



Shire of Menzies

Strategic Resource Plan

2025-2040

**Our integrated Long Term Financial Plan,
Asset Management Plan and Workforce Plan**

Take a look around!

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1.0 Foreword

We are pleased to present the Shire of Menzies Strategic Resource Plan for 2025-2040.

This Plan is part of the Shire's ongoing commitment to an integrated approach to planning for the district's future. Despite the current uncertain times, it provides the Council and the community with a picture of the Shire's long term financial, asset management and workforce circumstances and assists us to meet our strategic outcomes and objectives.

The Shire will encounter many challenges and opportunities over the next 10 years. Changes in population levels and demographics bring with them changing community needs and expectations. The Council will require a clear understanding of its capacity to meet these service expectations as it maintains a strong focus on sound financial management.

Council welcomes community participation in the planning process as we continue to follow the strategic direction for a promising future for our district. We invite members of the community to contact a councillor or write to the Chief Executive Officer if they have any questions.

The Shire of Menzies's Strategic Resource Plan is an important planning tool as we strive to achieve the strategies set out in the Shire of Menzies Council Plan 2025-2035 (combined Strategic Community Plan and Corporate Business Plan).









This Plan will be used with the Council Plan to achieve our goals and drive the Shire in achieving its vision of "An inclusive and welcoming community, celebrating our heritage and place".

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








Paul Warner
Shire President

Rob Stewart
Acting Chief Executive Officer

ASSUMPTIONS

	3.5% Inflation Rate
	Stable Population
	Stable Levels of Service
	Stable Operations
	Balanced Annual Budget
	4.5% → Rates
	3.5% → Fees and Charges
	3.5% → Employee Costs

STATISTICS ¹ | ²

	7 Council Members
	19 Employees
	214 Electors
	132 Dwellings
	730km Distance from Perth
	124,110km Area
	524 Population

¹WALGA Online Local Government Directory 2023/24, Shire of Menzies
²Australian Bureau of Statistics Menzies (S) (LGA50630) 2021 Census of Population and Housing, viewed 15 May 2024

2.0 Community Profile, Vision and Objective

2.1 Location

Located in the Eastern Goldfields of Western Australia, the Shire of Menzies' administration centre in the town of Menzies is 730km east of Perth.

2.2 Heritage

Menzies, like many towns in Western Australia was born in and boomed during the gold rush days of the 1890's and was the administration centre of the North Coolgardie Goldfields. There were some twenty small towns in this area: Davyhurst, Mulline, Mt Ida, Kookynie, Niagara, Yarri, Yerilla and Edjudina to name a few.

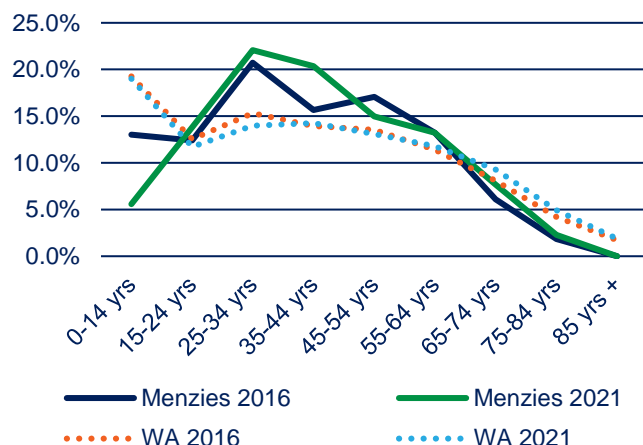
From around 1905 the gold mining industry experienced a downturn and most of these towns literally disappeared. Menzies has survived but is just a shadow of its former self, and the pub at Kookynie is the only reminder of a once thriving community.

2.3 People

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

Population	2016		2021
Shire of Menzies	492	↑	521
WA	2.47m	↑	2.66m

The age demographic of the districts population is reflected by the blue (2016 Census) and green (2021 Census) lines in the chart below.



The West Australian population is reflected by the dotted lines, it is apparent the Shire of Menzies has a lower percentage of younger (under 24 years) residents than the State average.

2.4 Vision

The Shire's strategic vision, as stated in the Council Plan 2025 - 2035 (combined Strategic Community Plan and Corporate Business Plan) is for the Shire of Menzies to: **An inclusive and welcoming community, celebrating our heritage and place.**

2.5 Strategic Objectives

The following key aspirations and outcomes are identified in the Shire's Council Plan 2025 - 2034 and are considered within this Strategic Resource Plan:

- **Our Community:** A vibrant and inclusive community.
- **Local Economy:** A prosperous local economy.
- **Our Environment:** Enhance and maintain our built infrastructure and natural environment.
- **Leadership:** Responsible management and good governance, leading an empowered community.

3.0 Executive Summary

The following information provides a brief summary of the Strategic Resource Plan 2025-2040, this should be read in conjunction with the underlying assumptions detailed in this Plan.

3.1 Planning for a Progressive and Stable Future

The Shire of Menzies is planning for a positive future, and seeks to where possible, improve service levels into the future while ensuring a healthy financial position.

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

3.2 Significant Issues

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

Road maintenance and renewal remain a high priority for the Shire due to the strategic economic benefit the road network provides to the district and broader region. Associated with the road network is the maintenance and renewal of drainage infrastructure.

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

Rate revenue is forecast to increase at 4.5% (CPI 3.5%+1%) for the term of the Plan. These increases are to assist in the long term financial stability of the Shire and to increase the level of services to the community. These increases will be reviewed annually when setting future budgets.

3.3 Forecast Capital Projects

A capital works program has been planned over the term of the Plan with a mixture of new/upgrade assets and asset renewals aimed at ensuring the continued provision of high quality community infrastructure to residents of the Shire. External funding is essential to undertaking these works.

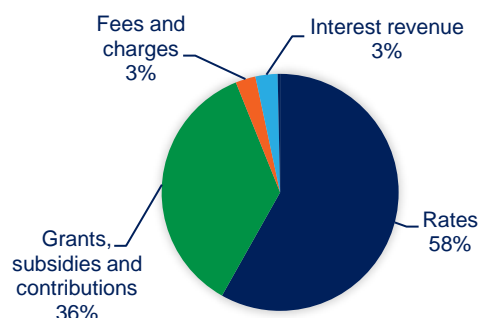
Project by Asset Class	2025-2040 Amount (\$)
Infrastructure – Roads	
RRG Road Renewals	16,888,881
RTR Road Renewals	10,197,766
RTR Road Renewals - Tjuntjuntjara Access Rd	3,794,495
Road Renewals Unsealed	7,223,382
Road Renewals Seals	2,808,674
Road Renewals Sealed Pavement	1,404,337
Infrastructure - Roads Total	42,317,535
Infrastructure – Other	
Renewals	1,497,827
Infrastructure - Other Total	1,497,827
Infrastructure - Footpaths	
Footpath Renewals Program	1,497,827
Infrastructure – Footpaths Total	1,497,827
Buildings	
Building Renewal Program	1,997,105
Buildings Total	1,997,105
Plant and Equipment	
Plant Replacement Program	16,957,779
Plant and Equipment Total	16,957,779

4.0 Long Term Financial Planning Overview

4.1 Forecast Revenue

Rates are expected to generate \$5.0m in 2025/26, increasing by 4.5% (3.5% CPI +1%) per annum to \$9.3 in 2039/40 and comprise 58% of operating revenue over the term of the Plan. The Shire is reliant on receiving more than \$64.1m over the next 15 years in grants, subsidies and contributions to maintain the current level of operations and services. Capital grants are expected to remain relatively stable for road renewal with significant fluctuations for footpaths and other infrastructure as Council seeks to increase the level of service of community infrastructure.

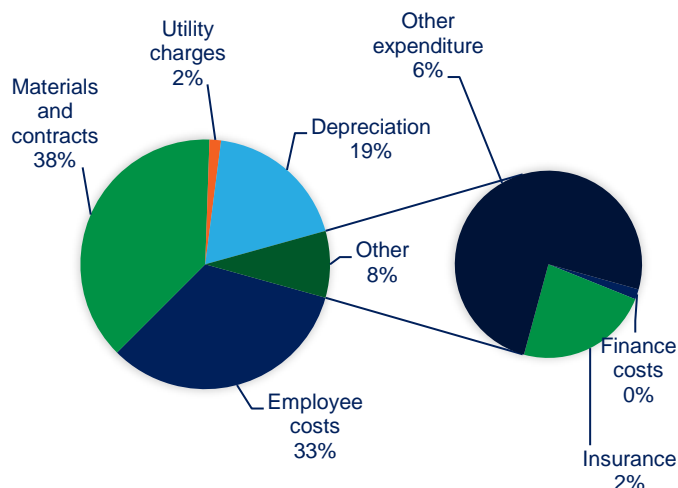
4.1.1 Revenue Composition Year 1 to 15



4.2 Forecast Expenditure

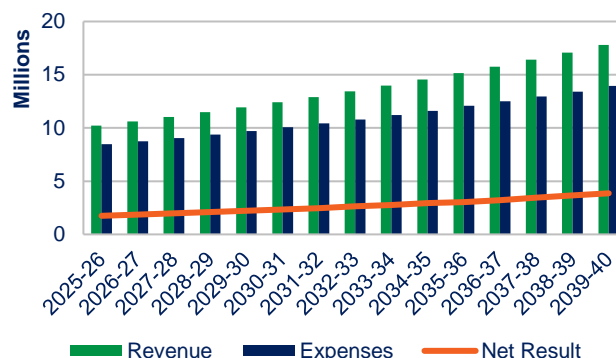
Expenditure is forecast to increase on average in line with inflation with the exception of depreciation expense, which is impacted by the addition of assets over the term of the Plan.

4.2.1 Expenditure Composition Year 1 to 15



4.3 Net Result

The chart below reflects in the columns the steady increase in operating revenue (green) and expenditure (blue) forecast over the 15 years, with the orange line reflecting the net result.



A positive net result over the long term indicates net asset values will increase faster than depreciation expenses erodes asset values. This may be masked by continuous revaluation of assets. Improved asset funding or changes to expected useful life of assets as they are better understood may impact the net result.

4.4 Depreciation Expense

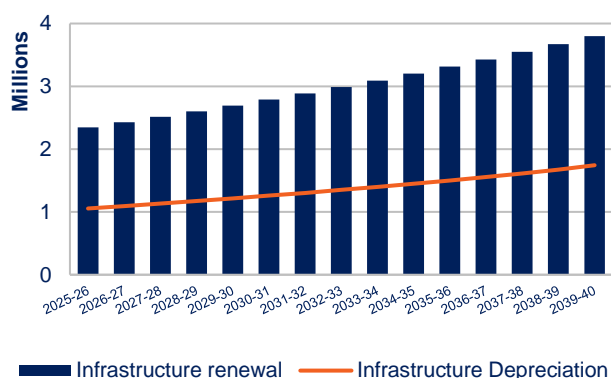
Ideally, the average asset renewal should be in line with depreciation over the long term, to ensure the value of assets is maintained. On average, the Shire is planning to renew its infrastructure assets at a lower level than they are depreciating over the term of the Plan.

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

4.0 Long Term Financial Planning Overview (Continued)

4.5 Infrastructure Depreciation Expense -v- Asset Renewal Expenditure

Depreciation expense increases throughout the Plan from \$1.5 in year 1 to \$2.7m in year 15 as assets are revalued and renewed. Depreciation of infrastructure over the 15 years is \$20.5m, shown by the orange line in the chart below. The planned level of infrastructure asset renewal expenditure at \$45.3m (reflected by the blue columns) increases over the term of the Plan and is above the level of depreciation.



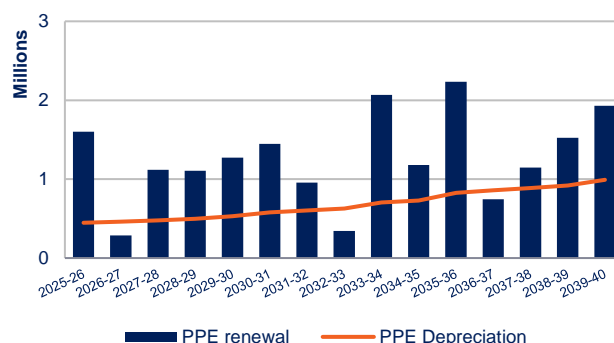
Increases in rate revenue higher than CPI over the life of the Plan, allows for increased expenditure for road renewals. Whilst expenditure exceeds depreciation asset data This will decrease the funding gap in the initial years and allow for adequate renewal of roads in the later years. Further review of asset useful lives for infrastructure assets may be required as changes in the construction techniques occur and traffic loads vary.

Whilst expenditure exceeds depreciation asset data indicates significant expenditure will be required on roads in year 12 of the Plan. This level of expenditure is required to decrease the funding gap arising from the spike in required asset renewals. Further review of asset useful lives for infrastructure assets and associated depreciation rates may be required as asset data improves and changes in the construction techniques occur and traffic loads vary.

4.6 Property, Plant and Equipment Depreciation Expense -v- Asset Renewal Expenditure

Planned property, plant and equipment asset renewals of \$18.9m (reflected by the blue columns) over the 15 years is higher than the depreciation expense of \$0.1m (reflected by the orange line) over the same period as shown in the chart below.

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



4.7 Maintenance Expenditure

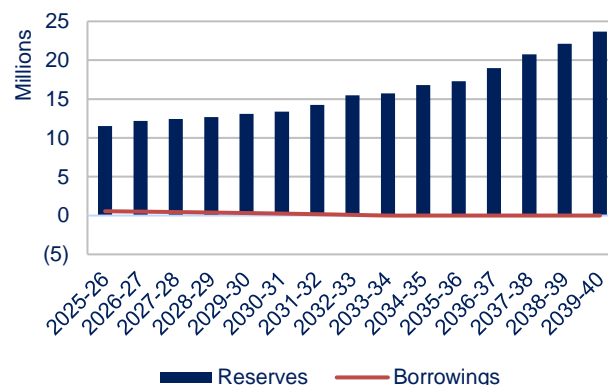
The current maintenance expenditure allocated in the annual operating budget is expected to continue at current levels, with inflationary increases occurring each year.

4.8 Forecast New/Upgrade Asset Expenditure

As the Shire seeks to complete its strategic objectives in providing road and other infrastructure to its community, a significant spend is currently planned to upgrade existing sheeted roads, either through sealing the roads or improving the weight capacity of the roads.

4.9 Forecast Borrowings and Cash Reserves

In general, the funding finances of the Shire are expected to improve over the long term. Reserves will be utilised to save for major forecast asset renewals and then utilised to fund asset renewals. The increase in reserves over the life of the Plan will strengthen the position of the Shire to handle future capital works or manage future risks.



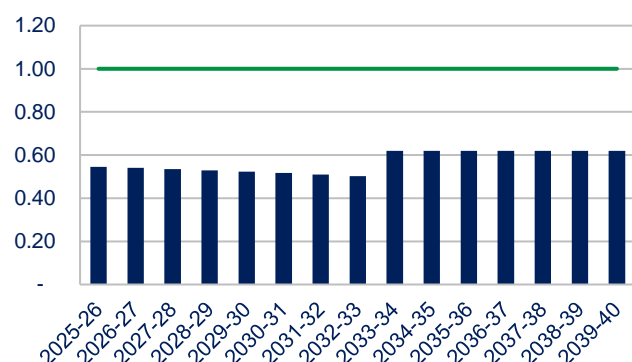
4.0 Long Term Financial Planning Overview (Continued)

The Shire has one existing loan of \$650,000 which is due to be paid out by 30 June 2034. No new borrowings are planned, allowing for the repayment and significant decrease of borrowing levels. This is part of the strategy to allow flexibility to respond to sudden or unexpected expenditure requirements. This strategy also provides scope to leverage off future grant funding opportunities when, and if, they become available and includes the use of cash backed reserves to save for significant future asset renewal spikes.

4.10 Forecast Operating Ratios 2025-2040

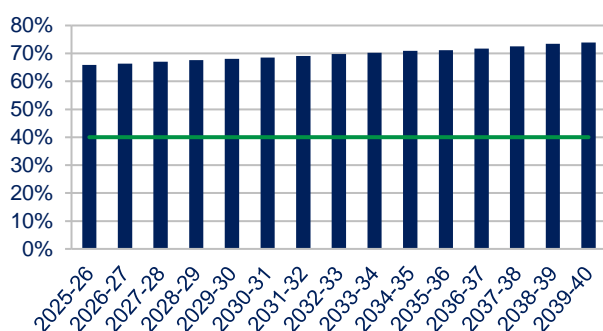
Monitoring the Shire's financial rigidity and financial position along with its asset management performance is undertaken by preparing and monitoring various statutory ratios. The green line reflects the Department of Local Government, Sport and Cultural Industries' (the Department) minimum target level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

4.10.1 Current Ratio



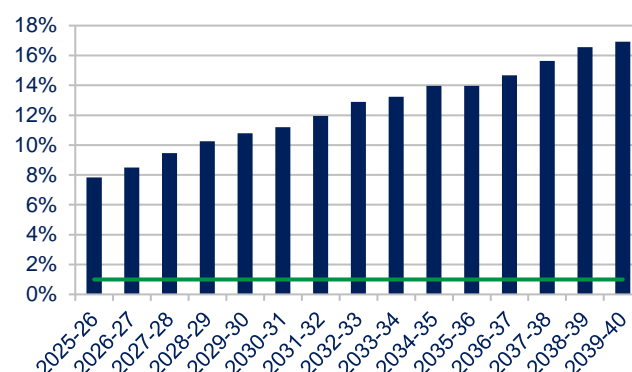
As expected for a Shire with a forecast balanced funding surplus position and current borrowing liabilities, the ratio is less than 1.0 due to the adding back of cash backed employee provisions and current borrowings when determining the budgeted surplus/deficit. The trend is not considered to indicate a threat to the Shire's long term financial position.

4.10.2 Own Source Revenue Coverage Ratio



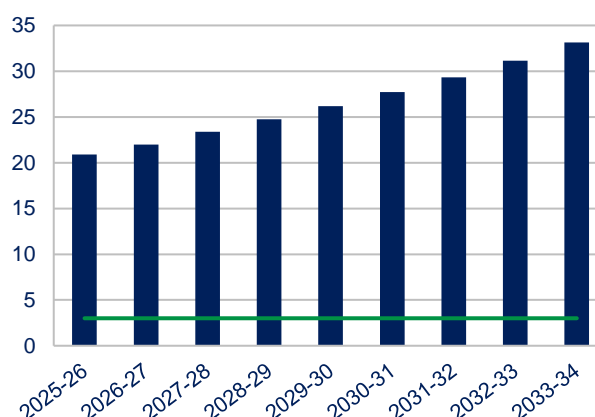
The ratio is trending up over the term of the Plan as a result of increasing revenue by more than inflation whilst holding expenditure increases in line with inflation, indicating the Shire's reducing reliance on grants and contributions.

4.10.3 Operating Surplus Ratio



The ratio above highlights how the cumulative impact of the rates increases improve the Operating Surplus Ratio over the long term.

4.10.4 Debt Service Cover Ratio



The ratio indicates the Shire has an increasing capacity to take up borrowings if required.

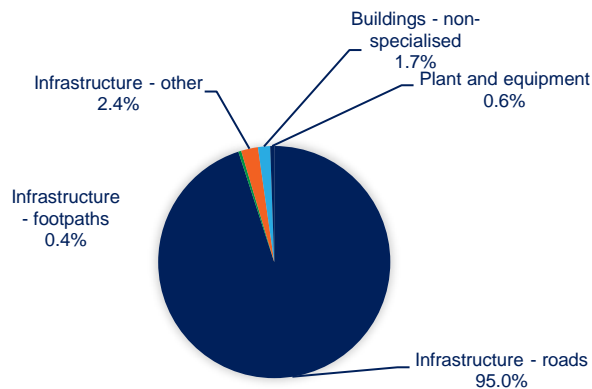
An explanation of all ratios is provided at Section 11.

5.0 Asset Management Planning Overview

5.1 Key Asset Information

The Shire controls an asset network with a written down value of \$188.9m¹, of which roads infrastructure constitutes the largest component values as reflected in the chart below.

5.1.1 Written Down Value by Asset Class



5.2 Asset Management Policy

The purpose of an asset management policy is to:

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

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

5.3 Asset Management Strategy

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

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

Modelling was undertaken to determine the long term funding required for asset maintenance and renewal. By adjusting the estimated useful life of assets, the balance between the risk of loss of asset service and the financial costs of asset renewal and maintenance was determined.

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

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

Recognising a proportion of assets have been constructed with the assistance of external financial contributions, the Shire seeks to, within its financial capacity, maintain these assets into the future. A strategy of alignment of estimated asset useful lives with the forecast financial capacity aims to ensure the long term affordability of Shire assets. By focusing resources and efforts on a small number of key critical assets, the Shire has achieved its targeted asset management outcomes, integrated with financial planning within its forecast financial capacity based on an annual rate increase of 4.5% (CPI of 3.5% + 1.0%) for the term of this Plan.

5.4 Level of Service

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

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

¹ 2023/24 Annual Financial Report - Shire of Menzies

5.0 Asset Management Planning Overview (Continued)

5.5 Financial Management Strategy for Assets

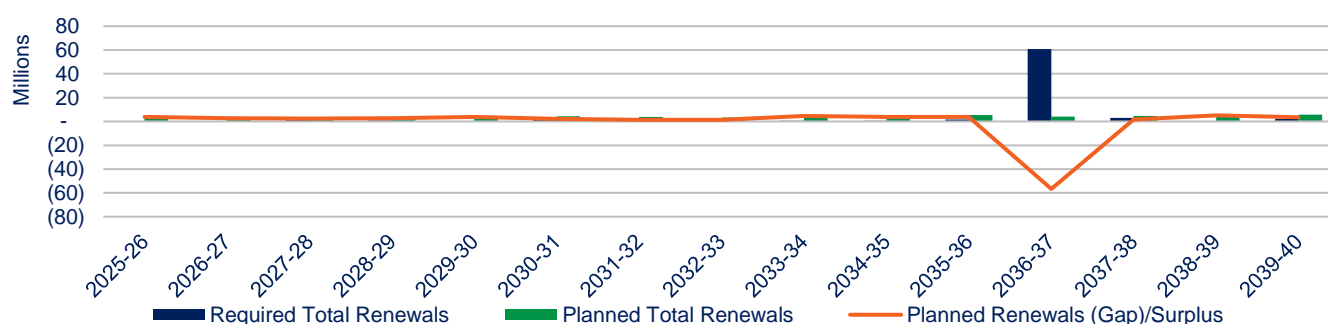
Based on the 2023/24 Annual Financial Statements and 2024/25 Annual Budget, a financial baseline was determined for operating revenue and expenditure. Modifications to this baseline were made over the 10 year term to predict forecast changes in operating revenue and expenditure.

Impacts of the global financial instability and worldwide supply chain issues have created a high level of uncertainty. Revenue and expenditure for 2025/26 are expected to align with 2024/25. Should the need arise for additional funding to meet the impacts of current supply issues and other influencing factors, these will be drawn from Reserves. Structuring operational revenues and expenditure to ensure adequate provision for asset renewal into the future is a cornerstone of the Shire's overall financial strategy. To achieve this strategy, rate increases higher than the consumer price index (CPI) are forecast to occur, combined with the maintenance of operating expenditure in line with the CPI forecast.

Forecast planned asset renewals for the term of the Plan, along with the forecast required asset renewals to maintain services in the future, are shown as columns in the chart below with the values in the table on the right. Forecast asset renewals requirements are arrived at based on current estimates of replacement cost and remaining useful life of each asset, assessed from the asset's condition or age. The Shire is planning for renewal of all assets at the end of their useful life. Buildings are to be maintained so they may be used beyond their standard useful life. Further useful life information is required for road assets to better determine the remaining useful life of road assets.

The annual budget cycle and resource limitations result in differences between the planned and required renewal expenditure, referred to as an asset renewal funding surplus/(deficit). The asset renewal funding surplus/(deficit) representing the difference between the planned and required asset renewals is represented by the line in the chart below, with values provided in the table on the right.

Required v Planned Asset Renewals



5.5.1 Forecast Planned and Required Asset Renewals

Year	Planned Asset Renewal \$	Required Asset Renewal \$	Asset Renewal Surplus/ (Deficit) \$
2025/26	3,949,529	120,850	3,828,679
2026/27	2,718,109	47,103	2,671,006
2027/28	3,634,837	1,095,094	2,539,743
2028/29	3,707,974	887,523	2,820,451
2029/30	3,967,096	268,452	3,698,644
2030/31	4,234,554	2,029,201	2,205,353
2031/32	3,844,704	2,401,409	1,443,295
2032/33	3,330,450	1,983,563	1,346,887
2033/34	5,158,882	557,952	4,600,930
2034/35	4,378,915	598,384	3,780,531
2035/36	5,545,846	1,734,506	3,811,340
2036/37	4,173,028	60,853,944	(56,680,916)
2037/38	4,694,828	2,943,388	1,751,440
2038/39	5,198,267	70,574	5,127,693
2039/40	5,731,054	2,166,912	3,564,142
Total	64,268,073	77,758,855	(13,490,782)

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

The spike in 2036/37 is a result of required road asset renewals identified in the asset data to be undertaken in a single year. This renewal is planned to be undertaken through the term of the Plan rather than in one year, however planned renewals are lower than the required renewals identified. Further review and update of this asset information should address this theoretical renewal requirement.

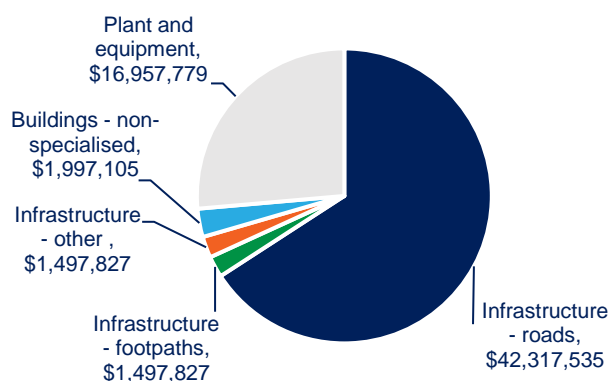
As assets approach their initial estimated asset renewal, the timing and need for renewal will be re-assessed and may well vary, enabling the reallocation of limited resources between asset classes and years, using cash backed reserves.

5.0 Asset Management Planning Overview (Continued)

5.6 Planned Asset Expenditure

Renewal asset expenditure of \$64.3m has been planned as per the previous table.

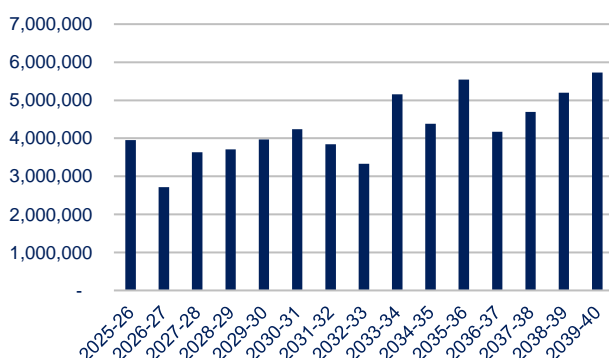
5.6.1 Planned Capital Expenditure 2025-2040



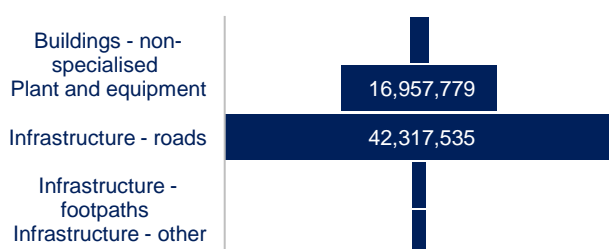
5.7 Planned Asset Renewal

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

5.7.1 Planned Asset Renewal Expenditure



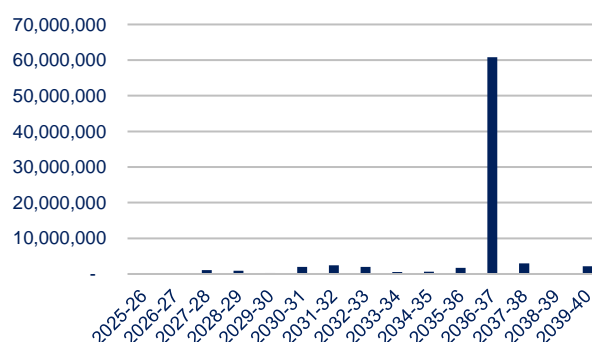
5.7.2 Planned Asset Renewal Expenditure by Class



Planned asset renewals by asset class over the 15 years of the Plan, reflected in the chart above, shows the major renewal spend relates to road infrastructure.

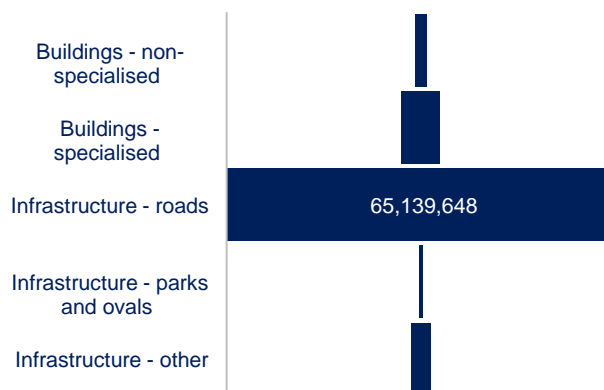
5.8 Required Renewal Expenditure

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



Required asset renewal expenditure has been estimated based on forecast renewal costs and timings. Total asset renewals of \$77.8m are forecast to be required over the 15 years of the Plan, based on existing asset data.

5.8.1 Required Asset Renewal Expenditure by Asset Class

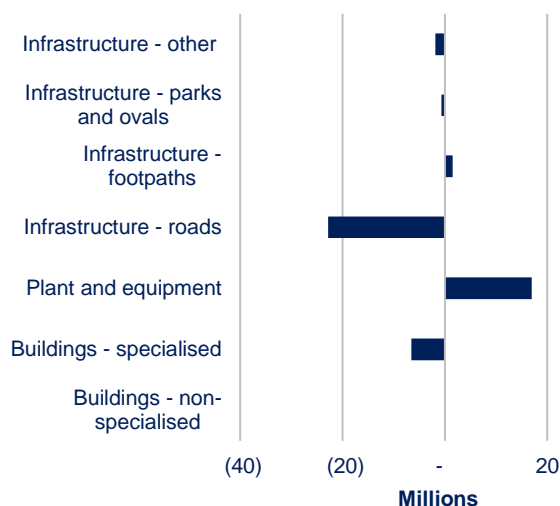


Renewal of roads infrastructure dominate the forecast required asset renewals over the 15 years.

5.0 Asset Management Planning Overview (Continued)

5.8.2 Asset Renewal Funding Surplus/(Gap)

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



Whilst planned renewals are lower than theoretical required renewals for other infrastructure, parks, buildings and roads, it is higher for footpaths and plant and equipment. These differences in planned asset expenditure are not considered to be of long term significance, as required renewal forecasts are highly dependent on a number of factors such as maintenance expenditure.

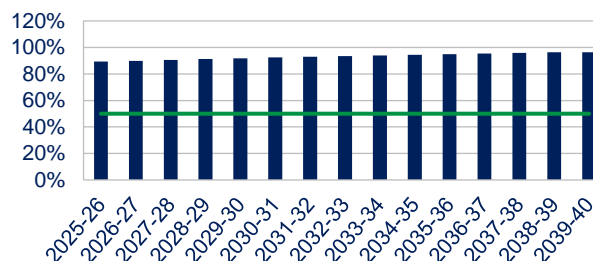
Further analysis and revision of asset valuation information and associated underlying assumptions and estimates is required to confirm true required asset renewal expenditure. Required renewal expenditure for road assets will also be heavily influenced by future road usage and maintenance.

5.9 Upgrade/New Expenditure

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

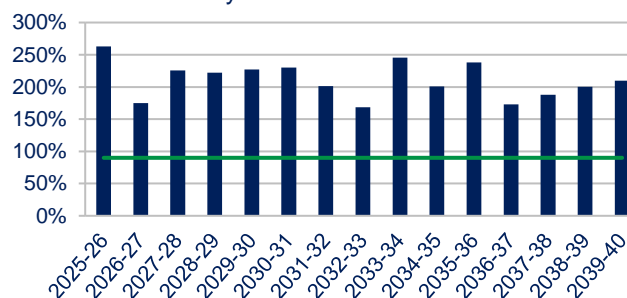
5.10 Forecast Asset Ratios 2025-2040

Asset Consumption Ratio



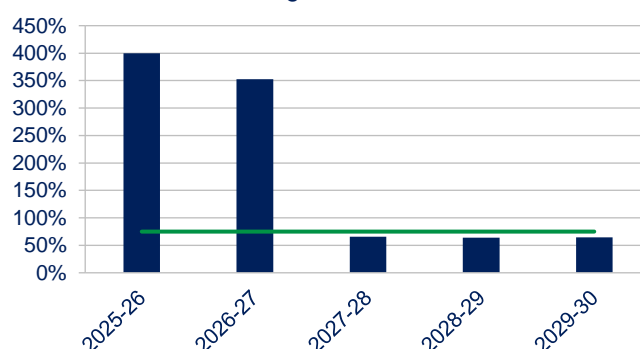
The asset consumption ratio is above the target range and remains so throughout the term of the Plan, with assets being renewed at adequate levels to maintain the average age of assets.

Asset Sustainability Ratio



The ratio highlights asset renewal expenditure relative to depreciation fluctuates as expected. The ratio average is above the guideline level and indicates the Shire is generally renewing assets in line with their forecast depreciation expense.

Asset Renewal Funding Ratio



The ratio is initially above the target ratio, with planned asset renewal expenditure being above required asset renewal expenditure for the first ten years in this Plan. The sudden decrease in the ratio in year 3 is due to the impact of the spike in required road renewals in year 12 of the plan. This highlights the need to review asset information to better determine required asset renewals.

6.0 Workforce Planning Overview

The Shire faces a range of workforce opportunities and challenges with a diverse mix of demographics in the workplace.

The Shire continues striving to meet the changing service demands of its community. This requires a skilled, flexible and productive workforce across the organisation to deliver the Shire's Council Plan objectives.

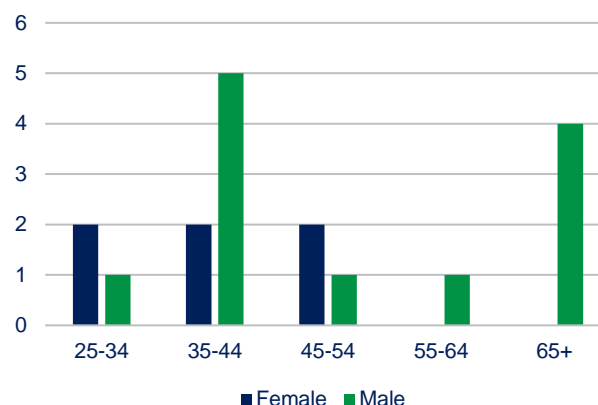
6.1 Workforce Profile

Information	Shire of Menzies - as at February 2025
Number of employees	18 FTE
Status of employment	16 Full Time 2 Casual
Gender	33% (6) female 67% (12) male
Total employee costs	\$2,252,840
Employment type	There is a range of full time, part time, fixed term contract and casual staff employed
Annual/LSL liability ²	Current \$124,913 Non-Current \$61,759
Awards and Agreements	Local Government Officers (Western Australia) Award 2021 Municipal Employees (Western Australia) 2021
Age profile	The average age of current employees is 47 years
Years of Service	The average length of service is 2.8 years

6.2 Workforce Demographics

The current age distribution is mostly within the 35-64 age range with three employees under 34 years, as shown in the chart below. This includes full time, part time and casual staff.

6.2.1 Workforce by Age and Gender



6.2.2 Turnover Rate

Over the period 2019/20 to 2024/25 the average annual turnover rate is 26%. This includes full time and part time employees. The turnover rate including casual staff increases to 33%.

In light of the remote regional location and size of the workforce this rate is not considered to be of significant concern. Ongoing monitoring of this rate will assist the organisation with future planning.

6.3 Workforce Supply Demand Analysis

In meeting future challenges, the Shire continually reviews its core functions in terms of potential outsourcing, insourcing and collaborations. This is further discussed in Appendix D.

²Shire of Menzies 2023/24 Annual Financial Statements

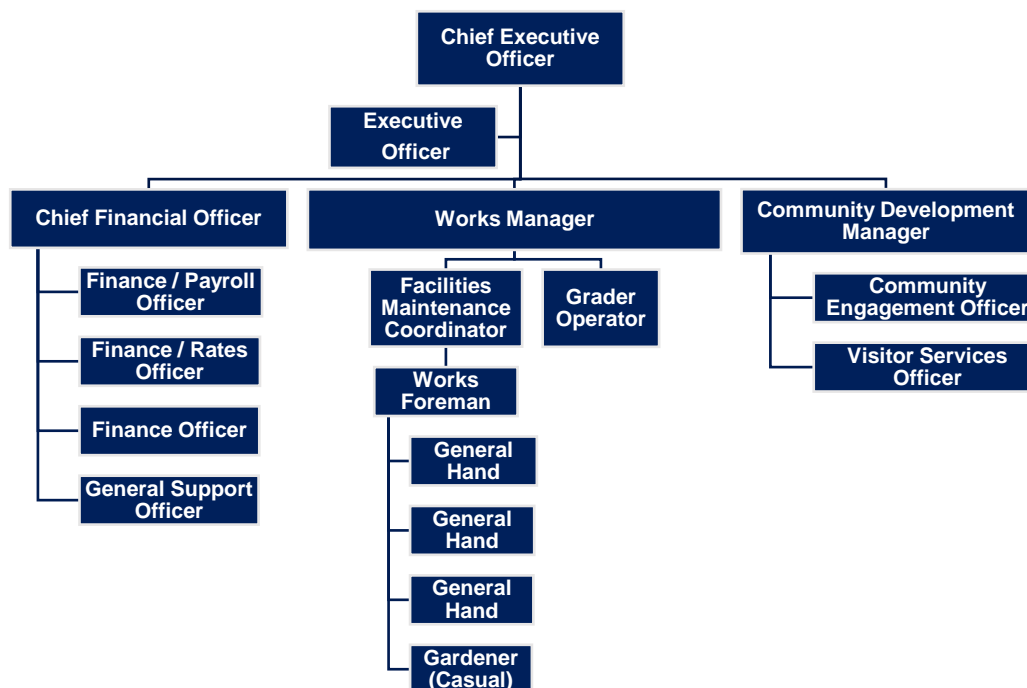
6.0 Workforce Planning Overview (Continued)

6.4 Organisation Structure

The organisational structure is a dynamic process and needs to be developed in accordance with changing priorities and considering the difficulty in attracting and retaining suitably qualified employees to the Shire, the current structure is not expected to change significantly during the term of this Plan.

6.6 Planning for the Future

Workforce planning is further detailed in Appendix D, including risk mitigation strategies and future planning. The Shire has a key focus on maintaining and where possible increasing service levels. Due to the significant service provision and major projects planned for the duration of this Plan, and beyond, this planning is key to delivery.



6.5 Workforce Risk Assessment

Risk Issues	Likelihood	Strategic Consequences	Operational Consequences	Combined Consequences	Risk Category ³
Knowledge loss due to staff turnover	Likely	Minor	Major	Major	High
Physical and financial constraints limit staff numbers	Likely	Minor	Major	Major	High
Sudden unplanned loss of a high number of key staff	Possible	Major	Major	Major	High
Organisational capacity insufficient to meet future needs	Possible	Major	Major	Major	High
High staff turnover due to organisational cultural issues	Possible	Major	Major	Major	High
Selection, recruitment and training costs increase	Possible	Insignificant	Minor	Minor	Moderate
Operational procedures not followed due to lack of staff training	Unlikely	Minor	Major	Major	Moderate
Long leave absences of key staff due to large accrued leave entitlement	Unlikely	Minor	Minor	Minor	Low

³ Appendix A – Risk Assessment Methodology

7.0 Scenario Modelling

7.1 Scenario Modelling

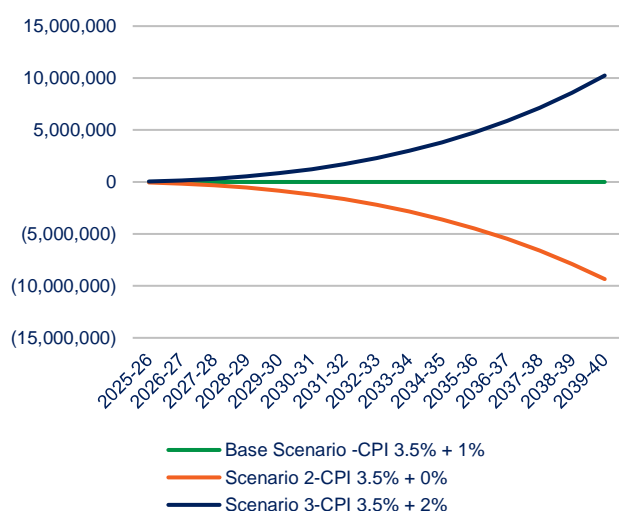
Scenarios were developed to test the financial impact of increased levels of operating funding from rates. To ascertain the effect of increased and decreased funding levels, modelling of various scenarios was undertaken.

A base scenario was developed with rates yield 4.5% (CPI 3.5%+1%) for the term of the Plan. Two alternative scenarios were also developed from this base as shown in the table below. All other assumptions remained the same across the three scenarios.

Rates 2025/26		
Scenario	Increase above CPI (3.5%)	Total Increase
Base Scenario	1.0%	4.5%
Scenario 2	0%	3.5%
Scenario 3	2.0%	5.5%

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

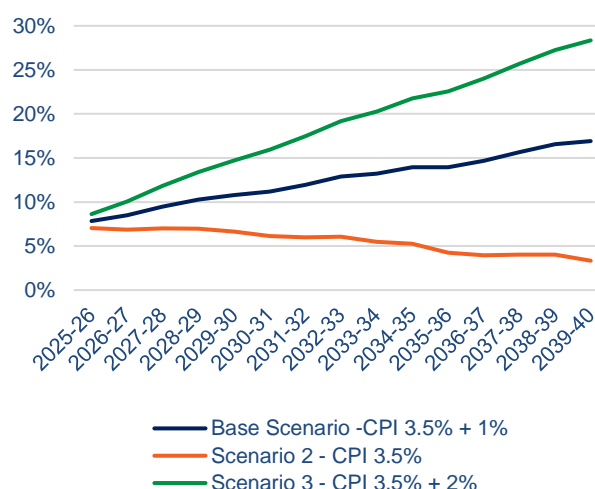
7.1.1 Scenario Comparison – Operating Surplus Ratio



The chart above shows the impact of the same change in total rates yield on the Shire's Operating Surplus Ratio (other assumptions remaining the same). The base scenario was selected as it strengthens the Shire's financial position and allows the Shire to meet its asset renewal expectations.

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

7.1.2 Estimated Surplus (Deficit) June 30 Carried Forward



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

	Estimated Surplus/(Deficit)		
	Base Scenario CPI +1%	Scenario 2 CPI \$	Scenario 3 CPI + 2% \$
2025/26	0	(48,052)	48,051
2026/27	0	(149,201)	150,161
2027/28	0	(308,851)	312,847
2028/29	0	(532,785)	543,177
2029/30	0	(827,187)	848,806
2030/31	0	(1,198,669)	1,238,019
2031/32	0	(1,654,291)	1,719,779
2032/33	0	(2,201,594)	2,303,769
2033/34	0	(2,848,623)	3,000,448
2034/35	0	(3,603,957)	3,821,102
2035/36	0	(4,476,742)	4,777,907
2036/37	0	(5,476,722)	5,883,983
2037/38	0	(6,614,273)	7,153,466
2038/39	0	(7,900,442)	8,601,576
2039/40	0	(9,346,983)	10,244,687

8.0 Strategic Planning and Policies with Other Plans

8.1 Linkage

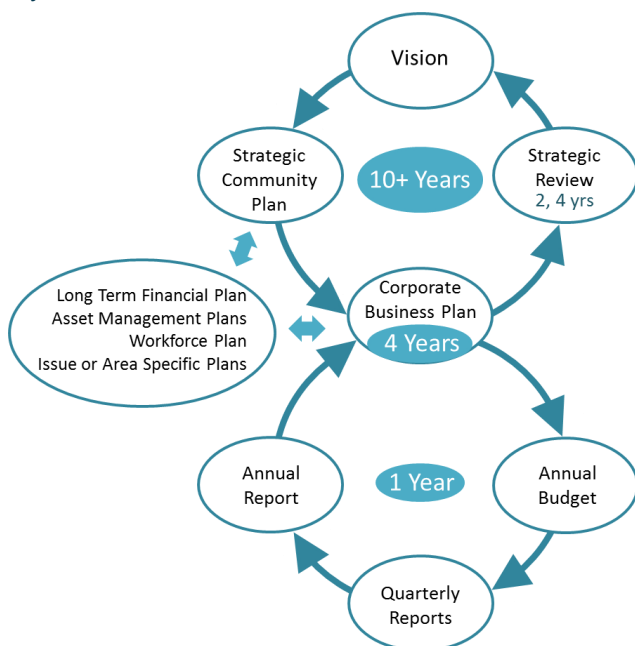
The Strategic Resource Plan is one component of a number of integrated strategic planning practices the Shire has developed. Combining asset management planning and long term financial planning into one document, the Strategic Resource Plan considers, and influences, workforce planning along with other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

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

8.2 Strategic Documents Linkage

This Plan includes, and influences, other strategic planning activities as a mechanism to action the strategies contained in the Shire's Council Plan 2025 - 2035, an integrated Strategic Community Plan and Corporate Business Plan, as illustrated in the diagram below.

Diagram: Integrated Planning and Reporting Cycle⁴



8.2.1 Council Plan 2025 - 2035

The Shire has taken the approach of a combined Strategic Community Plan and Corporate Business Plan, delivering a Council Plan. The Council Plan has been prepared to cover a period of 10 years and sets out the community's vision and aspirations for the Shire. To achieve the vision, a series of priorities, outcomes and strategies were developed. Many strategies may be required to achieve a single objective and many objectives needed to achieve a single priority.

Individual strategies all require actions involving extra human, physical and financial resources. Achieving the Shire's strategic priorities requires careful operational planning and prioritisation. The Council Plan also contains details of the actions to achieve each strategy and acts as an organisational guide for the Council and management.

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

8.2.2 Workforce and Other Strategic Plans

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

The Shire's Workforce Plan has been developed as part of this Strategic Resource Plan.

⁴ Department of Local Government, Sport and Cultural Industries, Integrated Planning and Reporting: Framework and Guidelines, September 2016

9.0 Risk Management

9.1 Risk Management

The 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 assets by the Chief Executive Officer to ensure the level is adequate. The Shire's insurer is LGIS.

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

The 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.

9.2 Certainty of Assumptions

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

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

9.3 Sensitivity Analysis

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

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

10.0 Assumptions, Risks, Uncertainties and Sensitivity

10.1 Revenue – Assumptions, Risks, Uncertainties and Sensitivity

Disclosure/Assumption	Assessed Financial Risk	Impact of High Financial Risk Assumptions	Level of Uncertainty	Financial Impact and Sensitivity for Assumption with High Level of Uncertainty/Risk
District Growth in Population: The number of residents in the Shire is expected to remain stable.	Low	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
Rates Level Increase: Annual rates have been based on an increase in the total rate yield of 4.5% for the term of the Plan.	Medium	Mining rates constitute 93% of the Shire rate yield. A significant downturn in mining activity may impact the ability of the Shire to raise forecast rates.	Medium	± \$1,043,655 to the value of rates per 1% movement in the value over the life of the Plan.
Grants and Contributions: Increases in line with inflation forecast.	Medium	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
Capital Grants and Contributions: Remain in line with funding requirements identified for various capital works.	High	The forecast capital works program is highly dependent on Government grants and contributions. Changes in these levels would impact directly on the amount spent on capital projects and ultimately impact on service levels.	High	± \$252,515 to the value of capital grants and contributions per 1% movement in the value over the life of the Plan.
Fees and Charges: Increases in line with inflation forecast.	Medium	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
Interest Revenue: Interest earning of an average rate of 4.5% per annum.	Low	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
Other Revenue: Increases in line with inflation.	Low	Not assessed as high financial risk.	Low	Not assessed as high level of uncertainty.
Profit on Asset Disposal: Profit on asset disposal results from a misallocation of depreciation over the life of the asset. As the level of depreciation is considered appropriate no profit on asset disposals has been included.	Low	Not assessed as high financial risk.	Low	Not assessed as high level of uncertainty.

10.0 Assumptions, Risks, Uncertainties and Sensitivity (Continued)

10.2 Expenditure – Assumptions, Risks, Uncertainties and Sensitivity

Disclosure/Assumption	Assessed Financial Risk	Impact of High Financial Risk Assumptions	Level of Uncertainty	Financial Impact and Sensitivity for Assumption with High Level of Uncertainty/Risk
Employee Costs: Increased annually by forecast inflation.	Medium	Not assessed as high financial risk.	Low	Not assessed as high level of uncertainty.
Materials and Contracts: Increased annually by forecast inflation.	High	The road preservation 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	± \$625,469 to the value of materials and contracts per 1% movement in the value over the life of the Plan. A high level of uncertainty exists in relation to the costs to address impacts of current global events.
Depreciation: Depreciation has been calculated using an average depreciation rate based on the estimated useful lives on individual assets.	Low	Not assessed as high financial risk.	Low	Not assessed as high level of uncertainty.
Insurance: Base year increased in line with inflation.	Medium	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
Other Expenditure: Base year increased in line with inflation.	Medium	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
Loss on Asset Disposal: A loss on asset disposal results from a misallocation of depreciation over the life of the asset. As the level of depreciation is considered appropriate in the Plan no loss on asset disposals has been included in the Plan.	Low	Not assessed as high financial risk.	Low	Not assessed as high level of uncertainty.

10.0 Assumptions, Risks, Uncertainties and Sensitivity (Continued)

10.3 Assets – Assumptions, Risks, Uncertainties and Sensitivity

Disclosure/Assumption	Assessed Financial Risk	Impact of High Financial Risk Assumptions	Level of Uncertainty	Financial Impact and Sensitivity for Assumption with High Level of Uncertainty/Risk
Revaluations: In line with annual inflation.	Low	The revaluation of assets may result in changes in asset ratio analysis and depreciations leading to a change in the net result. The revaluation of assets will have no impact on Cashflows.	High	±\$3,268,242 to the value of property, plant and equipment per 1% movement in the value over the life of the Plan. ±\$33,571,253 to the value of infrastructure assets per 1% movement in the value over the life of the Plan.
Impairment of Assets: No impairment of assets has been assumed over the life of the Plan. Impairment of assets usually occurs due to unplanned or unforeseen events such as natural disasters.	High	A widespread major impairment event may result in a requirement for high levels of expenditure to maintain service levels.	Medium	Unable to be quantified.
Infrastructure Assets: Expenditure has been based on historical levels escalated by inflation.	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	±\$252,515 to the value of infrastructure assets per 1% movement in the capital grants received over the life of the Plan.
Property, Plant and Equipment: Building expenditure is in accordance with the 10 Year Capital Plan, and plant expenditure is based on the Plant Replacement Program.	Medium	Not assessed as high financial risk as the frequency of capital grants for buildings is not as pervasive as roadwork's and plant and equipment replacement is not influenced by external grant funds.	Medium	Not assessed as high level of uncertainty.

10.0 Assumptions, Risks, Uncertainties and Sensitivity (Continued)

10.4 Liabilities – Assumptions, Risks, Uncertainties and Sensitivity

Disclosure/Assumption	Assessed Financial Risk	Impact of High Financial Risk Assumptions	Level of Uncertainty	Financial Impact and Sensitivity for Assumption with High Level of Uncertainty/Risk
Borrowings: New borrowings to be considered for capital works where required.	High	If the Shire is not able to secure borrowings in the future, the likely impact will be the cancellation or postponement of related asset acquisitions leading to a reduction in service levels over the short to medium term.	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.

10.5 Equity Risks, Uncertainties and Sensitivity

Disclosure/Assumption	Assessed Financial Risk	Impact of High Financial Risk Assumptions	Level of Uncertainty	Financial Impact and Sensitivity for Assumption with High Level of Uncertainty/Risk
Cash Backed Reserves: It has been assumed the 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 Surplus: Increasing in line with inflation based revaluation.	Low	The revaluation of assets to their fair value may result in changes in asset ratio analysis and depreciation leading to a change in the net result. The revaluations of assets will have no impact on Cashflows.	High	±\$3,268,242 to the value of property, plant and equipment per 1% movement in the value over the life of the Plan. ±\$33,571,253 to the value of infrastructure assets per 1% movement in the value over the life of the Plan.

10.0 Assumptions, Risks, Uncertainties and Sensitivity (Continued)

10.6 Other – Assumptions, Risks, Uncertainties and Sensitivity

Disclosure/Assumption	Assessed Financial Risk	Impact of High Financial Risk Assumptions	Level of Uncertainty	Financial Impact and Sensitivity for Assumption with High Level of Uncertainty/Risk
Ownership of Strategic Assets: The Shire has not planned for the ownership of any strategic assets to be transferred to another party over the term of the Plan.	High	Any significant changes to the ownership of strategic assets would require an amendment to this Plan and, depending on the circumstance, be subject to community consultation.	Low	Not assessed as high level of uncertainty.
Inflators: Forecast inflation at 3.5% per annum.	Medium	Not assessed as high financial risk.	High	± \$1,794,302 to operating revenue per 1% movement in the inflators over the life of the Plan. ± \$1,337,439 to operating expenditure per 1% movement in the inflators over the life of the Plan.
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.
General Economic Forecasts for State: The economic forecast for the State is closely linked to the success of the mining industry. Demands for minerals is forecast to remain stable in the short term with a corresponding stability of the state economy.	Medium	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
General Economic Forecasts for Region: Historically, the region's economy is heavily dependent on mining and pastoral enterprises and this remains the assumption for the term of this Plan.	Low	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.

11.0 Monitoring and Performance

11.1 Monitoring

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

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

11.2 Ratio Targets

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

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

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

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

12.0 Improvement Plan

12.1 Strategic Resource Improvement Plan

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

Road Asset data: Road asset data requires review to better reflect the estimated remaining life of each unsealed road sector.

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

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

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

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

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

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

Standard Useful Life Estimates: Improvements in road asset records should enable better estimation of standard useful lives of road assets components based on the method of construction used.

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

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

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Appendix A1 Critical Assets

1.1 Description

Along with regional and local distributor roads, a number of other assets have been nominated as critical to the Shire providing services to the community. These assets will be prioritised when allocating annual funding to help ensure they are maintained to an acceptable condition.

A list of these assets (excluding roads) is provided below along with their relevant estimated current replacement cost.

Asset	Current Replacement Cost
Shire Depot	\$1,080,400
Shire Administration Centre	\$6,234,000

Maintenance requirements for these assets will be identified annually and prioritised through the Annual Budget cycle.

Road assets are discussed further in Appendix A2 with regional and local distributor roads being given funding prioritisation over other road assets as required.

Appendix A2 Infrastructure - Roads

2.1 Significant Matters

The continued provision of the road network remains one of the key priorities for the Shire. A number of rural roads within the Shire are currently utilised as key mining access and tourist routes. The continued planning for future road infrastructure renewals, influenced by condition based estimation of the remaining useful life, is not currently considered important due to the extent of road upgrades currently planned. These upgrades to provide better service to the community, will be given funding prioritisation over other road assets.

2.2 Road Inventory

The Shire of Menzies has a road network servicing an area of 124,110¹ square kilometres.

Road assets within this Plan include the following components:

- Subgrade;
- Pavement; and
- Seal

Road asset information is recorded within a road inventory database and was extracted from the valuation undertaken as at June 2023, verification of the accuracy of the valuation data is not within the scope of this Plan and has not been undertaken. The extent of subsequent road works significantly modifying the road inventory has resulted in limited reliance on the road asset data to guide planning outcomes.

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

The following table details the components, segregated by the type of seal.

Infrastructure Roads Assets	Current Replacement Cost (\$)
Structural Asphaltic Concrete	138,044
Pavement Structure	12,536
Subgrade Structure	13,717
Surface Structure	111,791
Thin Surfaced Flexible	14,394,432
Pavement Structure	5,416,072
Subgrade Structure	6,206,722

Infrastructure Roads Assets	Current Replacement Cost (\$)
Surface Structure	2,771,637
Unsealed	170,454,762
Pavement Structure	46,958,000
Subgrade Structure	122,909,490
Surface Structure	587,272
Infrastructure Roads Total	184,987,240

2.3 Financial Summary

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

2.4 Maintenance Expenditure

Road maintenance expenditure includes maintenance of associated infrastructure such as drainage and footpaths. Road maintenance expenditure is primarily related to the grading of unsealed roads and associated drainage clearing within the district, along with reactionary minor repair works and minor flood damage repairs. As far as possible the road maintenance program is scheduled annually, based on staff knowledge of road conditions and expected traffic volumes.

Road maintenance expenditure is comprised of the following estimated costs in 2025/26.

2.4.1 Maintenance Expenditure by Nature

Expenditure by Nature	\$
Road Maintenance	
Materials and contracts	2,018,460
Employee costs	713,773
Utility charges	10,200
Road Maintenance Total	2,742,433

2.5 New Expenditure

Road safety related projects will be prioritised where issues are identified. External grant funding is essential to achieve any safety upgrades and road upgrades.

¹ Australian Bureau of Statistics Menzies (S) (LGA55390) 2021 Census of Population and Housing, viewed 15 May 2024

Appendix A2 Infrastructure - Roads (Continued)

2.6 Renewal Expenditure

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

In the charts below, planned expenditure is shown as green columns, with required renewals as the blue columns. The orange line shows the difference between the two expenditure levels.

Planned road renewal over the term totals \$42,317,535. Required road renewal is calculated at \$65,139,648 for the term, overall there is a \$22,822,113 renewal gap for the Shire's road assets.

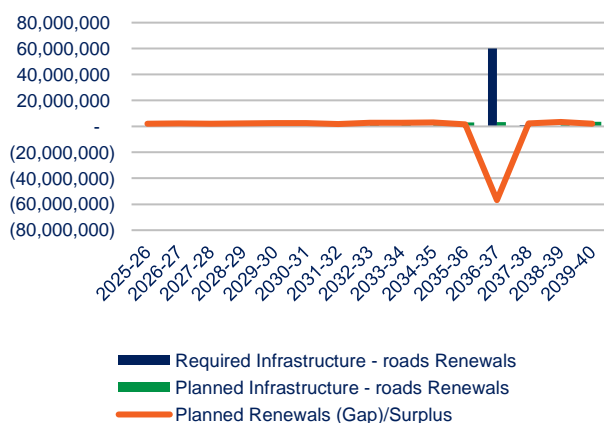
Planned renewal is spread across the term to mitigate the required renewal spikes. This is discussed further over the page.

2.7 Forecast Planned and Required Road Renewal Expenditure

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

One of the largest impacts on road component lives is the volume and weight of traffic traversing a road length. Where this exceeds the roads construction capabilities, sudden unexpected road failure may occur. Whilst road renewals may be forecast based on the age and condition of the asset, expected traffic volumes and weights are an important factor and difficult to forecast within Western Australian rural areas.

2.7.1 Required v Planned Asset Renewals – Roads Infrastructure



The values represented in the chart at 2.7.1 are detailed in the table below.

Roads Infrastructure			
	Required Renewals \$	Planned Renewals \$	Renewal Funding (Gap)/Surplus \$
2025/26	-	2,193,109	2,193,109
2026/27	9,235	2,269,868	2,260,633
2027/28	216,206	2,349,312	2,133,106
2028/29	-	2,431,539	2,431,539
2029/30	-	2,516,643	2,516,643
2030/31	-	2,604,726	2,604,726
2031/32	813,633	2,695,891	1,882,258
2032/33	46,811	2,790,249	2,743,438
2033/34	79,081	2,887,905	2,808,824
2034/35	-	2,988,984	2,988,984
2035/36	1,392,313	3,093,596	1,701,283
2036/37	60,046,215	3,201,873	(56,844,342)
2037/38	1,006,352	3,313,939	2,307,587
2038/39	-	3,429,927	3,429,927
2039/40	1,529,802	3,549,974	2,020,172
Total	65,139,648	42,317,535	(22,822,113)

Many assumptions have been utilised in arriving at the remaining useful life of each individual road asset by the external valuers. Remaining useful life of sheeted roads has not been determined by measurement of the remaining level of sheeted material but has rather been based on a worst-case estimate. For this reason, management has not planned to replace the unsealed roads in accordance with the valuation information.

Asset preservation for the road network remains a key priority for the Shire and ensuring appropriate funds are available to renew the road network when required is a key consideration of all planning.

Appendix A2 Infrastructure - Roads (Continued)

2.8 Level of Service

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

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

2.8.1 Road Construction

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

Appendix A2 Infrastructure - Roads (Continued)

2.8.2 Road Maintenance

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

Appendix A2 Infrastructure - Roads (Continued)

2.9 Risk Management

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

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

2.10 Improvement

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

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

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

Appendix A3 Infrastructure - Footpaths

3.1 Significant Matters

The Shire provides a network of footpaths for pedestrians and other users and has developed a basic footpath asset inventory and is developing and implementing an annual assessment process for related infrastructure. A footpath program has been identified to be established and implemented in the future.

3.2 Inventory

The Shire of Menzies has a footpath network of 1,538km.

Footpath assets within this Plan include the following components:

- Asphalt; and
- Brick paving

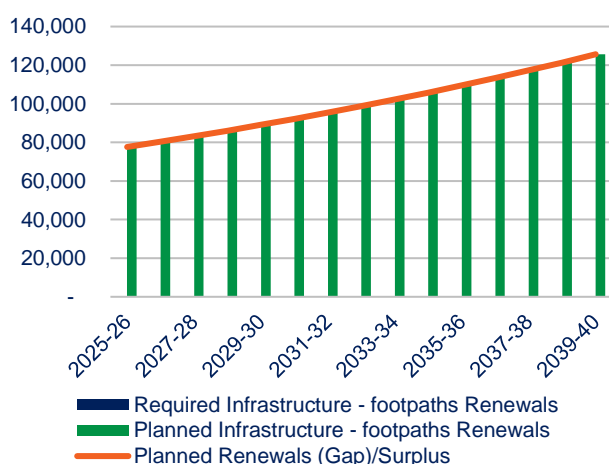
Footpath asset information is recorded within an inventory database and was extracted from the valuation undertaken as at June 2023, verification of the accuracy of the valuation data is not within the scope of this Plan and has not been undertaken.

Utilising the dimension data held in the Shire's asset database along with standard unit rates, the current replacement cost provided in the inventory system, has been estimated by management in the table on the right.

The following table details the components, segregated by the type of seal.

Infrastructure Footpath Assets	Current Replacement Cost (\$)
Black Asphalt 20mm	145,892
Brick Paving	706,258
Total	852,150.27

3.2.1 Required v Planned Asset Renewals – Footpaths Infrastructure



3.3 Financial Summary

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

3.3.1 Maintenance Expenditure

Routine maintenance expenditure is currently forecast based on historical data and staff experience and is considered during the annual budget process. It is comprised of materials and contracts.

3.3.2 New Asset Expenditure

No new footpath asset expenditure is planned. External grant funding would be essential to achieve any upgrades.

3.3.3 Renewal Expenditure

Footpath renewal works are prioritised using staff knowledge of the conditions of the footpaths, current usage levels at the time of preparing the annual budget. Based on the valuation assessment, footpath renewals are not required within the next 15 years.

In the chart below, forecast planned footpaths expenditure is shown by the green columns. Planned footpaths renewal over the term totals \$1,497,827. Required footpaths renewal is not calculated.

Appendix A3Infrastructure - Footpaths (Continued)

3.4 Level of Service

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

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

3.5 Risk Management

An assessment of risks associated with the delivery of footpath assets identified the following risks and treatment strategies.

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

3.6 Improvement

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

Appendix A4 Buildings

4.1 Significant Matters

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

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

4.2 Inventory

Land and buildings were valued by independent professional valuers at 30 June 2023, based on an inspection undertaken. The replacement costs of major buildings contained within the valuation report is shown in the table to the right.

4.2.1 Composition of Estimated Current Replacement Cost of Building Assets

Buildings	Current Replacement Cost (\$)
Caravan Park	764,000
Goongarrie Cottages and House	2,341,000
Lake Ballard Toilets	149,500
Niagara Dam Toilets	110,800
Recreation Oval Toilet	74,400
Youth Centre	337,000
Snake Hill Toilets	13,300
Administration Offices	6,234,000
Church Hall	136,000
Dwellings	6,479,000
Fire Brigade Shed	76,600
Kookynie Public Toilets	67,300
Lady Shenton	2,300,000
Museum Shelter	119,000
Police Station	457,000
Public Toilet	114,800
Tearooms & Butchers	837,000
Toilet Blocks	245,900
Ularring Soak Toilets	55,400
Works Depot	1,080,400
Buildings Total	21,992,400

4.3 Financial Summary

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

4.3.1 Maintenance Expenditure

Routine maintenance expenditure is forecast to increase in line with inflation. A detailed building maintenance plan has been developed to help ensure buildings are maintained at a level to maximise their useful life and minimise the need to renew entire building structures.

Building operating and maintenance expenditure is comprised of the following estimated costs in 2025/26.

4.3.2 Maintenance and Operating Expenditure by Nature

Expenditure by Nature	\$
Materials and contracts	736,417
Insurance	56,035
Employee costs	1,036,740
Utility charges	104,600
Building Maintenance Total	1,933,792

4.3.3 New/Upgrade Asset Expenditure

No additional items are forecast to be required over the life of this Plan.

4.3.4 Renewal Expenditure

Using the estimated remaining useful life and the 'reinstatement with new' values provided in the independent valuation report, the timing and extent of future required property renewals has been forecast (adjusted for inflation). Whilst the valuation indicates the required renewal timings, given the forecast level of planned maintenance, building assets are expected to last well beyond the indicated renewal timings.

Maintaining borrowing capacity or funds in an appropriate reserve is important to ensure funds are available in future years when buildings are required to be renewed due to the high level of expenditure in renewing building assets. The renewal of staff housing has not been planned for in the term of this Plan.

Appendix A4 Buildings (Continued)

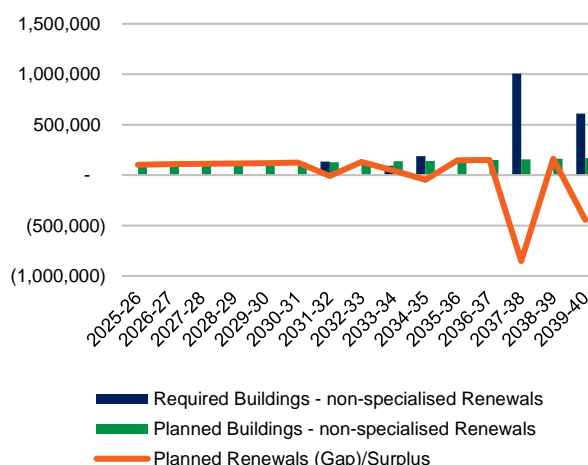
4.3.5 Forecast Planned and Required Building Renewal Expenditure

The table below details the required building renewal as per the latest building valuations. The required renewals are due to a number of older community buildings estimated remaining useful life, as detailed in the valuation report, reflecting a requirement to renew at these times.

	Required Building Renewals \$	Planned Building Renewals \$	Building Renewal Funding (Deficit)/Surplus \$
2025/26	63,197	103,500	40,303
2026/27	13,770	107,123	93,353
2027/28	767,246	110,872	(656,374)
2028/29	373,693	114,752	-258,941
2029/30	268,452	118,769	(149,683)
2030/31	1,573,585	122,926	(1,450,659)
2031/32	152,645	127,228	(25,417)
2032/33	1,767,480	131,681	(1,635,799)
2033/34	341,633	136,290	(205,343)
2034/35	598,384	141,060	(457,324)
2035/36	342,193	145,997	(196,196)
2036/37	165,107	151,107	(14,000)
2037/38	1,504,797	156,396	(1,348,401)
2038/39	6,416	161,869	155,453
2039/40	637,110	167,535	(469,575)
Total	8,575,708	1,997,105	(6,578,603)

Renewal of dwellings have not been planned at this stage and would require external funding to be undertaken.

Required v Planned Building Asset Renewals



Appendix A4 Buildings (Continued)

4.4 Level of Service

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

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

4.5 Risk Management

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

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

4.6 Improvement

Improving asset management planning for buildings is not currently viewed as a priority, as risks are able to be managed through annual planning and improvements are limited by funding availability. Demand for building assets is expected to remain relatively stable into the future.

Enhanced monitoring and reporting of the key performance measures is important to help ensure the adequate maintenance of the Shire's building assets.

Appendix A5 Infrastructure - Other

5.1 Significant Matters

The Shire controls a number of other infrastructure assets which are significant to our community.

The nature of these assets is varied. Changing requirements due to community expectations will require further analysis to fully consider future funding requirements as individual assets require expenditure.

Availability of grant funding will significantly impact the timing and extent of expenditure on these assets.

5.2 Inventory

The Shire's other infrastructure assets current replacement cost at the time of valuation at 30 June 2023 was \$6,815,000.

5.2.1 Composition of Estimated Current Replacement Cost of Other Infrastructure Assets

Other Assets	Current Replacement Cost (\$)
Administration Building	239,000
Broadcast Equipment	177,000
Flagpoles	6,000
Reticulation	11,000
Satellite Dishes	45,000
Airport	2,734,000
Runway	2,695,000
Windsock	39,000
Caravan Park	1,394,000
Dump Ezy	7,000
Fence	82,000
Fire Main	82,000
Lighting	78,000
Powered Bays	928,000
Sewage System	205,000
Water tanks (4)	12,000
Cemetery	87,000
Entry Statement	21,000
Fence	41,000
Gazebo	25,000
Kookynie Information Bay	32,000
Signage	11,000
Fence	5,000
Picnic Shelter	8,000
Picnic Table	3,000
Rubbish Bin	5,000
Lake Ballard	28,000
BBQ Fire Pits	4,000
Dump Ezy	6,000

Other Assets	Current Replacement Cost (\$)
Fence	11,000
Water Tank	7,000
Marmion Village	153,000
Access road	120,000
Fencing	12,500
Reserve improvements	10,500
Street Lighting at Village	10,000
Menzies Water Park	430,000
Fence	15,000
Shade Sail	28,000
Water Park	387,000
Museum Shelter	60,000
Fence	24,000
Picnic Shelter	10,000
Picnic Table	3,000
Signage	6,000
Tourist Information Bay	17,000
Niagara Dam	63,000
Signage	22,000
BBQ	16,000
BBQ Fire Pits	3,000
Dump Ezy	6,000
Picnic Table	9,000
Water Tank	7,000
Rubbish Tip	549,000
Fencing	207,000
Waste Pond	342,000
Tjuntjunjara Cemetery	70,000
Shade Shelter	70,000
Townsite	794,000
Electronic Signage	24,000
Indigenous Walk Trail	66,000
Kookynie Walk Trail	44,000
Lighting	17,000
Our Way - Menzies Walk	66,000
Signage -Flagtrax	22,000
Truck Bay	500,000
War Memorial	55,000
Works Depot	182,000
Dog Pound	31,000
Fence	78,000
Pump	20,000
Wash bay	31,000
Water Tank	22,000
Infrastructure - Other Assets Total	6,815,000

Appendix A5 Infrastructure – Other (Continued)

5.3 Financial Summary

The financial impact of managing the Shire's other infrastructure assets is broken down into maintenance, new and renewal expenditure, each of which is examined separately.

5.3.1 Maintenance Expenditure

Other infrastructure assets maintenance expenditure is forecast to increase in line with inflation.

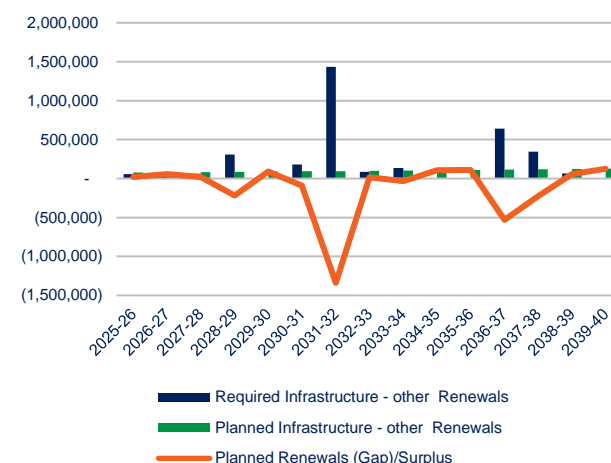
Infrastructure – Other operating and maintenance expenditure is comprised of the following estimated costs in 2025/26.

5.3.2 Renewal Expenditure

Required other infrastructure asset renewals over the next 15 years have been forecast. Minor asset renewals will be determined and funded within the annual budget cycle. Renewal of other infrastructure assets will be considered on a case by case basis at the time the asset is viewed as requiring renewal.

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

5.3.3 Required v Planned Infrastructure Renewals -Other



5.3.4 Maintenance Expenditure by Nature

Expenditure by Nature	\$
Materials and contracts	31,052
Insurance	357
Employee costs	10,367
Maintenance Total	41,776

5.3.5 New Expenditure

No new/upgrade projects are planned during the term of this Plan. Any additional projects will be assessed during the annual budget process and will require external funding to be undertaken.

Appendix A5 Infrastructure – Other (Continued)

5.4 Level of Service

Detailed performance measures and performance targets for other infrastructure assets are defined in the table below.

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

5.5 Improvement

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

Appendix A6 Infrastructure – Parks and Ovals

6.1 Significant Matters

The Shire controls a number of parks and ovals infrastructure assets which are significant to our community.

The nature of these assets is varied. Changing requirements due to community expectations will require further analysis to fully consider future funding requirements as individual assets require expenditure.

Availability of grant funding will significantly impact the timing and extent of expenditure on these assets.

6.2 Inventory

The Shire's parks and ovals infrastructure assets current replacement cost at the time of valuation at 30 June 2023 was \$821,000.

6.2.1 Composition of Estimated Current Replacement Cost of Parks and Ovals Infrastructure Assets

Parks and Ovals Assets	Current Replacement Cost (\$)
Recreation Oval	
AFL Goal Posts	2,000
Basketball backboards	17,000
BBQ	16,000
Bench	6,000
Fence	52,000
Lighting	71,000
Multi purpose courts	98,000
Picnic Shelter	10,000
Playground Equipment	71,000
Reticulation	154,000
Shade Sail	22,000
Soft Fall	61,000
Water Tank	21,000
Tjuntjunjara Playground	
Play equipment and shade sails	155,000
Tjuntjunjara Townsite	
Shade Shelter	65,000
Infrastructure – Parks and Ovals Assets Total	821,000

6.3 Financial Summary

The financial impact of managing the Shire's parks and ovals infrastructure assets is broken down into maintenance, new and renewal expenditure, each of which is examined separately.

6.3.1 Maintenance Expenditure

Parks and ovals infrastructure assets maintenance expenditure is forecast to increase in line with inflation.

Infrastructure – Parks and Ovals operating and maintenance expenditure is comprised of the following estimated costs in 2025/26.

6.3.2 Renewal Expenditure

Required parks and ovals infrastructure asset renewals over the next 15 years have been forecast. Minor asset renewals will be determined and funded within the annual budget cycle. Renewal of parks and ovals infrastructure assets will be considered on a case by case basis at the time the asset is viewed as requiring renewal.

6.3.3 Maintenance Expenditure by Nature

Expenditure by Nature	\$
Materials and contracts	101,607
Insurance	2,055
Employee costs	185,788
Utility charges	5,000
Maintenance Total	294,450

6.3.4 New Expenditure

No new/upgrade projects are planned during the term of this Plan. Any additional projects will be assessed during the annual budget process and will require external funding to be undertaken.

Appendix A6 Infrastructure – Parks and Ovals (Continued)

6.4 Level of Service

Detailed performance measures and performance targets for other infrastructure assets are defined in the table below.

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

6.5 Improvement

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

Appendix A7 Plant and Equipment

7.1 Significant Matters

The Shire has a large furniture, plant and equipment portfolio which includes items such as graders, tractors, utes, trailers and passenger vehicles. It also owns an extensive listing of furniture and equipment, such as office furniture, IT and communication equipment, to support operations.

A 15 year plant replacement program is updated on an annual basis as part of the Shire's annual budget process. Heavy plant is considered a critical asset, given the part it plays in responding to any natural emergency within the Shire.

7.2 Inventory

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

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

Asset	Current Replacement Cost \$
Backhoe	170,000
Bus	61,232
Compactor	240,000
Dolly	100,000
Fuel Tank	20,000
Generator	138,025
Grader	760,214
Hoist	8,700
Light Vehicle	190,232
Loader	623,988
Mower	9,500
Prime Mover	290,000
Pump	29,110
Roller	10,500
Slasher	5,995
Small Plant	34,634
Solar Pump	6,396
Sweeper	7,115
Tanker	105,000
Tractor	30,000
Trailer	173,083
Total	4,180,387

7.3 Financial Summary

The financial impacts of managing the Shire plant and equipment assets is broken down into maintenance, new and renewal expenditure, each of which is examined separately.

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

7.3.1 New Expenditure

The current fleet of plant and equipment is forecast to maintain the requirements of the Shire and no additional items are forecast to be required over the life of this Plan.

7.3.2 Renewal Expenditure

The Shire does not have a replacement/renewal or maintenance program for furniture and equipment. Furniture and equipment purchases are considered on an annual basis as part of the Shire's annual budget allocations and are not planned in detail.

The plant replacement program is updated annually and is expected to remain fully funded by annual allocations to the Plant Replacement Cash Reserve.

In the chart on the following page, planned expenditure is shown as the green columns with required renewals shown as the blue columns. The orange line shows the variation between the two expenditure levels.

7.3.3 Plant Disposals

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

Appendix A5 Plant and Equipment (Continued)

7.4 Level of Service

Level of service measures are defined below.

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

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

7.5 Risk Management

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

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

5.6 Improvement Plan

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

Appendix A8 Estimated Asset Life and Residual Value

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

Asset Class	Asset Sub-Class	Hierarchy	Pavement Type	Estimated Useful Life	Estimated Residual Value
Infrastructure - roads	Pavement Structure	Access Road	Structural Asphaltic Concrete	80	
Infrastructure - roads	Pavement Structure	Local Distributor	Thin Surfaced Flexible	80	
Infrastructure - roads	Pavement Structure	Access Road	Unsealed	80	
Infrastructure - roads	Pavement Structure	Local Distributor	Structural Asphaltic Concrete	80	
Infrastructure - roads	Pavement Structure	Access Road	Thin Surfaced Flexible	80	
Infrastructure - roads	Pavement Structure	Local Distributor	Unsealed	80	
Infrastructure - roads	Subgrade Structure	Local Distributor	Thin Surfaced Flexible	100	100%
Infrastructure - roads	Subgrade Structure	Access Road	Structural Asphaltic Concrete	100	100%
Infrastructure - roads	Subgrade Structure	Local Distributor	Structural Asphaltic Concrete	100	100%
Infrastructure - roads	Subgrade Structure	Local Distributor	Unsealed	100	100%
Infrastructure - roads	Subgrade Structure	Access Road	Thin Surfaced Flexible	100	100%
Infrastructure - roads	Subgrade Structure	Access Road	Unsealed	100	100%
Infrastructure - roads	Surface Structure	Local Distributor	Thin Surfaced Flexible	15	
Infrastructure - roads	Surface Structure	Access Road	Thin Surfaced Flexible	15	
Infrastructure - roads	Surface Structure	Local Distributor	Unsealed	80	
Infrastructure - roads	Surface Structure	Local Distributor	Structural Asphaltic Concrete	15	
Infrastructure - roads	Surface Structure	Access Road	Structural Asphaltic Concrete	15	
Infrastructure - footpaths	Footpath		Black Asphalt 20mm	30	
Infrastructure - footpaths	Footpath		Brick Paving	60	
Infrastructure - other				100	
Infrastructure - parks and ovals				40	
Land - freehold land				100	100%

Asset Class	Asset Sub-Class	Estimated Useful Life
Buildings - non-specialised	Finishes & Fittings	30
Buildings - non-specialised	Roof	48
Buildings - non-specialised	Services	48
Buildings - non-specialised	Sub Structure	72
Buildings - non-specialised	Super Structure	60
Buildings - specialised	Finishes & Fittings	50
Buildings - specialised	Roof	80
Buildings - specialised	Services	80
Buildings - specialised	Sub Structure	120
Buildings - specialised	Super Structure	100

Appendix B1 Forecast Financial Statements

Financial Statements

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

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

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

Statements of Comprehensive Income

Often referred to as the operating statement, it shows the revenues and expenses over the periods classified by Nature to disclose a net result.

Statement of Financial Position

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

Statement of Changes in Equity

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

Statement of Cashflows

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

Statement of Financial Activity

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

Statement of Net Current Asset Composition

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

Statement of Fixed Asset Movements

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

Statement of Fixed Asset Funding

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

Forecast Ratios

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

Nature

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

Appendix B2 Forecast Statement of Comprehensive Income by Nature 2025-2040

	2021-22	2022-23	2023-24	Base	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37	2037-38	2038-39	2039-40
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenues																			
Rates	3,631,717	4,179,686	4,434,860	4,805,190	5,021,424	5,247,388	5,483,520	5,730,278	5,988,141	6,257,607	6,539,199	6,833,463	7,140,969	7,462,313	7,798,117	8,149,032	8,515,738	8,898,946	9,299,399
Grants, subsidies and contributions	3,170,973	4,056,177	2,858,093	777,381	3,323,405	3,439,725	3,560,116	3,684,719	3,813,683	3,947,162	4,085,313	4,228,299	4,376,290	4,529,462	4,687,995	4,852,076	5,021,899	5,197,665	5,379,581
Fees and charges	288,111	319,830	265,803	245,805	254,415	263,321	272,535	282,074	291,944	302,161	312,736	323,679	335,009	346,736	358,873	371,433	384,432	397,881	411,809
Interest revenue	51,552	336,207	352,247	281,000	275,016	269,551	285,641	291,590	298,143	308,639	315,901	337,617	368,438	374,732	400,947	413,310	456,097	499,930	534,607
Other revenue	105,459	24,859	31,097	1,275,361	31,000	32,086	33,210	34,372	35,575	36,819	38,107	39,439	40,820	42,250	43,728	45,258	46,841	48,478	50,175
	7,247,812	8,916,759	7,942,100	7,384,737	8,905,260	9,252,071	9,635,022	10,023,033	10,427,486	10,852,388	11,291,256	11,762,497	12,261,526	12,755,493	13,289,660	13,831,109	14,425,007	15,042,900	15,675,571
Expenses																			
Employee costs	(2,119,726)	(2,261,701)	(2,454,079)	(2,731,689)	(2,827,297)	(2,926,250)	(3,028,669)	(3,134,674)	(3,244,391)	(3,357,944)	(3,475,468)	(3,597,118)	(3,723,012)	(3,853,323)	(3,988,181)	(4,127,769)	(4,272,243)	(4,421,770)	(4,576,528)
Materials and contracts	(2,074,282)	(2,222,229)	(2,374,213)	(4,556,500)	(3,241,540)	(3,354,980)	(3,472,378)	(3,593,917)	(3,719,696)	(3,849,887)	(3,984,630)	(4,124,100)	(4,268,430)	(4,417,826)	(4,572,444)	(4,732,471)	(4,898,109)	(5,069,545)	(5,246,989)
Utility charges	(103,461)	(101,665)	(116,451)	(122,800)	(127,099)	(131,545)	(136,145)	(140,911)	(145,842)	(150,949)	(156,232)	(161,704)	(167,363)	(173,219)	(179,282)	(185,553)	(192,045)	(198,766)	(205,724)
Depreciation	(2,130,098)	(2,260,053)	(1,920,400)	(2,387,402)	(1,502,509)	(1,555,097)	(1,610,524)	(1,668,204)	(1,746,355)	(1,838,834)	(1,907,923)	(1,976,468)	(2,102,716)	(2,178,438)	(2,330,026)	(2,413,768)	(2,500,472)	(2,593,490)	(2,735,125)
Finance costs	(17)	0	0	(21,210)	(46,659)	(42,776)	(38,581)	(34,051)	(29,157)	(23,869)	(18,159)	(11,991)	(5,328)	0	0	0	0	0	0
Insurance	(173,088)	(115,163)	(165,687)	(164,383)	(170,136)	(176,091)	(182,256)	(188,635)	(195,236)	(202,070)	(209,145)	(216,466)	(224,042)	(231,884)	(240,001)	(248,400)	(257,096)	(266,092)	(275,405)
Other expenditure	(199,375)	(164,331)	(209,396)	(533,601)	(552,277)	(571,607)	(591,612)	(612,317)	(633,747)	(655,926)	(678,882)	(702,643)	(727,236)	(752,689)	(779,031)	(806,296)	(834,517)	(863,725)	(893,956)
	(6,800,047)	(7,125,142)	(7,240,226)	(10,517,585)	(8,467,517)	(8,758,346)	(9,060,165)	(9,372,709)	(9,714,424)	(10,079,479)	(10,430,439)	(10,790,490)	(11,218,127)	(11,607,379)	(12,088,965)	(12,514,257)	(12,954,482)	(13,413,388)	(13,933,727)
	447,765	1,791,617	701,874	(3,132,848)	437,743	493,725	574,857	650,324	713,062	772,909	860,817	972,007	1,043,399	1,148,114	1,200,695	1,316,852	1,470,525	1,629,512	1,741,844
Capital grants, subsidies and contributions	2,094,381	1,941,477	3,409,473	3,884,081	1,308,661	1,354,465	1,401,870	1,450,936	1,501,719	1,554,280	1,608,679	1,664,984	1,723,257	1,783,572	1,845,996	1,910,606	1,977,478	2,046,690	2,118,323
Fair value adjustments to financial assets at fair value through profit or loss	999	0	1,342	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loss on revaluation	0	(31,053)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Profit on asset disposals	2,031	0	32,522	127,145	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loss on asset disposal	(835)	(92,083)	(88,160)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NET RESULT	2,544,341	3,609,958	4,057,051	878,378	1,746,404	1,848,190	1,976,727	2,101,260	2,214,781	2,327,189	2,469,496	2,636,991	2,766,656	2,931,686	3,046,691	3,227,458	3,448,003	3,676,202	3,860,167
Other comprehensive income	0	0	0	0	7,013,668	7,301,319	7,617,682	7,948,552	8,290,003	8,652,183	9,010,763	9,374,778	9,792,192	10,203,478	10,655,231	11,084,155	11,534,452	12,021,531	12,527,884
TOTAL COMPREHENSIVE INCOME	2,544,341	3,609,958	4,057,051	878,378	8,760,072	9,149,509	9,594,409	10,049,812	10,504,784	10,979,372	11,480,259	12,011,769	12,558,848	13,135,164	13,701,922	14,311,613	14,982,455	15,697,733	16,388,051

Refer to Appendix B12 – Forecast Significant Accounting Policies and Compilation Report

Appendix B3 Forecast Statement of Financial Position 2025-2040

	2022	2023	2024	Base	30 June 26	30 June 27	30 June 28	30 June 29	30 June 30	30 June 31	30 June 32	30 June 33	30 June 34	30 June 35	30 June 36	30 June 37	30 June 38	30 June 39	30 June 40
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
CURRENT ASSETS																			
Cash and cash equivalents	15,460,254	17,795,819	19,260,716	11,000,654	10,782,050	11,425,633	11,663,586	11,925,736	12,345,553	12,636,049	13,504,694	14,737,531	14,989,290	16,037,884	16,532,385	18,243,864	19,997,195	21,384,265	22,940,421
Trade and other receivables	811,678	434,055	932,888	932,888	932,888	932,888	932,888	932,888	932,888	932,888	932,888	932,888	932,888	932,888	932,888	932,888	932,888	932,888	932,888
Inventories	16,438	17,234	11,331	11,331	11,331	11,331	11,331	11,331	11,331	11,331	11,331	11,331	11,331	11,331	11,331	11,331	11,331	11,331	11,331
Contract assets	0	0	302,771	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other assets	273,723	813,398	43,098	43,098	43,098	43,098	43,098	43,098	43,098	43,098	43,098	43,098	43,098	43,098	43,098	43,098	43,098	43,098	43,098
TOTAL CURRENT ASSETS	16,562,093	19,060,506	20,550,804	11,987,971	11,769,367	12,412,950	12,650,903	12,913,053	13,332,870	13,623,366	14,492,011	15,724,848	15,976,607	17,025,201	17,519,702	19,231,181	20,984,512	22,371,582	23,927,738
NON-CURRENT ASSETS																			
Financial assets	19,451	19,451	20,793	20,793	20,793	20,793	20,793	20,793	20,793	20,793	20,793	20,793	20,793	20,793	20,793	20,793	20,793	20,793	20,793
Other receivables	0	506	1,541	1,541	1,541	1,541	1,541	1,541	1,541	1,541	1,541	1,541	1,541	1,541	1,541	1,541	1,541	1,541	1,541
Property plant and equipment	10,572,491	12,032,928	13,116,984	17,078,314	18,313,754	18,755,103	19,713,537	20,756,473	21,735,937	22,943,881	23,683,896	24,184,700	25,790,642	26,832,817	28,545,558	29,182,757	29,962,010	31,319,708	32,682,426
Infrastructure	121,430,134	173,846,812	175,816,105	180,555,807	188,250,619	196,262,889	204,604,410	213,288,104	222,327,681	231,737,400	241,532,076	251,727,112	262,338,506	273,382,901	284,877,581	296,840,516	309,290,387	322,243,352	335,712,529
TOTAL NON-CURRENT ASSETS	132,022,076	185,899,697	188,955,423	197,656,455	206,586,707	215,040,326	224,340,281	234,066,911	244,085,952	254,703,615	265,238,306	275,934,146	288,151,482	300,238,052	313,445,473	326,045,607	339,274,731	353,585,394	368,417,289
TOTAL ASSETS	148,584,169	204,960,203	209,506,227	209,644,426	218,356,074	227,453,276	236,991,184	246,979,964	257,418,822	268,326,981	279,730,317	291,658,994	304,128,089	317,263,253	330,965,175	345,276,788	360,259,243	375,956,976	392,345,027
CURRENT LIABILITIES																			
Trade and other payables	416,056	237,659	312,395	240,391	240,391	240,391	240,391	240,391	240,391	240,391	240,391	240,391	240,391	240,391	240,391	240,391	240,391	240,391	240,391
Other liabilities	858,257	868,495	1,273,346	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Current portion of long-term borrowings	0	0	0	48,424	52,307	56,501	61,032	65,926	71,213	76,923	83,092	89,753	0	0	0	0	0	0	0
Employee provisions	207,824	161,180	148,022	148,022	148,022	148,022	148,022	148,022	148,022	148,022	148,022	148,022	148,022	148,022	148,022	148,022	148,022	148,022	148,022
TOTAL CURRENT LIABILITIES	1,482,137	1,267,334	1,733,763	436,837	440,720	444,914	449,445	454,339	459,626	465,336	471,505	478,166	388,413	388,413	388,413	388,413	388,413	388,413	388,413
NON-CURRENT LIABILITIES																			
Long-term borrowings	0	0	0	556,747	504,440	447,939	386,907	320,981	249,768	172,845	89,753	0	0	0	0	0	0	0	0
TOTAL NON-CURRENT LIABILITIES	24,014	50,641	73,185	629,932	577,625	521,124	460,092	394,166	322,953	246,030	162,938	73,185	73,185	73,185	73,185	73,185	73,185	73,185	73,185
TOTAL LIABILITIES	1,506,151	1,317,975	1,806,948	1,066,769	1,018,345	966,038	909,537	848,505	782,579	711,366	634,443	551,351	461,598	461,598	461,598	461,598	461,598	461,598	461,598
NET ASSETS	147,078,018	203,642,228	207,699,279	208,577,657	217,337,729	226,487,238	236,081,647	246,131,459	256,636,243	267,615,615	279,095,874	291,107,643	303,666,491	316,801,655	330,503,577	344,815,190	359,797,645	375,495,378	391,883,429
EQUITY																			
Retained surplus	23,916,004	27,086,972	29,781,242	32,049,656	34,014,664	35,219,271	36,958,045	38,797,155	40,592,119	42,628,812	44,229,663	45,633,817	48,148,714	50,031,806	52,583,996	54,099,975	55,794,647	58,083,779	60,387,790
Reserves - cash backed	11,335,845	11,774,835	13,137,616	11,747,580	11,528,976	12,172,559	12,410,512	12,672,662	13,092,479	13,382,975	14,251,620	15,484,457	15,736,216	16,784,810	17,279,311	18,990,790	20,744,121	22,131,191	23,687,347
Asset revaluation surplus	111,826,169	164,780,421	164,780,421	164,780,421	171,794,089	179,095,408	186,713,090	194,661,642	202,951,645	211,603,828	220,614,591	229,989,369	239,781,561	249,985,039	260,640,270	271,724,425	283,258,877	295,280,408	307,808,292
TOTAL EQUITY	147,078,018	203,642,228	207,699,279	208,577,657	217,337,729	226,487,238	236,081,647	246,131,459	256,636,243	267,615,615	279,095,874	291,107,643	303,666,491	316,801,655	330,503,577	344,815,190	359,797,645	375,495,378	391,883,429

Refer to Appendix B12 – Forecast Significant Accounting Policies and Compilation Report

Appendix B4 Forecast Statement of Changes in Equity 2025-2040

	2022	2023	2024	Base	30 June 26	30 June 27	30 June 28	30 June 29	30 June 30	30 June 31	30 June 32	30 June 33	30 June 34	30 June 35	30 June 36	30 June 37	30 June 38	30 June 39	30 June 40
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
RETAINED SURPLUS																			
Opening balance	21,371,663	23,916,004	27,086,972	29,781,242	32,049,656	34,014,664	35,219,271	36,958,045	38,797,155	40,592,119	42,628,812	44,229,663	45,633,817	48,148,714	50,031,806	52,583,996	54,099,975	55,794,647	58,083,779
Net result	2,544,341	3,609,958	4,057,051	878,378	1,746,404	1,848,190	1,976,727	2,101,260	2,214,781	2,327,189	2,469,496	2,636,991	2,766,656	2,931,686	3,046,691	3,227,458	3,448,003	3,676,202	3,860,167
Amount transferred (to)/from reserves	0	(438,990)	(1,362,781)	1,390,036	218,604	(643,583)	(237,953)	(262,150)	(419,817)	(290,496)	(868,645)	(1,232,837)	(251,759)	(1,048,594)	(494,501)	(1,711,479)	(1,753,331)	(1,387,070)	(1,556,156)
Closing balance	23,916,004	27,086,972	29,781,242	32,049,656	34,014,664	35,219,271	36,958,045	38,797,155	40,592,119	42,628,812	44,229,663	45,633,817	48,148,714	50,031,806	52,583,996	54,099,975	55,794,647	58,083,779	60,387,790
RESERVES ACCOUNTS																			
Opening balance	11,335,845	11,335,845	11,774,835	13,137,616	11,747,580	11,528,976	12,172,559	12,410,512	12,672,662	13,092,479	13,382,975	14,251,620	15,484,457	15,736,216	16,784,810	17,279,311	18,990,790	20,744,121	22,131,191
Amount transferred to/(from) retained surplus	0	438,990	1,362,781	(1,390,036)	(218,604)	643,583	237,953	262,150	419,817	290,496	868,645	1,232,837	251,759	1,048,594	494,501	1,711,479	1,753,331	1,387,070	1,556,156
Closing balance	11,335,845	11,774,835	13,137,616	11,747,580	11,528,976	12,172,559	12,410,512	12,672,662	13,092,479	13,382,975	14,251,620	15,484,457	15,736,216	16,784,810	17,279,311	18,990,790	20,744,121	22,131,191	23,687,347
ASSET REVALUATION SURPLUS																			
Opening balance	111,826,169	164,780,421	164,780,421	164,780,421	164,780,421	171,794,089	179,095,408	186,713,090	194,661,642	202,951,645	211,603,828	220,614,591	229,989,369	239,781,561	249,985,039	260,640,270	271,724,425	283,258,877	295,280,408
Total other comprehensive income	0	0	0	0	7,013,668	7,301,319	7,617,682	7,948,552	8,290,003	8,652,183	9,010,763	9,374,778	9,792,192	10,203,478	10,655,231	11,084,155	11,534,452	12,021,531	12,527,884
Closing balance	111,826,169	164,780,421	164,780,421	164,780,421	171,794,089	179,095,408	186,713,090	194,661,642	202,951,645	211,603,828	220,614,591	229,989,369	239,781,561	249,985,039	260,640,270	271,724,425	283,258,877	295,280,408	307,808,292
TOTAL EQUITY																			
	147,078,018	203,642,228	207,699,279	208,577,657	217,337,729	226,487,238	236,081,647	246,131,459	256,636,243	267,615,615	279,095,874	291,107,643	303,666,491	316,801,655	330,503,577	344,815,190	359,797,645	375,495,378	391,883,429

Refer to Appendix B12 – Forecast Significant Accounting Policies and Compilation Report

Appendix B5 Forecast Statement of Cashflows 2025-2040

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37	2037-38	2038-39	2039-40
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cash flows from operating activities															
Receipts															
Rates	5,021,424	5,247,388	5,483,520	5,730,278	5,988,141	6,257,607	6,539,199	6,833,463	7,140,969	7,462,313	7,798,117	8,149,032	8,515,738	8,898,946	9,299,399
Grants, subsidies and contributions	3,323,405	3,439,725	3,560,116	3,684,719	3,813,683	3,947,162	4,085,313	4,228,299	4,376,290	4,529,462	4,687,995	4,852,076	5,021,899	5,197,665	5,379,581
Fees and charges	254,415	263,321	272,535	282,074	291,944	302,161	312,736	323,679	335,009	346,736	358,873	371,433	384,432	397,881	411,809
Interest revenue	275,016	269,551	285,641	291,590	298,143	308,639	315,901	337,617	368,438	374,732	400,947	413,310	456,097	499,930	534,607
Other revenue	31,000	32,086	33,210	34,372	35,575	36,819	38,107	39,439	40,820	42,250	43,728	45,258	46,841	48,478	50,175
	8,905,260	9,252,071	9,635,022	10,023,033	10,427,486	10,852,388	11,291,256	11,762,497	12,261,526	12,755,493	13,289,660	13,831,109	14,425,007	15,042,900	15,675,571
Payments															
Employee costs	(2,827,297)	(2,926,250)	(3,028,669)	(3,134,674)	(3,244,391)	(3,357,944)	(3,475,468)	(3,597,118)	(3,723,012)	(3,853,323)	(3,988,181)	(4,127,769)	(4,272,243)	(4,421,770)	(4,576,528)
Materials and contracts	(3,241,540)	(3,354,980)	(3,472,378)	(3,593,917)	(3,719,696)	(3,849,887)	(3,984,630)	(4,124,100)	(4,268,430)	(4,417,826)	(4,572,444)	(4,732,471)	(4,898,109)	(5,069,545)	(5,246,989)
Utility charges	(127,099)	(131,545)	(136,145)	(140,911)	(145,842)	(150,949)	(156,232)	(161,704)	(167,363)	(173,219)	(179,282)	(185,553)	(192,045)	(198,766)	(205,724)
Finance costs	(46,659)	(42,776)	(38,581)	(34,051)	(29,157)	(23,869)	(18,159)	(11,991)	(5,328)	0	0	0	0	0	0
Insurance	(170,136)	(176,091)	(182,256)	(188,635)	(195,236)	(202,070)	(209,145)	(216,466)	(224,042)	(231,884)	(240,001)	(248,400)	(257,096)	(266,092)	(275,405)
Other expenditure	(552,277)	(571,607)	(591,612)	(612,317)	(633,747)	(655,926)	(678,882)	(702,643)	(727,236)	(752,689)	(779,031)	(806,296)	(834,517)	(863,725)	(893,956)
	(6,965,008)	(7,203,249)	(7,449,641)	(7,704,505)	(7,968,069)	(8,240,645)	(8,522,516)	(8,814,022)	(9,115,411)	(9,428,941)	(9,758,939)	(10,100,489)	(10,454,010)	(10,819,898)	(11,198,602)
Net cash provided by (used in) operating activities	1,940,252	2,048,822	2,185,381	2,318,528	2,459,417	2,611,743	2,768,740	2,948,475	3,146,115	3,326,552	3,530,721	3,730,620	3,970,997	4,223,002	4,476,969
Cash flows from investing activities															
Payments for purchase of property, plant & equipment	(1,601,170)	(287,557)	(1,119,217)	(1,104,307)	(1,272,301)	(1,445,440)	(957,971)	(342,679)	(2,066,543)	(1,178,341)	(2,233,254)	(744,495)	(1,146,295)	(1,525,536)	(1,929,778)
Payments for construction of infrastructure	(2,348,359)	(2,430,552)	(2,515,620)	(2,603,667)	(2,694,795)	(2,789,114)	(2,886,733)	(2,987,771)	(3,092,339)	(3,200,574)	(3,312,592)	(3,428,533)	(3,548,533)	(3,672,731)	(3,801,276)
Proceeds from capital grants, subsidies and contributions	1,308,661	1,354,465	1,401,870	1,450,936	1,501,719	1,554,280	1,608,679	1,664,984	1,723,257	1,783,572	1,845,996	1,910,606	1,977,478	2,046,690	2,118,323
Proceeds from sale of plant & equipment	530,436	10,712	342,040	261,692	491,703	430,240	412,853	32,920	631,022	317,385	663,630	243,281	499,684	315,645	691,918
Net cash provided by (used in) investing activities	(2,110,432)	(1,352,932)	(1,890,927)	(1,995,346)	(1,973,674)	(2,250,034)	(1,823,172)	(1,632,546)	(2,804,603)	(2,277,958)	(3,036,220)	(2,019,141)	(2,217,666)	(2,835,932)	(2,920,813)
Cash flows from financing activities															
Repayment of debentures	(48,424)	(52,307)	(56,501)	(61,032)	(65,926)	(71,213)	(76,923)	(83,092)	(89,753)	0	0	0	0	0	0
Net cash provided by (used in) financing activities	(48,424)	(52,307)	(56,501)	(61,032)	(65,926)	(71,213)	(76,923)	(83,092)	(89,753)	0	0	0	0	0	0
Net increase (decrease) in cash held	(218,604)	643,583	237,953	262,150	419,817	290,496	868,645	1,232,837	251,759	1,048,594	494,501	1,711,479	1,753,331	1,387,070	1,556,156
Cash at beginning of year	11,000,654	10,782,050	11,425,633	11,663,586	11,925,736	12,345,553	12,636,049	13,504,694	14,737,531	14,989,290	16,037,884	16,532,385	18,243,864	19,997,195	21,384,265
Cash and cash equivalents at the end of year	10,782,050	11,425,633	11,663,586	11,925,736	12,345,553	12,636,049	13,504,694	14,737,531	14,989,290	16,037,884	16,532,385	18,243,864	19,997,195	21,384,265	22,940,421
Reconciliation of net cash provided by operating activities to net result															
Net result	1,746,404	1,848,190	1,976,727	2,101,260	2,214,781	2,327,189	2,469,496	2,636,991	2,766,656	2,931,686	3,046,691	3,227,458	3,448,003	3,676,202	3,860,167
Depreciation	1,502,509	1,555,097	1,610,524	1,668,204	1,746,355	1,838,834	1,907,923	1,976,468	2,102,716	2,178,438	2,330,026	2,413,768	2,500,472	2,593,490	2,735,125
Grants/contributions for the development of assets	(1,308,661)	(1,354,465)	(1,401,870)	(1,450,936)	(1,501,719)	(1,554,280)	(1,608,679)	(1,664,984)	(1,723,257)	(1,783,572)	(1,845,996)	(1,910,606)	(1,977,478)	(2,046,690)	(2,118,323)
Net cash from operating activities	1,940,252	2,048,822	2,185,381	2,318,528	2,459,417	2,611,743	2,768,740	2,948,475	3,146,115	3,326,552	3,530,721	3,730,620	3,970,997	4,223,002	4,476,969

Refer to Appendix B12 – Forecast Significant Accounting Policies and Compilation Report

Appendix B6 Forecast Statement of Financial Activity 2025-2040

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37	2037-38	2038-39	2039-40
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
FUNDING FROM OPERATIONAL ACTIVITIES															
Revenues															
Rates	5,021,424	5,247,388	5,483,520	5,730,278	5,988,141	6,257,607	6,539,199	6,833,463	7,140,969	7,462,313	7,798,117	8,149,032	8,515,738	8,898,946	9,299,399
Grants, subsidies and contributions	3,323,405	3,439,725	3,560,116	3,684,719	3,813,683	3,947,162	4,085,313	4,228,299	4,376,290	4,529,462	4,687,995	4,852,076	5,021,899	5,197,665	5,379,581
Fees and charges	254,415	263,321	272,535	282,074	291,944	302,161	312,736	323,679	335,009	346,736	358,873	371,433	384,432	397,881	411,809
Interest revenue	275,016	269,551	285,641	291,590	298,143	308,639	315,901	337,617	368,438	374,732	400,947	413,310	456,097	499,930	534,607
Other revenue	31,000	32,086	33,210	34,372	35,575	36,819	38,107	39,439	40,820	42,250	43,728	45,258	46,841	48,478	50,175
	8,905,260	9,252,071	9,635,022	10,023,033	10,427,486	10,852,388	11,291,256	11,762,497	12,261,526	12,755,493	13,289,660	13,831,109	14,425,007	15,042,900	15,675,571
Expenses															
Employee costs	(2,827,297)	(2,926,250)	(3,028,669)	(3,134,674)	(3,244,391)	(3,357,944)	(3,475,468)	(3,597,118)	(3,723,012)	(3,853,323)	(3,988,181)	(4,127,769)	(4,272,243)	(4,421,770)	(4,576,528)
Materials and contracts	(3,241,540)	(3,354,980)	(3,472,378)	(3,593,917)	(3,719,696)	(3,849,887)	(3,984,630)	(4,124,100)	(4,268,430)	(4,417,826)	(4,572,444)	(4,732,471)	(4,898,109)	(5,069,545)	(5,246,989)
Utility charges (electricity, gas, water etc.)	(127,099)	(131,545)	(136,145)	(140,911)	(145,842)	(150,949)	(156,232)	(161,704)	(167,363)	(173,219)	(179,282)	(185,553)	(192,045)	(198,766)	(205,724)
Depreciation	(1,502,509)	(1,555,097)	(1,610,524)	(1,668,204)	(1,746,355)	(1,838,834)	(1,907,923)	(1,976,468)	(2,102,716)	(2,178,438)	(2,330,026)	(2,413,768)	(2,500,472)	(2,593,490)	(2,735,125)
Finance costs	(46,659)	(42,776)	(38,581)	(34,051)	(29,157)	(23,869)	(18,159)	(11,991)	(5,328)	0	0	0	0	0	0
Insurance	(170,136)	(176,091)	(182,256)	(188,635)	(195,236)	(202,070)	(209,145)	(216,466)	(224,042)	(231,884)	(240,001)	(248,400)	(257,096)	(266,092)	(275,405)
Other expenditure	(552,277)	(571,607)	(591,612)	(612,317)	(633,747)	(655,926)	(678,882)	(702,643)	(727,236)	(752,689)	(779,031)	(806,296)	(834,517)	(863,725)	(893,956)
	(8,467,517)	(8,758,346)	(9,060,165)	(9,372,709)	(9,714,424)	(10,079,479)	(10,430,439)	(10,790,490)	(11,218,127)	(11,607,379)	(12,088,965)	(12,514,257)	(12,954,482)	(13,413,388)	(13,933,727)
	437,743	493,725	574,857	650,324	713,062	772,909	860,817	972,007	1,043,399	1,148,114	1,200,695	1,316,852	1,470,525	1,629,512	1,741,844
Funding position adjustments															
Depreciation	1,502,509	1,555,097	1,610,524	1,668,204	1,746,355	1,838,834	1,907,923	1,976,468	2,102,716	2,178,438	2,330,026	2,413,768	2,500,472	2,593,490	2,735,125
Net funding from operational activities	1,940,252	2,048,822	2,185,381	2,318,528	2,459,417	2,611,743	2,768,740	2,948,475	3,146,115	3,326,552	3,530,721	3,730,620	3,970,997	4,223,002	4,476,969
FUNDING FROM CAPITAL ACTIVITIES															
Inflows															
Proceeds on disposal	530,436	10,712	342,040	261,692	491,703	430,240	412,853	32,920	631,022	317,385	663,630	243,281	499,684	315,645	691,918
Capital grants, subsidies and contributions	1,308,661	1,354,465	1,401,870	1,450,936	1,501,719	1,554,280	1,608,679	1,664,984	1,723,257	1,783,572	1,845,996	1,910,606	1,977,478	2,046,690	2,118,323
Outflows															
Purchase of property plant and equipment	(1,601,170)	(287,557)	(1,119,217)	(1,104,307)	(1,272,301)	(1,445,440)	(957,971)	(342,679)	(2,066,543)	(1,178,341)	(2,233,254)	(744,495)	(1,146,295)	(1,525,536)	(1,929,778)
Purchase of infrastructure	(2,348,359)	(2,430,552)	(2,515,620)	(2,603,667)	(2,694,795)	(2,789,114)	(2,886,733)	(2,987,771)	(3,092,339)	(3,200,574)	(3,312,592)	(3,428,533)	(3,548,533)	(3,672,731)	(3,801,276)
Net funding from capital activities	(2,110,432)	(1,352,932)	(1,890,927)	(1,995,346)	(1,973,674)	(2,250,034)	(1,823,172)	(1,632,546)	(2,804,603)	(2,277,958)	(3,036,220)	(2,019,141)	(2,217,666)	(2,835,932)	(2,920,813)
FUNDING FROM FINANCING ACTIVITIES															
Inflows															
Transfer from reserves	1,162,292	294,641	716,359	727,863	661,829	892,274	417,890	178,078	1,299,231	719,896	1,423,627	350,107	490,215	1,048,022	1,070,325
Outflows															
Transfer to reserves	(943,688)	(938,224)	(954,312)	(990,013)	(1,081,646)	(1,182,770)	(1,286,535)	(1,410,915)	(1,550,990)	(1,768,490)	(1,918,128)	(2,061,586)	(2,243,546)	(2,435,092)	(2,626,481)
Repayment of past borrowings	(48,424)	(52,307)	(56,501)	(61,032)	(65,926)	(71,213)	(76,923)	(83,092)	(89,753)	0	0	0	0	0	0
Net funding from financing activities	170,180	(695,890)	(294,454)	(323,182)	(485,743)	(361,709)	(945,568)	(1,315,929)	(341,512)	(1,048,594)	(494,501)	(1,711,479)	(1,753,331)	(1,387,070)	(1,556,156)
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

Refer to Appendix B12 – Forecast Significant Accounting Policies and Compilation Report

Appendix B7 Forecast Statement of Net Current Asset Composition 2025-2040

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37	2037-38	2038-39	2039-40
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Estimated surplus/deficit July 1 B/Fwd	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
CURRENT ASSETS															
Cash and equivalents	10,782,050	11,425,633	11,663,586	11,925,736	12,345,553	12,636,049	13,504,694	14,737,531	14,989,290	16,037,884	16,532,385	18,243,864	19,997,195	21,384,265	22,940,421
Trade and other receivables	932,888	932,888	932,888	932,888	932,888	932,888	932,888	932,888	932,888	932,888	932,888	932,888	932,888	932,888	932,888
Inventories	11,331	11,331	11,331	11,331	11,331	11,331	11,331	11,331	11,331	11,331	11,331	11,331	11,331	11,331	11,331
Other assets	43,098	43,098	43,098	43,098	43,098	43,098	43,098	43,098	43,098	43,098	43,098	43,098	43,098	43,098	43,098
CURRENT LIABILITIES															
Trade and other payables	(240,391)	(240,391)	(240,391)	(240,391)	(240,391)	(240,391)	(240,391)	(240,391)	(240,391)	(240,391)	(240,391)	(240,391)	(240,391)	(240,391)	(240,391)
Current portion of long-term borrowings	(52,307)	(56,501)	(61,032)	(65,926)	(71,213)	(76,923)	(83,092)	(89,753)	0	0	0	0	0	0	0
Employee provisions	(148,022)	(148,022)	(148,022)	(148,022)	(148,022)	(148,022)	(148,022)	(148,022)	(148,022)	(148,022)	(148,022)	(148,022)	(148,022)	(148,022)	(148,022)
ADJUSTMENTS TO NET CURRENT ASSETS															
Reserves	(11,528,976)	(12,172,559)	(12,410,512)	(12,672,662)	(13,092,479)	(13,382,975)	(14,251,620)	(15,484,457)	(15,736,216)	(16,784,810)	(17,279,311)	(18,990,790)	(20,744,121)	(22,131,191)	(23,687,347)
Current liabilities not expected to be cleared at end of year															
Add: current long term borrowings	52,307	56,501	61,032	65,926	71,213	76,923	83,092	89,753	0	0	0	0	0	0	0
Add: Employee provisions - cash backed by reserve	148,022	148,022	148,022	148,022	148,022	148,022	148,022	148,022	148,022	148,022	148,022	148,022	148,022	148,022	148,022
Estimated surplus/deficit June 30 C/Fwd	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Refer to Appendix B12 – Forecast Significant Accounting Policies and Compilation Report

Appendix B8 Forecast Statement of Fixed Asset Movements 2025-2040

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37	2037-38	2038-39	2039-40
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
CAPITAL WORKS - INFRASTRUCTURE															
Infrastructure - roads	2,193,109	2,269,868	2,349,312	2,431,539	2,516,643	2,604,726	2,695,891	2,790,249	2,887,905	2,988,984	3,093,596	3,201,873	3,313,939	3,429,927	3,549,974
Infrastructure - footpaths	77,625	80,342	83,154	86,064	89,076	92,194	95,421	98,761	102,217	105,795	109,498	113,330	117,297	121,402	125,651
Infrastructure - other	77,625	80,342	83,154	86,064	89,076	92,194	95,421	98,761	102,217	105,795	109,498	113,330	117,297	121,402	125,651
Total capital works - infrastructure	2,348,359	2,430,552	2,515,620	2,603,667	2,694,795	2,789,114	2,886,733	2,987,771	3,092,339	3,200,574	3,312,592	3,428,533	3,548,533	3,672,731	3,801,276
Represented by:															
Additions - renewal	2,348,359	2,430,552	2,515,620	2,603,667	2,694,795	2,789,114	2,886,733	2,987,771	3,092,339	3,200,574	3,312,592	3,428,533	3,548,533	3,672,731	3,801,276
Total Capital Works - Infrastructure	2,348,359	2,430,552	2,515,620	2,603,667	2,694,795	2,789,114	2,886,733	2,987,771	3,092,339	3,200,574	3,312,592	3,428,533	3,548,533	3,672,731	3,801,276
Asset movement reconciliation															
Total capital works infrastructure	2,348,359	2,430,552	2,515,620	2,603,667	2,694,795	2,789,114	2,886,733	2,987,771	3,092,339	3,200,574	3,312,592	3,428,533	3,548,533	3,672,731	3,801,276
Depreciation infrastructure	(1,055,193)	(1,092,125)	(1,131,347)	(1,172,256)	(1,214,618)	(1,258,483)	(1,303,901)	(1,350,930)	(1,399,626)	(1,450,047)	(1,502,254)	(1,556,311)	(1,612,280)	(1,673,476)	(1,743,662)
Revaluation of infrastructure assets (inflation)	6,401,646	6,673,843	6,957,248	7,252,283	7,559,400	7,879,088	8,211,844	8,558,195	8,918,681	9,293,868	9,684,342	10,090,713	10,513,618	10,953,710	11,411,563
Net movement in infrastructure assets	7,694,812	8,012,270	8,341,521	8,683,694	9,039,577	9,409,719	9,794,676	10,195,036	10,611,394	11,044,395	11,494,680	11,962,935	12,449,871	12,952,965	13,469,177
CAPITAL WORKS - PROPERTY, PLANT AND EQUIPMENT															
Buildings - non-specialised	103,500	107,123	110,872	114,752	118,769	122,926	127,228	131,681	136,290	141,060	145,997	151,107	156,396	161,869	167,535
Plant and equipment	1,497,670	180,434	1,008,345	989,555	1,153,532	1,322,514	830,743	210,998	1,930,253	1,037,281	2,087,257	593,388	989,899	1,363,667	1,762,243
Total capital works property, plant and equipment	1,601,170	287,557	1,119,217	1,104,307	1,272,301	1,445,440	957,971	342,679	2,066,543	1,178,341	2,233,254	744,495	1,146,295	1,525,536	1,929,778
Represented by:															
Additions - renewal	1,601,170	287,557	1,119,217	1,104,307	1,272,301	1,445,440	957,971	342,679	2,066,543	1,178,341	2,233,254	744,495	1,146,295	1,525,536	1,929,778
Total capital works property, plant and equipment	1,601,170	287,557	1,119,217	1,104,307	1,272,301	1,445,440	957,971	342,679	2,066,543	1,178,341	2,233,254	744,495	1,146,295	1,525,536	1,929,778
Asset movement reconciliation															
Total capital works property, plant and equipment	1,601,170	287,557	1,119,217	1,104,307	1,272,301	1,445,440	957,971	342,679	2,066,543	1,178,341	2,233,254	744,495	1,146,295	1,525,536	1,929,778
Depreciation property, plant and equipment	(447,316)	(462,972)	(479,177)	(495,948)	(531,737)	(580,351)	(604,022)	(625,538)	(703,090)	(728,391)	(827,772)	(857,457)	(888,192)	(920,014)	(991,463)
Net book value of disposed/written off assets	(530,436)	(10,712)	(342,040)	(261,692)	(491,703)	(430,240)	(412,853)	(32,920)	(631,022)	(317,385)	(663,630)	(243,281)	(499,684)	(315,645)	(691,918)
Revaluation of property, plant and equipment (inflation)	612,022	627,476	660,434	696,269	730,603	773,095	798,919	816,583	873,511	909,610	970,889	993,442	1,020,834	1,067,821	1,116,321
Net movement in property, plant and equipment	1,235,440	441,349	958,434	1,042,936	979,464	1,207,944	740,015	500,804	1,605,942	1,042,175	1,712,741	637,199	779,253	1,357,698	1,362,718
CAPITAL WORKS - TOTALS															
Capital works															
Total capital works infrastructure	2,348,359	2,430,552	2,515,620	2,603,667	2,694,795	2,789,114	2,886,733	2,987,771	3,092,339	3,200,574	3,312,592	3,428,533	3,548,533	3,672,731	3,801,276
Total capital works property, plant and equipment	1,601,170	287,557	1,119,217	1,104,307	1,272,301	1,445,440	957,971	342,679	2,066,543	1,178,341	2,233,254	744,495	1,146,295	1,525,536	1,929,778
Total capital works	3,949,529	2,718,109	3,634,837	3,707,974	3,967,096	4,234,554	3,844,704	3,330,450	5,158,882	4,378,915	5,545,846	4,173,028	4,694,828	5,198,267	5,731,054
Fixed asset movement															
Net movement in infrastructure assets	7,694,812	8,012,270	8,341,521	8,683,694	9,039,577	9,409,719	9,794,676	10,195,036	10,611,394	11,044,395	11,494,680	11,962,935	12,449,871	12,952,965	13,469,177
Net movement in property, plant and equipment	1,235,440	441,349	958,434	1,042,936	979,464	1,207,944	740,015	500,804	1,605,942	1,042,175	1,712,741	637,199	779,253	1,357,698	1,362,718
Net movement in fixed assets	8,930,252	8,453,619	9,299,955	9,726,630	10,019,041	10,617,663	10,534,691	10,695,840	12,217,336	12,086,570	13,207,421	12,600,134	13,229,124	14,310,663	14,831,895

Refer to Appendix B12 – Forecast Significant Accounting Policies and Compilation Report

Appendix B9 Forecast Statement of Capital Funding 2025-2040

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37	2037-38	2038-39	2039-40
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Capital expenditure															
Infrastructure - roads	2,193,109	2,269,868	2,349,312	2,431,539	2,516,643	2,604,726	2,695,891	2,790,249	2,887,905	2,988,984	3,093,596	3,201,873	3,313,939	3,429,927	3,549,974
Infrastructure - footpaths	77,625	80,342	83,154	86,064	89,076	92,194	95,421	98,761	102,217	105,795	109,498	113,330	117,297	121,402	125,651
Infrastructure - other	77,625	80,342	83,154	86,064	89,076	92,194	95,421	98,761	102,217	105,795	109,498	113,330	117,297	121,402	125,651
Buildings - non-specialised	103,500	107,123	110,872	114,752	118,769	122,926	127,228	131,681	136,290	141,060	145,997	151,107	156,396	161,869	167,535
Plant and equipment	1,497,670	180,434	1,008,345	989,555	1,153,532	1,322,514	830,743	210,998	1,930,253	1,037,281	2,087,257	593,388	989,899	1,363,667	1,762,243
Total - Capital expenditure	3,949,529	2,718,109	3,634,837	3,707,974	3,967,096	4,234,554	3,844,704	3,330,450	5,158,882	4,378,915	5,545,846	4,173,028	4,694,828	5,198,267	5,731,054
Funded by:															
Capital grants & contributions															
Infrastructure - roads	1,308,661	1,354,465	1,401,870	1,450,936	1,501,719	1,554,280	1,608,679	1,664,984	1,723,257	1,783,572	1,845,996	1,910,606	1,977,478	2,046,690	2,118,323
Total - Capital grants & contributions	1,308,661	1,354,465	1,401,870	1,450,936	1,501,719	1,554,280	1,608,679	1,664,984	1,723,257	1,783,572	1,845,996	1,910,606	1,977,478	2,046,690	2,118,323
Own source funding															
Infrastructure - roads	884,448	915,403	947,442	980,603	1,014,924	1,050,446	1,087,212	1,125,265	1,164,648	1,205,412	1,247,600	1,291,267	1,336,461	1,383,237	1,431,651
Infrastructure - footpaths	77,625	80,342	83,154	86,064	89,076	92,194	95,421	98,761	102,217	105,795	109,498	113,330	117,297	121,402	125,651
Infrastructure - other	77,625	80,342	83,154	86,064	89,076	92,194	95,421	98,761	102,217	105,795	109,498	113,330	117,297	121,402	125,651
Buildings - non-specialised	103,500	107,123	110,872	114,752	118,769	122,926	127,228	131,681	136,290	141,060	145,997	151,107	156,396	161,869	167,535
Plant and equipment	967,234	169,722	666,305	727,863	661,829	892,274	417,890	178,078	1,299,231	719,896	1,423,627	350,107	490,215	1,048,022	1,070,325
Total - Own source funding	2,110,432	1,352,932	1,890,927	1,995,346	1,973,674	2,250,034	1,823,172	1,632,546	2,804,603	2,277,958	3,036,220	2,019,141	2,217,666	2,835,932	2,920,813

Refer to Appendix B12 – Forecast Significant Accounting Policies and Compilation Report

Appendix B10 Forecast Ratios 2025-2040

	Target Range		Average	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37	2037-38	2038-39	2039-40
LIQUIDITY RATIOS																		
Current ratio	> 1.00	> 1.20	0.57	0.55	0.54	0.53	0.53	0.52	0.52	0.51	0.50	0.62	0.62	0.62	0.62	0.62	0.62	0.62
OPERATING RATIOS																		
Operating surplus ratio	> 1.00%	> 15.00%	12.52%	7.84%	8.49%	9.46%	10.26%	10.78%	11.19%	11.95%	12.90%	13.23%	13.96%	13.96%	14.67%	15.64%	16.55%	16.92%
Own source revenue coverage ratio	> 40.00%	> 60.00%	69.76%	65.92%	66.36%	67.05%	67.63%	68.08%	68.51%	69.09%	69.82%	70.29%	70.87%	71.15%	71.75%	72.59%	73.40%	73.89%
BORROWINGS RATIOS																		
Debt service cover ratio	> 3	> 5	26.50	20.90	22.00	23.39	24.74	26.17	27.72	29.31	31.14	33.14	-	-	-	-	-	-
FIXED ASSET RATIOS																		
Asset sustainability ratio	> 90.00%	> 110.00%	211.20%	262.86%	174.79%	225.69%	222.27%	227.16%	230.28%	201.51%	168.51%	245.34%	201.01%	238.02%	172.88%	187.76%	200.44%	209.54%
Asset consumption ratio	> 50.00%	> 60.00%	93.29%	89.39%	89.91%	90.62%	91.33%	91.89%	92.45%	92.98%	93.44%	93.94%	94.55%	94.96%	95.41%	95.90%	96.36%	96.25%
Asset renewal funding ratio	> 75.00%	> 95.00%	189.25%	399.81%	352.53%	65.47%	63.76%	64.66%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Refer to Appendix B12 – Forecast Significant Accounting Policies and Compilation Report

Appendix B11 Asset Renewals 2025-2040

Required Asset Renewals

	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	2036/37	2037/38	2038/39	2039/40
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Asset Class															
Buildings - non-specialised	-	-	-	-	-	-	134,927	-	91,978	187,374	-	-	1,008,559	-	610,190
Buildings - specialised	63,197	13,770	767,246	373,693	268,452	1,573,585	17,718	1,767,480	249,655	411,010	342,193	165,107	496,238	6,416	26,920
Infrastructure - roads	-	9,235	216,206	-	-	-	813,633	46,811	79,081	-	1,392,313	60,046,215	1,006,352	-	1,529,802
Infrastructure - parks and ovals	-	-	48,695	207,745	-	273,897	-	84,636	-	-	-	-	87,118	-	-
Infrastructure - other	57,653	24,098	62,947	306,085	-	181,719	1,435,131	84,636	137,238	-	-	642,622	345,121	64,158	-
Total	120,850	47,103	1,095,094	887,523	268,452	2,029,201	2,401,409	1,983,563	557,952	598,384	1,734,506	60,853,944	2,943,388	70,574	2,166,912

Planned Asset Renewals

	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	2036/37	2037/38	2038/39	2039/40
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Asset Class															
Buildings - non-specialised	103,500	107,123	110,872	114,752	118,769	122,926	127,228	131,681	136,290	141,060	145,997	151,107	156,396	161,869	167,535
Plant and equipment	1,497,670	180,434	1,008,345	989,555	1,153,532	1,322,514	830,743	210,998	1,930,253	1,037,281	2,087,257	593,388	989,899	1,363,667	1,762,243
Infrastructure - roads	2,193,109	2,269,868	2,349,312	2,431,539	2,516,643	2,604,726	2,695,891	2,790,249	2,887,905	2,988,984	3,093,596	3,201,873	3,313,939	3,429,927	3,549,974
Infrastructure - footpaths	77,625	80,342	83,154	86,064	89,076	92,194	95,421	98,761	102,217	105,795	109,498	113,330	117,297	121,402	125,651
Infrastructure - other	77,625	80,342	83,154	86,064	89,076	92,194	95,421	98,761	102,217	105,795	109,498	113,330	117,297	121,402	125,651
Total	3,949,529	2,718,109	3,634,837	3,707,974	3,967,096	4,234,554	3,844,704	3,330,450	5,158,882	4,378,915	5,545,846	4,173,028	4,694,828	5,198,267	5,731,054

Asset Renewal Funding Surplus (Deficit)

	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	2036/37	2037/38	2038/39	2039/40
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Asset Class															
Buildings - non-specialised	103,500	107,123	110,872	114,752	118,769	122,926	(7,699)	131,681	44,312	(46,314)	145,997	151,107	(852,163)	161,869	(442,655)
Buildings - specialised	(63,197)	(13,770)	(767,246)	(373,693)	(268,452)	(1,573,585)	(17,718)	(1,767,480)	(249,655)	(411,010)	(342,193)	(165,107)	(496,238)	(6,416)	(26,920)
Plant and equipment	1,497,670	180,434	1,008,345	989,555	1,153,532	1,322,514	830,743	210,998	1,930,253	1,037,281	2,087,257	593,388	989,899	1,363,667	1,762,243
Infrastructure - roads	2,193,109	2,260,633	2,133,106	2,431,539	2,516,643	2,604,726	1,882,258	2,743,438	2,808,824	2,988,984	1,701,283	(56,844,342)	2,307,587	3,429,927	2,020,172
Infrastructure - footpaths	77,625	80,342	83,154	86,064	89,076	92,194	95,421	98,761	102,217	105,795	109,498	113,330	117,297	121,402	125,651
Infrastructure - parks and ovals	-	-	(48,695)	(207,745)	-	(273,897)	-	(84,636)	-	-	-	-	(87,118)	-	-
Infrastructure - other	19,972	56,244	20,207	(220,021)	89,076	(89,525)	(1,339,710)	14,125	(35,021)	105,795	109,498	(529,292)	(227,824)	57,244	125,651
Total	3,828,679	2,671,006	2,539,743	2,820,451	3,698,644	2,205,353	1,443,295	1,346,887	4,600,930	3,780,531	3,811,340	(56,680,916)	1,751,440	5,127,693	3,564,142

Appendix B12 Forecast Significant Accounting Policies

Basis of Preparation

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

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

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

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

Judgements, Estimates and Assumptions

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

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

The Local Government Reporting Entity

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

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

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

Base Year Balances

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

Rounding Off Figures

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

Comparative Figures

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

Appendix B12 Forecast Significant Accounting Policies (Continued)

Forecast Fair Value Adjustments

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

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

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

Goods and Services Tax (GST)

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

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

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

Superannuation

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

Cash and Cash Equivalents

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

Trade and Other Receivables

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

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

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

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

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

Inventories

General

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

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

Appendix B12 Forecast Significant Accounting Policies (Continued)

Land held for resale

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

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

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

Fixed Assets

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

Revaluation

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

Depreciation

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

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

Asset Class	Effective average depreciation rate
Buildings - non-specialised	1.95%
Buildings - specialised	1.23%
Plant and equipment	5.50%
Infrastructure - roads	0.46%
Infrastructure - footpaths	1.95%
Infrastructure - parks and ovals	2.50%
Infrastructure - other	1.00%

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

Gains and Losses on Disposal

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

Employee Benefits

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

Short-Term Employee Benefits

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

The Shire's obligations for short-term employee benefits such as wages, salaries and personal leave are recognised as a part of current trade and other payables in the statement of financial position.

Appendix B12 Forecast Significant Accounting Policies (Continued)

Other Long-Term Employee Benefits

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

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

Borrowing Costs

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

Trade and Other Payables

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

Provisions

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

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

Current and Non-Current Classification

An asset or liability is classified as current if it is expected to be settled within the next 12 months, being the Shire's operational cycle. In the case of liabilities where the Shire does not have the unconditional right to defer settlement beyond 12 months, such as vested long service leave, the liability is classified as current even if not expected to be settled within the next 12 months. Inventories held for trading are classified as current or non-current based on the shire's intentions to release for sale.

Appendix C1 Glossary

Funding Gap

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

Infrastructure Assets

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

Key Performance Indicator

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

Level of Service

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

Maintenance

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

Planned Maintenance

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

Reactive Maintenance

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

Significant Maintenance

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

Unplanned Maintenance

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

Maintenance Expenditure

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

Materiality

The notion of materiality guides the margin of error acceptable, the degree of precision required and the extent of the disclosure required when preparing general purpose financial reports. Information is material if its omission, misstatement or non-disclosure has the potential, individually or collectively, to influence the economic decisions of users taken on the basis of the financial report or affect the discharge of accountability by the management or governing body of the entity.

Modern Equivalent Asset

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

Appendix C1 Glossary (Continued)

Net Present Value (NPV)

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

Non-Revenue Generating Investments

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

Operations Expenditure

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

Pavement Management System

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

Recoverable Amount

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

Recurrent Expenditure

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

Recurrent Funding

Funding to pay for recurrent expenditure.

Remaining Useful Life

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

Renewal

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

Residual Value

The estimated amount that an entity would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset were already

of the age and in the condition expected at the end of its useful life.

Revenue Generating Investments

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

Risk Management

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

Section or Segment

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

Service Potential

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

Service Potential Remaining

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

Specific Maintenance

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

Sub-Component

Smaller individual parts that make up a component part.

Useful Life

May be expressed as either:

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

Appendix D1 Workforce Planning

1.1 Introduction

The Shire of Menzies Workforce Plan 2024–2028 forms an integral part of our integrated Strategic Resource Plan 2025-2040. The Plan assists the Shire to respond to its workforce challenges in a strategic way as we work with the community to build a bright future and a capable workforce.

The Shire's Strategic Community Plan, included in the Council Plan 1 July 2024 to 30 June 2034, outlines the community's hopes and aspirations, with detailed strategies and actions to progress these identified. The Workforce Plan plays an important part as we seek to ensure the Shire has the right people, in the right place, at the right time, to meet the needs of our community.

The Shire continues its journey to meet the changing service demands of its community. This requires a skilled, flexible and productive workforce across the organisation to deliver the Shire's Strategic Community Plan objectives. It also requires the organisation to build a culture of discipline, innovation and continual improvement to make it happen.

1.2 What is workforce planning?

Workforce planning is a process of analysis to ensure the Shire has the right people, in the right place, at the right time to achieve the objectives set out in the Shire's Strategic Community Plan.

Workforce planning assists management to anticipate change, identify the important issues driving workforce activity and implement the strategies to support positive workforce development and strategic outcomes.

1.3 Key principles of workforce planning

- Building workforce strategies aligned to and supporting the Shire's strategic direction and values;
- Ensuring the workforce planning process is part of the Shire's integrated planning process;
- Actively involve managers and employees in developing, communicating and implementing the workforce strategies;
- Utilising a risk management approach to workforce planning and identifying 'mission critical' areas of operations;
- Establishing effective implementation processes to ensure the successful execution of core strategies; and
- Continually monitoring and evaluating the progress towards implementing the workforce strategies and measuring its contribution towards meeting the Shire's strategic goals.

1.4 Integration with the Integrated Planning and Reporting Framework

Workforce planning responds to the requirements under the State Integrated Planning and Reporting Framework which is a planning obligation on all local governments in Western Australia. The key elements of the framework are reflected in the diagram below:



Appendix D2 Shire of Menzies Analysis

2.1 The External Environment

There are a range of external trends and challenges that influence and determine the key strategies developed in this Workforce Plan. These key trends include:

2.1.1 Socio Demographic Trends

- A multi-generational workforce, each with their own needs, aspirations, and expectations;
- Low percentage of 0-14 years old's within the district². 84.5% of the resident population are between 15 and 64 years old and a smaller percentage of over 65 years;
- Greater work/life balance expectations;
- Regional location; and
- Accommodation shortage.

2.1.2 Competition

- Projected talent and skill shortage;
- Neighbouring local governments; and
- Demand for mining workforce competing for talent.

2.1.3 Economic

- Cost of living and inflationary pressures within WA; and
- Global and national economic uncertainty resulting in a reducing availability of external grants and contributions.

2.1.4 Political

- The implementation of initiatives in relation to the Integrated and Reporting Framework may require additional local resources as well as new capabilities;
- Increasing expectation in relation to corporate governance standards and transparency of decision making, bringing with it a range of workforce considerations; and
- Ongoing increasing statutory requirements for local government.

2.1.5 Technology

- The pace of change and emerging technology trends present local governments with both challenges and opportunities in managing information, delivering services, improving processes and decision making;
- Technology provides a range of tools to assist workforce management including communicating with employees, e-learning, employee monitoring and connecting employees across locations; and
- Trends such as social media, cloud based applications, robotic automation will be of particular importance and application in the future.

2.1.6 Industry

- There is an increasing lack of sustainability in financing renewal of assets, with ageing community infrastructure playing a major role. There is a heavy reliance on state or federal funding; and
- Significant cost shifting from other levels of government to the local level without the associated resources.

2.1.7 Customers

- Many customers are becoming better informed and assertive about their rights.

² Australian Bureau of Statistics Menzies (S) (LGA55390) 2021 Census of Population and Housing, viewed 15 May 2024

Appendix D2 Shire of Menzies Analysis (Continued)

2.2 The External Labour Market

The external labour market demand indicates difficulties in attracting and retaining skilled staff in key occupations across the State, due mainly to continuing labour demand in the mining, construction and professional services, scientific and technical service, public service, community and health sectors. This is based on the occupations in high and medium demand in the WA State Priorities Occupation List³ produced by the Department of Training and Workforce Development. In this case, there is the additional challenge of the regional location that further impact recruitment and retention to the district.

Some of the specific positions that are regarded as being in high demand in Western Australia, which may impact the Shire in regard to recruitment and retention include:

- Chief Executive Officer;
- Environmental Health Officer;
- Accountant / Finance Manager;
- Human Resource Manager;
- Plant Operators; and
- Engineers.

It is noted, the external market is somewhat volatile due to changing economic conditions in the mining, manufacturing and construction industries. There have been significant impacts from the COVID-19 pandemic, still to be recognised through the data collection process.

The Shire identified the following skills as challenging to source:

- Chief Executive Officer
- Accounting /Finance;
- Plant Operators / Labourers;
- Grader Operators;
- Rangers;
- Multi-skilled local government experienced staff.; and
- Governance / compliance.

Due to the remote regional location, it is challenging to attract and retain skilled staff in all areas. As needs arise, identifying alternative opportunities include potential for shared services, virtual or remote options.

2.3 Shire of Menzies Internal Operating Environment

2.3.1 Service Delivery

The Shire provides a number of services to the community as listed below:

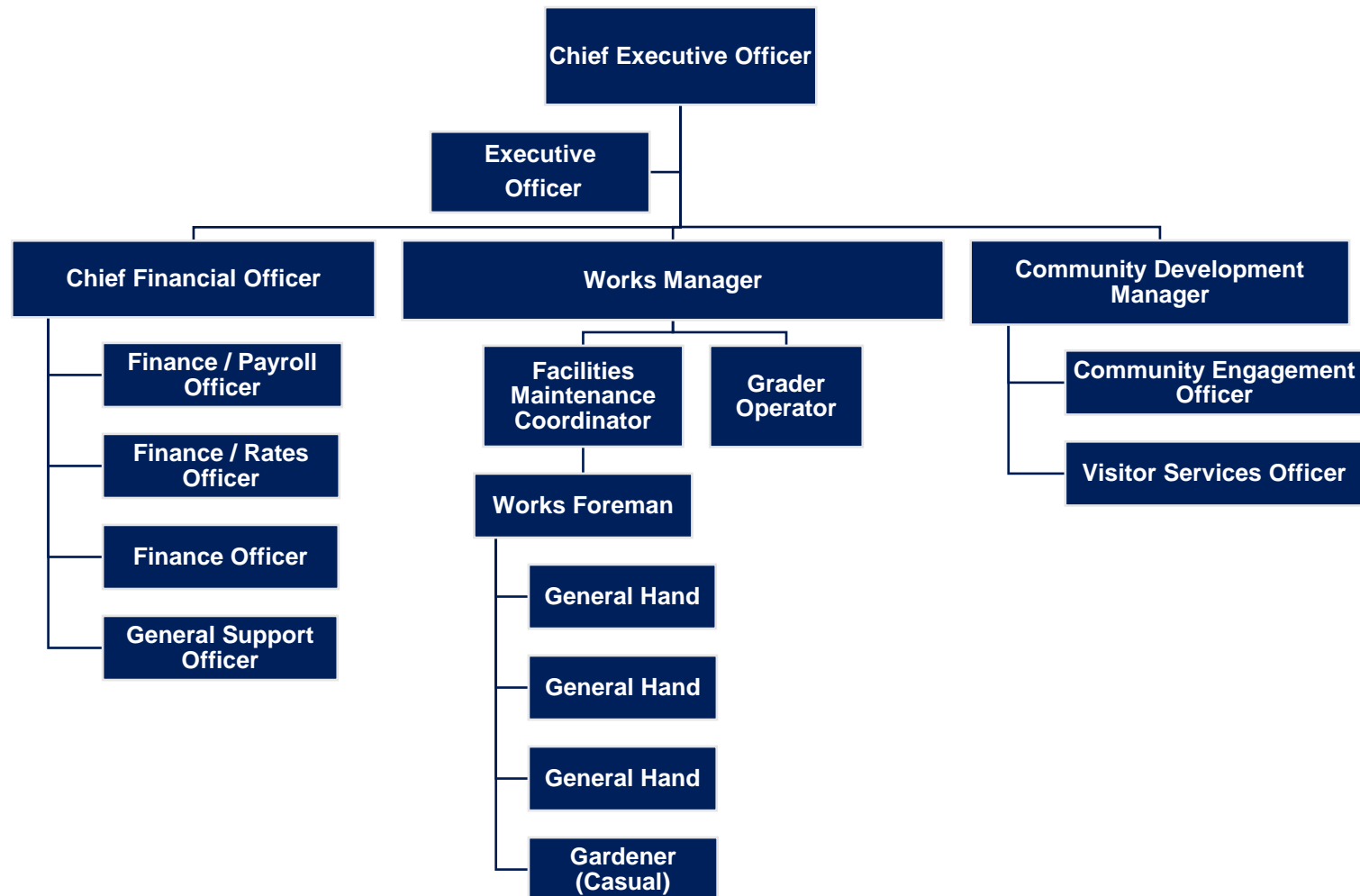
- Co-ordination of Shire activities and functions;
- Co-ordination of management functions;
- Liaison with Government and Ministerial offices;
- Corporate | strategic planning;
- Business | economic development;
- Statutory compliance;
- Executive support to Council;
- Special projects;
- Financial administration;
- Human resources | work, health and safety;
- Information | communication;
- Community development;
- Library | information services;
- Procurement;
- Asset management;
- Sport | recreation facilities and services;
- Caravan park;
- Support for volunteers;
- Information | tourism services;
- Event support
- Roads | streets;
- Shire buildings maintenance | heritage assets;
- Parks | gardens | reserves;
- Waste services;
- Cleaning;
- Ranger services;
- Emergency services;
- Cemetery;
- Health administration | inspection services;
- Building | planning services; and
- Private works.

³Department of Training & Workforce Development: SPOL year: 2023

Appendix D2 Shire of Menzies Analysis (Continued)

2.4 Organisation Structure

The organisational structure is a dynamic process and needs to be developed in accordance with changing priorities and considering the difficulty in attracting and retaining suitably qualified employees to the Shire, however the current structure is not expected to change significantly during the term of this Plan. It is expected that there will be a number of vacancies at any given time due to staff turnover.



Appendix D2 Shire of Menzies Analysis (Continued)

2.5 Workforce Profile

Information	Shire of Menzies - as at February 2025
Number of employees	18 FTE
Status of employment	16 Full Time 2 Casual
Gender	33% (6) female 67% (12) male
Total employee costs ⁴	\$2,252,840
Employment type	There is a range of full time, part time, fixed term contract and casual staff employed
Annual/LSL liability ⁴	Current \$124,913 Non-Current \$61,759
Awards and Agreements	Local Government Officers (Western Australia) Award 2021 Municipal Employees (Western Australia) 2021
Age profile	The average age of current employees is 47 years
Years of Service	The average length of service is 2.8 years

2.6 Workforce Demographics

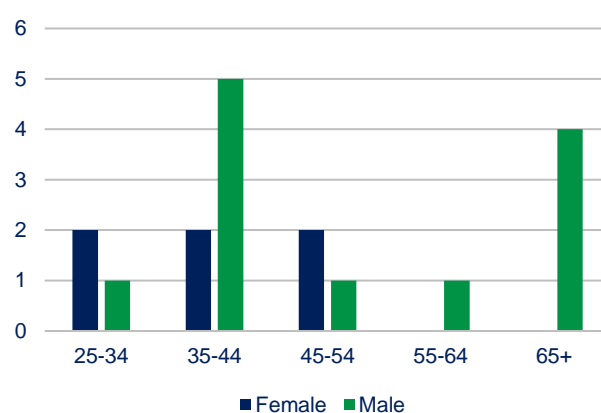
This section contains an analysis of some key workforce metrics such as age, gender and terminations. Included in this analysis are full time, part time and casual staff as well as those on leave, including long service and maternity leave, however contractors, agency staff and group apprentices are excluded.

The workforce gender balance composition at February 2025 was 33% female and 67% male. As indicated above, this composition includes full time, part time and casual staff.

A considerable proportion (83%) of employees are over 34 years of age. Attracting and retaining younger employees is an important challenge as this cohort are often a source of innovation as well as representing the talent pool for the future.

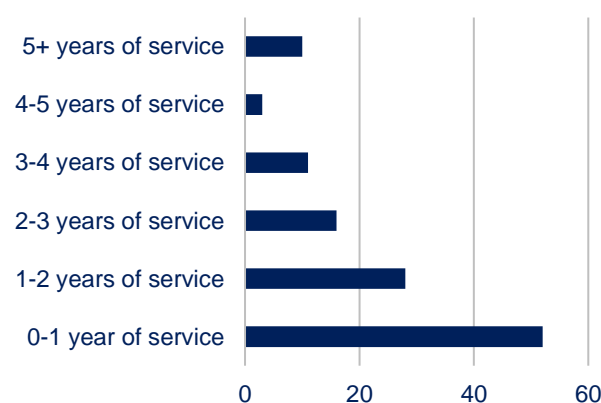
There are currently 8 (of 18) employees aged 45+ and with 28% of employees aged over 55, there are potential issues relating to knowledge retention and business continuity should these staff, often with years of experience, exit the organisation at short notice. Strategies to address this issue include identifying and training potential successors for business critical jobs. There is also potential to develop a range of strategies to continue to retain mature workers within the Shire (e.g. flexible work arrangements, transition to retirement, etc.).

2.6.1 Workforce by Age and Gender



2.6.2 Length of Service

The chart below reflects the length of service of current employees at February 2025.

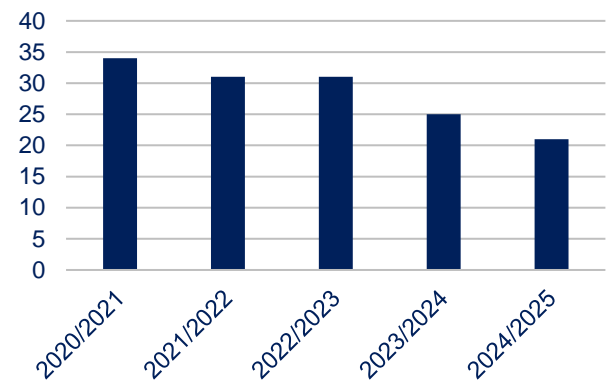


⁴Shire of Menzies 2023/24 Annual Financial Statements

Appendix D2 Shire of Menzies Analysis (Continued)

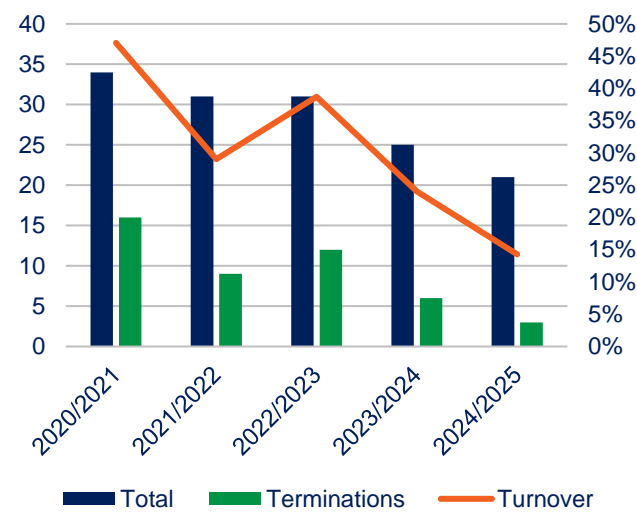
2.7 Historical Employee Information

Employee levels fluctuate during the year as staff are terminated and recruited, with the total number of employees each financial year decreasing from 34 employees in 2020/21 to 21 at February 2025, as show in the chart below.



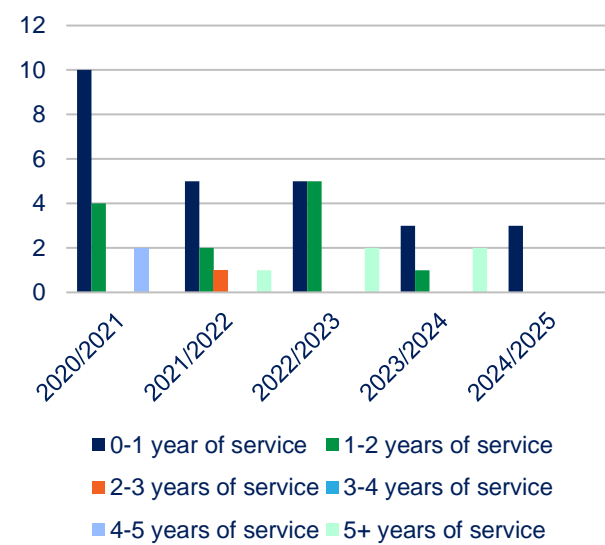
2.7.1 Turnover Rate

Below are graphs showing the exit rates for the Shire of Menzies by age and length of service for the period 2020/21 to 2024/25. These need to be considered in the context of the size of the workforce and overall length of service. Over this period the average annual turnover rate is 31%.



In light of the regional location and size of the workforce this rate would not generally be considered to be of significant concern. However due to significate level of key staff changeovers, careful attention to recruitment and retention needs to be maintained. Ongoing monitoring of this turnover rate will assist the organisation with future planning.

2.7.2 Termination Rates by Years of Service.



Appendix D3 Strategic Community Plan Workforce Implications

3.1 Overview

This section addresses:

- The Strategic Community Plan and Corporate Business Plan;
- Key risk areas;
- Future workforce demand and requirements; and
- Workforce Supply Demand Analysis.

3.2 Strategic Community Plan and Corporate Business Plan

During 2025, the Shire reviewed and updated its ten-year Strategic Community Plan. The Shire took a combined approach for the major review of the Strategic Community Plan and Corporate Business Plan and developed the Shire of Menzies Council Plan 2025-2035. As an integral part of this review process, the community were consulted, and their feedback used to clarify community expectations and guide the strategies detailed in the updated Strategic Community Plan.

The Workforce Plan is part of a broader integrated planning framework aimed at achieving the Shire of Menzies's vision as identified in the Strategic Community Plan. This Plan identifies four core performance areas:

- **Our Community:** A vibrant and inclusive community.
- **Local Economy:** A prosperous local economy.
- **Our Environment:** Enhance and maintain our built infrastructure and natural environment.
- **Leadership:** Responsible management and good governance, leading an empowered community.

There are a range of challenges impacting on the Shire and potential strategic shifts in business operations that may occur which will directly impact the way services are delivered and resourced.

3.3 Core Business and Service Delivery

Over a number of years, the Shire has been subject to a considerable increase in the number of core and non-core services it is required to deliver. This increase has occurred through a variety of means including natural growth, higher ratepayer expectations and significant cost shifting to local government. Not only has this placed pressure on current resources to deliver existing services, it further limits the opportunity to focus resources on emerging areas of strategic importance such as community development, economic development and increasing an advocacy and strategic leadership and facilitation role.

As part of the overall planning process, elected members and the executive have redefined the range of core and non-core areas that form the basis of its delivery of its services to its community. They have also identified core and non-core services that potentially could be:

- Outsourced to an external provider;
- Insourced from other Shires; and
- Open to collaborative opportunities with other local governments to provide services on one another's behalf.
- The above strategic issues have significant implications for workforce planning including:
- Reallocation of resources as collaborative, insourcing and outsourcing arrangements are identified and acted upon;
- New or enhanced skill requirements to operate in a more collaborative manner, manage projects and contracts in future insourced or outsourced delivery models; and
- Management of staff during associated change processes.

3.4 Key Risk Areas

An analysis of the current workforce identified the following risks areas. These risks have been assessed using the risk based approach as set out in Appendix D3. A scoring system was used to determine a risk category of extreme, high, moderate, low or very low.

The risk events are scored according to their likelihood, and consequence and risk mitigation strategic actions have been developed.

The result of the assessment is presented in the table below, with the last column being cross referenced to the primary mitigation strategies set out in Appendix D4 of this Plan.

Appendix D3 Strategic Community Plan Workforce Implications (Continued)

3.5 Workforce Risk Assessment

Risk Issues	Likelihood	Strategic Consequences	Operational Consequences	Combined Consequences	Risk Category ⁵	Cross Ref: Appendix D4 – 4.8 Workforce Strategies Objectives
Knowledge loss due to staff turnover	Likely	Minor	Major	Major	High	3.2.2
Physical and financial constraints limit staff numbers	Likely	Minor	Major	Major	High	3.1.1 3.1.2
Sudden unplanned loss of a high number of key staff	Possible	Major	Major	Major	High	3.2.2
Organisational capacity insufficient to meet future needs	Possible	Major	Major	Major	High	1.1.1 3.1.1
High staff turnover due to organisational cultural issues	Possible	Major	Major	Major	High	1.3.1 1.5.1 2.2.2 2.3.1
Selection, recruitment and training costs increase	Possible	Insignificant	Minor	Minor	Moderate	1.1.1 1.5.1
Operational procedures not followed due to lack of staff training	Unlikely	Minor	Major	Major	Moderate	1.3.1 2.2.1 3.2.2
Long leave absences of key staff due to large accrued leave entitlement	Unlikely	Minor	Minor	Minor	Low	3.2.1 3.2.2

⁵ Appendix A – Risk Assessment Methodology

Appendix D4 Strategies to Meet Future Workforce Needs

4.1 Workforce Supply Demand Analysis

In meeting future challenges, the Shire continually reviews its core functions in terms of potential outsourcing, insourcing and collaborations.

The initiatives identified below will have an impact upon the corporate services section, in terms of:

- Reviewing internal processes and procedures with the goal of gaining greater transactional efficiencies; and
- Providing strong reporting outcomes and operational advice to the council members and the executive.

The staffing resource for corporate services remains relatively unchanged over the term of the Plan, with no forecast increases or decreases. There is ongoing review of services provision and demand.

Requirement for project management roles fluctuate and are addressed as required. There is a focus on tailoring staffing numbers to community service level requirements, appropriate employee numbers and correct cultural fit to the organisation.

Community services are predicted to see a continuation of current levels of demand for services and consideration will need to be given to maintaining current resources.

Infrastructure services are stable, although of note due to the regional location, attracting and retaining employees in this area is an ongoing challenge. Utilising a mix of workforce of both local contractors and permanent staff as required. Required resource capacity is forecast to be adequately maintained at current levels.

4.2 Equal Opportunities

As an Equal Opportunity Employer, the Shire is dedicated to eliminating discrimination in employment and promoting equal employment opportunities, supporting diversity in the workplace, providing merit-based employment opportunities on the basis of qualifications, values and business needs.

The Shire maintains an Equal Employment Opportunity (EEO) management plan, outlining the organisation's strategies and actions to ensure equal opportunities in all aspects of employment, including recruitment, training, promotion, and workplace environment. It's designed to eliminate discrimination and promote fairness for all employees. This workforce plan supports the maintenance and delivery of the EEO management plan.

4.3 Strategic Shifts

There has been a significant shift over the last few years in the delivery of core and non-core business of Local Government, due to federal and state government cost shifting and this is being evidenced within the Shire.

As part of the workforce planning process, the Shire has redefined its core and non-core services, this is an ongoing process, with constant review and development required.

Whilst the core businesses of the Shire still take precedence as a fundamental service delivery priority, there has been growth in what has been considered non-core services such as community development, economic development and tourism.

These changes bring with them a significant shift in the role of the Shire - a more facilitative, advocacy, project manager role than a "doer" or direct deliverer of services.

This will have significant implications for the Shire in the mid-term. It may result in new or changing job roles, skills and additional allocation of resources to meet some of the changing requirements. Some of the emerging capability requirements will be in areas such as project management, economic development, community development, asset managers and specialised planning.

4.4 Service Delivery Models

Along with the business shifts and growth opportunities identified in the Strategic Community Plan, there is a significant need and opportunity for the Shire to analyse how it delivers services to add to efficiency and effectiveness. This may include the review and updating of processes for greater efficiency, automating, considering alternative delivery models and collaborative approaches. This will have significant implications for the corporate and community services area as they will be required to drive these processes. It will also impact on infrastructure services that have a significant number of projects to deliver.

Some of the strategies to be considered include systematically reviewing job roles and functions to gain greater efficiencies and effectiveness, realigning resources and redesigning jobs and delivery structures.

Appendix D4 Strategies to Meet Future Workforce Needs (Continued)

4.5 Succession Management

Currently, succession planning is managed by developing multi-skilled employees to ensure in the event of sudden loss of staff, key positions are covered to limit service delivery impact. Some succession gaps are evident, and a formal succession management process is not currently active. Permanent on the job training and skills development of young staff is required to cover the succession of senior operational staff. Due to the regional location of the Shire, long term retention of staff is limited, however the Shire is keen to increase attractiveness and retention of employees.

4.6 Developing Young Local Talent

The Shire, where possible, identifies and is open to developing local talent. Traineeship opportunities are made available when a suitable opportunity arises.

The Shire has a history of sourcing local talent, representing not only a valuable workforce pool but it also contributes to the economic development of the district. Workforce strategies available to promote this aim include providing student work experience opportunities and offering apprenticeships and traineeships where opportunities arise.

4.7 Additional Incentives

The Shire currently offers complimentary gym and pool membership and additional co-contribution superannuation. A relocation allowance is available for certain positions and is negotiated through the recruitment process. Whilst the Shire is committed to providing these incentives, the challenges in maintaining them should be considered due to the lack of housing accommodation available within the Shire.

4.8 Performance Outcomes and Measures

The following diagram identifies the Shire's strategic objectives and how the Shire intends to assess the effectiveness of the actions.

4.8.1 Diagram: Workforce Plan Performance Measurement



The key strategic objectives identified above drive the core strategies of the Workforce Plan, these are in the tables following.

The prioritisation of the actions is identified in the following tables for the term of Plan:

- existing initiatives in place and ongoing (**E**)
- initiatives in place that need to be reviewed (**R**)
- proposed initiatives that are yet to be developed. (**P**)

Appendix D4 Strategies to Meet Future Workforce Needs (Continued)

4.9 Workforce Objectives and Strategies

Objective 1. Attracting and selecting the right people

Attracting and retaining people with the capability and commitment to contribute to the Shire of Menzies

Strategy	Action	Planned Delivery
1.1 Customised recruitment strategies that meet the needs and expectations of the organisation	1.1.1 As vacancies arise consider opportunities within organisation structure and bespoke recruitment to the new role requirements	R
	1.1.2 Review recruitment and selection practices, ensuring provision for equal opportunity and flexibility for all employees and potential employees	R
1.2 Identify and market the benefits of working for the Shire of Menzies	1.2.1 Maintain list of financial and non-financial rewards and benefits offered to employees	E
1.3 Ensure an appropriate induction and orientation process	1.3.1 Review the current induction and orientation process	R
	1.3.2 Maintain EEO Management Plan and communicate to all employees	E
1.4 Continue to focus on local employment where opportunities exist	1.4.1 Promote the Shire as an employer to the local community	E
1.5 Review selection process to facilitate best candidate selection outcomes	1.5.1 Review the selection process to ensure people with the right skills sets and most suitable candidate are selected for the future needs and growth of the Shire	R
	1.5.2 Ensure selection process considers EEO principles	P

Appendix D4 Strategies to Meet Future Workforce Needs (Continued)

Objective 2. Retaining and engaging our valued workforce

Building and retaining a highly engaged workforce, committed and connected to our Shire and community

Strategy	Action	Planned Delivery
2.1 Support development and upskilling	2.1.1 Identify relevant training needs and opportunities	P
	2.1.2 Collect and monitor workforce demographics, supporting implementation of EEO principles	P
2.2 Provide sufficient job role clarity, work direction, workload management, feedback on performance and support in role	2.2.1 Ensure current job descriptions are in place and provided at commencement in roles	R
	2.2.2 Undertake performance reviews as per policy and employment agreements	R
	2.2.3 Monitor and assess workplace culture (employee culture survey), ensuring it is inclusive and free from harassment and unlawful discrimination	P
2.3 Regular communication with the workforce	2.3.1 Continue regular meetings between executive, supervisors and staff	E
	2.3.2 Support and promote a positive, inclusive and harassment-free workplace culture	E

Objective 3. A strategic workforce, with the capability and capacity to meet strategic objectives

Building a flexible, innovative, and capable workforce

Strategy	Action	Planned Delivery
3.1 Appropriate organisational structure	3.1.1 Regular assessment of organisation structure, seeking to meet the needs of the organisation whilst recognising the funding restrictions	R
	3.1.2 Continue to seek external funding where possible and look for opportunities for resource sharing where appropriate	E
3.2 Recognised critical positions and critical position management	3.2.1 Recruit skilled personnel as required, recognising opportunities for alternative work arrangements and/or contractors to meet essential skills if appropriate	E
	3.2.2 Ensure appropriate policies and procedures documented to assist in mitigating knowledge loss risk due to staff turnover	E
3.3 Ensure appropriate job descriptions	3.3.1 Job descriptions reviews conducted as part of the induction and performance review process	R

Appendix D5 Monitoring and Evaluation of Outcomes

5.1 Key Performance Indicators

Key performance indicators are listed below.

Strategic Workforce Objective	Workforce Outcomes	Assessment	Ratio or Measure
Attracting and selecting a capable and committed workforce	Adequate staff levels with appropriate skills	Effectiveness of recruitment processes	Average number of vacancies annually
	Diversity in the workforce	Workforce demographics	Increasing diversity in workforce and management
Retaining and engaging our valued workforce	Staff turnover	The percentage of employee initiated separation rate	Gross number of staff resignations divided by total staff
	Employee leave	Accrued leave liability	Number of employees with accrued annual leave exceeding 150 hours
	Sick leave	The number of workplace absences due to health related reasons	Number of sick day absences divided by number of available working days
	Training and development	The average level of investment in training	Training expense divided by number of FTE employees
A strategic workforce, with the capability and capacity to meet strategic objectives	Appropriate policies and procedures in plan	Review of policies and procedures (Audit Regulation 17 Review)	Non-compliance noted
	Occupational Health and Safety	Frequency and cost of lost time injuries	Total hours lost due to injury divided by number of work hours available

5.2 Evaluation

The ongoing evaluation of the Workforce Plan is required to address the following:

- The progress towards meeting the performance indicator targets; and
- The progress towards meeting strategic actions of the Workforce Plan.

5.3 Implementation

Implementation of the Workforce Plan may be impacted by competitive priorities and the need for the application of dedicated resources. For a return to be achieved on the current planning investment, these matters will need to continue to be a focus in the future.

5.4 Review

Regular review of the Workforce Plan, particularly the strategies and actions contained in the tables, is required to ensure they are being achieved. The preferred timing is a review at least annually. The Strategic Resource Plan will need to be reviewed annually and its financial impact included in the Corporate Business Plan and Annual Budget.

Appendix D6 Risk Assessment and Acceptance Criteria

Probability of Occurrence or Likelihood			
Likelihood	Definition	Frequency Of Noted Occurrences	Score
Almost Certain	Expected to occur in most circumstances or occurs regularly. A clear opportunity already apparent, which can easily be achieved.	More than once per year.	5
Likely	Occurrence is noticeable or is likely to occur, an opportunity that has been explored and may be achievable.	At least once per year.	4
Possible	Occurs occasionally or may occur, possible opportunity identified.	At least once in 5 years.	3
Unlikely	Occurs infrequently or is not likely to occur, opportunity that is unlikely to happen.	At least once in 10 years.	2
Rare	Only occurs in exceptional circumstances, opportunity that is very unlikely to happen.	Less than once in 20 years.	1

Likelihood		Consequence				
		Insignificant	Minor	Moderate	Major	Catastrophic
Score		1	2	3	4	5
Almost Certain	5	Moderate	High	High	Extreme/Exceptional	Extreme/Exceptional
Likely	4	Moderate	Moderate	High	High	Extreme/Exceptional
Possible	3	Low	Moderate	Moderate	High	High
Unlikely	2	Low	Low	Moderate	Moderate	High
Rare	1	Very Low	Low	Low	Moderate	Moderate

Action Required	
Extreme/Exceptional	Immediate corrective action required
High	Prioritised action required
Moderate	Planned action required
Low	Planned action required
Very Low	Manage by routine procedures

Appendix D6 Risk Assessment Acceptance Criteria (Continued)

Area Impacted	Impact	Consequence				
		Catastrophic	Major	Moderate	Minor	Insignificant
Service Delivery/ Business Disruption	Loss of service.	Major including several important areas of service and/or a protracted period.	Complete loss of an important service area for a short period.	Major effect to an important service area for a short period, brief impact on multiple areas.	Brief disruption of important service area, Noticeable effect to non-crucial service area,	Negligible impact on the effectiveness of the organisation's processes.
	Improvement to service(s).	Exceptional.	Major.	Moderate.	Minor.	Negligible.
	Disruption in business processes.	Ongoing loss of business systems.	Major.	Moderate.	Minor.	Negligible.
Financial	Loss of assets.	>15% of asset value.	5%-15% of asset value.	2%-5% of asset value.	< 2 of asset value.	Insignificant.
	Impact on annual revenues or costs (Adverse or positive).	> 15% deviation from budget.	5%→15% deviation from budget.	2%→5% deviation from budget.	<2% deviation from budget.	Negligible income and/or savings.
	External Audit issues.	Audit unable to be completed.	Audit qualification on the report and accounts.	Management letter contains significant issues.	Management letter contains minor issues.	Matters discussed with management not reported.
Physical	Level of Incident.	Extreme affecting organisation's survival.	Significant affecting multiple locations.	Localised significant effect on operations.	Localised no effect on operations.	Not notifiable or reportable.
Legislative/ Regulatory/ Policy/ OSH	Regulatory non-compliance.	Criminal.	Major Revenue or cost implications. Individuals at risk of harm.	Minor Revenue or cost implications.		
	Code of Conduct.	Extreme.	Significant.	Breach.	Minor breach.	Little or no impact.
	Personal details compromised/ revealed.	All.	Many.	Some.	Isolated.	An individual's.
	Level of Injury.	Death.	Multiple serious injuries.	Serious injury and /or illness.	First aid or minor lost time injury.	Incident with or without minor injury.
Performance	Ability to achieve key objectives.	Unable to achieve.	Major impact.	Moderate impact.	Minor impact.	Negligible impact.
	Improvement on the delivery of key strategic objectives.	Exceptional improvement.	Major improvement.	Moderate improvement.	Minor improvement.	Negligible improvement.
	Ability to be managed with the current resources.	External resources required.	Impact cannot be managed.	Significant adjustment to resource allocation.	Additional internal management efforts required.	Impact can be managed through routine activities.
	Loss of Infrastructure.	Ongoing loss of critical infrastructure.	Long-term loss of critical infrastructure.	Loss of support infrastructure.	Interruption to support infrastructure.	Negligible interruption to support infrastructure.
Environmental	Environmental harm	Catastrophic long term environmental harm.	Significant long-term environmental harm.	Significant short-term environmental harm.	Minor transient environmental harm.	Negligible transient environmental harm
	Improvement to environment	Exceptional improvement and/or national environment.	Major improvement.	Moderate improvement.	Minor improvement.	Negligible improvement.

Other Matters

Preparation

This Plan was prepared for the Shire of Menzies by Moore Australia (WA) Pty Ltd.

Reliance

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

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

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

Please refer to the attached compilation report.

Document Management

Version	2025-2040 V1.0
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References

Reference to the following documents or sources were made during the preparation of this Strategic Resource Plan.

- Shire of Menzies draft Council Plan 2025-2035;
- Shire of Menzies employee information, extracted February 2025;
- Shire of Menzies Annual Financial Reports 2021/22; 2022/23; 2023/24
- Shire of Menzies Adopted Annual Budget 2024-25;
- Council website: www.menzies.wa.gov.au
- www.wa.gov.au EEO Management Planning
- WALGA Online Local Government Directory 2023/24, Shire of Menzies; and
- Australian Bureau of Statistics Menzies (S) (LGA50630) 2021 Census of Population and Housing, viewed 15 May 2024

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11 June 2025

Rob Stewart
Acting Chief Executive Officer
Shire of Menzies
PO BOX 4
Menzies WA 6436

Dear Rob

COMPILATION REPORT TO SHIRE OF MENZIES

We have compiled the accompanying Shire of Menzies Strategic Resource Plan 2025-2040 based on information you have provided.

THE RESPONSIBILITY OF SHIRE OF MENZIES

The Chief Executive Officer of the Shire of Menzies is solely responsible for the information contained in the Strategic Resource Plan 2025-2040, the reliability, accuracy and completeness of the information and for the determination that the statutory financial reporting framework used is appropriate to meet their needs and for the purpose that the forward looking financial statements were prepared.

This Strategic Resource Plan 2025-2040 and the reliability, accuracy and completeness of the information used to compile it are your responsibility.

OUR RESPONSIBILITY

On the basis of information provided by the Shire of Menzies we have compiled the accompanying special purpose financial statements in accordance with the statutory *financial reporting framework* and APES 315 *Compilation of Financial Information*.

We have applied our professional expertise in accounting and financial reporting to assist management in the preparation and presentation of these forward looking financial statements on the basis of accounting described in Appendix A11 to the financial statements. We have complied with the relevant ethical requirements of APES 110 *Code of Ethics for Professional Accountants*.

ASSURANCE DISCLAIMER

Since a compilation engagement is not an assurance engagement, we are not required to verify the reliability, accuracy or completeness of the information you provided to us to compile the Schedule. Accordingly, we do not express an audit opinion or a review conclusion¹ on whether the Strategic Resource Plan 2025-2040 is prepared in accordance with the *Local Government Act 1995* and accompanying regulations.

As stated in Appendix A11, the Strategic Resource Plan 2025-2040 is prepared and presented on the basis prescribed by *Local Government Act 1995* and accompanying regulations in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities), for the purpose of the Shire of Menzies's compliance with the *Local Government Act 1995* and accompanying regulations. Accordingly, the Strategic Resource Plan 2025-2040 is for use only in connection with that purpose and may not be suitable for any other purpose.

Our compilation report is intended solely for the use of the Shire of Menzies and should not be distributed to parties other than the Shire of Menzies without our prior written consent.



Russell Barnes
Director
Moore Australia (WA) Pty Ltd



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