



Department of **Local Government**
Department of **Regional Development and Lands**



Shire of Christmas Island Long Term Financial Plan

2013 – 2028



Reliance

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Acknowledgement

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Shire of Christmas Island

If you seek further information or have any questions relating to this Plan please contact:

The Shire of Christmas Island
PO Box 863
CHRISTMAS ISLAND WA 6798
Ph: 08 9164 8300
Fax: 08 9164 8304
Email: kelvin@shire.gov.cx
www.christmas.shire.gov.cx



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Foreword

Shire President

[Example content only]

I am very pleased to present to the Community the Shire of Christmas Island Long Term Financial Plan for the period 2013-2028.

The plan is part of the Shire's ongoing commitment to an integrated approach to planning for the Island's future. It provides the Council and the community with a picture of the Shire's long term financial circumstances and assists us to meet our strategic outcomes and objectives.

The Shire will encounter many challenges and opportunities over the next 15 years. Changes in population levels and demographics have a direct impact on the level of resources required to provide local government services. The Shire relies heavily on grant funding to continue with the capital program and enable the continuation of the current level of services provided. 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.

The Council welcomes community participation as we plan for a promising future of our Island. I invite members of the Community to contact the Council staff or a Councillor if they have any questions.

Regards

Kee Heng Foo
Shire President

Insert
Picture

Chief Executive Officer

[Example content only]

The Shire of Christmas Island's Long Term Financial Plan is an important financial tool as we strive to achieve the strategies set out in the Council's Strategic Community Plan.

The plan will be used with the corporate business plan, asset management plans and workforce plan to achieve our goals and drive the Shire in achieving its vision of *'A Place for everyone, without exception'*.

The implementation of Integrated Planning and Reporting continues as we constantly seek to improve our systems and service delivery. The Shire of Christmas Island would like to thank the Western Australian Department of Local Government and the Department of Regional Australia, Regional Development and Local Government for the financial assistance which has enabled the preparation of this plan in line with the State reform agenda for local government.

The staff have worked closely with the Council to prepare this plan and to highlight the financial issues that will require decisions in the future. I thank the staff for their effort in producing this comprehensive document.

Best Wishes

Kelvin Matthews
Chief Executive Officer

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Picture

Executive Summary

Planning for a Sustainable Future

The Shire of Christmas Island is planning for a positive and sustainable future. The Shire is reliant on funding from the Federal Government to continue providing services to the community. Any variation in funding levels has a direct impact on the Shire's financial capacity to renew assets and provide the current level of service. The Shire seeks to maintain, and where possible, improve service levels into the future while maintaining a healthy financial position.

Assumptions

The plan has been prepared based on the following broad assumptions:

- *The Shire's permanent population is forecast to remain stable.*
- *The Shire will maintain its current service levels and, where financial prudent, increase services.*
- *The level of grants and contributions for capital projects and operations has been included to enable the current service provision.*
- *The local economy will remain stable.*
- *Assets are expected to be adequately maintained and continue to provide existing levels of service.*

Financial Summary

Operations

The plan predicts an overall negative net result of \$1.1 million from operations over the fifteen year period. This is achieved with the inclusion of external grants and contributions for specific capital projects. This source of funds is vital; to the long term operations of the Shire funding would record a greater negative net result over the period of the plan.

Rates

Rates revenue is forecast to increase at 7.2% per annum comprising an inflationary increase of 3.2% per annum and an additional increase of 4.0% per annum.

Grants

Grants and contributions for operations are expected to be \$6.49m in year one and then increase by 3.2% per annum. Capital Grants are forecast to be \$1.6m in year one and vary through the life of the plan due to annual capital project requirements.

Financing

Cash Reserves are forecast to be \$5.08m in year one and fluctuate over the 15 years with no borrowings. This will place the Shire in a strong financial position at the end of the forecast period.

Strategic Financial Issues

The Shire has responsibility for the maintenance of a large asset base including the road network and a number of community buildings. To assist with this task the Shire receives external grants from the Federal Government. Without this source of revenue the Shire would be faced with the prospect of a substantial rate increase to maintain its current service levels.

Major Projects

Council does not have an extensive capital expansion program with resources being utilised primarily for the maintenance and renewal of existing assets. Capital projects are heavily reliant on funding from the Federal Government.

The limited availability of land suitable for waste landfill on the islands and the current condition of the existing landfill site makes waste management one of the greatest strategic challenges faced by the Shire. The highly corrosive tropical coastal environment results in the reduced lifecycle of many assets.

Introduction

Planning Framework

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 of Local Governments Framework and Guidelines for Long Term Financial Planning.

Community

The Shire of Christmas Island is located in the Indian Ocean, approximately 2600km North West of Perth, Western Australia, 360km South West of Java, Indonesia and 980km North East of Cocos (Keeling) Islands.

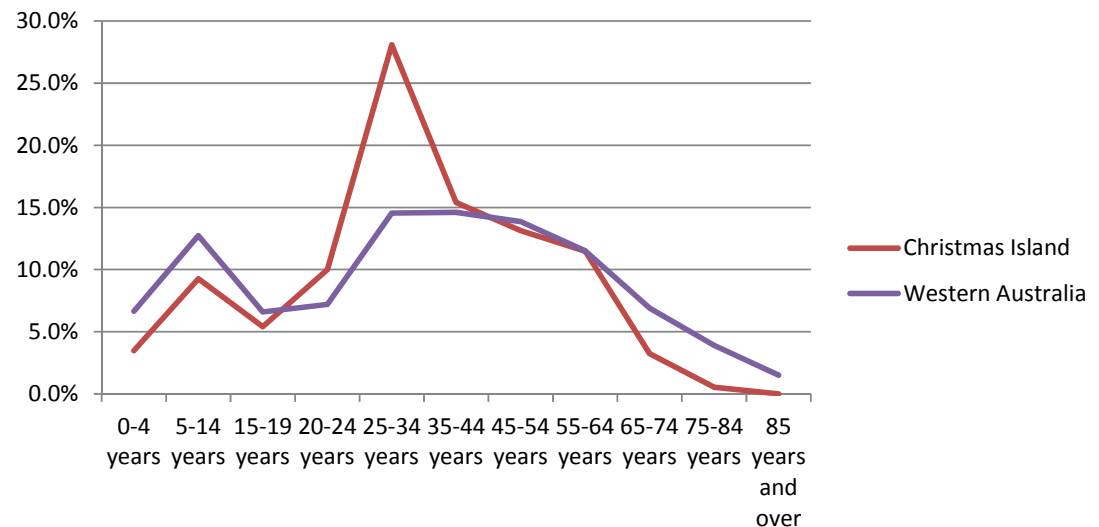
Christmas Island's community comprises of an ethnic composition of approximately 70% Asian (mainly Chinese and Malay) and 30% non-Asian. The main industry on the island to date has been the mining of phosphate. The construction and operation of the Commonwealth's Immigration Detention Centre has also contributed to the economy in recent years.

Tourism and hospitality form an important part of the island's economic base, providing a range of small scale accommodation, tour operations, dive charters and restaurants.

Key Statistics: Shire of Christmas Island 2012

Number of Elected Members	9
Number of Staff	58
Annual revenue	\$11.2m
Rates revenue	\$1.01m
Number of Electors	994
Number of Dwellings	621
Distance from Perth (km)	2,630
Area (sq. km)	35
Population (Est.)	2,072 ¹

Graph 1 Shire of Christmas Island Resident Population by Age Group



¹ Australian Bureau of Statistics, 2011 Census Data (BPA 910052009), 2012

Strategic Planning and Policies

Linkage With Other Plans

The Long Term Financial Plan is one component of a number of integrated strategic planning practices the Shire has developed, or is developing, in response to the Department of Local Government's Integrated Planning and Reporting Framework.

This plan includes, and influences, other strategic planning activities as a mechanism to action the strategies contained in Shire's Community Strategic Plan. The plan links to other Strategic documents as follows.

Strategic Community Plan

The Council's is currently developing a Strategic Community Plan was put out for public comment following the March 2012 Council meeting for a period of 21 days.

The Strategic Community will be prepared to cover at least the next 15 years and set out the community's goals, aspirations and values. To achieve these goals a series of outcomes and strategies were developed. Many strategies may be required to achieve a single outcome and many outcomes needed to achieve a single objective as represented in the diagram to follow.

Strategic Community Plan structure



The individual strategies all require actions that may require additional human and physical resources. In addition, achieving these strategies may require a series of actions over time as they may not be able to be achieved concurrently taking into account limited financial resources.

To achieve the Shire's strategic outcomes requires careful operational planning and prioritisation. This planning process is formalised as a Corporate Business Plan which operates on a rolling 4 years basis.

Corporate Business Plan

The current business plan 'Our Future – Christmas Island 2018 Plan' is currently being reviewed to align with the Department of Local Governments Guidelines for integrated planning and reporting. The Corporate Business Plan will be a 4 year rolling plan which acts as an organisational guide to the council and management.

The financial capacity to undertake these tasks is evidenced in the **long term financial plan** for the period. This long term financial planning provides an assurance the actions contained in the Corporate Business Plan can be adequately resources over the next 4 years and highlight the long term consequences of the application of human and financial resource to undertaking various projects.

The first year of the 2013-17 Corporate Business Plan will be 'sliced off' to form the draft annual budget for consideration by the Council.

Forward Capital Works Plan

The Shire has developed a plant replacement program. This program along with other plans and expenditure estimate has provided an information source for the capital program as set out in this plan.

Strategic Planning and Policies

Linkage with other Plans (cont.)

Workforce Planning

A workforce plan has been developed to set out the level of human resources required to achieve the actions contained in the Corporate Business Plan and the requisite skills, training, qualifications expertise.

The financial impact of the current level of human resources has been incorporated into this long term financial plan.

Asset Management Planning

The Shire of Christmas Island has developed formal asset management plans for the following asset classes:

- General assets;
- Transport assets; and
- Property assets.

In addition to setting service standards for these assets, the plans contain work schedules that apply financial resources to the renewal of assets over the next 15 years.

These renewal schedules would generally influence the Shire's Capital Works Plan and has been used as a basis for forecasting capital expenditure.



Other Plans

The plant replacement program has been developed and as part of the long term financial planning process and provides the plant replacement input into this Plan. Other plans for functions including waste management and recreation have influenced this plan.

Major Variations in Service Levels

The Shire of Christmas Island does not have any plans, or envisage the need, to significantly vary the level of services provided to the community over the life of this plan.

Relevant Council Policies

Council currently does not have any formal policies regarding long term financial planning, borrowings or asset renewal priorities.



Scenario Modeling

Scenario Modeling

Scenarios were developed to test the financial impact of reduced levels of funding for both operations and capital. Scenario modeling was undertaken to consider the net result and level of asset renewal capability of the Shire under various reduced scenarios of funding.

To ascertain the effect of reduced funding levels through scenario modeling, operational funding was reduced in year 1 of the plan by the percentage shown and all capital funding was reduced by the percentage shown through the term of the plan.

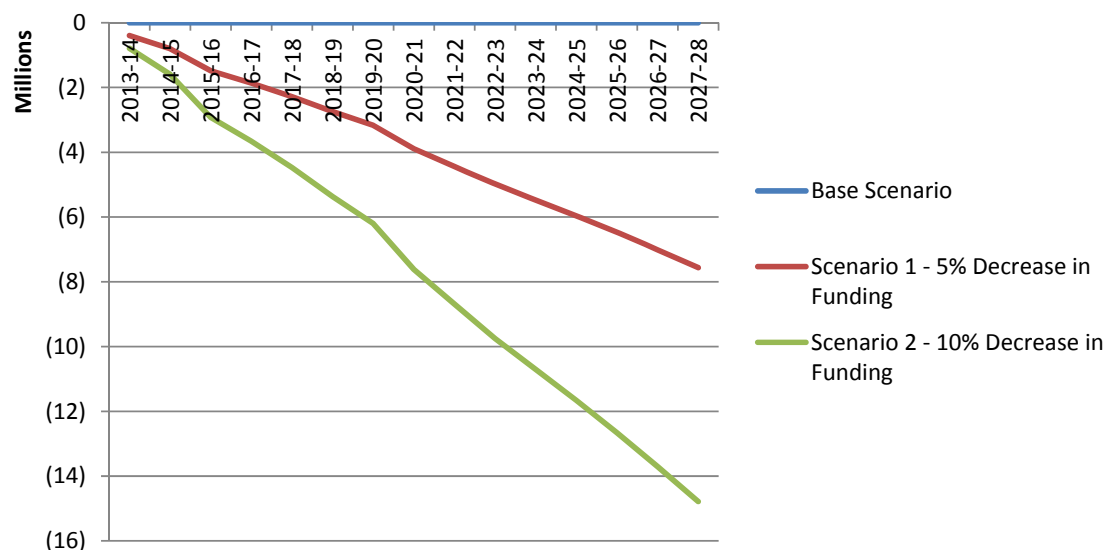
All other assumptions remained the same across the three scenarios.

Over the 15 years of the plan the reduction in the estimated surplus/(deficit) as a consequence of reduced funding is shown in graph 1.

The Base Scenario was selected as the most appropriate and has been used for the remainder of the plan. The Base scenario includes levels of funding to ensure the current levels of service are maintained.

The adjacent table reflects the impact of a change in funding levels and the total effect of a reduction in funding (other assumptions remaining the same).

Graph 1 Scenario Comparison – Net Funding from Operational Activities



Estimated Surplus/Deficit June 30 Carried Forward			
Funding Level	Variance from Base Level In Year 15	Average Variance Per Annum	
Scenario 1 – 5% Decrease in Funding	(\$7,563,493)	(\$504,233)	
Scenario 2 – 10% Decrease in Funding	(\$14,785,872)	(\$985,725)	

Assumptions and Forecasts

Major Assumptions

The following is a summary of the major assumptions relevant to the development of this Plan. Full details of all assumptions are presented on the next page.

The forecast financial information presented should be read in conjunction with all assumptions to gain an understanding of the limitations of the financial forecasts.

Inflation Forecasts

The WALGA economic briefing issued in March 2013 forecasts CPI to increase through 2013/14.

The higher than average levels of wages and construction costs in the local government industry are forecast by WALGA to result in the Local Government Cost index increasing to 3.2% in the year ended June 2014.

Current economic instability makes estimation of inflation over the longer term difficult. The current forecast level of 3.2% is viewed as appropriate and is in line with recent historical movements.

Interest Rate Movements

Interest rates on investments have been forecast at 5.0% in line with current term deposit rates offered by major banking institutions. Movements in this rate will have minimal impact on the operating cash position however interest earnings on cash backed Reserves would be directly impacted by a major variation to this assumption.

Population Movements

When compared to the State population average, the Shire has a substantially a higher percentage of residents aged 25-45. This mid-range population is reflective of the number of contract employees on the island for government services and the immigration detention centre.

The estimated resident district population is 2,072 and has increased over recent years with the operation of the Immigration Detention Centre.

No further population increase has been assumed in this plan.

General Economic Forecasts for State and Region

The economic forecast for the State and Region is closely linked the success of the mining industry and demand for minerals.

Historically, the Island's economy has been through the mining of phosphate.

In recent years, major contracts associated with the construction and operation of the Commonwealth's Immigration Detention Centre have also contributed to the economy. Tourism and hospitality also form an important part of the Island's economy.

Service Levels and Delivery

The current population level has been assumed to remain static for the life of this plan. The current levels of service are forecast to continue with funding support from the Government. This funding is vital to the sustainability of the Island.

Assumptions and Forecasts

Detailed Revenue and Expenditure Assumptions

The following table is a summary of the assumptions and forecasts which have been made for revenue and expenditure items.

<i>Disclosure</i>	<i>Forecast Level</i>
Inflation:	Average 3.2% per annum ²
District Growth in Rates:	No increase in permanent population is anticipated.
Rates Level Increase:	Rates increase annually by 4% above forecast inflation.
Operating Grants and Contributions:	Increase in line with forecast inflation.
Non-Operating Grants and Contributions:	Remain in line with funding requirements identified for various capital works.
Fees and Charges:	Increase annually by 3.5% more than forecast inflation.
Service Charges:	No service charges anticipated.
Interest Earnings:	Investment rate of 5% per annum for the duration of the plan.
Other Revenue:	Increase in line with forecast inflation.
Profit/Loss on Asset Disposal:	Nil predicted.
Employee Costs:	Increase of 4.5% per annum in line with the Shire's Enterprise Bargaining Agreement.
Materials and Contracts:	Increase in line with forecast inflation.
Utilities:	Increase in line with forecast inflation.
Depreciation:	In line with historical average depreciation rates. We consider the average depreciation for buildings to be at the high end of the range. This will need to be examined as part of the change to fair value.
Interest Expense:	Existing borrowings will continue at existing interest rates.
Insurance:	Increase in line with forecast inflation plus in year 1 by 20%, in year 2 by 10% and thereafter by 5%.
Other Expenditure:	Increase in line with forecast inflation.
Other Comprehensive Income:	In line with inflation based adjustment to fixed asset values.
Level of Service	Current levels of service to be maintained for the duration of the plan.
Unspent Grants	Assumed no carry forward of unspent grants, or maintain existing level of unspent grants for duration of the plan.

² WALGA, Economic Briefing, March 2013

Assumptions and Forecasts

Detailed Statement of Financial Position Assumptions

The following table is a summary of the assumptions and forecasts which have been made for Statement of Financial Position items.

<i>Disclosure</i>	<i>Forecast Level</i>
Revaluations:	In line with annual inflation.
Impairment of Assets:	Nil predicted.
Infrastructure Assets:	Expenditure for Infrastructure Assets is in accordance with Asset Management Plans.
Property Plant and Equipment:	Expenditure for Property Assets is in accordance with the Asset Management Plan. Plant expenditure is in accordance with the Plant Replacement Program.
Borrowings:	Borrowings are not considered an option for funding.
Employee Entitlements:	Nil movement predicted.
Cash Backed Reserves:	Transfers to reserves in accordance with historical trends. Interest re-invested in Reserves with the exception of the accrued leave reserve.
Revaluation Reserves:	Increasing in line with inflation based revaluations.
Surplus Funds:	Any surplus funds are to be reinvested for the purpose of asset renewal up to the level of the Asset Management Plans and will also be used to maintain Reserve levels.
Ownership of Strategic Assets:	Nil predicted changes.
Carbon Tax:	Nil impact considered as impact unable to be determined. However, higher than inflation increases to various expenditure items provides some allowance for possible cost increases arising from the carbon tax.
Commercial Activities:	Nil predicted.
Level of Service:	Current levels of service to be maintained for the duration of the plan for existing assets. New levels of service will be provided by new capital works included in Forward Capital Works Plan.

Risk Management

Risk Management

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

The Shire has a practice of conducting a regular review of insurance levels of its assets by the Chief Executive and management to ensure the level is adequate to protect the Shire is facing increasing difficulty securing adequate insurance for all asset classes.

Recent amendments to applicable Financial Management Regulations requires the investment of surplus funds (including cash reserves) to be in Term Deposits held by Authorised Deposit taking Institutions based or Treasury Bonds.

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



Certainty of Assumptions

Included is a detailed analysis of the assumptions used in the preparation of this plan and the level of risk associated with each assumption.

The impact of the assumptions on 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.

Sensitivity Analysis

Where it has been assessed a high level of uncertainty applies to the assumption outcomes, sensitivity analysis has been used to help quantify the potential financial impact of a change in the assumption.

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

Risk, Uncertainty and Sensitivity

Revenue Risks, Uncertainties and Sensitivity.

Assumption/Disclosure	Assessed Financial Risk	Impact for High Financial Risk Assumptions	Level of Uncertainty	Financial impact and sensitivity for assumption with high level of uncertainty
District Growth in Rates: The number of rateable properties in the Shire is expected to remain stabled at the current level.	Medium	The level of population growth and development activity is difficult to forecast and is not assessed as a high financial risk.	Medium	Not assessed as a high level of uncertainty.
Rates Level Increase: Annual rates have been based on increases in line with the forecast inflation of 3% per annum with an additional 2.0% increase.	Medium	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
Operating Grants and Contributions: Remain at historical levels in year one and increased by inflation in subsequent years.	High	The road maintenance program and general operations of the Shire are dependent on levels of Federal Financial Assistance Grants. Changes in the levels of these grants would impact directly on the Shire's ability to meet projected service levels.	High	± \$1,225,437 to the value of operating grants and contributions per 1% movement in the value over the life of the plan.
Non-Operating Grants and Contributions: Vary through the life of the plan due to annual capital projects requirements.	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 impact on service levels.	Medium	± \$254,891 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 are based on expected cost increases assumed to be sufficient for funding purposes. These will be reviewed annually.	Medium	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
Interest Earnings: Interest earning of an average rate of 5.0% 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.

Risk, Uncertainty and Sensitivity

Profit on Asset Disposal: Profit on asset disposal results from a mis-allocation 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.
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Risk, Uncertainty and Sensitivity

Expenditure Risks, Uncertainties and Sensitivity.

Assumption/Disclosure	Assessed Financial Risk	Impact for High Financial Risk Assumptions	Level of Uncertainty	Financial impact and sensitivity for assumption with high level of uncertainty
Employee Costs: Base year increased in line with inflation.	High	The employee costs for the operation of the Shire are dependent of Federal Financial Assistance Grants. Changes in the levels of these grants would impact directly on the Shires ability to meet projected service levels.	High	± \$1,498,466 to the value of employee costs per 1% movement in the value over the life of the plan.
Materials and Contracts: Base year decreased to historical in levels and then increased in line with inflation.	High	The road maintenance program and general operations of the Shire are dependent on levels of Federal Financial Assistance Grants. Changes in the levels of these grants would impact directly on the Shire's ability to meet projected service levels.	Medium	± \$154,691 to the value of materials and contracts per 1% movement in the value over the life of the plan.
Utilities: Base year increased in line with inflation.	Medium	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
Depreciation: Depreciation has been calculated using an average depreciation rate based on historical depreciation rates.	Low	Not assessed as high financial risk.	Low	Not assessed as high level of uncertainty.
Insurance: Base year increased by 20%, year 2 increased by 10% and then annually by 5% for the balance of the plan (plus inflation), employee related insurance increases in line with inflation.	Medium	The inability to insure assets on the Island will impact significantly if any great loss is experienced. Any additional increase in premiums would reduce operational capacity.	High	Financial impact impossible to predict. Loss of a large number of assets is possible through a major weather event. Self insurance would require significant expenditure.
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 mis-allocation 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.

Risk, Uncertainty and Sensitivity

Asset Risks, Uncertainties and Sensitivity.

Assumption/Disclosure	Assessed Financial Risk	Impact for High Financial Risk Assumptions	Level of Uncertainty	Financial impact and sensitivity for assumption with high level of uncertainty
Revaluations: No revaluation of assets has been assumed over the life of the plan. There is a proposal by the State Government to require asset to be valued at fair value in accordance with the Australian Accounting Standards.	Low	The revaluation of assets to their fair value 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	± \$37,814 to the value of property plant and equipment per 1% movement in the value over the life of the plan. ± \$1,348,817 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	A significant loss of assets is possible in the case of major weather events.
Infrastructure Assets: Renewals, additions and replacements of infrastructure assets is highly dependent on the level of capital grant funding received.	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	± \$254,891 to the value of infrastructure assets per 1% movement in the capital grants received over the life of the plan.
Property Plant and Equipment: Land and Building Renewals, additions and replacements and plant and equipment replacement are highly dependent on the level of capital grant funding available.	High	The renewal and upgrade of assets is highly dependent on Government Grants and contributions. Changes in these levels would impact directly on the amount spend on property, plant and equipment, and ultimately on service levels.	High	± \$254,891 to the value of property, plant and equipment per 1% movement in capital grants received over the life of the plan.

Risk, Uncertainty and Sensitivity

Liability Risks, Uncertainties and Sensitivity.

Assumption/Disclosure	Assessed Financial Risk	Impact for High Financial Risk Assumptions	Level of Uncertainty	Financial impact and sensitivity for assumption with high level of uncertainty
Borrowings: It has been assumed the Shire will not take on any borrowings. The Shire has no access to borrowings through the West Australian Treasury Corporation as it does not fall within the State of Western Australia.	Low	Not assessed as high financial risk.	Low	Not assessed as high level of uncertainty.
Employee Entitlements: It has been assumed the Shire will be in a position to meet its obligations in relation to employee entitlements.	Medium	Not assessed as high financial risk.	Low	Not assessed as high level of uncertainty.

Equity Risks, Uncertainties and Sensitivity.

Assumption/Disclosure	Assessed Financial Risk	Impact for High Financial Risk Assumptions	Level of Uncertainty	Financial impact and sensitivity for assumption with high level of uncertainty
Cash Backed Reserves: It has been assumed the Shire will invest cash reserves in term deposits with banking institutions and these funds will be available for use during the term of the Plan.	Low	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
Revaluation Reserves: No revaluation of assets has been assumed over the life of the plan. There is a proposal by the State Government to require asset to be valued at fair value in accordance with the Australian Accounting Standards. This may result in a requirement to revalue asset classes in the future.	Low	The revaluation of assets to their fair value 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	± \$37,814 to the value of property plant and equipment per 1% movement in the value over the life of the plan. ± \$1,348,817 to the value of infrastructure assets per 1% movement in the value over the life of the plan.

Risk, Uncertainty and Sensitivity

Other Assumptions

Assumption/Disclosure	Assessed Financial Risk	Impact for High Financial Risk Assumptions	Level of Uncertainty	Financial impact and sensitivity for assumption with high level of uncertainty
Ownership of Strategic Assets: The Shire has not planned for the ownership of any strategic assets to be transferred to another party over the term of the plan.	Low	Not assessed as high financial risk.	Low	Not assessed as high level of uncertainty.
Inflators: inflation factors have been applied to both revenue and expenditure throughout the plan. These inflators have been derived from management judgment and using available external information sources such as the WALGA local government costs index.	Medium	Not assessed as high financial risk.	High	± \$2,095,159 to operating revenue per 1% movement in the inflators over the life of the plan. ± \$2,360,946 to operating expenditure per 1% movement in the inflators over the life of the plan.
Carbon Tax: No allowance has been made for the impact of the Federal Governments Carbon Tax. It is assumed the Shire will not be required to pay the tax directly.	Low	Not assessed as high financial risk.	High	The Shire is unable to determine at present as the impact will largely be indirect.
Commercial Activities: The Shire 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.

Monitoring and Performance

Monitoring

The plan will be the subject of a desktop review each year to take into account changing circumstances and a full revision is scheduled every two years in line with the review of the Strategic Community Plan.

Monitoring of the Shire's financial rigidity and financial position is undertaken by preparing and monitoring various ratios.

Performance Assessment

A series of performance indicators in the form of financial ratios are utilised to assess the financial performance of the Shire.

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

Graphs of these financial ratios are presented on the following pages together with the formula used to calculate the ratio, a brief description of what the ratio indicates and an assessment of the impact of the ratio on the Shire's future.

Ratio Targets

The Department of Local Government Advisory Standard³ provides target levels for each of the ratios. These target levels are represented on the ratio graphs as a red or green line. The red line represents the level at which a 'basic standard' is met, the green line representing the level at which an 'advanced standard' is met.



³ Department of Local Government, *Integrated Planning and Reporting, Advisory Standard*, 2012

Monitoring and Performance

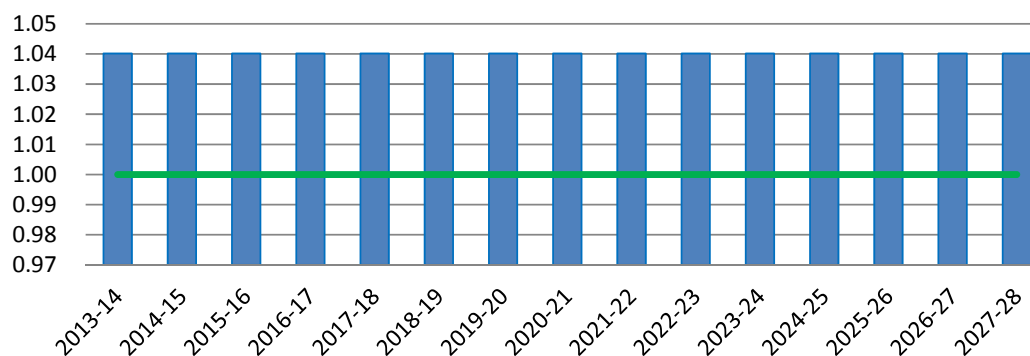
Current Ratio

current assets minus restricted assets
current liabilities minus liabilities associated with
restricted assets

Indication: A measure of the Shire's immediate liquidity and the capacity to meet short term financial obligations from unrestricted current assets.

Commentary: The ratio remains stable at 1.04 throughout the term of the plan.

Graph 1 Forecast Ratio Analysis – Current Ratio



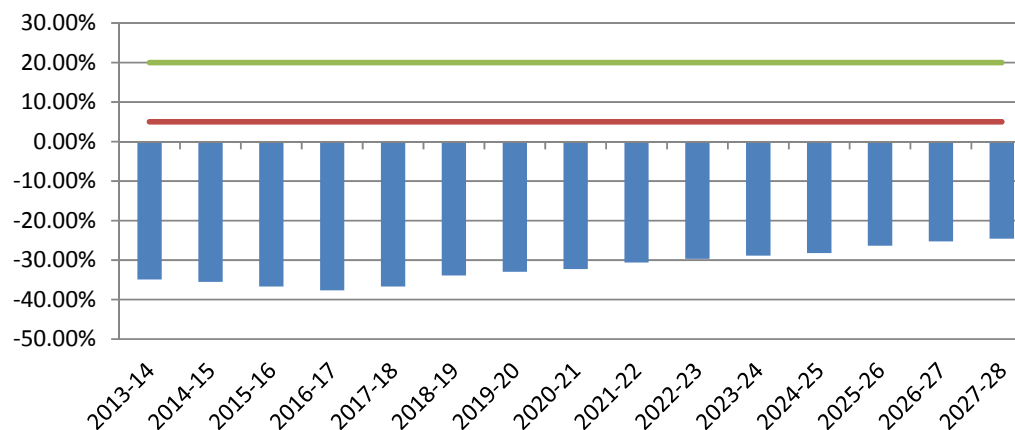
Operating Surplus Ratio

operating revenue minus operating expense
own source operating revenue

Indication: A measure of the extent to which own source revenues raised cover operational expenses.

Commentary: While the ratio is below the target the trend is stable over the life of the plan. The ratio is not considered to indicate a threat the Shire's long term financial position but does indicate the Shire's reliance on external capital grants.

Graph 2 Forecast Ratio Analysis – Operating Surplus Ratio



Monitoring and Performance

Own Source Revenue Coverage Ratio

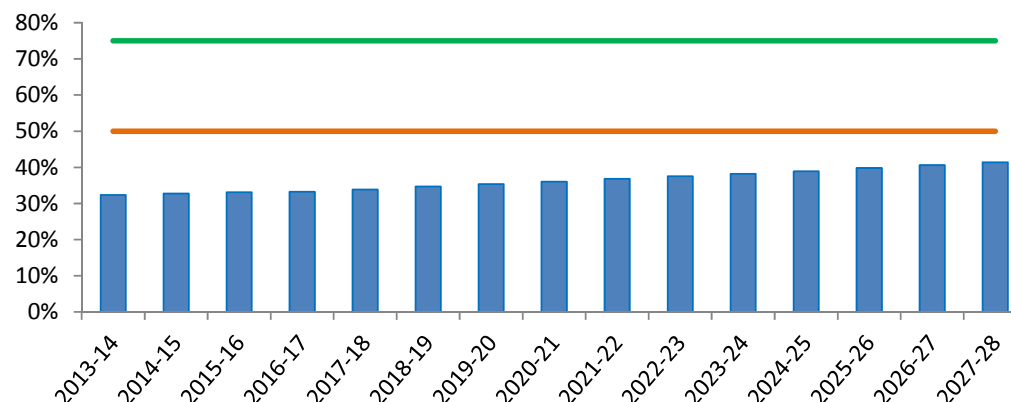
$$\frac{\text{own source operating revenue}}{\text{operating expense}}$$

Indication: A measure of the extent of the Shire's ability to cover costs using only discretionary revenue.

Commentary: The ratio is below the acceptable range and improving slightly over time indicating an inability to continue to operate in the event of a sudden loss of grant and other revenue.

(Note: no defined standard provided by DLG)

Graph 3 Forecast Ratio Analysis – Own Source Revenue Coverage Ratio



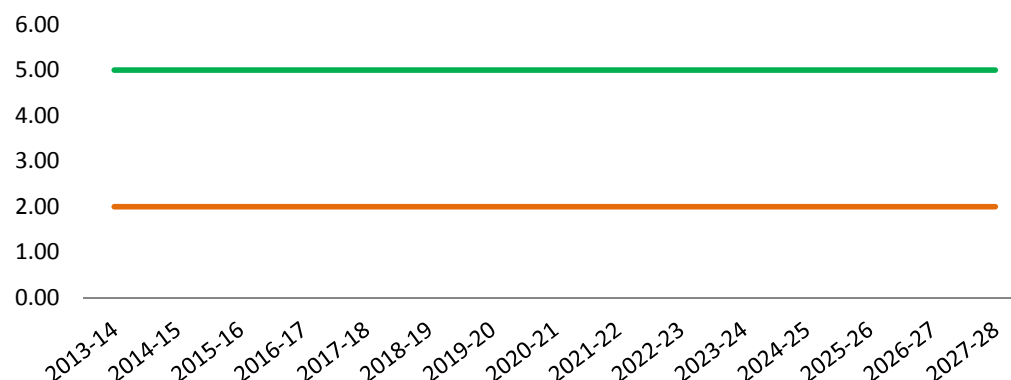
Debt Service Coverage Ratio

$$\frac{\text{annual operating surplus before interest and depreciation}}{\text{principal and interest}}$$

Indication: A measure of the extent of the Shire's capacity to generate sufficient cash to cover debt payments.

Commentary: The Shire of Christmas Island currently has no borrowings, and no future borrowings are forecast within the term of this plan. The Shire has no access to borrowings through the West Australian Treasury Corporation as it does not fall within the State of Western Australia.

Graph 4 Forecast Ratio Analysis – Debt Service Coverage Ratio



Asset Consumption Ratio

Monitoring and Performance

depreciated replacement cost of assets
current replacement cost of depreciable assets:

Indication: A measure of the extent to which assets managed by the Shire are being replaced as they reach the end of their useful lives.

Commentary: Whilst the ratio is above the ideal range limited reliance should be placed on the ratio due to possible changes to the estimated replacement cost of assets with the mandatory introduction of fair value for all asset classes.

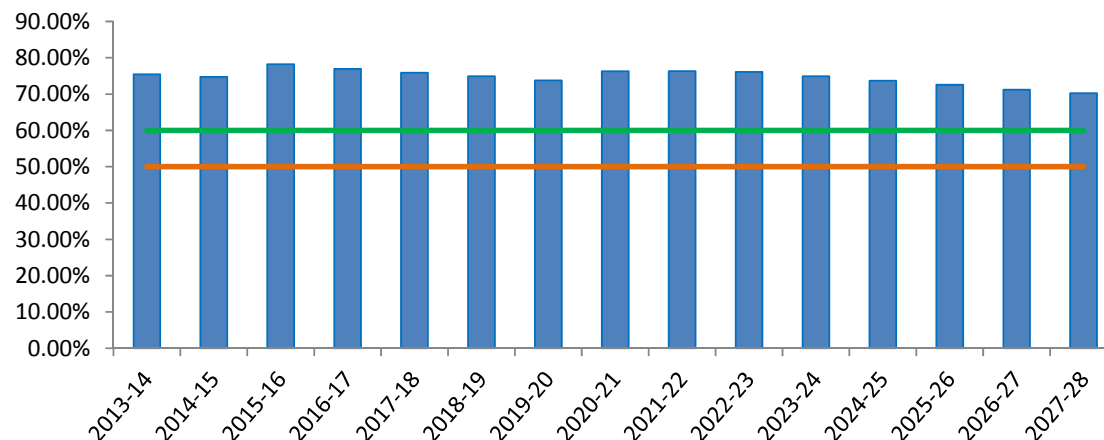
Asset Sustainability Ratio

capital renewal and replacement expenditure
depreciation expense

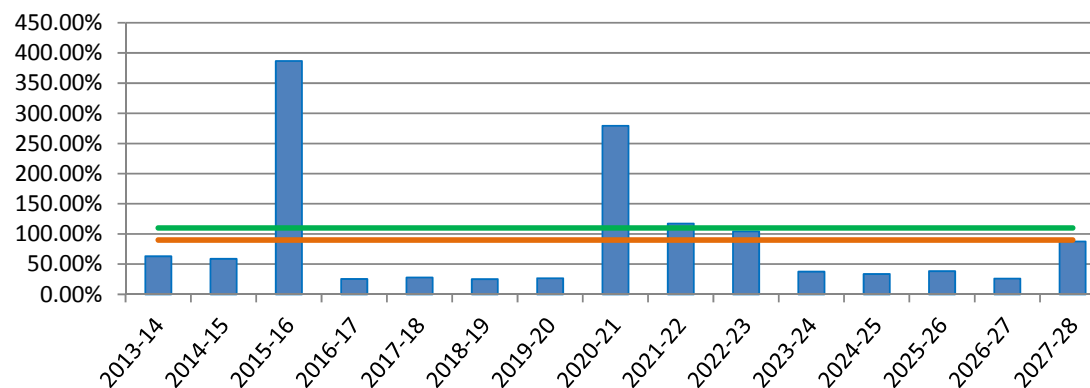
Indication: A measure of the aged condition of the Shire's physical assets.

Commentary: The ratio fluctuates based on timings of capital renewal and replacement expenditure. The average ratio over the term of the plan is 85.13%, just below the desired levels.

Graph 5 Forecast Ratio Analysis – Asset Consumption Ratio



Graph 6 Forecast Ratio Analysis – Asset Sustainability Ratio



Asset Renewal Funding Ratio

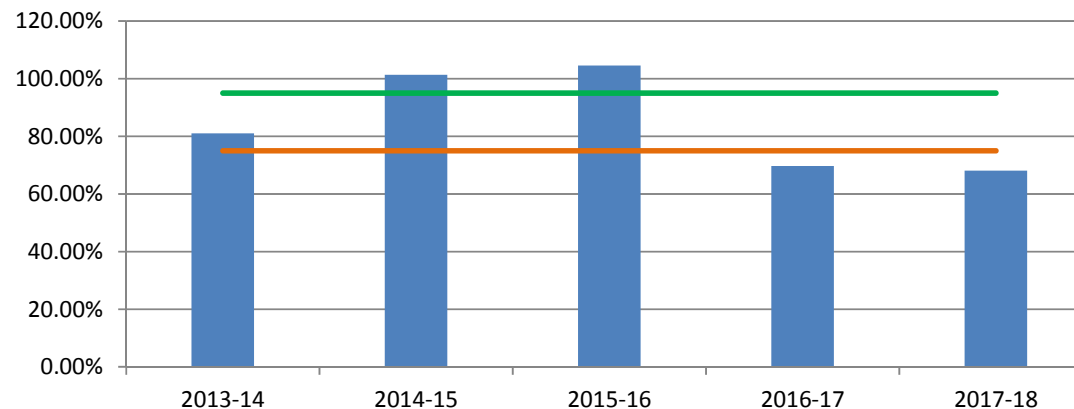
Monitoring and Performance

NPV of planned capital renewals over 10 years
NPV of required capital expenditure over 10 years

Indication: The Shire'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).

Commentary: The ratio is within the ideal range limit indicating asset renewal funding required by the asset management plan is adequately covered by the long term financial plan. As with the asset sustainability ratio external grant funding is required to achieve this.

Graph 7 Forecast Ratio Analysis – Asset Renewal Funding Ratio



Workforce Planning

Workforce Planning

The Shire currently employs 58 Full Time Equivalent (FTE) employees to deliver the range of services to the community and to maintain existing assets.

The Shire has developed a formal Workforce Plan.

No additional staffing resources beyond the 2013/2014 level have been modelled into the Long Term Financial Plan.

Council encourages work life balance, multi skilling, flexibility and effective application of staff capability.

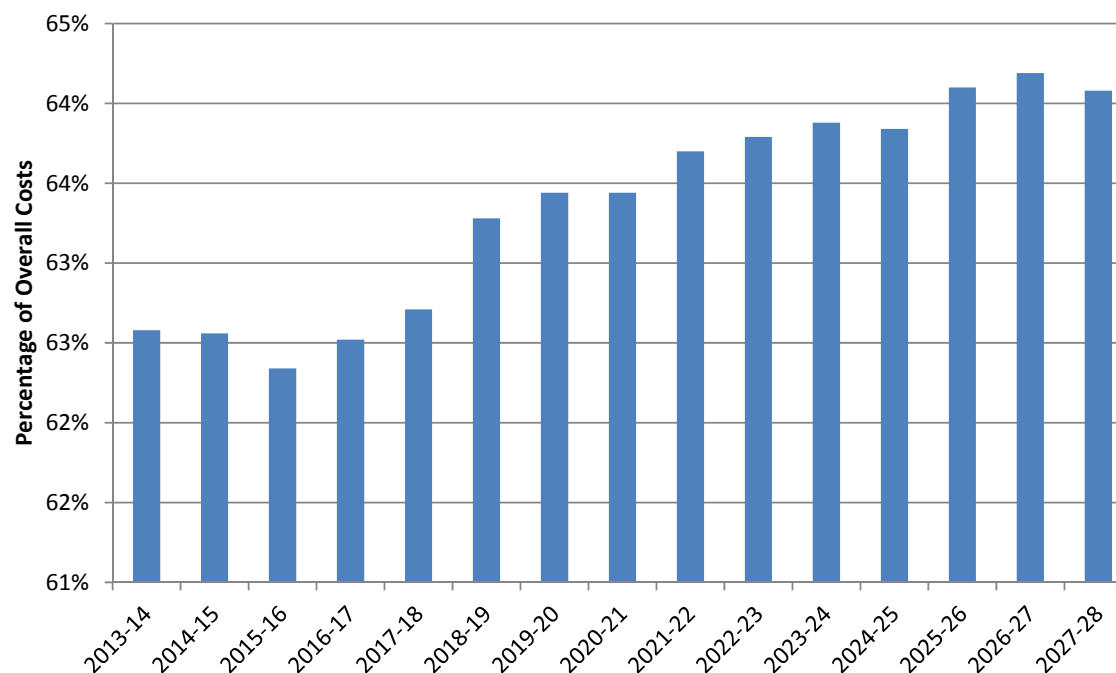
Council's workforce strategies include:

- *Attracting and retaining quality staff members;*
- *Building a healthy and safer workplace;*
- *Developing a comprehensive workforce plan; and*
- *Rewarding successes.*

Change in Employee Costs

Employee costs are forecast to increase over the life of the plan at 2.3% above the rate of inflation. The adjacent graph shows that the percentage of employees costs of overall costs is decreasing, with the increase in depreciation and insurance costs as show in Graph 10.

Graph 8 Forecast Employee Costs As A Percentage Of Overall Costs



Financial Summary

Operations

The adjacent graph plots the operating revenues and expenses over the periods as columns and the net result (revenues less expenses excluding asset revaluation changes) as a line.

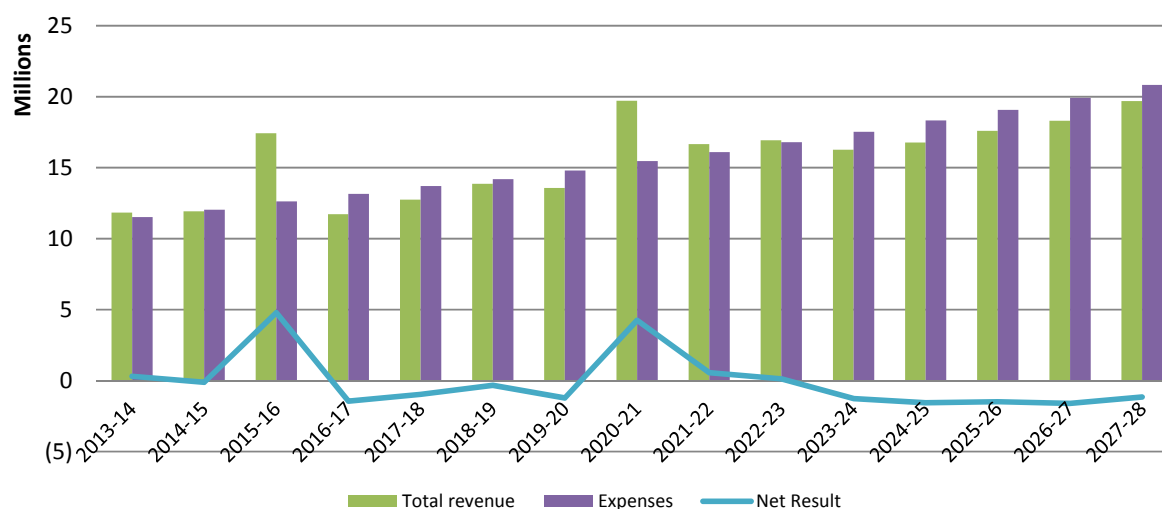
The Shire expects the operating net result to remain relatively stable over the life of the plan. Recording a negative net result over the period is indicative of the high rate of depreciation on assets.

While projecting a steady increase in operating expenses over the period the level of grants and contributions for capital projects results in variations in the net result.

It should be noted, without the grants and contributions for capital projects the Shire would record a significant negative operating result for each forecast year.

The Shire is also heavily reliant on receiving over \$122,5m over the 15 years in operating grants, subsidies and contributions to maintain the current level of operations and services.

Graph 9 *Forecast Revenue, Expenses and Net Result*



Financial Summary

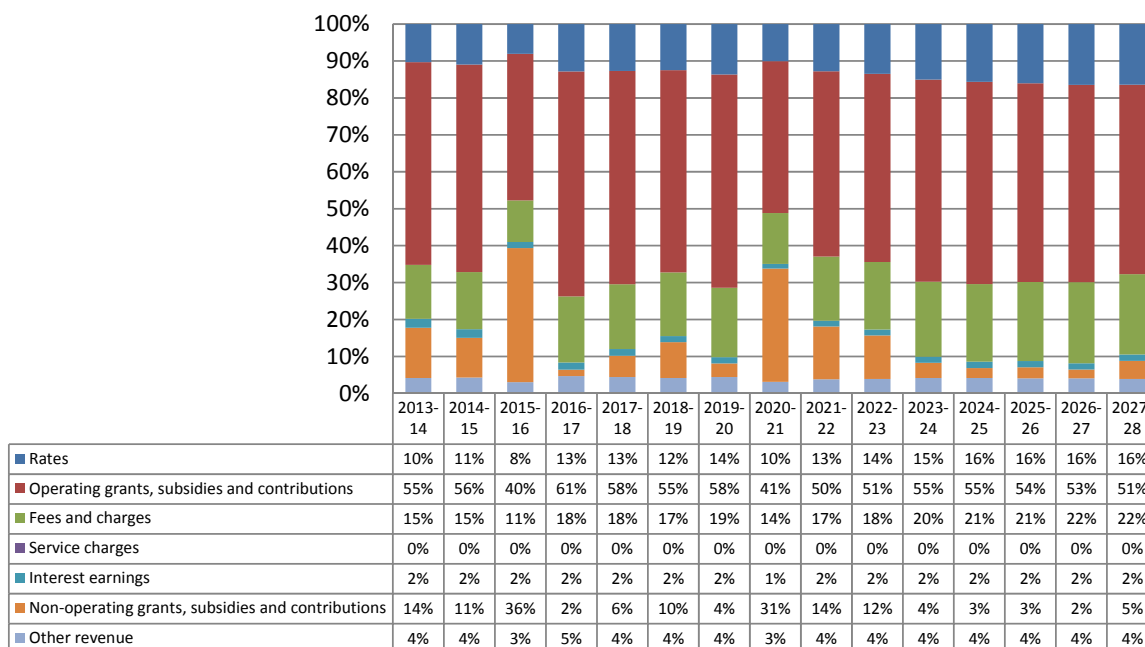
Revenue Proportions

The adjacent graph shows the change in the proportion of operating revenue items over the term of the plan.

There is a forecast revenue from grants and contributions for specific capital projects, fluctuates throughout the Plan. This trend reflects the requirement for funding to enable the renewal and upgrade of assets.

The proportion of operating grants increases slightly over the term of the plan, along with fees and charges. The proportion of other income types remain reasonably constant throughout the term of the plan.

Graph 10 *Forecast Revenue Proportions*



Financial Summary

Rates Revenue

Rate revenue is forecast to increase with an inflator of 7.2% per annum (3.2% Inflation an additional 4%). Rates are expected to generate \$1.22m in 2013-14 increasing to \$3.23m in 2027-28.

Operating Grants

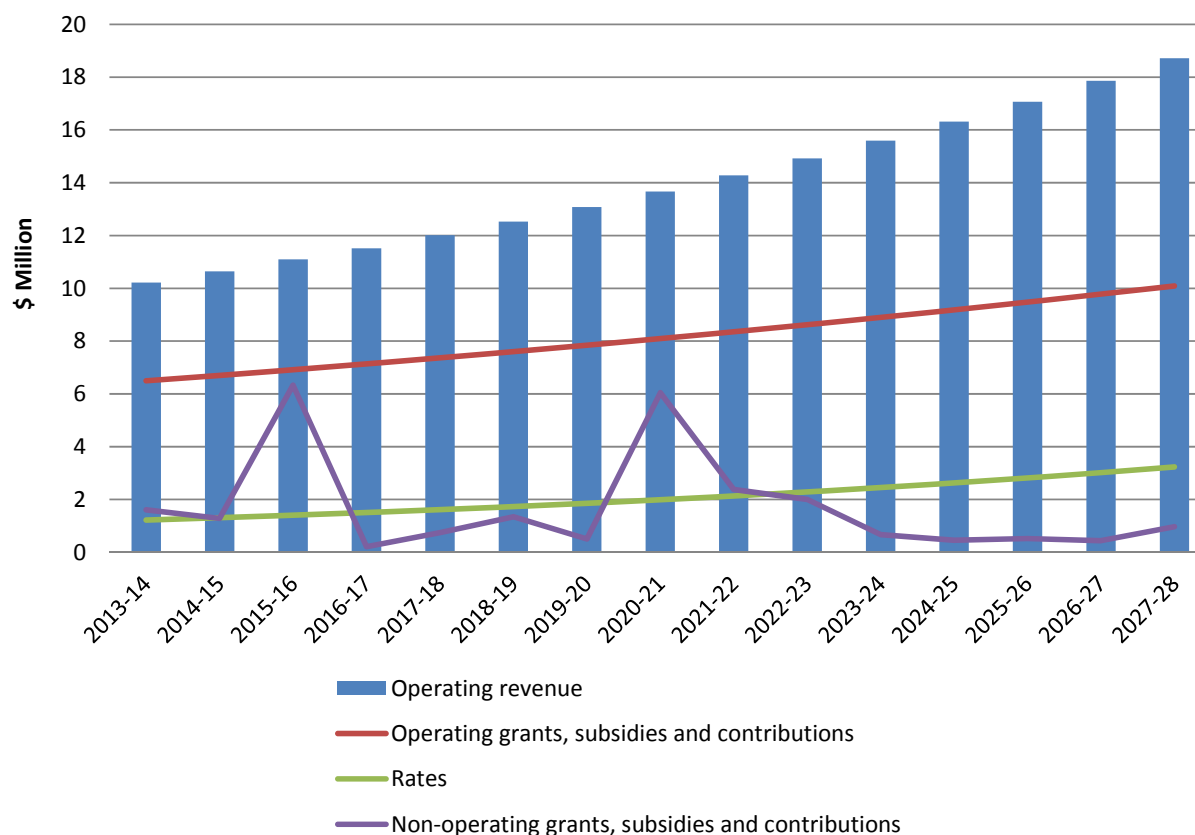
Grants and contribution for operating purposes are planned to increase from \$6.49m in 2013-14 to \$10m in 2027-28. The assumption is for a 3.2% inflationary increase annually over the period resulting in a steady progression of revenue.

There is a high level of uncertainty in relation to this forecast as the actual level of grants allocation has not yet been determined.

Capital grants

Grants and contribution for specific capital projects are expected to be high. This results from the Shire's inability to provide the necessary services without the support of the Federal Government. As with operating grants the level of non operating grant revenue has not been determined by the Federal Government.

Graph 11 *Forecast Revenue*



Financial Summary

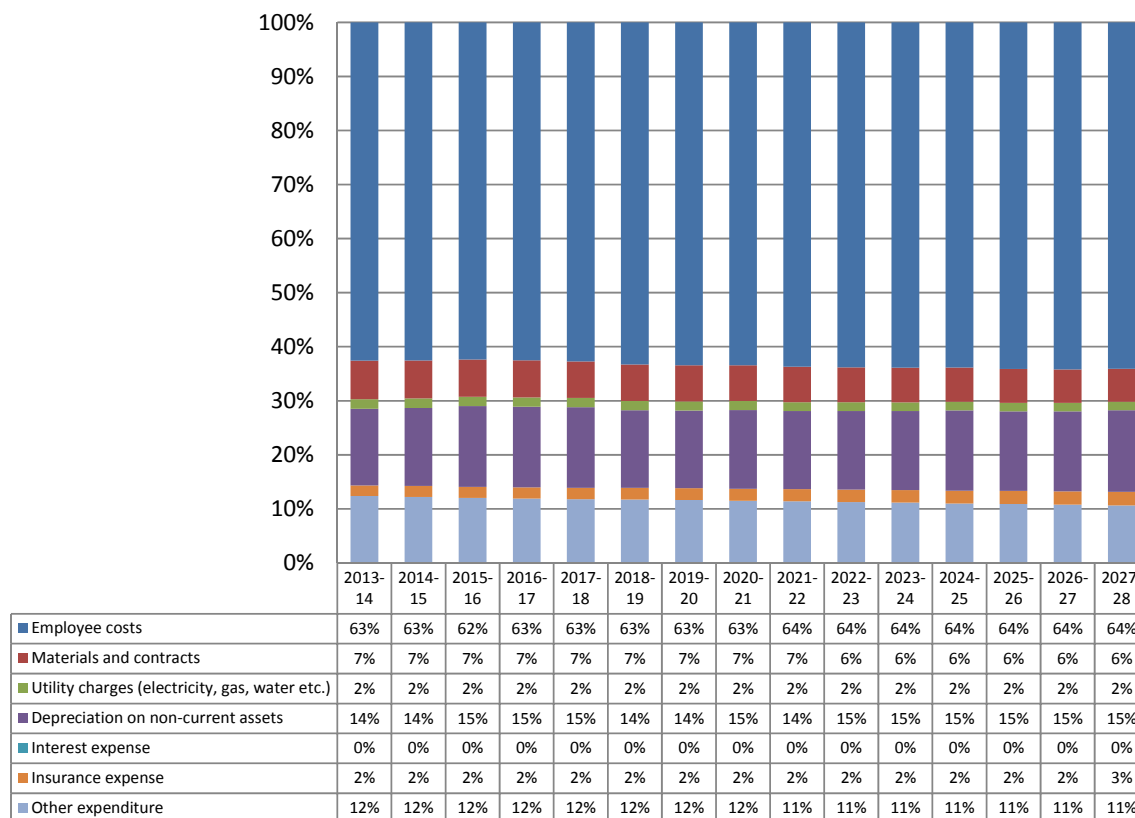
Expenses Proportions

The graph adjacent shows the change in the proportion of operating expenditure items over the term of the plan.

Insurance costs are expected to increase as a percentage of total costs over time increasing from 2% to 3% of forecast operating expenditure due to the difficulty in obtaining insurance. Depreciation expense is forecast to increase as a percentage of total operating expenditure. The other components of operating expenditure are expected to remain relatively stable over the period.

Employee costs remains the dominant operating expenditure components making up just over 60% of the cost throughout.

Graph 12 Forecast Operating Expenditure



Financial Summary

Capital Works

The overwhelming majority of the capital expenditure during the forecast period is expended on roads.

This proportion of expenditure demonstrates the substantial expenditure required to renew roads. Over the 15 year period the Shire will spend \$33.1m on assets with \$18.60m of this being on roads.

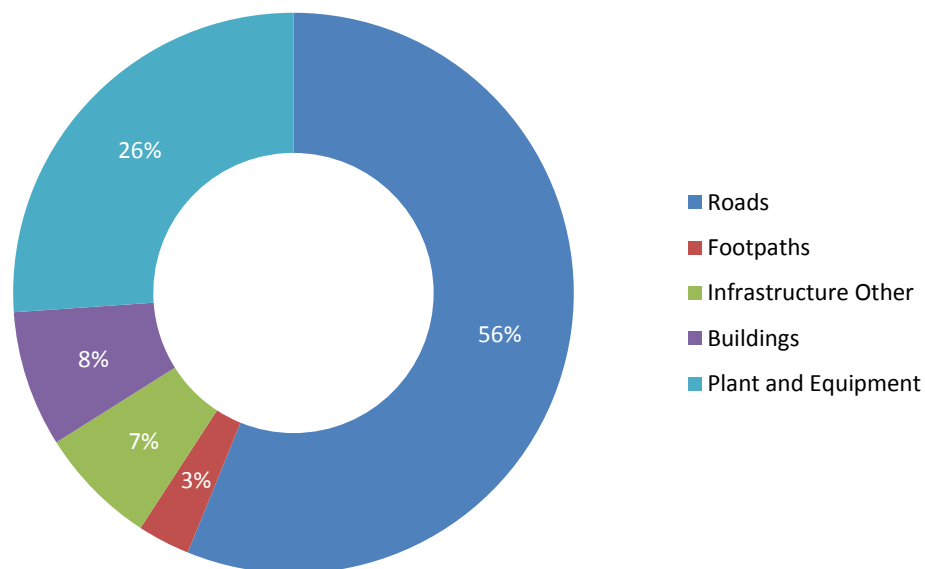
Also represented in the capital spending mix are plant and equipment, footpaths, buildings and other infrastructure.

Total Capital Works Expenditure

Roads	\$18,596,189
Other Infrastructure	\$2,275,000
Footpaths and Cycleways	\$1,000,000
Buildings	\$2,600,000
Plant and Equipment	\$8,640,253
Total	\$33,111,442

Graph 13

Forecast 15 Year Capital Expenditure



Financial Summary

Capital Trends

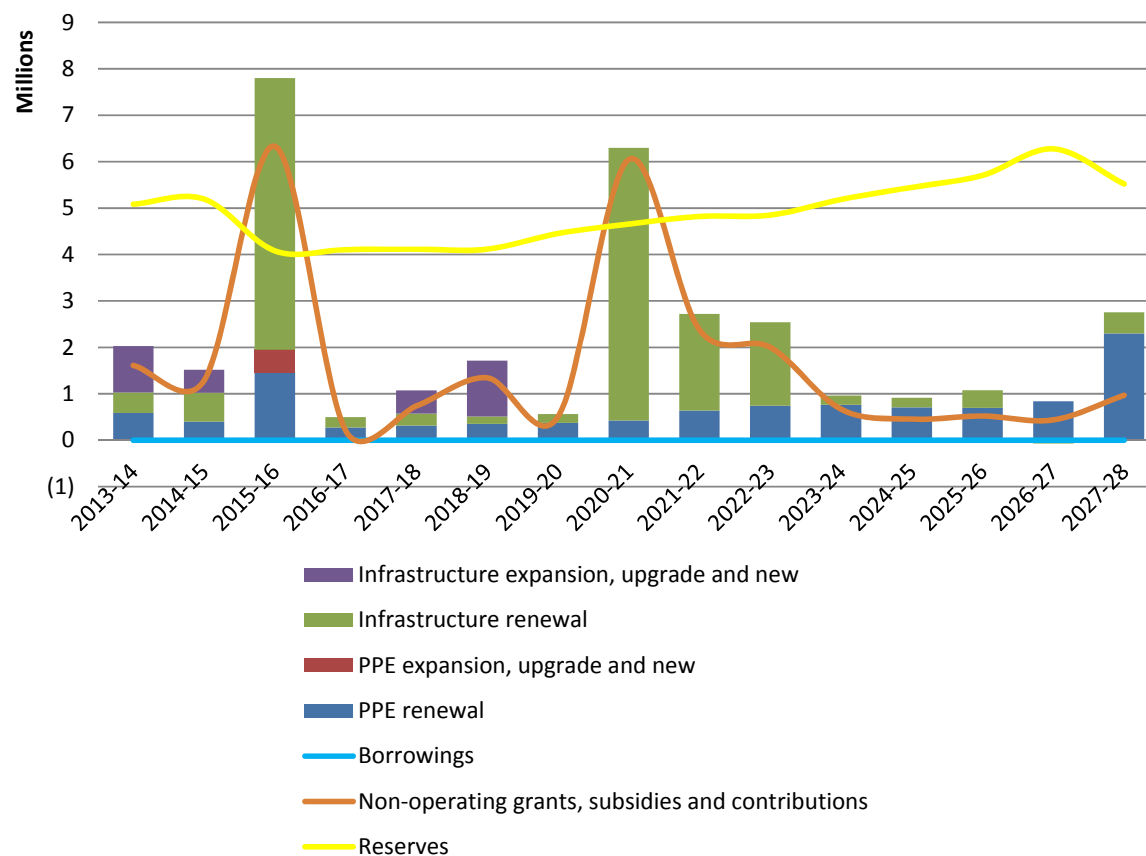
Asset Renewal

Resealing of the islands roads are planned for 2015/16 and 2020/23 resulting in the peaks in these years. The renewal of road assets is highly reliant on the receipt of grant funding.

New or expanded assets

The Shire is planning for construction of a Dual use pathway in 2013-14 and waste systems and plant between 2014 and 2019 funded by capital grants. These project are represented in the graph under the heading of Infrastructure or PPE 'expansion, upgrade and new'.

Graph 14 Forecast Capital Expenditure



Financial Summary

Financing

In general, the finances of the Shire are expected to remain stable the term with cash savings in the form of reserves as represented in the adjacent Graph 15.

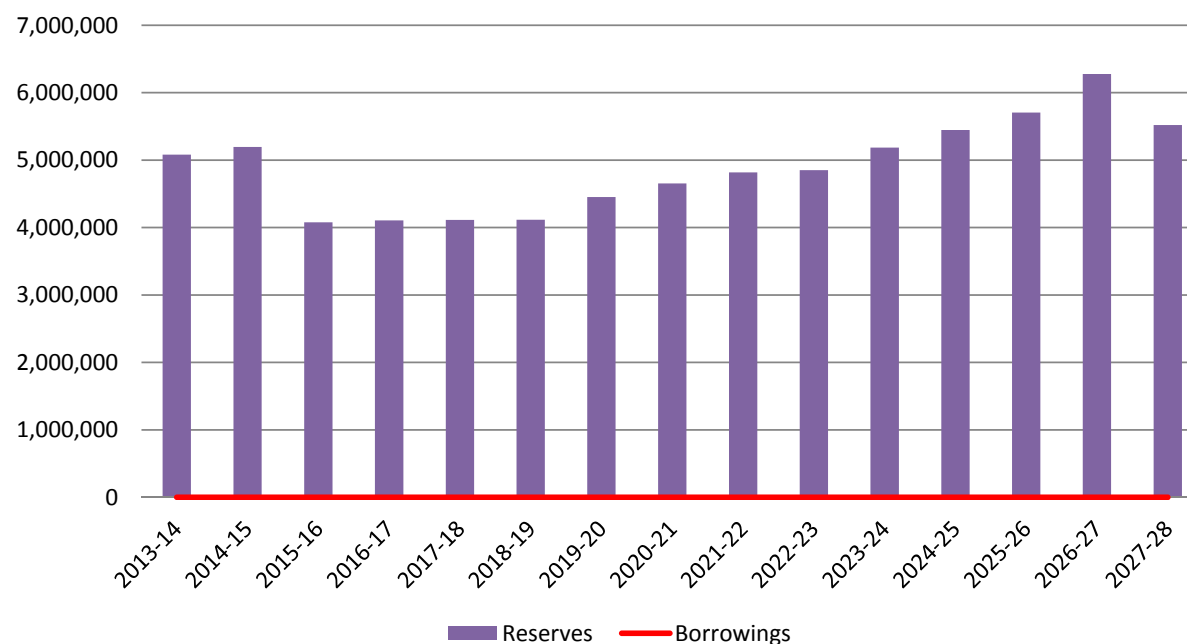
Borrowings

The Shire of Christmas Island has no current borrowings and no borrowings are forecast during the life of the plan.

Cash Reserves

The balance of cash reserves are forecast to decreased slightly over the term of the plan, with the balance in 2013/14 being \$5.52m in 2027/28.

Graph 15 *Forecast Borrowings and Reserves*



Forecast Capital Projects

Capital Projects

The table below sets out the capital projects included within the plan.

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
Buildings															
Building Works			\$1,100,000												\$1,500,000
Footpaths															
Dual Use Pathways Project	\$1,000,000														
Infrastructure Other															
Organic Waste System		\$500,000													
Shredder, Crusher, Compactor				\$75,000											
RRC for recyclable waste					\$500,000										
Foodwaste/Sludge/Weeds System						\$1,200,000									
Plant and Equipment															
Wastewater Sludge System			\$500,000												
Plant Replacement	\$588,240	\$399,385	\$346,219	\$238,196	\$316,056	\$350,331	\$374,006	\$385,976	\$637,322	\$739,930	\$763,608	\$662,540	\$700,307	\$836,954	\$801,183
Roads															
Construct Passing Lane Murray Hill Rd		\$120,000													
Seal Murray Road from School to IDC	\$250,000														
Maintenance North West Point Road		\$350,000													
Phosphate Hill Road	\$20,000														
Poon Saan Murray Road intersection	\$24,000														
Blowholes Road	\$40,000														
Greta Beach Road	\$106,000														
Road Works - Grant Funded		\$150,000	\$5,855,140	\$149,630	\$255,495	\$161,840	\$189,928	\$5,873,886	\$2,084,319	\$1,801,260	\$196,903	\$204,779	\$378,853	\$262,700	\$230,349
Grand Total	\$2,028,240	\$1,519,385	\$7,801,359	\$462,826	\$1,071,551	\$1,712,171	\$563,934	\$6,259,862	\$2,721,641	\$2,541,190	\$960,511	\$867,319	\$1,079,160	\$1,099,654	\$2,531,532

Vision, Objectives and Services

Vision

The Shires strategic vision adopted in the Strategic Community Plan 2012 is:

“A place for everyone, without exception.”

Aspirations and Values

We are a diverse community with diverse views and aspirations but many common values that unify us. These values and principles underpin our vision for the future and are presented here as a statement of who we are as a community. We wish these values and principles to be considered by all when making decisions to shape the future.

Our home

- Christmas Island is a place for everyone, without exception.
- Christmas Island is a safe and hospitable place and should remain that way.
- Christmas Island should consistently improve its accessibility and mobility around the Island to ensure that all can enjoy the beautiful Island environment.

- We celebrate our shared history, our diverse cultures and our unified future. Many of us have lived here for a long time, some our whole lives, and many of us wish to live on the island into the future. Some of us are young people who have grown up on the Island and would like opportunities to remain here or return to the Island in the future with our families.

Diversity

- Christmas Island is home to a culturally diverse community. We value the richness and vibrancy that this multi-cultural community brings to the Island and its contribution to our unique identity.
- We wish to develop and expand our multi-cultural community into the future while continuing to acknowledge and celebrate our history and cultural traditions.
- Our ever-changing culture brings with it a diversity of views and aspirations, and we seek to nurture an environment where such diversity not only co-exists but is respected and celebrated.

Sustainability

- Many of us believe that sustainability is defined as achieving a balance between the natural, economic, social and cultural fabric of the Island. Within this definition, we believe that:
- Natural resources should be used within their capacity to sustain natural processes while maintaining the life-support systems of the natural environment; and,
- The benefit of the use to the present generations should not diminish the potential of the Island to meet the needs and aspirations of future generations; and
- Economic, social and cultural initiatives should be pursued to ensure the Community can be sustained in the longer term.
- We believe that current and future developments should respond to the possible impacts of climate change.
- Our fresh water is our most precious resource and we need to learn more about and understand this resource so that informed planning and development of the Island can occur.

Vision, Objectives and Services

Sustainability (Continued)

- The natural environment of Christmas Island is one of our greatest assets. We recognise its uniqueness in a global arena and the need to protect its biodiversity.
- We also value the natural environment for the recreational and commercial opportunities it affords, particularly with respect to tourism development, and we wish to see a balanced approach taken to the development and management of this important asset.
- We believe that a key to the balanced and holistic development of the Island is a land use plan that:
 - reflects the vision, values and principles of this document,
 - is developed cooperatively between the community, Shire and Commonwealth, and
 - is supported by the necessary resources and governance arrangements required for its effective implementation.

Increased self-reliance, regional partnerships and determination

- We desire to have greater input to and the ability to determine decisions that affect our future and that of future generations.
- We recognise the need to continue working together and share the responsibility for our future.
- We strive for good governance on and for the Island; governance that is supported by strong leadership, inclusive of the community of Christmas Island, transparent and accountable.
- We seek opportunities for greater self-sufficiency; including developing on-island capacity to fill key governance, leadership, professional and technical positions, business and industry development and food production.
- Christmas Island is part of Australia, and we seek to develop and maintain positive and mutually beneficial relationships with the mainland as well as regional partnerships.
- Christmas Island has a long tradition of community organisation and volunteering and we support individuals and groups who seek to make a positive contribution to the Island.

Accessibility

- We seek to maintain and continually improve the domestic and international accessibility of Christmas Island for visitors, friends and family, and for commerce.
- Freight and communications are of a standard equal to that of regional mainland Australia, and while the prices are reflective of the remote community in which we live, these are/should still be affordable for all residents.

Vision, Objectives and Services

Service Programs

The Shire provides a wide variety of services to the community in order to achieve its vision and objectives. The following service program descriptions are used in the plan to represent these services.

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 Preventive services — Immunisation — Meat inspection — Administration and inspection — Pest control — Other
Education and Welfare	Other health Pre-school Other education Care of families and children Aged and disabled — Senior citizens centres — Meals on wheels Other welfare
Housing	Staff housing Other housing
Community amenities	Sanitation — 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 and beaches Other recreation and sport Television and radio re-broadcasting Libraries Other culture
Transport	Streets, roads, bridges, depots — 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 Saleyards 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

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 Australia 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 Cash flows

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 budget surplus (deficit) funding position for each year.

Statement of Net Current Asset Composition

A statement combining 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.



Forecast Significant Accounting Policies 2013-2028

Significant Accounting Policies

Basis of Preparation

The significant accounting policies which have been adopted in the preparation of these forecast financial statements are:

The forecast financial statements have been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities), other authoritative pronouncements of the Australian Accounting Standards Board, the Local Government Act 1995 and accompanying regulations.

Except for cash flow and rate setting information, the report has also 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 forecast financial statements in conformity with Australian Accounting Standards requires management to make judgments, 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 judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates and forecasts.

The Local Government Reporting Entity

All Funds through which the Council controls resources to carry on its functions have been included in the forecast financial statements.

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.

Goods and Services Tax

Receivables and payables in the statement of financial position are stated inclusive of applicable GST. 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.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, cash at bank, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts.

Bank overdrafts are shown as short term borrowings in current liabilities in the statement of financial position.

Trade and Other Receivables

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.

Forecast Significant Accounting Policies 2013-2028

Inventories

General

Inventories are valued 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/or resale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development and interest incurred on the financing of that land during its development. Finance Costs and holding charges incurred after development is completed are expensed.

Revenue arising from the sale of property is recognised in the operating statement as at the time of signing a binding contract of sale.

Land held for resale 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 is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Mandatory Requirements to Revalue Non-Current Assets

Effective from 1 July 2012, the Local Government (Financial Management) Regulations were amended and the measurement of non-current assets at Fair Value became mandatory.

The amendments allow for a phasing in of fair value in relation to fixed assets over three years as follows:

- a) For the financial year ending on 30 June 2013, the fair value of all of the assets of the local government that are plant and equipment; and
- b) For the financial year ending on 30 June 2014, the fair value of all of the assets of the local government –
 - (i) That are plant and equipment; and
 - (ii) That are –
 - (I) Land and buildings; or
 - (II) Infrastructure; and
- c) For a financial year ending on or after 30 June 2015, the fair value of all of the assets of the local government.

Therefore in accordance with the regulations, each asset class must be revalued at least every 3 years.

Council has commenced the process of adopting Fair Value in accordance with the Regulations.

Relevant disclosures, in accordance with the requirements of Australian Accounting Standards, have been made in the financial report as necessary.

Land Under Control

In accordance with Local Government (Financial Management) Regulation 16(a), the Council is required to include as an asset (by 30 June 2013), Crown Land operated by the local government as a golf course, showground, racecourse or other sporting or recreational facility of State or regional significance.

Upon initial recognition, these assets were recorded as cost in accordance with AASB 116. They were then classified as Land and revalued along with other land in accordance with the other policies detailed in this Note.

Whilst they were initially recorded at cost, fair value at the date of acquisition was deemed cost as per AASB 116.

Consequently, these assets were initially recognised at cost but revalued along with other items of Land and Buildings at 30 June 2013.

Forecast Significant Accounting Policies 2013-2028

Initial Recognition

All assets are initially recognised at cost. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the Council includes the cost of all materials used in construction, direct labour on the project and an appropriate portion of variable and fixed overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Council and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in the statement of comprehensive income in the period in which they are incurred.

Revaluation

When performing a revaluation, the Council uses a mix of both independent and management valuations using the following as a guide:

Revaluated assets are carried at their fair value being the price that would be received to sell the asset, in an orderly transaction between market participants at the measurement date (Level 1 inputs in the fair value hierarchy).

For land and buildings, fair value will be determined based on the nature of the asset class. For land and non-specialised buildings, fair value is determined on the basis of observable open market values of similar assets, adjusted for conditions and comparability at their highest and best use (Level 2 inputs in the fair value hierarchy).

With regards to specialized buildings, fair value is determined having regard for current replacement cost and both observable and unobservable costs. These include construction costs based on recent contract prices, current condition (observable Level 2 inputs in the fair value hierarchy), residual values and remaining useful life assessments (unobservable Level 3 input in the fair value hierarchy).

For infrastructure and other asset classes fair value is determined to be the current replacement cost of an asset (Level 2 inputs in the fair value hierarchy) less, where applicable, accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset (Level 3 inputs in the fair value hierarchy).

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

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Those assets carried as a revalued amount, being their fair value at the date of revaluation less any subsequent accumulated depreciation and accumulated impairment losses, are to be revalued with sufficient regularity to ensure the carrying amount does not differ materially from the determined using fair value at reporting date.

In addition, the amendments to the Financial Management Regulations mandating the use of Fair Value imposes a fair minimum of 3 years revaluation requirement. As a minimum, all asset carried at a revalued amount, will be revalued at least every 3 years.

Forecast Significant Accounting Policies 2013-2028

Transitional Arrangement

During the time it takes to transition the carrying value of non-current assets from the cost approach to the fair value approach, the Council may still be utilizing both methods across differing asset classes.

Those assets carried at cost will be carried in accordance with the policy detailed in the ***Initial Recognition*** section as detailed above.

Those assets carried at fair value will be carried in accordance with the ***Revaluation*** Methodology section as detailed above.

Early Adoption of AASB 13 – Fair Value Measurement

Whilst the new accounting standard in relation to Fair Value, AASB 13 – *Fair Value Measurement* does not become applicable until the year ended 30 June 2014 (in relation to Council), given the legislative need to commence using Fair Value methodology for this reporting period, the Council chose to early adopt AASB 13 (as allowed for in the standard).

As a consequence, the principles embodied in AASB 13 – *Fair Value Measurement* have been applied to this reporting period (year ended 30 June 2013).

Due to the nature and timing of the adoption (driven to legislation) the adoption of this standard has had no effect on previous reporting periods.

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 AASB1051 - 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 of Non-Current Assets

All non-current assets having a limited useful life are separately and systematically depreciated over their useful lives in a manner which reflects the consumption of the future economic benefits embodied in those assets.

Assets are depreciated from the date of acquisition or, in respect of internally constructed assets, from the time the asset is completed and held ready for use.

Depreciation is recognised on a straight-line basis, using an effective average rate.

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

The forecast financial statements assume an appropriate depreciation rate is being charged. On the basis of an appropriate depreciation rate being charged no material gains or losses on disposal of assets are forecast to occur.

When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

Forecast Significant Accounting Policies 2013-2028

Financial Instruments

Classification

Council classifies its investments in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at each reporting date.

(i) Financial assets at fair value through profit and loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the balance date which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the statement of financial position.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Council's management has the positive intention and ability to hold to maturity. If the Council were to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and reclassified as available-for-sale. Held-to-maturity financial assets are included in non-current assets, except for those with maturities less than 12 months from the reporting date, which are classified as current assets.

(iv) Available-for-sale financial assets

Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance date. Investments are designated as available-for-sale if they do not have fixed maturities and fixed or determinable payments and management intends to hold them for the medium to long term.

Recognition and Derecognition

Regular purchases and sales of financial assets are recognised on trade-date – the date on which Council commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or losses are initially recognised at fair value and transaction costs are expensed in the forecast statement of comprehensive income. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and Council has transferred substantially all the risks and rewards of ownership.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in equity are included in the forecast statement of comprehensive income as gains and losses from investment securities.

Intangible Assets

Easements

Due to legislative changes, Easements are required to be recognised as assets.

They are initially recognised at cost and have an indefinite useful life.

Forecast Significant Accounting Policies 2013-2028

Subsequent Measurement

Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method.

Available-for-sale financial assets and financial assets at fair value through profit and loss are subsequently carried at fair value. Gains or losses arising from changes in the fair value of the financial assets at fair value through profit or loss category are presented in the forecast statement of comprehensive income within other income or other expenses in the period in which they arise. Dividend income from financial assets at fair value through profit and loss is recognised in the statement of comprehensive income as part of revenue from continuing operations when the Council's right to receive payments is established. Changes in the fair value of other monetary and non-monetary securities classified as available-for-sale are recognised in equity.



Impairment

Council assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss- measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the forecast statement of comprehensive income. Impairment losses recognised in the statement of comprehensive income on equity instruments classified as available-for-sale are not reversed through the statement of comprehensive income.

Estimation of Fair Value

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments traded in active markets is based on quoted market prices at balance date.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Council uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Council for similar financial instruments.

Forecast Significant Accounting Policies 2013-2028

Impairment

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

At the end of each reporting period, the Council assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether impairment has arisen. Impairment losses are recognised in profit or loss. Any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

Trade and Other Payables

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

Employee Benefits

Provision is made for the Council's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements.

Borrowings 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.

Comparative Figures

Where required, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

Provisions

Provisions are recognised when:

- a) The Council has a present legal or constructive obligation as a result of past events;
- b) for which it is probable that an outflow of economic benefits will result; and
- c) 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.

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.

Where contributions recognised as revenues during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, those conditions are forecast to be discharged as at the reporting date.

Forecast Significant Accounting Policies 2013-2028

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 company, are classified as finance leases.

Finance leases are capitalised recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual value. Leased assets are amortised over their estimated useful lives. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments under 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.

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.

Investments in Associates

Associates are entitled in which the Council has significant influence through holding, directly or indirectly, 20% or more of the voting power of the Council. Investments in associates are accounted for in the financial statements by applying the equity method of accounting, whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the Council's share of net assets of the associated entity. In addition, the Council's share of the profit or loss of the associate entity is included in the Council's profit and loss.

The carrying amount of the investment includes goodwill relating to the associate. Any discount on acquisition, whereby the Council's share of the net fair value of the associate exceeds the cost of investment, is recognised in profit and loss in the period in which the investment is acquired.

Profits and losses resulting from transactions between the Council and the associate are eliminated to the extent of the Council's interest in the associate.

Joint Venture

The Shires interest in a joint venture has been recognised in the financial statements by including its share of any assets, liabilities, revenues and expenses of the joint venture within the relevant items reported in the statement of financial position and operating statement of comprehensive financial position income.

The Council's interests in joint venture entities are recorded using the equity method of accounting in the financial report.

Where the Council contributes assets to the joint venture or if the Council purchases assets from the joint venture, only the portion of the gain or loss that is not attributable to the Council's share of the joint venture shall be recognised. The Council recognises the full amount of any loss when the contribution results in a reduction in the net realisable value of current assets or an impairment loss.

Rounding Off Figures

All figures shown in this forecast financial statements, are rounded to the nearest dollar.

Forecast Significant Accounting Policies 2013-2028

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 Council's operational cycle. In the case of liabilities where the Council 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 resale where it is held as non-current based on Council's intentions to release for sale.

New Accounting Standards and Interpretations for application in Future Periods

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Council for the forecast annual reporting periods.

The Council assessments of these new/amended standards and interpretations have been considered and are not considered to have any material effect, or impact on Council with the exception of the introduction of AASB13.

AASB 13 defines fair value, establishes a framework for measuring fair value and requires disclosures about fair value measurements.

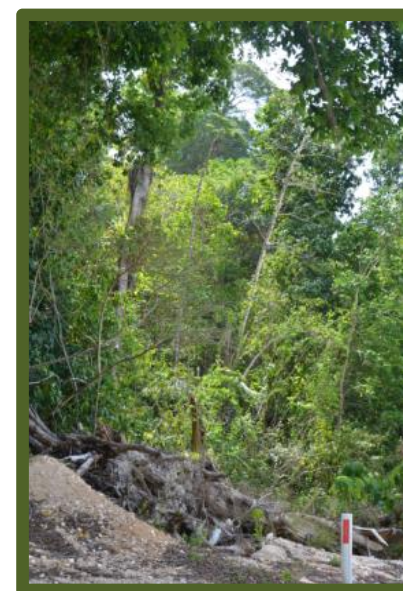
AASB 13 requires:

- Inputs to all fair value measurements to be categorised in accordance with a fair value hierarchy; and

- Enhanced disclosures regarding all assets and liabilities (including, but not limited to financial assets and financial liabilities) measured at fair value.

AASB 13 will have particular relevance to the process of the Council adopting fair value methodology in relation to its assets as mandated from 1 July 2012. Apart from the changes in value in relation to assets to be revalued (which are mandated by legislation and not changes to the standard) it is not expected to significantly impact the Council as the framework embodied in AASB 13 does not differ significantly from that which is present in existing standards.

Amendments to the legislation requires the phasing in of fair value over the next three years, it is not possible to estimate the likely amount of the revaluations.



Statement 2 - Forecast Statement of Comprehensive Income 2013 to 2028

	2009-10	2010-11	2011-12	Base	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenues																			
Rates	759,122	777,658	1,009,938	1,139,732	1,221,793	1,309,763	1,404,065	1,505,157	1,613,528	1,729,703	1,854,241	1,987,746	2,130,864	2,284,287	2,448,756	2,625,067	2,814,073	3,016,686	3,233,887
Operating grants, subsidies and contributions	4,572,271	5,274,447	6,082,109	6,291,412	6,492,738	6,700,506	6,914,921	7,136,198	7,364,555	7,600,219	7,843,428	8,094,417	8,353,437	8,620,747	8,896,612	9,181,303	9,475,106	9,778,310	10,091,217
Fees and charges	1,626,549	2,433,031	3,476,809	1,619,083	1,727,563	1,843,307	1,966,805	2,098,578	2,239,181	2,389,208	2,549,287	2,720,086	2,902,329	3,096,785	3,304,271	3,525,658	3,761,878	4,013,928	4,282,863
Service charges	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest earnings	233,878	351,166	351,499	317,484	283,526	279,266	284,837	229,022	230,440	230,868	230,912	247,784	257,888	266,146	267,633	284,423	297,431	310,402	338,956
Other revenue	262,935	321,325	274,554	479,074	494,404	510,226	526,553	543,404	560,792	578,736	597,256	616,367	636,091	656,445	677,450	699,130	721,501	744,590	768,418
	7,454,755	9,157,627	11,194,909	9,846,785	10,220,024	10,643,068	11,097,181	11,512,359	12,008,496	12,528,734	13,075,124	13,666,400	14,280,609	14,924,410	15,594,722	16,315,581	17,069,989	17,863,916	18,715,341
Expenses																			
Employee costs	(3,992,191)	(4,658,720)	(5,145,440)	(6,899,235)	(7,209,702)	(7,534,139)	(7,873,176)	(8,227,462)	(8,597,702)	(8,984,593)	(9,388,892)	(9,811,387)	(10,252,908)	(10,714,288)	(11,196,433)	(11,700,263)	(12,226,777)	(12,776,974)	(13,351,944)
Materials and contracts	(1,096,980)	(883,574)	(1,612,252)	(1,200,000)	(819,615)	(845,842)	(872,905)	(900,838)	(929,660)	(959,409)	(990,107)	(1,021,787)	(1,054,485)	(1,088,224)	(1,123,046)	(1,158,981)	(1,196,058)	(1,234,332)	(1,273,832)
Utility charges (electricity, gas, water etc)	(109,555)	(132,196)	(131,643)	(200,000)	(206,401)	(213,005)	(219,818)	(226,850)	(234,111)	(241,603)	(249,333)	(257,315)	(265,547)	(274,043)	(282,814)	(291,860)	(301,196)	(310,832)	(320,777)
Depreciation on non-current assets	(1,080,355)	(1,741,130)	(1,296,597)	(1,268,894)	(1,633,884)	(1,735,853)	(1,888,418)	(1,965,583)	(2,043,908)	(2,038,964)	(2,125,461)	(2,255,106)	(2,323,779)	(2,440,181)	(2,561,653)	(2,725,957)	(2,807,065)	(2,944,441)	(3,150,920)
Interest expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Insurance expense	(165,860)	(180,537)	(211,268)	(200,715)	(224,793)	(242,859)	(256,781)	(271,659)	(287,556)	(304,550)	(322,733)	(342,190)	(363,018)	(385,318)	(409,211)	(434,819)	(462,272)	(491,710)	(523,296)
Other expenditure	(705,273)	(630,905)	(483,463)	(1,382,056)	(1,426,283)	(1,471,916)	(1,519,011)	(1,567,622)	(1,617,790)	(1,669,557)	(1,722,983)	(1,778,119)	(1,835,023)	(1,893,737)	(1,954,345)	(2,016,878)	(2,081,411)	(2,148,017)	(2,216,745)
	(7,150,214)	(8,227,062)	(8,880,663)	(11,150,900)	(11,520,678)	(12,043,614)	(12,630,109)	(13,160,014)	(13,710,727)	(14,198,676)	(14,799,509)	(15,465,904)	(16,094,760)	(16,795,791)	(17,527,502)	(18,328,758)	(19,074,779)	(19,906,306)	(20,837,514)
	304,541	930,565	2,314,246	(1,304,115)	(1,300,654)	(1,400,546)	(1,532,928)	(1,647,655)	(1,702,231)	(1,669,942)	(1,724,385)	(1,799,504)	(1,814,151)	(1,871,381)	(1,932,780)	(2,013,177)	(2,004,790)	(2,042,390)	(2,122,173)
Non-Operating grants, subsidies and contributions	280,324	957,149	151,025	4,474,400	1,609,800	1,284,872	6,329,540	208,281	738,427	1,344,021	500,308	6,046,064	2,377,171	2,002,128	667,428	453,881	521,272	437,371	968,576
Profit on disposal of assets	0	0	0	70,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loss on asset disposal	(11,489)	(10,660)	(7,185)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NET RESULT	573,376	1,877,054	2,458,086	3,240,285	309,146	(115,674)	4,796,612	(1,439,374)	(963,804)	(325,921)	(1,224,077)	4,246,560	563,020	130,747	(1,265,352)	(1,559,296)	(1,483,518)	(1,605,019)	(1,153,597)
Other Comprehensive Income	(11,009,879)	186,613	(319,601)	0	2,721,221	2,820,578	2,903,912	3,195,151	3,331,014	3,447,825	3,551,889	3,619,911	3,870,903	4,012,153	4,148,574	4,234,855	4,318,404	4,406,618	4,483,484
TOTAL COMPREHENSIVE INCOME	(10,436,503)	2,063,667	2,138,485	3,240,285	3,030,367	2,704,904	7,700,524	1,755,777	2,367,210	3,121,904	2,327,812	7,866,471	4,433,923	4,142,900	2,883,222	2,675,559	2,834,886	2,801,599	3,329,887

Statement 2 - Forecast Statement of Comprehensive Income 2013 to 2028

	2009-10	2010-11	2011-12	Base	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenues																			
Governance	86,890	96,284	4,980,787	71,598	76,080	80,852	85,933	91,344	97,106	103,243	109,779	116,741	124,158	132,058	140,473	149,439	158,991	169,169	180,014
General Purpose Funding	4,141,275	4,573,132	88,207	5,358,478	5,589,499	5,805,307	6,041,599	6,227,761	6,483,051	6,749,926	7,029,711	7,340,386	7,659,175	7,991,871	8,334,471	8,710,039	9,100,538	9,510,832	9,957,730
Law, Order, Public Safety	3,688	645	449,840	800	832	866	901	938	977	1,017	1,060	1,105	1,152	1,201	1,252	1,306	1,363	1,423	1,486
Health	17,094	22,477	18,371	16,000	17,037	18,142	19,320	20,576	21,914	23,341	24,863	26,485	28,215	30,058	32,025	34,121	36,356	38,739	41,280
Education & Welfare	109,994	235,215	202,000	719,750	216,497	223,462	230,653	238,076	245,739	253,650	261,820	270,253	278,959	287,947	297,229	306,813	316,707	326,924	337,473
Housing	50,737	56,010	43,985	159,740	166,593	173,782	181,325	189,242	197,555	206,284	215,454	225,090	235,219	245,868	257,066	268,845	281,239	294,284	308,018
Community Amenities	840,768	1,215,431	1,724,832	2,173,000	931,491	1,493,902	1,560,493	1,206,546	1,707,359	2,488,253	1,374,566	1,466,662	1,564,928	1,669,779	1,781,655	1,901,026	2,028,395	2,164,298	2,309,307
Recreation and Culture	1,059,975	1,379,486	1,201,686	1,762,780	1,404,019	1,465,688	1,530,452	1,598,487	1,669,975	1,745,112	1,824,112	1,907,186	1,994,572	2,086,523	2,183,300	2,285,186	2,392,479	2,505,494	2,624,570
Transport	1,289,913	2,489,946	2,437,541	4,100,539	3,397,576	2,633,933	7,742,119	2,111,702	2,285,108	2,261,480	2,691,162	8,313,039	4,723,105	4,429,979	3,180,278	3,054,939	3,213,883	3,225,023	3,854,903
Economic Services	12,937	37,333	45,684	17,500	18,673	19,924	21,259	22,683	24,202	25,824	27,554	29,400	31,370	33,472	35,715	38,107	40,660	43,384	46,291
Other Property and Services	121,808	8,817	9,880	11,000	11,527	12,082	12,667	13,285	13,937	14,625	15,351	16,117	16,927	17,782	18,686	19,641	20,650	21,717	22,845
	7,735,079	10,114,776	11,202,813	14,391,185	11,829,824	11,927,940	17,426,721	11,720,640	12,746,923	13,872,755	13,575,432	19,712,464	16,657,780	16,926,538	16,262,150	16,769,462	17,591,261	18,301,287	19,683,917
Expenses Excluding Finance Costs																			
Governance	(458,621)	(500,441)	(91,493)	(123,988)	(150,753)	(174,086)	(198,055)	(221,062)	(245,598)	(269,101)	(297,174)	(328,410)	(359,638)	(394,399)	(431,485)	(472,214)	(512,761)	(557,681)	(607,538)
General Purpose Funding	(72,604)	(79,087)	(537,271)	(725,653)	(750,572)	(777,496)	(805,230)	(834,318)	(864,494)	(896,138)	(928,596)	(962,105)	(997,128)	(1,033,279)	(1,070,781)	(1,109,536)	(1,150,101)	(1,191,975)	(1,235,167)
Law, Order, Public Safety	(163,822)	(164,869)	(570,117)	(250,444)	(260,420)	(270,566)	(281,143)	(292,094)	(303,486)	(315,281)	(327,603)	(340,443)	(353,762)	(367,641)	(382,079)	(397,122)	(412,716)	(428,974)	(445,926)
Health	(102,189)	(105,292)	(107,851)	(112,319)	(116,690)	(120,997)	(125,493)	(130,109)	(134,901)	(139,822)	(144,986)	(150,370)	(155,919)	(161,704)	(167,710)	(173,968)	(180,411)	(187,135)	(194,152)
Education & Welfare	(395,118)	(491,889)	(567,139)	(729,585)	(759,334)	(790,063)	(822,113)	(855,400)	(890,066)	(926,072)	(963,673)	(1,002,881)	(1,043,643)	(1,086,150)	(1,130,431)	(1,176,593)	(1,224,582)	(1,274,630)	(1,326,840)
Housing	(179,085)	(148,195)	(145,218)	(220,840)	(141,084)	(151,729)	(164,212)	(172,969)	(182,115)	(187,156)	(197,447)	(210,439)	(220,598)	(233,761)	(247,681)	(264,406)	(277,247)	(293,688)	(314,464)
Community Amenities	(980,352)	(1,231,064)	(1,210,228)	(1,934,085)	(2,009,572)	(2,084,599)	(2,163,044)	(2,243,526)	(2,327,071)	(2,412,793)	(2,502,884)	(2,596,907)	(2,693,763)	(2,794,874)	(2,899,890)	(3,009,396)	(3,122,074)	(3,239,731)	(3,362,691)
Recreation and Culture	(1,985,799)	(2,251,135)	(2,303,907)	(2,959,464)	(2,990,811)	(3,119,988)	(3,262,119)	(3,394,707)	(3,532,468)	(3,659,608)	(3,809,501)	(3,973,216)	(4,131,260)	(4,304,495)	(4,485,122)	(4,680,566)	(4,867,233)	(5,071,889)	(5,297,296)
Transport	(2,762,527)	(3,058,909)	(2,965,184)	(3,900,586)	(4,059,564)	(4,244,189)	(4,458,689)	(4,642,465)	(4,832,990)	(4,989,490)	(5,197,167)	(5,432,839)	(5,646,203)	(5,890,408)	(6,145,049)	(6,428,834)	(6,680,860)	(6,969,300)	(7,300,789)
Economic Services	(26,852)	(22,661)	(97,503)	(43,936)	(46,200)	(47,833)	(49,631)	(51,296)	(53,013)	(54,581)	(56,420)	(58,417)	(60,325)	(62,402)	(64,554)	(66,870)	(69,050)	(71,432)	(74,048)
Other Property and Services	(34,734)	(184,180)	(299,841)	(150,000)	(235,678)	(262,068)	(300,380)	(322,068)	(344,525)	(348,634)	(374,058)	(409,877)	(432,521)	(466,678)	(502,720)	(549,253)	(577,744)	(619,871)	(678,603)
	(7,161,703)	(8,237,722)	(8,895,752)	(11,150,900)	(11,520,678)	(12,043,614)	(12,630,109)	(13,160,014)	(13,710,727)	(14,198,676)	(14,799,509)	(15,465,904)	(16,094,760)	(16,795,791)	(17,527,502)	(18,328,758)	(19,074,779)	(19,906,306)	(20,837,514)
Finance Costs																			
Transport	0	0	151,025	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	151,025	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NET RESULT	573,376	1,877,054	2,458,086	3,240,285	309,146	(115,674)	4,796,612	(1,439,374)	(963,804)	(325,921)	(1,224,077)	4,246,560	563,020	130,747	(1,265,352)	(1,559,296)	(1,483,518)	(1,605,019)	(1,153,597)
Other Comprehensive Income	(11,009,879)	186,613	(319,601)	0	2,721,221	2,820,578	2,903,912	3,195,151	3,331,014	3,447,825	3,551,889	3,619,911	3,870,903	4,012,153	4,148,574	4,234,855	4,318,404	4,406,618	4,483,484
TOTAL COMPREHENSIVE INCOME	(10,436,503)	2,063,667	2,138,485	3,240,285	3,030,367	2,704,904	7,700,524	1,755,777	2,367,210	3,121,904	2,327,812	7,866,471	4,433,923	4,142,900	2,883,222	2,675,559	2,834,886	2,801,599	3,329,887

Statement 3 - Forecast Statement of Financial Position 2013-2028

	2009-10	2010-11	2011-12	Base	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
CURRENT ASSETS																			
Unrestricted Cash and Equivalents	5,383,000	6,399,339	2,270,964	537,594	537,594	537,594	537,594	537,594	537,594	537,594	537,594	537,594	537,594	537,594	537,594	537,594	537,594	537,594	537,594
Restricted Cash and Cash Equivalent	0	0	5,132,926	5,132,926	5,047,716	5,159,160	4,042,831	4,071,214	4,079,767	4,080,639	4,418,089	4,620,193	4,785,351	4,815,089	5,150,879	5,411,028	5,670,475	6,241,533	5,484,927
Non-Cash Investments	3,956	16,483	16,483	16,483	16,483	16,483	16,483	16,483	16,483	16,483	16,483	16,483	16,483	16,483	16,483	16,483	16,483	16,483	16,483
Trade and Other Receivables	510,798	405,458	665,469	351,540	351,540	351,540	351,540	351,540	351,540	351,540	351,540	351,540	351,540	351,540	351,540	351,540	351,540	351,540	351,540
Inventories	1,142	1,670	5,529	1,620	1,620	1,620	1,620	1,620	1,620	1,620	1,620	1,620	1,620	1,620	1,620	1,620	1,620	1,620	1,620
TOTAL CURRENT ASSETS	5,898,896	6,822,950	8,091,371	6,040,163	5,954,953	6,066,397	4,950,068	4,978,451	4,987,004	4,987,876	5,325,326	5,527,430	5,692,588	5,722,326	6,058,116	6,318,265	6,577,712	7,148,770	6,392,164
NON-CURRENT ASSETS																			
Other Receivables	56,825	56,825	56,825	56,825	56,825	56,825	56,825	56,825	56,825	56,825	56,825	56,825	56,825	56,825	56,825	56,825	56,825	56,825	56,825
Inventories	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Property Plant and Equipment	4,932,716	5,802,157	5,838,238	9,481,964	9,370,135	9,000,701	10,046,408	9,397,786	8,753,993	8,258,629	7,713,810	7,103,740	6,649,509	6,199,107	5,669,686	4,931,204	4,107,988	3,309,761	3,781,432
Infrastructure	72,403,596	72,887,035	73,543,736	75,556,226	78,783,632	81,746,526	89,517,672	91,893,688	94,896,138	98,512,534	101,047,715	109,322,152	114,045,148	118,608,712	121,685,565	124,839,457	128,238,112	131,266,880	134,881,702
TOTAL NON-CURRENT ASSETS	77,393,137	78,746,017	79,438,799	85,095,015	88,210,592	90,804,052	99,620,905	101,348,299	103,706,956	106,827,988	108,818,350	116,482,717	120,751,482	124,864,644	127,412,076	129,827,486	132,402,925	134,633,466	138,719,959
TOTAL ASSETS	83,292,033	85,568,967	87,530,170	91,135,178	94,165,545	96,870,449	104,570,973	106,326,750	108,693,960	111,815,864	114,143,676	122,010,147	126,444,070	130,586,970	133,470,192	136,145,751	138,980,637	141,782,236	145,112,123
CURRENT LIABILITIES																			
Trade and Other Payables	659,645	831,202	604,961	872,212	872,212	872,212	872,212	872,212	872,212	872,212	872,212	872,212	872,212	872,212	872,212	872,212	872,212	872,212	872,212
Current Portion of Long-term Liabilities	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Provisions	820,629	843,429	943,328	1,040,798	1,040,798	1,040,798	1,040,798	1,040,798	1,040,798	1,040,798	1,040,798	1,040,798	1,040,798	1,040,798	1,040,798	1,040,798	1,040,798	1,040,798	1,040,798
TOTAL CURRENT LIABILITIES	1,480,274	1,674,631	1,548,289	1,913,010	1,913,010	1,913,010	1,913,010	1,913,010	1,913,010	1,913,010	1,913,010	1,913,010	1,913,010	1,913,010	1,913,010	1,913,010	1,913,010	1,913,010	1,913,010
NON-CURRENT LIABILITIES																			
Long-term Borrowings	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Provisions	23,544	42,454	48,340	48,340	48,340	48,340	48,340	48,340	48,340	48,340	48,340	48,340	48,340	48,340	48,340	48,340	48,340	48,340	48,340
TOTAL NON-CURRENT LIABILITIES	23,544	42,454	48,340	48,340	48,340	48,340	48,340	48,340	48,340	48,340	48,340	48,340	48,340	48,340	48,340	48,340	48,340	48,340	48,340
TOTAL LIABILITIES	1,503,818	1,717,085	1,596,629	1,961,350	1,961,350	1,961,350	1,961,350	1,961,350	1,961,350	1,961,350	1,961,350	1,961,350	1,961,350	1,961,350	1,961,350	1,961,350	1,961,350	1,961,350	1,961,350
NET ASSETS	81,788,215	83,851,882	85,933,541	89,173,828	92,204,195	94,909,099	102,609,623	104,365,400	106,732,610	109,854,514	112,182,326	120,048,797	124,482,720	128,625,620	131,508,842	134,184,401	137,019,287	139,820,886	143,150,773
EQUITY																			
Retained Surplus	11,766,076	12,929,047	14,475,754	17,682,557	18,076,913	17,849,795	23,762,736	22,294,979	21,322,622	20,995,829	19,434,302	23,478,758	23,876,620	23,977,629	22,376,487	20,557,042	18,814,077	16,638,000	16,241,009
Reserves - Cash Backed	3,565,831	4,279,914	5,134,467	5,167,951	5,082,741	5,194,185	4,077,856	4,106,239	4,114,792	4,115,664	4,453,114	4,655,218	4,820,376	4,850,114	5,185,904	5,446,053	5,705,500	6,276,558	5,519,952
Reserves - Revaluation	66,456,308	66,642,921	66,323,320	66,323,320	69,044,541	71,865,119	74,769,031	77,964,182	81,295,196	84,743,021	88,294,910	91,914,821	95,785,724	99,797,877	103,946,451	108,181,306	112,499,710	116,906,328	121,389,812
TOTAL EQUITY	81,788,215	83,851,882	85,933,541	89,173,828	92,204,195	94,909,099	102,609,623	104,365,400	106,732,610	109,854,514	112,182,326	120,048,797	124,482,720	128,625,620	131,508,842	134,184,401	137,019,287	139,820,886	143,150,773

Statement 4 - Forecast Statement of Changes in Equity 2013-2028

	2009-10	2010-11	2011-12	Base	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
RETAINED SURPLUS																			
Opening Balance	11,551,092	11,766,076	12,872,221	14,475,756	17,682,557	18,076,913	17,849,795	23,762,736	22,294,979	21,322,622	20,995,829	19,434,302	23,478,758	23,876,620	23,977,629	22,376,487	20,557,042	18,814,077	16,638,000
Net Result	573,376	1,877,054	2,458,086	3,240,285	309,146	(115,674)	4,796,612	(1,439,374)	(963,804)	(325,921)	(1,224,077)	4,246,560	563,020	130,747	(1,265,352)	(1,559,296)	(1,483,518)	(1,605,019)	(1,153,597)
Amount transferred (to)/from Reserves	(358,392)	(714,083)	(854,553)	(33,484)	85,210	(111,444)	1,116,329	(28,383)	(8,553)	(872)	(337,450)	(202,104)	(165,158)	(29,738)	(335,790)	(260,149)	(259,447)	(571,058)	756,606
Closing Balance	11,766,076	12,929,047	14,475,754	17,682,557	18,076,913	17,849,795	23,762,736	22,294,979	21,322,622	20,995,829	19,434,302	23,478,758	23,876,620	23,977,629	22,376,487	20,557,042	18,814,077	16,638,000	16,241,009
RESERVES - CASH/INVESTMENT BACKED																			
Opening Balance	3,207,439	3,565,831	4,279,914	5,134,467	5,167,951	5,082,741	5,194,185	4,077,856	4,106,239	4,114,792	4,115,664	4,453,114	4,655,218	4,820,376	4,850,114	5,185,904	5,446,053	5,705,500	6,276,558
Amount transferred to/(from) Retained Surplus	358,392	714,083	854,553	33,484	(85,210)	111,444	(1,116,329)	28,383	8,553	872	337,450	202,104	165,158	29,738	335,790	260,149	259,447	571,058	(756,606)
Closing Balance	3,565,831	4,279,914	5,134,467	5,167,951	5,082,741	5,194,185	4,077,856	4,106,239	4,114,792	4,115,664	4,453,114	4,655,218	4,820,376	4,850,114	5,185,904	5,446,053	5,705,500	6,276,558	5,519,952
ASSET REVALUATION RESERVES																			
Opening Balance	77,466,187	66,456,308	66,642,921	66,323,320	66,323,320	69,044,541	71,865,119	74,769,031	77,964,182	81,295,196	84,743,021	88,294,910	91,914,821	95,785,724	99,797,877	103,946,451	108,181,306	112,499,710	116,906,328
Total Other Comprehensive Income	(11,009,879)	186,613	(319,601)	0	2,721,221	2,820,578	2,903,912	3,195,151	3,331,014	3,447,825	3,551,889	3,619,911	3,870,903	4,012,153	4,148,574	4,234,855	4,318,404	4,406,618	4,483,484
Closing Balance	66,456,308	66,642,921	66,323,320	66,323,320	69,044,541	71,865,119	74,769,031	77,964,182	81,295,196	84,743,021	88,294,910	91,914,821	95,785,724	99,797,877	103,946,451	108,181,306	112,499,710	116,906,328	121,389,812
TOTAL EQUITY	81,788,215	83,851,882	85,933,541	89,173,828	92,204,195	94,909,099	102,609,623	104,365,400	106,732,610	109,854,514	112,182,326	120,048,797	124,482,720	128,625,620	131,508,842	134,184,401	137,019,287	139,820,886	143,150,773

Statement 5 - Forecast Statement of Cashflows 2013-2028

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cash Flows From Operating Activities															
Receipts															
Rates	1,221,793	1,309,763	1,404,065	1,505,157	1,613,528	1,729,703	1,854,241	1,987,746	2,130,864	2,284,287	2,448,756	2,625,067	2,814,073	3,016,686	3,233,887
Operating grants, subsidies and contributions	6,492,738	6,700,506	6,914,921	7,136,198	7,364,555	7,600,219	7,843,428	8,094,417	8,353,437	8,620,747	8,896,612	9,181,303	9,475,106	9,778,310	10,091,217
Fees and Charges	1,727,563	1,843,307	1,966,805	2,098,578	2,239,181	2,389,208	2,549,287	2,720,086	2,902,329	3,096,785	3,304,271	3,525,658	3,761,878	4,013,928	4,282,863
Interest Earnings	283,526	279,266	284,837	229,022	230,440	230,868	230,912	247,784	257,888	266,146	267,633	284,423	297,431	310,402	338,956
Other Revenue	494,404	510,226	526,553	543,404	560,792	578,736	597,256	616,367	636,091	656,445	677,450	699,130	721,501	744,590	768,418
	10,220,024	10,643,068	11,097,181	11,512,359	12,008,496	12,528,734	13,075,124	13,666,400	14,280,609	14,924,410	15,594,722	16,315,581	17,069,989	17,863,916	18,715,341
Payments															
Employee Costs	(7,209,702)	(7,534,139)	(7,873,176)	(8,227,462)	(8,597,702)	(8,984,593)	(9,388,892)	(9,811,387)	(10,252,908)	(10,714,288)	(11,196,433)	(11,700,263)	(12,226,777)	(12,776,974)	(13,351,944)
Materials and Contracts	(819,615)	(845,842)	(872,905)	(900,838)	(929,660)	(959,409)	(990,107)	(1,021,787)	(1,054,485)	(1,088,224)	(1,123,046)	(1,158,981)	(1,196,058)	(1,234,332)	(1,273,832)
Utility Charges	(206,401)	(213,005)	(219,818)	(226,850)	(234,111)	(241,603)	(249,333)	(257,315)	(265,547)	(274,043)	(282,814)	(291,860)	(301,196)	(310,832)	(320,777)
Insurance Expenses	(224,793)	(242,859)	(256,781)	(271,659)	(287,556)	(304,550)	(322,733)	(342,190)	(363,018)	(385,318)	(409,211)	(434,819)	(462,272)	(491,710)	(523,296)
Other Expenditure	(1,426,283)	(1,471,916)	(1,519,011)	(1,567,622)	(1,617,790)	(1,669,557)	(1,722,983)	(1,778,119)	(1,835,023)	(1,893,737)	(1,954,345)	(2,016,878)	(2,081,411)	(2,148,017)	(2,216,745)
	(9,886,794)	(10,307,761)	(10,741,691)	(11,194,431)	(11,666,819)	(12,159,712)	(12,674,048)	(13,210,798)	(13,770,981)	(14,355,610)	(14,965,849)	(15,602,801)	(16,267,714)	(16,961,865)	(17,686,594)
Net Cash Provided By (Used In) Operating Activities	333,230	335,307	355,490	317,928	341,677	369,022	401,076	455,602	509,628	568,800	628,873	712,780	802,275	902,051	1,028,747
Cash Flows from Investing Activities															
Payments for Purchase of Property, Plant & Equipment	(588,240)	(399,385)	(1,946,219)	(273,196)	(316,056)	(350,331)	(374,006)	(425,676)	(637,322)	(739,930)	(763,608)	(707,570)	(700,307)	(836,954)	(2,301,183)
Payments for Construction of Infrastructure	(1,440,000)	(1,120,000)	(5,855,140)	(224,630)	(755,495)	(1,361,840)	(189,928)	(5,873,886)	(2,084,319)	(1,801,260)	(196,903)	(204,779)	(378,853)	68,590	(452,746)
Non-Operating Grants, Subsidies and Contributions	1,609,800	1,284,872	6,329,540	208,281	738,427	1,344,021	500,308	6,046,064	2,377,171	2,002,128	667,428	453,881	521,272	437,371	968,576
Proceeds from Sale of Plant & Equipment	0	10,650	0	0	0	0	0	0	0	0	0	5,837	15,060	0	0
Net Cash Provided By (Used In) Investing Activities	(418,440)	(223,863)	(1,471,819)	(289,545)	(333,124)	(368,150)	(63,626)	(253,498)	(344,470)	(539,062)	(293,083)	(452,631)	(542,828)	(330,993)	(1,785,353)
Cash Flows from Financing Activities															
Net Cash Provided By (Used In) Financing Activities	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Increase (Decrease) in Cash Held	(85,210)	111,444	(1,116,329)	28,383	8,553	872	337,450	202,104	165,158	29,738	335,790	260,149	259,447	571,058	(756,606)
Cash at Beginning of Year	5,670,520	5,585,310	5,696,754	4,580,425	4,608,808	4,617,361	4,618,233	4,955,683	5,157,787	5,322,945	5,352,683	5,688,473	5,948,622	6,208,069	6,779,127
Cash and Cash Equivalents at the End of Year	5,585,310	5,696,754	4,580,425	4,608,808	4,617,361	4,618,233	4,955,683	5,157,787	5,322,945	5,352,683	5,688,473	5,948,622	6,208,069	6,779,127	6,022,521

Statement 6 - Forecast Statement of Funding 2013-2028

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
FUNDING FROM OPERATIONAL ACTIVITIES															
Revenues															
Rates	1,221,793	1,309,763	1,404,065	1,505,157	1,613,528	1,729,703	1,854,241	1,987,746	2,130,864	2,284,287	2,448,756	2,625,067	2,814,073	3,016,686	3,233,887
Operating grants, subsidies and contributions	6,492,738	6,700,506	6,914,921	7,136,198	7,364,555	7,600,219	7,843,428	8,094,417	8,353,437	8,620,747	8,896,612	9,181,303	9,475,106	9,778,310	10,091,217
Profit on asset disposal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Fees and charges	1,727,563	1,843,307	1,966,805	2,098,578	2,239,181	2,389,208	2,549,287	2,720,086	2,902,329	3,096,785	3,304,271	3,525,658	3,761,878	4,013,928	4,282,863
Service charges	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest earnings	283,526	279,266	284,837	229,022	230,440	230,868	230,912	247,784	257,888	266,146	267,633	284,423	297,431	310,402	338,956
Other revenue	494,404	510,226	526,553	543,404	560,792	578,736	597,256	616,367	636,091	656,445	677,450	699,130	721,501	744,590	768,418
	10,220,024	10,643,068	11,097,181	11,512,359	12,008,496	12,528,734	13,075,124	13,666,400	14,280,609	14,924,410	15,594,722	16,315,581	17,069,989	17,863,916	18,715,341
Expenses															
Employee costs	(7,209,702)	(7,534,139)	(7,873,176)	(8,227,462)	(8,597,702)	(8,984,593)	(9,388,892)	(9,811,387)	(10,252,908)	(10,714,288)	(11,196,433)	(11,700,263)	(12,226,777)	(12,776,974)	(13,351,944)
Materials and contracts	(819,615)	(845,842)	(872,905)	(900,838)	(929,660)	(959,409)	(990,107)	(1,021,787)	(1,054,485)	(1,088,224)	(1,123,046)	(1,158,981)	(1,196,058)	(1,234,332)	(1,273,832)
Utility charges (electricity, gas, water etc.)	(206,401)	(213,005)	(219,818)	(226,850)	(234,111)	(241,603)	(249,333)	(257,315)	(265,547)	(274,043)	(282,814)	(291,860)	(301,196)	(310,832)	(320,777)
Depreciation on non-current assets	(1,633,884)	(1,735,853)	(1,888,418)	(1,965,583)	(2,043,908)	(2,038,964)	(2,125,461)	(2,255,106)	(2,323,779)	(2,440,181)	(2,561,653)	(2,725,957)	(2,807,065)	(2,944,441)	(3,150,920)
Loss on asset disposal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Insurance expense	(224,793)	(242,859)	(256,781)	(271,659)	(287,556)	(304,550)	(322,733)	(342,190)	(363,018)	(385,318)	(409,211)	(434,819)	(462,272)	(491,710)	(523,296)
Other expenditure	(1,426,283)	(1,471,916)	(1,519,011)	(1,567,622)	(1,617,790)	(1,669,557)	(1,722,983)	(1,778,119)	(1,835,023)	(1,893,737)	(1,954,345)	(2,016,878)	(2,081,411)	(2,148,017)	(2,216,745)
	(11,520,678)	(12,043,614)	(12,630,109)	(13,160,014)	(13,710,727)	(14,198,676)	(14,799,509)	(15,465,904)	(16,094,760)	(16,795,791)	(17,527,502)	(18,328,758)	(19,074,779)	(19,906,306)	(20,837,514)
	(1,300,654)	(1,400,546)	(1,532,928)	(1,647,655)	(1,702,231)	(1,669,942)	(1,724,385)	(1,799,504)	(1,814,151)	(1,871,381)	(1,932,780)	(2,013,177)	(2,004,790)	(2,042,390)	(2,122,173)
Funding Position Adjustments															
Depreciation on non-current assets	1,633,884	1,735,853	1,888,418	1,965,583	2,043,908	2,038,964	2,125,461	2,255,106	2,323,779	2,440,181	2,561,653	2,725,957	2,807,065	2,944,441	3,150,920
Net profit and losses on disposal	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Movement in employee benefit provisions	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Write-off of assets	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Funding From Operational Activities	333,230	335,307	355,490	317,928	341,677	369,022	401,076	455,602	509,628	568,800	628,873	712,780	802,275	902,051	1,028,747
FUNDING FROM CAPITAL ACTIVITIES															
Inflows															
Proceeds on disposal	0	10,650	0	0	0	0	0	0	0	0	0	5,837	15,060	0	0
Non-operating grants, subsidies and contributions	1,609,800	1,284,872	6,329,540	208,281	738,427	1,344,021	500,308	6,046,064	2,377,171	2,002,128	667,428	453,881	521,272	437,371	968,576
Outflows															
Purchase of land held for resale	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Purchase of property plant and equipment	(588,240)	(399,385)	(1,946,219)	(273,196)	(316,056)	(350,331)	(374,006)	(425,676)	(637,322)	(739,930)	(763,608)	(707,570)	(700,307)	(836,954)	(2,301,183)
Purchase of infrastructure	(1,440,000)	(1,120,000)	(5,855,140)	(224,630)	(755,495)	(1,361,840)	(189,928)	(5,873,886)	(2,084,319)	(1,801,260)	(196,903)	(204,779)	(378,853)	68,590	(452,746)
Net Funding From Capital Activities	(418,440)	(223,863)	(1,471,819)	(289,545)	(333,124)	(368,150)	(63,626)	(253,498)	(344,470)	(539,062)	(293,083)	(452,631)	(542,828)	(330,993)	(1,785,353)
FUNDING FROM FINANCING ACTIVITIES															
Inflows															
Transfer from reserves	738,240	399,385	1,446,219	238,196	316,056	350,331	374,006	385,976	637,322	739,930	763,608	662,540	700,307	836,954	2,301,183
New borrowings	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Self supporting loan	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Outflows															
Transfer to reserves	(653,030)	(510,829)	(329,890)	(266,579)	(324,609)	(351,203)	(711,456)	(588,080)	(802,480)	(769,668)	(1,099,398)	(922,689)	(959,754)	(1,408,012)	(1,544,577)
Advances to community groups	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Repayment of past borrowings	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Funding From Financing Activities	85,210	(111,444)	1,116,329	(28,383)	(8,553)	(872)	(337,450)	(202,104)	(165,158)	(29,738)	(335,790)	(260,149)	(259,447)	(571,058)	756,606
Estimated Surplus/Deficit July 1 B/Fwd	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Estimated Surplus/Deficit June 30 C/Fwd	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Statement 7 - Forecast Statement of Net Current Asset Composition 2013-2028

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
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	537,594	537,594	537,594	537,594	537,594	537,594	537,594	537,594	537,594	537,594	537,594	537,594	537,594	537,594	537,594
Restricted Cash and Cash Equivalent	5,047,716	5,159,160	4,042,831	4,071,214	4,079,767	4,080,639	4,418,089	4,620,193	4,785,351	4,815,089	5,150,879	5,411,028	5,670,475	6,241,533	5,484,927
Non-Cash Investments	16,483	16,483	16,483	16,483	16,483	16,483	16,483	16,483	16,483	16,483	16,483	16,483	16,483	16,483	16,483
Trade and Other Receivables	351,540	351,540	351,540	351,540	351,540	351,540	351,540	351,540	351,540	351,540	351,540	351,540	351,540	351,540	351,540
Inventories	1,620	1,620	1,620	1,620	1,620	1,620	1,620	1,620	1,620	1,620	1,620	1,620	1,620	1,620	1,620
CURRENT LIABILITIES															
Trade and Other Payables	(872,212)	(872,212)	(872,212)	(872,212)	(872,212)	(872,212)	(872,212)	(872,212)	(872,212)	(872,212)	(872,212)	(872,212)	(872,212)	(872,212)	(872,212)
Reserves	(5,082,741)	(5,194,185)	(4,077,856)	(4,106,239)	(4,114,792)	(4,115,664)	(4,453,114)	(4,655,218)	(4,820,376)	(4,850,114)	(5,185,904)	(5,446,053)	(5,705,500)	(6,276,558)	(5,519,952)
Current Self Supporting Loans Receivable	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Movement in Accrued Salaries and Wages	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Estimated Surplus/Deficit June 30 C/Fwd	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Statement 9- Forecast Statement of Fixed Asset Movements 2013-2028

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
CAPITAL WORKS - INFRASTRUCTURE															
Roads - Cost/Mngt Valuation	440,000	620,000	5,855,140	149,630	255,495	161,840	189,928	5,873,886	2,084,319	1,801,260	196,903	204,779	378,853	(68,590)	452,746
Footpaths	1,000,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Infrastructure Other	0	500,000	0	75,000	500,000	1,200,000	0	0	0	0	0	0	0	0	0
Total Capital Works - Infrastructure	1,440,000	1,120,000	5,855,140	224,630	755,495	1,361,840	189,928	5,873,886	2,084,319	1,801,260	196,903	204,779	378,853	(68,590)	452,746
Represented by:															
Additions - Assets at no cost	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Additions - Expansion, Upgrades and New	1,000,000	500,000	0	0	500,000	1,200,000	0	0	0	0	0	0	0	0	0
Additions - Renewal	440,000	620,000	5,855,140	224,630	255,495	161,840	189,928	5,873,886	2,084,319	1,801,260	196,903	204,779	378,853	(68,590)	452,746
Total Capital Works - Infrastructure	1,440,000	1,120,000	5,855,140	224,630	755,495	1,361,840	189,928	5,873,886	2,084,319	1,801,260	196,903	204,779	378,853	(68,590)	452,746
Asset Movement Reconciliation															
Total Capital Works Infrastructure	1,440,000	1,120,000	5,855,140	224,630	755,495	1,361,840	189,928	5,873,886	2,084,319	1,801,260	196,903	204,779	378,853	(68,590)	452,746
Depreciation Infrastructure	(630,392)	(678,181)	(699,883)	(722,279)	(742,862)	(832,916)	(859,569)	(887,075)	(915,461)	(944,757)	(974,989)	(1,006,188)	(1,038,387)	(1,071,614)	(1,105,907)
Net Book Value of disposed/Written Off assets	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Revaluation of Infrastructure assets (Inflation)	2,417,798	2,521,075	2,615,889	2,873,665	2,989,817	3,087,472	3,204,822	3,287,626	3,554,138	3,707,061	3,854,939	3,955,301	4,058,189	4,168,972	4,267,983
Net Movement in Infrastructure Assets	3,227,406	2,962,894	7,771,146	2,376,016	3,002,450	3,616,396	2,535,181	8,274,437	4,722,996	4,563,564	3,076,853	3,153,892	3,398,655	3,028,768	3,614,822
CAPITAL WORKS - PROPERTY,PLANT AND EQUIPMENT															
Buildings	0	0	1,100,000	0	0	0	0	0	0	0	0	0	0	0	1,500,000
Furniture and Equipment	0	0	0	35,000	0	0	0	39,700	0	0	0	45,030	0	0	0
Plant and Equipment - Cost	588,240	399,385	846,219	238,196	316,056	350,331	374,006	385,976	637,322	739,930	763,608	662,540	700,307	836,954	801,183
Total Capital Works Property, Plant and Equipment	588,240	399,385	1,946,219	273,196	316,056	350,331	374,006	425,676	637,322	739,930	763,608	707,570	700,307	836,954	2,301,183
Represented by:															
Additions - Assets at no cost	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Additions - Expansion, Upgrades and New	0	0	500,000	0	0	0	0	0	0	0	0	0	0	0	0
Additions - Renewal	588,240	399,385	1,446,219	273,196	316,056	350,331	374,006	425,676	637,322	739,930	763,608	707,570	700,307	836,954	2,301,183
Total Capital Works Property, Plant and Equipment	588,240	399,385	1,946,219	273,196	316,056	350,331	374,006	425,676	637,322	739,930	763,608	707,570	700,307	836,954	2,301,183
Asset Movement Reconciliation															
Total Capital Works Property,Plant and Equipment	588,240	399,385	1,946,219	273,196	316,056	350,331	374,006	425,676	637,322	739,930	763,608	707,570	700,307	836,954	2,301,183
Depreciation Property, Plant and Equipment	(1,003,492)	(1,057,672)	(1,188,535)	(1,243,304)	(1,301,046)	(1,206,048)	(1,265,892)	(1,368,031)	(1,408,318)	(1,495,424)	(1,586,664)	(1,719,769)	(1,768,678)	(1,872,827)	(2,045,013)
Net Book Value of disposed/Written Off assets	0	(10,650)	0	0	0	0	0	0	0	0	0	(5,837)	(15,060)	0	0
Revaluation of Property, Plant and Equipment (Inflation)	303,423	299,503	288,023	321,486	341,197	360,353	347,067	332,285	316,765	305,092	293,635	279,554	260,215	237,646	215,501
Net Movement in Property, Plant and Equipment	(111,829)	(369,434)	1,045,707	(648,622)	(643,793)	(495,364)	(544,819)	(610,070)	(454,231)	(450,402)	(529,421)	(738,482)	(823,216)	(798,227)	471,671
CAPITAL WORKS - TOTALS															
Capital Works															
Total Capital Works Infrastructure	1,440,000	1,120,000	5,855,140	224,630	755,495	1,361,840	189,928	5,873,886	2,084,319	1,801,260	196,903	204,779	378,853	(68,590)	452,746
Total Capital Works Property, Plant and Equipment	588,240	399,385	1,946,219	273,196	316,056	350,331	374,006	425,676	637,322	739,930	763,608	707,570	700,307	836,954	2,301,183
Total Capital Works	2,028,240	1,519,385	7,801,359	497,826	1,071,551	1,712,171	563,934	6,299,562	2,721,641	2,541,190	960,511	912,349	1,079,160	768,364	2,753,929
Fixed Asset Movement															
Net Movement in Infrastructure Assets	3,227,406	2,962,894	7,771,146	2,376,016	3,002,450	3,616,396	2,535,181	8,274,437	4,722,996	4,563,564	3,076,853	3,153,892	3,398,655	3,028,768	3,614,822
Net Movement in Property, Plant and Equipment	(111,829)	(369,434)	1,045,707	(648,622)	(643,793)	(495,364)	(544,819)	(610,070)	(454,231)	(450,402)	(529,421)	(738,482)	(823,216)	(798,227)	471,671
Net Movement in Fixed Assets	3,115,577	2,593,460	8,816,853	1,727,394	2,358,657	3,121,032	1,990,362	7,664,367	4,268,765	4,113,162	2,547,432	2,415,410	2,575,439	2,230,541	4,086,493

Statement 9- Forecast Statement of Fixed Asset Funding 2013-2028

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Capital Expenditure															
Roads - Cost/Mngt Valuation	440,000	620,000	5,855,140	149,630	255,495	161,840	189,928	5,873,886	2,084,319	1,801,260	196,903	204,779	378,853	(68,590)	452,746
Footpaths	1,000,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Infrastructure Other	0	500,000	0	75,000	500,000	1,200,000	0	0	0	0	0	0	0	0	0
Buildings	0	0	1,100,000	0	0	0	0	0	0	0	0	0	0	0	1,500,000
Furniture and Equipment	0	0	0	35,000	0	0	0	39,700	0	0	0	45,030	0	0	0
Plant and Equipment - Cost	588,240	399,385	846,219	238,196	316,056	350,331	374,006	385,976	637,322	739,930	763,608	662,540	700,307	836,954	801,183
Total - Capital Expenditure	2,028,240	1,519,385	7,801,359	497,826	1,071,551	1,712,171	563,934	6,299,562	2,721,641	2,541,190	960,511	912,349	1,079,160	768,364	2,753,929
Funded By:															
Capital Grants & Contributions															
Roads - Cost/Mngt Valuation	381,000	601,000	5,829,540	133,281	238,427	144,021	171,325	5,854,464	2,064,042	1,780,091	174,803	181,706	354,765	(116,765)	426,492
Footpaths	1,000,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Infrastructure Other	0	500,000	0	75,000	500,000	1,200,000	0	0	0	0	0	0	0	0	0
Buildings	228,800	183,872	500,000	0	0	0	328,983	191,600	313,129	222,037	492,625	272,175	166,507	554,136	542,084
Total - Own Source Funding	1,609,800	1,284,872	6,329,540	208,281	738,427	1,344,021	500,308	6,046,064	2,377,171	2,002,128	667,428	453,881	521,272	437,371	968,576
Own Source Funding															
Roads - Cost/Mngt Valuation	59,000	19,000	25,600	16,349	17,068	17,819	18,603	19,422	20,277	21,169	22,100	23,073	24,088	48,175	26,254
Buildings	0	0	1,000,000	0	0	0	0	0	1,500,000	0	0	0	0	0	1,700,000
Furniture and Equipment															
Plant and Equipment - Cost	359,440	204,863	346,219	238,196	316,056	350,331	45,023	194,376	324,193	517,893	270,983	384,528	518,740	282,818	259,099
Total - Capital Grants & Contributions	418,440	223,863	1,471,819	289,545	333,124	368,150	63,626	253,498	344,470	539,062	293,083	452,631	542,828	330,993	1,785,353
Borrowings															
Total - Borrowings	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other (Disposals & C/Fwd)															
	0	10,650	0	0	0	0	0	0	0	0	0	5,837	15,060	0	0
Total - Other (Disposals & C/Fwd)	0	10,650	0	0	0	0	0	0	0	0	0	5,837	15,060	0	0
Total Capital Funding	2,028,240	1,519,385	7,801,359	497,826	1,071,551	1,712,171	563,934	6,299,562	2,721,641	2,541,190	960,511	912,349	1,079,160	768,364	2,753,929

Statement 9- Forecast Ratios 2013-2028

Target Range			Average	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
LIQUIDITY RATIOS																		
Current Ratio	> 1.00	> 1.20	1.04		1.04	1.04	1.04	1.04	1.04	1.04	1.04	1.04	1.04	1.04	1.04	1.04	1.04	1.04
OPERATING RATIOS																		
Operating Surplus Ratio	> 0.00%	> 15.00%	(31.61%)		(34.90%)	(35.52%)	(36.65%)	(37.65%)	(36.65%)	(33.88%)	(32.96%)	(32.30%)	(30.61%)	(29.69%)	(28.86%)	(28.22%)	(26.40%)	(25.26%)
Own Source Revenue Coverage Ratio	> 50.00%	> 75.00%	36.32%		32.35%	32.74%	33.11%	33.25%	33.87%	34.71%	35.35%	36.03%	36.83%	37.53%	38.21%	38.92%	39.82%	40.62%
BORROWINGS RATIOS																		
Debt Service Cover Ratio	> 2	> 5	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
FIXED ASSET RATIOS																		
Asset Sustainability Ratio	> 90.00%	> 110.00%	89.12%		62.93%	58.73%	386.64%	25.33%	27.96%	25.12%	26.53%	279.35%	117.12%	104.14%	37.50%	33.47%	38.44%	26.10%
Asset Consumption Ratio	> 50.00%	> 60.00%	74.74%		75.47%	74.73%	78.24%	76.96%	75.86%	74.90%	73.74%	76.28%	76.31%	76.12%	74.93%	73.69%	72.54%	71.16%
Asset Renewal Funding Ratio	> 75.00%	> 95.00%	84.96%		81.06%	101.34%	104.60%	69.71%	68.10%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A