,125,782)	5,904,410	3,543,586	3,969,463	5,644,080	2,999,068	4,561,025	6,872,193	(14,563,362)	6,885,055	8,238,990	10,984,911
Closing balance	130,712,037	101,755,390	80,574,941	68,449,159	74,353,569	77,897,155	81,866,618	87,510,698	90,509,766	95,070,791	101,942,984	87,379,622	94,264,677	102,503,667	113,488,578
ASSET REVALUATION SURPLUS															
Opening balance	70,509,116	70,509,116	70,509,116	97,467,433	131,070,610	131,070,610	131,070,610	197,709,319	235,557,670	235,557,670	235,557,670	320,712,423	364,180,447	364,180,447	364,180,447
Total other comprehensive income	0	0	26,958,317	33,603,177	0	0	66,638,709	37,848,351	0	0	85,154,753	43,468,024	0	0	101,687,553
Closing balance	70,509,116	70,509,116	97,467,433	131,070,610	131,070,610	131,070,610	197,709,319	235,557,670	235,557,670	235,557,670	320,712,423	364,180,447	364,180,447	364,180,447	465,868,000
TOTAL EQUITY	557,994,990	572,546,970	656,512,140	754,434,466	830,657,099	906,667,525	1,014,408,981	1,088,589,476	1,108,117,720	1,127,711,830	1,227,760,409	1,273,473,863	1,285,583,756	1,298,052,307	1,407,174,272

Appendix A5 Forecast Statement of Cashflows 2022 – 2037

	Budget 2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cash flows from operating activities															
Receipts															
Rates	62,144,000	64,319,041	66,570,206	68,900,164	71,311,670	73,807,580	76,390,844	79,064,523	81,831,781	84,695,893	87,660,249	90,728,358	93,903,850	97,190,484	100,592,151
Operating grants, subsidies and contributions	3,711,000	4,621,186	4,759,820	4,902,615	5,049,694	5,201,185	5,357,220	5,517,939	5,683,476	5,853,983	6,029,602	6,210,492	6,396,807	6,588,710	6,786,373
Fees and charges	16,658,000	17,157,741	17,672,476	18,202,650	18,748,733	19,311,194	19,890,533	20,487,252	21,101,873	21,734,931	22,386,978	23,058,590	23,750,345	24,462,852	25,196,736
Interest earnings	1,817,000	2,757,433	2,097,966	1,658,217	1,342,140	1,179,422	1,187,709	1,250,057	1,326,899	1,397,306	1,299,002	1,358,799	846,256	944,512	1,081,254
Other revenue	2,232,000	2,298,959	2,367,927	2,438,965	2,512,138	2,587,504	2,665,130	2,745,082	2,827,434	2,912,258	2,999,625	3,089,615	3,182,305	3,277,774	3,376,108
	86,562,000	91,154,360	93,468,395	96,102,611	98,964,375	102,086,885	105,491,436	109,064,853	112,771,463	116,594,371	120,375,456	124,445,854	128,079,563	132,464,332	137,032,622
Payments															
Employee costs	(31,222,000)	(32,158,668)	(33,123,428)	(34,117,135)	(35,140,656)	(36,194,877)	(37,280,731)	(38,399,161)	(39,551,132)	(40,737,668)	(41,959,805)	(43,218,597)	(44,515,163)	(45,850,614)	(47,226,139)
Materials and contracts	(50,932,000)	(37,833,136)	(26,608,133)	(27,406,386)	(28,228,607)	(29,075,465)	(29,947,735)	(31,346,170)	(32,286,551)	(33,255,152)	(34,252,820)	(35,280,417)	(36,338,842)	(37,428,994)	(38,551,869)
Utility charges	(4,816,000)	(4,960,477)	(5,109,294)	(5,262,572)	(5,420,452)	(5,583,067)	(5,750,561)	(5,923,073)	(6,100,761)	(6,283,785)	(6,472,296)	(6,666,466)	(6,866,458)	(7,072,447)	(7,284,623)
Interest expenses	(856,000)	(710,900)	(782,299)	(798,897)	(763,181)	(726,457)	(768,498)	(973,968)	(1,084,791)	(1,015,462)	(944,179)	(870,884)	(795,525)	(718,040)	(638,373)
Insurance expenses	(1,411,000)	(1,453,328)	(1,496,929)	(1,541,834)	(1,588,091)	(1,635,733)	(1,684,806)	(1,735,352)	(1,787,414)	(1,841,037)	(1,896,267)	(1,953,156)	(2,011,751)	(2,072,101)	(2,134,262)
Other expenditure	(4,122,000)	(4,245,662)	(4,373,033)	(4,504,226)	(4,639,352)	(4,778,533)	(4,921,891)	(5,069,549)	(5,221,635)	(5,378,288)	(5,539,636)	(5,705,827)	(5,877,001)	(6,053,308)	(6,234,908)
	(93,359,000)	(81,362,171)	(71,493,116)	(73,631,050)	(75,780,339)	(77,994,132)	(80,354,222)	(83,447,273)	(86,032,284)	(88,511,392)	(91,065,003)	(93,695,347)	(96,404,740)	(99,195,504)	(102,070,174)
Net cash provided by (used in) operating activities	(6,797,000)	9,792,189	21,975,279	22,471,561	23,184,036	24,092,753	25,137,214	25,617,580	26,739,179	28,082,979	29,310,453	30,750,507	31,674,823	33,268,828	34,962,448
Cash flows from investing activities															
Payments for purchase of property, plant & equipment	(38,501,000)	(38,501,000)	(55,838,558)	(66,112,235)	(60,417,613)	(40,875,191)	(30,293,674)	(55,658,965)	(73,104,029)	(23,838,181)	(30,088,557)	(19,830,140)	(49,799,235)	(20,572,759)	(19,973,389)
Payments for construction of infrastructure	(43,167,000)	(19,661,031)	(11,361,031)	(11,361,031)	(11,361,031)	(11,361,031)	(11,361,031)	(20,861,031)	(14,546,031)	(14,546,031)	(10,696,031)	(10,696,031)	(9,296,031)	(9,196,031)	(9,196,031)
Proceeds from non-operating grants, subsidies and contributions	12,667,000	29,532,641	30,751,291	34,282,571	22,032,641	19,032,641	40,362,641	61,328,355	17,351,765	13,606,765	6,523,355	6,523,355	5,123,355	5,023,355	7,873,355
Proceeds from sale of plant & equipment	1,737,000	642,374	324,540	487,343	186,064	282,993	563,283	520,648	272,438	557,722	281,686	267,046	731,328	539,996	59,983
Net cash provided by (used in) investing activities	(67,264,000)	(45,324,574)	(46,397,435)	(37,008,730)	(30,017,517)	(22,339,071)	(26,094,072)	(32,116,057)	(20,760,009)	(30,470,101)	(23,721,130)	(53,704,865)	(24,014,107)	(23,606,069)	(15,206,196)
Cash flows from financing activities															
Repayment of debentures	(456,744)	(1,000,513)	(1,165,177)	(1,266,733)	(1,302,449)	(1,339,171)	(1,625,868)	(2,159,384)	(2,458,815)	(2,528,143)	(2,599,429)	(2,672,721)	(2,748,082)	(2,825,566)	(2,905,235)
Repayment of leases	(225,929)	(40,503)	0	0	0	0	0	0	0	0	0	0	0	0	0
Proceeds from new debentures	24,269,000	3,600,000	3,600,000	0	0	0	5,700,000	12,500,000	0	0	0	0	0	0	0
Net cash provided by (used in) financing activities	23,586,327	2,558,984	2,434,823	(1,266,733)	(1,302,449)	(1,339,171)	4,074,132	10,340,616	(2,458,815)	(2,528,143)	(2,599,429)	(2,672,721)	(2,748,082)	(2,825,566)	(2,905,235)
Net increase (decrease) in cash held	(50,474,673)	(32,973,401)	(21,987,333)	(15,803,902)	(8,135,930)	414,511	3,117,274	3,842,139	3,520,355	(4,915,265)	2,989,894	(25,627,079)	4,912,634	6,837,193	16,851,017
Cash at beginning of year	188,346,305	137,871,632	104,898,231	82,910,898	67,106,996	58,971,066	59,385,577	62,502,851	66,344,990	69,865,345	64,950,080	67,939,974	42,312,895	47,225,529	54,062,722
Cash and cash equivalents at the end of year	137,871,632	104,898,231	82,910,898	67,106,996	58,971,066	59,385,577	62,502,851	66,344,990	69,865,345	64,950,080	67,939,974	42,312,895	47,225,529	54,062,722	70,913,739
Reconciliation of net cash provided by operating activities to net result															
Net result	(9,480,610)	22,211,206	33,664,380	35,074,436	22,691,981	19,995,698	39,965,119	57,956,335	14,498,074	11,358,604	3,246,740	1,756,483	961,799	2,140,804	4,146,510
Depreciation	15,750,610	17,113,624	19,062,190	21,679,696	22,524,696	23,129,696	25,534,736	28,989,600	29,592,870	30,331,140	32,587,068	35,517,379	35,836,379	36,151,379	38,689,293
(Profit)/loss on sale of asset	(400,000)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Grants/contributions for the development of assets	(12,667,000)	(12,667,000)	(29,532,641)	(30,751,291)	(34,282,571)	(22,032,641)	(19,032,641)	(40,362,641)	(61,328,355)	(17,351,765)	(13,606,765)	(6,523,355)	(6,523,355)	(5,123,355)	(5,023,355)
Net cash from operating activities	(6,797,000)	9,792,189	21,975,279	22,471,561	23,184,036	24,092,753	25,137,214	25,617,580	26,739,179	28,082,979	29,310,453	30,750,507	31,674,823	33,268,828	34,962,448

Appendix A6 Forecast Statement of Funding 2022 – 2037

	Budget 2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
FUNDING FROM OPERATIONAL ACTIVITIES																
Revenues																
Rates	62,144,000	64,319,041	66,570,206	68,900,164	71,311,670	73,807,580	76,390,844	79,064,523	81,831,781	84,695,893	87,660,249	90,728,358	93,903,850	97,190,484	100,592,151	
Operating grants, subsidies and contributions	3,711,000	4,621,186	4,759,820	4,902,615	5,049,694	5,201,185	5,357,220	5,517,939	5,683,476	5,853,983	6,029,602	6,210,492	6,396,807	6,588,710	6,786,373	
Profit on asset disposal	400,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Fees and charges	16,658,000	17,157,741	17,672,476	18,202,650	18,748,733	19,311,194	19,890,533	20,487,252	21,101,873	21,734,931	22,386,978	23,058,590	23,750,345	24,462,852	25,196,736	
Interest earnings	1,817,000	2,757,433	2,097,966	1,658,217	1,342,140	1,179,422	1,187,709	1,250,057	1,326,899	1,397,306	1,299,002	1,358,799	846,256	944,512	1,081,254	
Other revenue	2,232,000	2,298,959	2,367,927	2,438,965	2,512,138	2,587,504	2,665,130	2,745,082	2,827,434	2,912,258	2,999,625	3,089,615	3,182,305	3,277,774	3,376,108	
	86,962,000	91,154,360	93,468,395	96,102,611	98,964,375	102,086,885	105,491,436	109,064,853	112,771,463	116,594,371	120,375,456	124,445,854	128,079,563	132,464,332	137,032,622	
Expenses																
Employee costs	(31,222,000)	(32,158,668)	(33,123,428)	(34,117,135)	(35,140,656)	(36,194,877)	(37,280,731)	(38,399,161)	(39,551,132)	(40,737,668)	(41,959,805)	(43,218,597)	(44,515,163)	(45,850,614)	(47,226,139)	
Materials and contracts	(50,932,000)	(37,833,136)	(26,608,133)	(27,406,386)	(28,228,607)	(29,075,465)	(29,947,735)	(31,346,170)	(32,286,551)	(33,255,152)	(34,252,820)	(35,280,417)	(36,338,842)	(37,428,994)	(38,551,869)	
Utility charges (electricity, gas, water etc.)	(4,816,000)	(4,960,477)	(5,109,294)	(5,262,572)	(5,420,452)	(5,583,067)	(5,750,561)	(5,923,073)	(6,100,761)	(6,283,785)	(6,472,296)	(6,666,466)	(6,866,458)	(7,072,447)	(7,284,623)	
Depreciation on non-current assets	(15,750,610)	(17,113,624)	(19,062,190)	(21,679,696)	(22,524,696)	(23,129,696)	(25,534,736)	(28,989,600)	(29,592,870)	(30,331,140)	(32,587,068)	(35,517,379)	(35,836,379)	(36,151,379)	(38,689,293)	
Interest expense	(856,000)	(710,900)	(782,299)	(798,897)	(763,181)	(726,457)	(768,498)	(973,968)	(1,084,791)	(1,015,462)	(944,179)	(870,884)	(795,525)	(718,040)	(638,373)	
Insurance expense	(1,411,000)	(1,453,328)	(1,496,929)	(1,541,834)	(1,588,091)	(1,635,733)	(1,684,806)	(1,735,352)	(1,787,414)	(1,841,037)	(1,896,267)	(1,953,156)	(2,011,751)	(2,072,101)	(2,134,262)	
Other expenditure	(4,122,000)	(4,245,662)	(4,373,033)	(4,504,226)	(4,639,352)	(4,778,533)	(4,921,891)	(5,069,549)	(5,221,635)	(5,378,288)	(5,539,636)	(5,705,827)	(5,877,001)	(6,053,308)	(6,234,908)	
	(109,109,610)	(98,475,795)	(90,555,306)	(95,310,746)	(98,305,035)	(101,123,828)	(105,888,958)	(112,436,873)	(115,625,154)	(118,842,532)	(123,652,071)	(129,212,726)	(132,241,119)	(135,346,883)	(140,759,467)	
	(22,147,610)	(7,321,435)	2,913,089	791,865	659,340	963,057	(397,522)	(3,372,020)	(2,853,691)	(2,248,161)	(3,276,615)	(4,766,872)	(4,161,556)	(2,882,551)	(3,726,845)	
Funding position adjustments																
Depreciation on non-current assets	15,750,610	17,113,624	19,062,190	21,679,696	22,524,696	23,129,696	25,534,736	28,989,600	29,592,870	30,331,140	32,587,068	35,517,379	35,836,379	36,151,379	38,689,293	
Net profit and losses on disposal	(400,000)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Movement in non-current liabilities	(4,443,763)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Net funding from operational activities	(11,240,763)	9,792,189	21,975,279	22,471,561	23,184,036	24,092,753	25,137,214	25,617,580	26,739,179	28,082,979	29,310,453	30,750,507	31,674,823	33,268,828	34,962,448	
FUNDING FROM CAPITAL ACTIVITIES																
Inflows																
Proceeds on disposal	1,737,000	642,374	324,540	487,343	186,064	282,993	563,283	520,648	272,438	557,722	281,686	267,046	731,328	539,996	59,983	
Non-operating grants, subsidies and contributions	12,667,000	29,532,641	30,751,291	34,282,571	22,032,641	19,032,641	40,362,641	61,328,355	17,351,765	13,606,765	6,523,355	6,523,355	5,123,355	5,023,355	7,873,355	
Outflows																
Purchase of property plant and equipment	(38,501,000)	(55,838,558)	(66,112,235)	(60,417,613)	(40,875,191)	(30,293,674)	(55,658,965)	(73,104,029)	(23,838,181)	(30,088,557)	(19,830,140)	(49,799,235)	(20,572,759)	(19,973,389)	(13,943,503)	
Purchase of infrastructure	(43,167,000)	(19,661,031)	(11,361,031)	(11,361,031)	(11,361,031)	(11,361,031)	(11,361,031)	(20,861,031)	(14,546,031)	(14,546,031)	(10,696,031)	(10,696,031)	(9,296,031)	(9,196,031)	(9,196,031)	
Net funding from capital activities	(67,264,000)	(45,324,574)	(46,397,435)	(37,008,730)	(30,017,517)	(22,339,071)	(26,094,072)	(32,116,057)	(20,760,009)	(30,470,101)	(23,721,130)	(53,704,865)	(24,014,107)	(23,606,069)	(15,206,196)	
FUNDING FROM FINANCING ACTIVITIES																
Inflows																
Transfer from reserves	86,770,000	39,403,097	35,398,768	24,220,689	17,222,984	11,351,896	6,158,340	3,200,000	2,383,644	9,200,355	1,511,355	32,200,000	2,200,000	2,200,000	1,785,375	
New borrowings	24,269,000	3,600,000	3,600,000	0	0	0	5,700,000	12,500,000	0	0	0	0	0	0	0	
Outflows																
Transfer to reserves	(24,134,564)	(8,731,696)	(13,411,435)	(8,416,787)	(9,087,054)	(11,766,407)	(9,275,614)	(7,042,139)	(5,903,999)	(4,285,090)	(4,501,249)	(6,572,921)	(7,112,634)	(9,037,193)	(18,636,392)	
Repayment of past borrowings	(456,744)	(1,000,513)	(1,165,177)	(1,266,733)	(1,302,449)	(1,339,171)	(1,625,868)	(2,159,384)	(2,458,815)	(2,528,143)	(2,599,429)	(2,672,721)	(2,748,082)	(2,825,566)	(2,905,235)	
Principal elements of finance lease payments	(225,929)	(40,503)	0	0	0	0	0	0	0	0	0	0	0	0	0	
Net funding from financing activities	86,221,763	33,230,385	24,422,156	14,537,169	6,833,481	(1,753,682)	956,858	6,498,477	(5,979,170)	2,387,122	(5,589,323)	22,954,358	(7,660,716)	(9,662,759)	(19,756,252)	
Estimated surplus/deficit July 1 B/Fwd	(5,415,000)	2,302,000	0	0	0	0	0	0	0	0	0	0	0	0	0	
Estimated surplus/deficit June 30 C/Fwd	2,302,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	

Appendix A7 Forecast Statement of Net Current Asset Composition 2022 – 2037

	Budget 2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Estimated surplus/deficit July 1 B/Fwd	(5,415,000)	2,302,000	0	0	0	0	0	0	0	0	0	0	0	0	0	
CURRENT ASSETS																
Unrestricted cash and equivalents	7,159,595	4,857,595	4,857,595	4,857,595	4,857,595	4,857,595	4,857,595	4,857,595	4,857,595	4,857,595	4,857,595	4,857,595	4,857,595	4,857,595	4,857,595	
Restricted cash and cash equivalent	130,712,037	100,040,636	78,053,303	62,249,401	54,113,471	54,527,982	57,645,256	61,487,395	65,007,750	60,092,485	63,082,379	37,455,300	42,367,934	49,205,127	66,056,144	
Financial assets	52,803	52,803	52,803	52,803	52,803	52,803	52,803	52,803	52,803	52,803	52,803	52,803	52,803	52,803	52,803	
Trade and other receivables	8,808,609	8,808,609	8,808,609	8,808,609	8,808,609	8,808,609	8,808,609	8,808,609	8,808,609	8,808,609	8,808,609	8,808,609	8,808,609	8,808,609	8,808,609	
Inventories	1,645,699	1,645,699	1,645,699	1,645,699	1,645,699	1,645,699	1,645,699	1,645,699	1,645,699	1,645,699	1,645,699	1,645,699	1,645,699	1,645,699	1,645,699	
Other assets	123,315	123,315	123,315	123,315	123,315	123,315	123,315	123,315	123,315	123,315	123,315	123,315	123,315	123,315	123,315	
CURRENT LIABILITIES																
Trade and other payables	(11,044,258)	(11,044,258)	(11,044,258)	(11,044,258)	(11,044,258)	(11,044,258)	(11,044,258)	(11,044,258)	(11,044,258)	(11,044,258)	(11,044,258)	(11,044,258)	(11,044,258)	(11,044,258)	(11,044,258)	
Contract liabilities	(4,443,763)	(4,443,763)	(4,443,763)	(4,443,763)	(4,443,763)	(4,443,763)	(4,443,763)	(4,443,763)	(4,443,763)	(4,443,763)	(4,443,763)	(4,443,763)	(4,443,763)	(4,443,763)	(4,443,763)	
Reserves	(130,712,037)	(100,040,636)	(78,053,303)	(62,249,401)	(54,113,471)	(54,527,982)	(57,645,256)	(61,487,395)	(65,007,750)	(60,092,485)	(63,082,379)	(37,455,300)	(42,367,934)	(49,205,127)	(66,056,144)	
Estimated surplus/deficit June 30 C/Fwd	2,302,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	

Refer to Appendix A9 – Forecast Significant Accounting Policies

Appendix A8 Forecast Capital Works 2022 – 2037

	Budget																Total
	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37		\$
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Buildings - Non-Specialised																	
Childcare Developments		10,000,000															10,000,000
Key Workers Housing		10,000,000	10,000,000	10,000,000	10,000,000												40,000,000
Landfill - Closure												10,000,000					10,000,000
Landfill - New Site												20,000,000					20,000,000
Marina Community Building		5,000,000	5,000,000														10,000,000
Marina Eco Caravan Park				3,000,000													3,000,000
SHISH Stage 1 - Entrances, Kevin Scott Oval, Pavilion and Diamond Sports Field		21,460,000	21,460,000														42,920,000
SHISH Stage 2 - Multi-use Sports Field and Carpark			13,552,500	13,552,500													27,105,000
SHISH Stage 3 - Existing Stadium Refurbishment				26,508,000													26,508,000
SHISH Stage 4 - Aquatic Centre, Indoor Sports Hall, Dry Recreation and External Courts							50,000,000	50,000,000									100,000,000
SHISH Stage 5 - Diamond Sports Pavilion									4,463,500	4,463,500							8,927,000
Port Hedland Sports and Community Hub - Stage 2A															10,000,000		10,000,000
Solar Farm								10,000,000									10,000,000
Staff Housing Expansion		1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000						10,000,000
Staff Housing Renewal and Upgrade Program		600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000		8,400,000
Strategic Commercial Projects									6,500,000								6,500,000
Staff Housing	3,505,000																3,505,000
Landfill Community Recycling Centre		1,000,000	2,500,000														3,500,000
South Hedland Town Centre Redevelopment		2,000,000	2,000,000	2,000,000	2,000,000												8,000,000
Library								6,750,000	6,750,000								13,500,000
Performing Arts Centre			400,000		24,500,000	24,500,000											49,400,000
Civic and Community Precinct										20,000,000	15,000,000	15,000,000	15,000,000	15,000,000			80,000,000
Buildings - Specialised																	
Community and Commercial Building Renewal Program		650,000	650,000	650,000	650,000	650,000	650,000	650,000	650,000	650,000	650,000	650,000	650,000	650,000	650,000		9,100,000
Buildings - New	21,443,000																21,443,000
Infrastructure - Bus Shelters																	
Bus Shelters *delivery subject to grant funding		60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000		840,000
Infrastructure - Drainage																	
Drainage Renewal Program		1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000		18,200,000
Infrastructure - Drainage New/Upgrades	3,024,000																3,024,000
Infrastructure - Footpaths																	
Access Inclusion Maintenance Program		30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000		420,000
Dual Use Path and Lighting Masterplan		500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000		3,000,000
Footpath Renewal Program		775,000	775,000	775,000	775,000	775,000	775,000	775,000	775,000	775,000	775,000	775,000	775,000	775,000	775,000		10,850,000
Infrastructure - Footpaths Upgrades/New	3,100,000																3,100,000
Infrastructure - Other																	
Carpark Renewal Program		300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	135,000	135,000	135,000	135,000	135,000	135,000		3,045,000
Council Community Strategies (Youth, Safety, Economic Development)		1,000,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000		7,500,000
Restricted Access Program		250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000		3,500,000
Softfall Renewal Program		440,000	440,000	440,000	440,000	440,000	440,000	440,000	440,000	440,000	440,000	440,000	440,000	440,000	440,000		6,160,000
South Hedland Street Furniture Renewal		130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000		1,820,000
Infrastructure - Other New/upgrades	2,230,000																2,230,000
Infrastructure - Other Upgrades	13,556,000																13,556,000
Seawalls Construction	6,952,300																6,952,300
Infrastructure - Other Renewals	3,496,700																3,496,700
Infrastructure - Parks and Ovals																	
BBQ Renewal Program		152,000	152,000	152,000	152,000	152,000	152,000	152,000	152,000	152,000	152,000	152,000	152,000	152,000	152,000		2,128,000
Drinking Fountains Renewal Program		73,000	73,000	73,000	73,000	73,000	73,000	73,000	73,000	73,000	73,000	73,000	73,000	73,000	73,000		1,022,000
Irrigation Infrastructure Renewal		273,000	273,000	273,000	273,000	273,000	273,000	273,000	273,000	273,000	273,000	273,000	273,000	273,000	273,000		3,822,000
JD - Stage 3 - Landscaping and Pump Track		6,000,000															6,000,000
Park Lighting Upgrade Program		160,000	160,000	160,000	160,000	160,000	160,000	160,000	160,000	160,000	160,000	160,000	160,000	160,000	160,000		2,240,000
Shade Structure Renewal Program		240,000	240,000	240,000	240,000	240,000	240,000	240,000	240,000	240,000	240,000	240,000	240,000	240,000	240,000		3,360,000
Tree Planting Program		300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000		4,200,000
Turf Renewal Program		193,000	193,000	193,000	193,000	193,000	193,000	193,000	193,000	193,000	193,000	193,000	193,000	193,000	193,000		2,702,000

Appendix A8 - Forecast Capital Works 2022 – 2037 (Continued)

	Budget 2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37	Total	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Infrastructure - Roads and Bridges																	
Airport Precinct RAV 10 into Kingsford Smith								10,000,000									10,000,000
Kerb Renewal Program		400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	5,600,000
Regional Road Group Allocations		1,113,355	1,113,355	1,113,355	1,113,355	1,113,355	1,113,355	1,113,355	1,113,355	1,113,355	1,113,355	1,113,355	1,113,355	1,113,355	1,113,355	1,113,355	15,586,970
Remote Community Roads Renewal Program		571,676	571,676	571,676	571,676	571,676	571,676	571,676	571,676	571,676	571,676	571,676	571,676	571,676	571,676	571,676	8,003,464
Road Reseal Program - Sealed Roads		1,600,000	1,600,000	1,600,000	1,600,000	1,600,000	1,600,000	1,600,000	1,600,000	1,600,000	1,600,000	1,600,000	1,600,000	1,600,000	1,600,000	1,600,000	22,400,000
Road Reseal Program - Unsealed Roads		500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	7,000,000
South Hedland Cemetery Masterplan		1,800,000															1,800,000
Wedgefield Route 1 and 2		1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	100,000				16,600,000
Infrastructure - Parks and Ovals Upgrades	8,325,000																8,325,000
Infrastructure - Roads and Bridges Upgrades	2,483,000																2,483,000
Cooke Point Access									3,850,000	3,850,000							7,700,000
Land - Freehold Land																	
Land Acquisition	2,650,000		5,000,000														7,650,000
Plant and Equipment																	
IT Renewals		560,800	560,800	560,800	560,800	560,800	560,800	560,800	560,800	560,800	560,800	560,800	560,800	560,800	560,800	560,800	7,851,200
Plant Replacement Program	3,144,590	2,817,758	2,638,935	1,796,313	814,391	2,232,874	2,098,165	2,793,229	2,563,881	2,064,257	1,269,340	2,238,435	3,011,959	2,412,589	1,382,703		33,279,419
Playground Renewal Program		750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000		10,500,000
Plant and Equipment new/upgrades	2,295,750																2,295,750
Annual Renewal Plant Replacement Program	4,683,660																4,683,660
IT Hardware and Software Renewals	779,000																779,000
Grand Total	81,668,000	75,499,589	77,473,266	71,778,644	52,236,222	41,654,705	67,019,996	93,965,060	38,384,212	44,634,588	30,526,171	60,495,266	29,868,790	29,169,420	23,139,534		817,513,463

Refer to Appendix A9 – Forecast Significant Accounting Policies

Appendix A9 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 interpretations of the Australian Accounting Standards Board, and the *Local Government Act 1995* and accompanying regulations.

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

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

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

Judgements, estimates and assumptions

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

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances; the results of which form the basis of making the judgements about 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.

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.

Appendix A9 Forecast Significant Accounting Policies (Continued)

Goods and Services Tax (GST)

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

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

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

Superannuation

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

Cash and Cash Equivalents

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

Trade and Other Receivables

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

Trade receivables are recognised at original invoice amount less any allowances for uncollectible amounts (i.e. impairment). The carrying amount of net trade receivables is equivalent to fair value as it is due for settlement within 30 days.

Trade receivables are held with the objective to collect the contractual cashflows and therefore measures them subsequently at amortised cost using the effective interest rate method.

Due to the short term nature of current receivables, their carrying amount is considered to be the same as their fair value. Non-current receivables are indexed to inflation, any difference between the face value and fair value is considered immaterial.

The Town applies the AASB 9 simplified approach to measuring expected credit losses using a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, rates receivable are separated from other trade receivables due to the difference in payment terms and security for rates receivable.

Inventories

General

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

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

Land held for resale

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

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.

Appendix A9 Forecast Significant Accounting Policies (Continued)

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.

Asset Class	Effective average depreciation rate
Right Of Use - Buildings	20.00%
Right Of Use - Plant and Equipment	33.57%
Buildings - Non-Specialised	2.00%
Buildings - Specialised	2.00%
Furniture and Equipment	2.50%
Plant and Equipment	10.00%
Infrastructure - Roads and Bridges	4.00%
Infrastructure - Drainage	4.00%
Infrastructure - Footpaths	4.00%
Infrastructure - Parks and Ovals	5.00%
Infrastructure - Other	3.00%
Infrastructure - Bus Shelters	5.27%
Infrastructure - Depot	3.94%

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

Gains and Losses on Disposal

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

Employee Benefits

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

Short-Term Employee Benefits

Provision is made for the 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.

Other Long-Term Employee Benefits

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

The 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.

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.

Appendix A9 Forecast Significant Accounting Policies (Continued)

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.

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.

Current and Non-Current Classification

An asset or liability is classified as current if it is expected to be settled within the next 12 months, being the 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 or non-current based on the Town's intentions to release for sale.

Other Matters

Reliance

This Plan contains quantitative and qualitative statements, including projections, estimates, opinions and forecasts concerning the anticipated future performance of Town of Port Hedland 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 Port Hedland. 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 Port Hedland and the impact that a variation in future outcomes may have on the Plan and the Town of Port Hedland.

Document Management

Version 2022 - 2037

Status Final

Date 19 September 2022

References

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

- Town of Port Hedland Strategic Community Plan 2022-2032
- Town of Port Hedland Annual Budget 2022/23
- Town of Port Hedland Annual Financial Report 2021/22
- Town of Port Hedland Annual Financial Report 2020/21
- Town of Port Hedland Annual Financial Report 2019/20
- Australia Bureau of Statistics 2021 Census
- Council website www.porthedland.wa.gov.au

