



**SHIRE OF SANDSTONE**  
S E R V E   T H E   P E O P L E

# **ATTACHMENTS**

Ordinary Council Meeting

Thursday, 22 February 2018  
11:00 AM





# Canine Control

PO Box 1076  
Geraldton 6531

admin@caninecontrol.com.au

10-1-2



Harry Hawkins  
CEO Shire of Sandstone  
Hack Street  
Sandstone WA 6639

## Proposal for provision of Ranger Services by Canine Control

Dear Harry

The current contract for Ranger services for the Shire of Sandstone expires on 30 June 2018. Canine Control is seeking a new contract for a five year term from 1 July 2018 to 30 June 2023. The new contract will operate under the same terms and conditions as the current contract and will allow for six scheduled visits (once every two months) with three additional visits at the CEO's request for any urgent matters in any 12 month period.

Accepting this contract will ensure Shire of Sandstone remains on the same schedule as neighbouring shires who have already accepted the variation and therefore costs are able to be kept to a minimum.

Canine Control will provide a service to treat dogs for worms and spray for ticks for the community of Sandstone at no extra cost on request.

The cost to carry out duties as instructed by the Chief Executive Officer of Shire of Sandstone will be \$1700 per visit not inclusive of GST. This fee per attendance will be increased annually by 5%.

The Shire of Sandstone will not incur separate costs for travel, accommodation, meals or other incidentals.

Canine Control is registered for Goods and Services Tax and will charge accordingly.

Submitted for ratification.

Yours faithfully,

  
PETER JOHN SMITH

Canine Control  
8 November 2017



5<sup>th</sup> February 2018

Chief Executive Officer  
Harry Hawkins  
Shire of Sandstone  
Hack Street  
Sandstone WA 6639

Dear Harry

Thank you for the opportunity to quote for Ranger Services for the Shire of Sandstone.

I am able to provide full Ranger Services to your Local Government covering the following areas:

Dog and Cat management. Including on site microchipping of cats and dogs.  
Bush fire Control.  
Off road vehicle management.  
Litter and illegal dumping management.  
Abandoned vehicle management.  
Animal welfare control.  
Animal control including reptile handling.  
Caravan and camping control.  
All other areas of State legislation pertaining to the role as a Ranger.  
All other management of Local laws.  
All other Law Enforcement within Local Govt. boundaries.  
Administration for the above.  
Council reports outlining duties performed.

WA Contract Ranger Services holds all the necessary insurances required by a Local Government to engage a contractor including our own OHS Management Plans.

The cost of our services are based on a flat rate of labour only at \$65 per hour plus GST and includes staff, uniforms, and phone.

The rate including staff, uniforms, phone, vehicle, fuel, all motor vehicle expenses, PPE, firearms etc. is \$85 per hour plus GST.

All costs relating to travel time, airfares (if required), accommodation, meals and parking will be at the expense of the Shire.



Therefore the cost for us to service the Shire as per your request would be as follows:

- |  |       |
|--|-------|
| 1. Travel there                          | \$750 |
| 2. Return travel                         | \$750 |
| 3. Ranger duties 2 hours @ \$85 per hour | \$170 |
| 4. Accommodation, meals etc.             | \$250 |

Total approx. cost	\$1920 plus GST
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We could attend the Shire on a frequency that suits the Shire's needs and the above costs are also for any emergency call outs as required.

A tax invoice will be emailed to the Local Government fortnightly detailing hours, days and duties performed during that period.

If any further information is required please call on 0459 678 154 or email at [wacontractrangerservices@hotmail.com](mailto:wacontractrangerservices@hotmail.com).

Matthew Sharpe

*[Signature]*

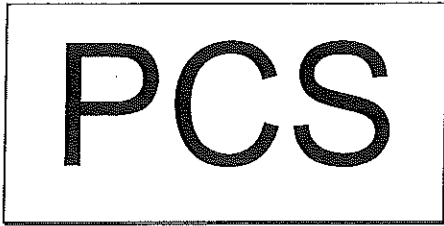
WA Contract Ranger Services Pty Ltd











# Support Proposal

Date: 20 October 2017  
Ref: Sandstonehh1.doc

Perfect Computer Solutions Pty Ltd A.C.N 009 453 945

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## Shire of Sandstone

**Attn: Harry Hawkins**

### Re: IT Support Proposal

Thank you for the opportunity to discuss the Shire's IT Support services.

I have covered the option of an ad hoc support arrangement continuing, as per the current arrangement as well as moving to a Managed Services model

I have also included a table of the current computer assets and proposed changeover dates for this equipment.

Following I have provided a brief Perfect Computer Solutions' company profile, followed by addressing the minimum services required criteria.

#### **Brief Company Profile:**

We are a solutions provider, and as such we provide TOTAL solutions. This means our field of proficiency is very broad, including Windows, and other, operating systems and a variety of specific software products, like Synergy, Medical Software, and Accounting Software. We provide both software and hardware solutions in these areas, and provide nearly all of our own services, including repairs, small cabling jobs and support.

We currently support more than 35 local government bodies, which involves the SynergySoft software, which we have become very proficient in supporting, including updating LIVE and PLAY accounts, assisting with SynergySoft problems by resolving ourselves or liaising with IT Vision.

We maintain a staff level that allows us to respond within a couple of hours in most situations. We treat urgent situations accordingly. Where possible we also provide temporary loan equipment when we have to remove something for repair (eg. Monitors, hard drives etc.).

Our emphasis is on providing the correct solution, and servicing it afterwards. We can provide very much a "one stop shop" for all computing needs in sales, support, repairs, training, and troubleshooting.

By the nature of our business and the customers we support, we have many situations where we provide "first in support" to all problems, and thus liaise with the software supplier as necessary. This gets your problem solved whether it is software or hardware, and alleviates you (the user) from getting involved in all that computer jargon and button pushing that you really don't need.

As our relationship with any specific industry grows, we are able to provide more and more software support for your business. This becomes a real asset to you when the software support is based in the Eastern States, which is so often the case.

Our support generally results in phone calls being answered when a client rings, as we don't rely solely on an automated ticketing system and this won't change, even once we have implemented the ManageEngine HelpDesk solution, because we want to be reachable when you need to contact us. Additionally, there is after hours contact to a mobile phone, which I always carry and is always on.

**Minimum Services Required:**

Office hours support is 8:30 am to 5 pm, Monday to Friday (public holidays excepted). Contact is via the office number or our support email address, [support@pcswa.com.au](mailto:support@pcswa.com.au).

After hours support is via mobile phone 0419 001 167, available all hours.

Server monitoring maintenance is via a series of reports set up to come out from the server to the [support@pcswa.com.au](mailto:support@pcswa.com.au), these reports concern server health, hard disk drive health and backup completions, or otherwise.

Network monitoring reports can be set up similarly, to advise of disk space being used and available.

Backup and recovery, we will utilise the existing software and if no third party software is used we would look to replace Windows Server Backup with Veeam End Point. We like to restore a sample file on a bi-monthly basis to ensure the backups and recovery are working in a manner which is useful.

User management audits are conducted on a regular basis, most likely 6 monthly or as staff change.

Maintenance of SynergySoft is also a core part of the base support functions we provide. We don't necessarily automatically deploy a patch when it is released, as we have found some of these to cause further issues, so we generally wait until satisfied that they will enhance rather than cause further issues.

Management of SynergySoft users can also be completed as new users are required in the system, with us being mindful of the audit trail features for accurately showing users in the system. Other associated software like Universe, UVCode, Records and PLAY and LIVE updates are also completed by us on an as required basis, which can be as often as you like.

I have further included a copy of the SLA that we provide to our clients and our ad hoc support rate is outlined below, with this.

### **Support – ad hoc rate**

Hourly rate

\$170/hr

You only pay for what you utilise. We have found that other shire's which are a similar size to the Shire of Murchison are using \$6-\$10,000 per annum in support costs.

### **Support Agreement**

#### Request Response Time SLA

All support requests, either by phone or email, to support@pcswa.com.au, are to be responded to within 30 minutes, either notifying of an estimated resolution timeframe, or resolving the issue. This applies to all services and is available during business hours.

If you need to contact PCS out of hours, contact Victor on 0419 001 167.

Requests for software upgrades or new installation of software will be actioned as soon as possible, with a maximum target response time of 1 day for these.

#### Prioritisation of Requests

Support requests are approached, as below:

Operational Issues that are preventing staff from working are addressed with the highest priority and a response will occur in the first 30 minutes of the query being lodged.

The broader the effect on operational issues the higher the priority of response.

#### **MSA Option - \$880 / mth**

Includes a monitoring endpoint being installed on each PC and server on the network, which will report availability of windows updates requiring installation, other software updates, power fluctuations at the server level, CPU and memory usage on the server, disconnection of the mail service.

This will cover 2 servers and 6 devices.

Items not covered by this will be SynergySoft version updates, PLAY or LIVE account updates, plus major system faults that require site attendance, or take more than 5 hours to resolve. These items are charged at the ad hoc rate of \$170 inc GST per hour.

Anti-Virus should be changed to the Hosted version of Trend Micro, \$760 for licenses required for 12 months.

I trust this covers the information you were seeking, which will give us what we need to discuss.

Regards

Victor Rutland  
Sales Manager

**Shire of Sandstone**  
**IT Inventory Report – Basic Overview**

Device Name	Mnfr	Device Type	Approx Age	Anticipated Life	Op Sys	Rep Yr	Rep cost \$
SSC-FILE	Intel	DC Server	4 years	5 years	Win SBS 2008	2018	\$14,000 inc OS sware
SSC-Database	Intel	DB Server	2 years	5 years	Win 2008 Std	*	
SSC-CEOHP	HP	Desktop	2 years	3-5 years	Win 7 Pro	2019	\$1,500
SSC-FINANCE	Intel	Desktop	1.5 years	3-5 years	Win 7 Pro	2020	\$1,500
SSC-RECEPT	Intel	Desktop	1.5 years	3-5 years	Win 7 Pro	2020	\$1,500
SSC-COUNTER	Intel	Desktop	3 years	3-5 years	Win 7 Pro	2018	\$1,500
SSC-CHAMBER	Tosh	Notebook	1 year	3-5 years	Win 7 Pro	2020	\$1,500
SSC-WORKS	Intel	Desktop	1.5 years	3-5 years	Win 7 Pro	2020	\$1,500

\*Move to a Virtual so there is only 1 physical server







Proposed  
IT Maintenance Agreement

For



**Professional Pc Support Pty Ltd**  
17 Truganina Road, Malaga WA 6090  
08 9240 2111  
[www.pps.net.au](http://www.pps.net.au)



## Introduction

The Shire of Sandstone has invited Professional PC Support to submit proposal to offer support options for the Shire's 8 staff and public access computers.

## Current Configuration

At present the Shire is running one server, age of which is unknown. There are also 18 workstations in three locations being the shire's offices, the museum and the library. These locations are connected by wireless links.

Apart from minor speed issues with Synergy, the system is running well, is reliable and serves the Shire's needs.

The shire is connected to the internet via Skymuster NBN connection and a failover Telstra 3G connection. Both services are limited in the amount of data that can be transmitted or received which is a limitation on some of the shire's activities.

## Software

To alleviate any concerns regarding the validity of software licenses being used on the Shire's computers, PPS will search the Microsoft licensing system for current or expired licenses and report what rectification action, if any, needs to be taken.

## IT Systems Review and Health Check

Before we can manage your IT we will need to conduct a review of your IT to ensure it follows best practices, has no undocumented major problems - basically it isn't about to fall apart. Whilst we are not aware of any obvious problems we like to be certain.

We prefer that this review is done on-site however we successfully reviewed and on-boarded Cue remotely. Due to the tyranny of distance we are prepared to adopt a similar process if an on-site visit is not required initially. This does require the initial assistance of the current IT support provider.

Any concerns revealed by the review will be discussed with you and the price to fix will be quoted before any remedial action is taken.

You will, of course, have the option to not undertake any work recommended however we will reserve the right to exclude identified problems from the scope of work for any fixed price maintenance agreement.

Problems found on other sites in a pre-takeover review have included:

- Aging equipment which is out of support.
- Virus or Malware infections.
- Equipment inappropriate for the task (eg designed for home use).
- Equipment underpowered for the task.
- Physical security issues.
- Servers near storage or memory limits.
- Computers missing antivirus software.
- Backup procedure substandard.



## Additional Services

### Anti-virus

All computers at the Shire, regardless of their function, should have an effective, licensed and monitored anti-virus solution installed. PPS recognised that the threat posed by viruses is increasing and changing and we have recently changed our AV recommendations to respond to that threat.

Our preferred AV product is now Webroot Secure Anywhere Business. This is a cloud based AV solution that monitors an unknown application's behaviour for suspicious activity. Should it confirm the application is malicious it will "unwind" all the changes made by the application and delete it. We have found Webroot to be the most effective means of preventing infections from the Cryptolocker family of viruses, currently the most dangerous to any organisation.

### Email Spam Filter

PPS runs a state of the art cloud based spam filtering service which has proven itself over years of operation to remove at least 99% of spam. It boasts a false positive rate of one in one million meaning you can be confident your real emails are not being blocked.

The spam filter also checks the attachments for viruses and, should a virus be detected, the attachment will be removed from the message and the rest of the message delivered.

As the service is cloud based it requires no additional network resources. In fact it reduces the load on your network as your server only ever gets to see the real emails saving you internet bandwidth, storage space and processing power.

### Remote Management Software

PPS has invested in LabTech, a Remote Management and Monitoring (RMM) system that allows us to resolve the majority of IT problems without the need for a visit to the client's premises. This allows us to respond to problems faster, reduce costs and make your systems more reliable.

In addition, the RMM allows us to automate and script repetitive and time consuming work such as Windows Updates, software upgrades, hardware asset management and so on.

### Service Ticketing System

PPS uses a very advanced ticketing system that allows us to track every job from initial creation to completion. It supports all ITIL compliance requirements.

PPS Customers can use our ticketing system to manage their own IT infrastructure for a small monthly cost. It allows cooperation and integration of clients' IT departments with PPS including the ability to assign and track work between companies.

## Support and Maintenance

Professional PC Support has developed a range of support options to cater to the needs of our diverse client requirements. Every client has different needs and budgetary restraints so all clients are encouraged to discuss their particular requirements with us so we can tailor make a support agreement to specifically address them.

There are three main ways you can engage our support:

1. Ad Hoc Helpdesk - This is where you advise us of a problem and we fix it, billing you for the time and any components we used.
2. Platinum Support Pack - Essentially the same as Ad Hoc with the commitment of pre-purchased hours. This assumes an ongoing relationship and a minimum monthly spend.
3. Full IT Management - This engagement moves the risk of all IT management to PPS for a fixed monthly fee, leaving you simply use your computers instead of managing them.

The benefits of each solution are highlighted below.

### Ad Hoc

This generally allows you to manage your own IT to the level you feel comfortable with. When something breaks or you want to make a change to your network, you call us and we respond. Unless you specifically ask us, we don't work on your system.

We recommend all ad hoc clients, at the very least, engage us for regular preventative maintenance. This will include, as a minimum, server health checks, backup checks and testing and installation of updates and patches.

Ad Hoc allows you to keep an eye on the spending but it doesn't give you control. Nasty surprises can arise which can cost thousands to rectify. Budgeting is difficult because IT spending is unpredictable.

### Platinum Support Pack

The PSP was designed for customers that wanted regular maintenance, regular site visits and simplified billing. The main benefit of PSP is the discount for buying hours in advance and in bulk.

All other recommendations for preventive maintenance in the ad hoc system apply.

## Full IT Management (Managed Services)

This is our premium service offering which offers many benefits, not least of which is convenience and cost savings. It transforms your IT management from a reactive model to a proactive one.

Like all other offerings at PPS, Managed Services is customised to suit your requirements, however there are a few things that are included in the minimum packages:

- A fully licensed and managed antivirus program on all workstations and servers.
- Email spam and virus filtering on all emails.
- A comprehensive image backup solution that is monitored daily.
- A telephone help desk with an unlimited number of support calls included.
- Free patching and updates to all software as required.
- Liaising with suppliers for warranty support.
- Quarterly business management meetings to discuss IT issues.
- All required on-site work (travel charges may apply).
- Monitoring of your broadband internet connection.
- Asset tracking and management ensuring license compliance.
- Discount pricing on any out of scope labour.

However some clients want more and, of course, we deliver. Optional extras include:

- Hardware as a service, effectively renting computers instead of buying them.
- Business disaster recovery planning and testing.
- Web filtering and proxy service to ensure IT policy compliance.
- Printing as a service - just pay for the prints you use.
- Regular on-site technicians.
- After hours maintenance only.

## Labour costs

All PPS technician labour is charged out at \$145.00 per hour in 15 minute increments whether it be on your premises or we assist you remotely.

Labour required outside normal business hours (8:30 AM to 5:00 PM Mon-Fri) incurs a three hour minimum and 50% loading.

If you need specialist support for non-standard equipment then we will recommend a third party support provider. We will pass on their bill at cost.

Note that any on-site visit require at least one night stay in Sandstone. There is a call out fee of \$845, a meal allowance of \$60 per day and all other expenses (eg accommodation) will be invoiced to you at cost.

Should we be able to coordinate a visit with Cue and Mt Magnet then the call out fee will be shared equally.



## Other Services

Of course PPS is a full service IT Company. We can also offer the following services as optional extras with your monthly agreement:

- Internet domain and DNS hosting
- Web site hosting
- Cloud based server hosting
- Supply of hardware and software
- Supply of peripherals and consumables
- Policy development and documentation
- Internet access options
- Business process consultancy

## Pricing

Below is a summary of the pricing for the work to be carried out by PPS.

Ongoing monthly costs:

Full Managed Services	Qty	Price	Total
Windows Server	2	245	\$590
Workstation	8	55	\$440
		<b>Total</b>	<b>\$1,030</b>

Managed Services Options - monthly	Per	Rate
Hardware as a service	PC	\$54
Business disaster recovery planning and testing	Site	\$60
Printing as a service	Page	ask
After hours service included	Computer or Server	\$5
On site technicians - scheduled visits	Per hour	\$110
Off-site cloud backups	Per TB	195

Extras pricing per month	Per	Rate
Webroot Secure Anywhere Antivirus	Computer or server	\$5
Cisco Ironport Spam Filtering	Computer	\$5
Remote Management & Monitoring Software	Computer or Server	\$5
Ticket Management software	Helpdesk User	\$49
All the extras in this table are included in the price of full managed services.		

Notes:

All prices exclude GST.

Hardware as a service is only available for PCs under full management. Conditions apply.

Cloud storage cost is calculated each month based on storage used.

Please feel free to adjust quantities and recalculate as required.

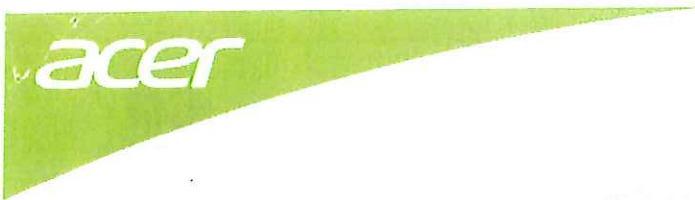
You may cancel this service at any time with a minimum of 30 days notice.











**JH Computer Services  
RESPONSE TO**



**IT AUDIT DECEMBER 2016**

JH Computer Services Representative: Tim Sargent

**ORIGINAL**

Confidential



## Overview

JH Computer services was invited by Harry Hawkins the CEO of the Shire of Sandstone to audit the hardware on the network and provide this report. In this report, I will go over the current state of the hardware at the shire and also provide a report on the server which was written by my service manager Andrew Wise.

## CURRENT DESKTOP FLEET

The current desktop fleet is a predominant HP fleet. The hp machines are an all in one device which are getting towards the end of their warranty period if not already depending on what warranty they were sold with. Hardware specs are suitable for day to day use as they are all either i5 or i7 cpu's. I have included the audit report below for the machines. All machines are running office 2010 which would be advisable to also upgrade when the machines are replaced.

### ssc-chambersnb.root.sandstone

System Information for ssc-chambersnb.root.sandstone

Computer / Network Information for ssc-chambersnb.root.sandstone

Computer Name: SSC-ChambersNB

IP Address: 192.168.149.122

OS: 7 Professional x64 Edition Service Pack 1 Build 7601

### ssc-counter.root.sandstone

System Information for ssc-counter.root.sandstone

Computer / Network Information for ssc-counter.root.sandstone

Computer Name: SSC-Counter

IP Address: 192.168.149.116

OS: 7 Professional x64 Edition Service Pack 1 Build 7601

CPU: (8) 3401 MHz Intel(R) Core(TM) i7-4770 CPU @ 3.40GHz,

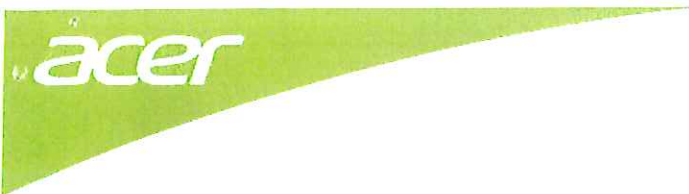
RAM: 7847 MB

Windows 7 Professional

RFM3V-2TKJP-BVR9W-RMW2V-B74YP

Microsoft Office Standard 2010 YVBXR-WP8V9-CJTV4-6WY76-JPTGJ





ssc-finance.root.sandstone

System Information for ssc-finance.root.sandstone

Chassis Type Desktop  
Chassis Manufacturer Hewlett-Packard  
Chassis Serial Number AUD50400Q4  
Product Name HP ProOne 400 G1 AiO  
Manufacturer Hewlett-Packard

Computer / Network Information for ssc-finance.root.sandstoneComputer

Name: SSC-Finance IP Address: 192.168.149.131

OS: 7 Professional x64 Edition Service Pack 1 Build 7601

CPU: (4) 780 MHz Intel(R) Core(TM) i5-4590T CPU @ 2.00GHz,

RAM: 4018 MB

Office Standard 2010 YVBXR-WP8V9-CJTV4-6WY76-JPTGJ

Windows 7 Professional 74T2M-DKDBC-788W3-H689G-6P6GT

ssc-ceohp.root.sandstone

System Information for ssc-ceohp.root.sandstone

Processor Version Intel(R) Core(TM) i5-4570T CPU @ 2.90GHz  
CPU Max Speed 3800 MHz  
Manufacturer Hewlett-Packard  
Product Name HP ProOne 400 G1 AiO  
Chassis Serial Number AUD4380106  
Chassis Manufacturer Hewlett-Packard  
Chassis Type Desktop

Computer / Network Information for ssc-ceohp.root.sandstone

Computer Name: SSC-CEOHP

IP Address: 192.168.149.118

OS: 7 Professional x64 Edition Service Pack 1 Build 7601

CPU: (4) 2901 MHz Intel(R) Core(TM) i5-4570T CPU @ 2.90GHz,

RAM: 4018 MB

Windows 7 Professional 74T2M-DKDBC-788W3-H689G-6P6GT

Office Standard 2010 V7QKV-4XVVR-XYV4D-F7DFM-8R6BM



JH COMPUTER  
SERVICES

Sales / Administration

(08) 9367 9499

Service / Support

(08) 9474 4990





# SSC-RECEPTION.ROOT.SANDSTONE

## System Information for ssc-reception.root.sandstone

Chassis Type Desktop  
 Chassis Version (none)  
 Chassis Manufacturer Hewlett-Packard  
 Chassis Serial Number AUD50400Q9  
 Manufacturer Hewlett-Packard  
 Product Name HP ProOne 400 G1 AiO  
 CPU Max Speed 3800 MHz  
 Processor Version Intel(R) Core(TM) i5-4590T CPU @ 2.00GHz

## Computer / Network Information for ssc-reception.root.sandstone

Computer Name: SSC-Reception

IP Address: 192.168.149.119

OS: 7 Professional x64 Edition Service Pack 1 Build 7601

PU: (4)

780 MHz Intel(R) Core(TM) i5-4590T CPU @ 2.00GHz,

RAM: 4018 MB

Microsoft Office Standard 2010 YVBXR-WP8V9-CJTV4-6WY76-JPTGJ

Windows 7 Professional 74T2M-DKDBC-788W3-H689G-6P6GT

# ssc-works.root.sandstone

## System Information for ssc-works.root.sandstone

Processor Version Intel(R) Core(TM) i5-4570T CPU @ 2.90GHz  
 CPU Max Speed 3800 MHz  
 Product Name HP ProOne 400 G1 AiO  
 Manufacturer Hewlett-Packard  
 Chassis Serial Number AUD438010C  
 Chassis Manufacturer Hewlett-Packard

## Computer / Network Information for ssc-works.root.sandstone

Computer Name: SSC-WORKS

IP Address: 192.168.149.112

OS: 7 Professional x64 Edition Service Pack 1 Build 7601

CPU: (4) 2901 MHz Intel(R) Core(TM) i5-4570T CPU @ 2.90GHz

RAM: 4018 MB

Windows 7 Professional 74T2M-DKDBC-788W3-H689G-6P6GT

Microsoft Office Standard 2010 V7QKV-4XVVR-XYV4D-F7DFM-8R6BM

So, as you can see most of the machines are of a decent spec performance wise, the issues will start appearing when it comes to failure of components. The all in ones are an old model and it is unknown the pricing of parts and availability and with your location that could mean a machine is down for an unknown timeframe. One of the reasons we sell acer computers is due to being on both the CUA and WALGA panels Acer releases desktops that go through minimal model changes for a minimum of 3-5 years and parts availability is always readily available. We are also able to service the acer products which allows us to have minimal downtime, even in remote locations.



The desktop I would suggest replacing the fleet with is the following unit, which we had on display at the LGMA conference.

The expandable Veriton N6640G with vPro Technology meets all demands in any working environment, with flexibility, security and manageability in a compact form factor. This tiny 1-liter form factor occupies very little space and is easy to pick up and move.

The module design delivers more input/output and peripheral options, so users can choose only what they need. It can also be laid flat on a desk, stood upright with the bundled base, or attached to the ErgoStand for greater flexibility, perfect for any business needs.



### Veriton N6640G Standard Model

OPERATING SYSTEM	<a href="#">Genuine</a> Windows 10 Professional
PLATFORM	Veriton N6640G Standard
	Intel H110 Express Chipset
	Front:
	-Card reader: N
	-Audio jack(s): 2
	-USB 3.0 port(s): 3
	Back:
	-D-Sub port(s): 1
	-DisplayPort (DP) ports: 2
	-Serial ports on board header (COM2): 1
	-LAN port(s): 1
	-Audio jack(s): 1
	-USB 3.0 port(s): 1
	-USB 2.0 port(s): 2
	Communication
	WLAN
	-802.11ac/a/b/g/n wireless LAN and Bluetooth® 4.0 LE
	LAN
	-Gigabit Ethernet
	Dimensions:
	-192 (W) x 204 (D) x 33.2 (H) mm (7.56 x 8.03 x 1.31 inches)
CPU	Intel Core i5 processor 6500T (2.5GHz, 6MB Cache, Quad Core) with vPro technology
MEMORY	8GB DDR4 Dual Channel (2 x 4GB)
HARD DRIVE	256GB Solid State Drive
STORAGE BAY	None
GRAPHICS	Intel HD Graphics
NETWORKING	Wireless 802.11 ac/a/b/g/n and Bluetooth 4.0 LE
KEYBOARD	Acer USB multimedia keyboard
SPEAKERS	None
MOUSE	Acer USB Optical Mouse
DESKTOP WARRANTY	3 year onsite warranty





## SERVER REPORT

I will start out with the server report from my service manager Andrew Wise

Based on the log on at this date, the system is running on a reasonably old domain controller.

The Xeon processor was launched in Q3 2009.

The operating system is Small Business Server 2008 (SBS 2008), the core of this operating system is the same as released for Windows Vista on the PC side.

While currently Microsoft is providing security updates to SBS 2008, there is no continued support for the programs etc. going forward associated with SBS 2008. – for example, the latest Office version (Office 2016) will not talk to Exchange 2007 that is a part of SBS 2008. Windows updates last installed October 2016.

There is an antivirus enterprise solution installed (Trend Micro Worry Free Business), however it is the standard version and does not include spam filtering (emails are being pre-filtered by Westnet, but secondary filtering is worthwhile, also if client wanted to move away from Westnet, they would have no spam filter).

Also, the Trend license expired on the 20<sup>th</sup> August 2015, so no anti-virus updates will come through after that point, leaving them vulnerable to viruses.

There is a backup solution in the form of the default built in Microsoft Backup program – While it is running, the recovery times from this form of backup are nowhere near what can





be accomplished with a proper enterprise imaging backup solution like ShadowProtect, which provides a complete image of the server, allowing the server to be resurrected on new hardware or as a virtual machine in minimal time.

There are a number of drive letters on the main server that are partitioned across the physical drives, some of these are quite low on space and with the way that they are set up, gaining additional space is a difficult task.

The database server running Synergy (also Amlib by the looks) has the main Admin data for the Shire on it.

It is a newer server, and also has more available hard disk space available on it. It is running Server 2008 as its operating system (same generation as SBS 2008 above), and suffers from the same issues of Microsoft supplying security fixes, but no other updates. This server is also running Microsoft backup and should instead be running a proper enterprise backup solution for speed of recovery.

Recommended to bring the network domain and email solution up to current Windows versions and implement better backup solutions.  
Also, address antivirus software expiry urgently.

## Shire of Sandstone servers – audit

### Domain Server

#### Ssc-file

Operating system	: SBS 2008
CPU	: Xeon W5590 – launched Q3, 2009
RAM	: 24GB
IP Address	: 192.168.149.10
Anti-Virus	: Trend V9, SP1 (expired) (Standard)



License

License

Your license expired on 20/08/2015 0:00:00. After your license expires, program components will no longer be updated and your computers will be at risk.

View [Product License](#) details and follow the instructions to renew your license.

Backup	: Microsoft backup - working
Hard disks	: 4 x 300G SAS, (2 mirrors), 1 x 1TB SATA (backup drive)
Free disk space	:



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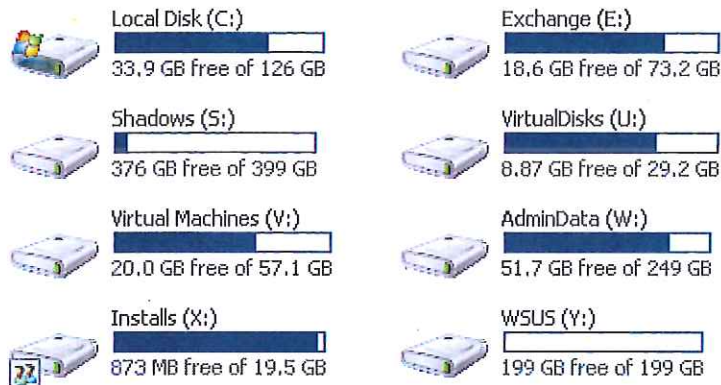
(08) 9367 9499

Service / Support

(08) 9474 4990



## Hard Disk Drives (8)



Shared Folders		Web Sites
Shared Folder	Shared Path	Free Space
ATTACHE	W:\ATTACHE	51.8 GB
Installs	X:\	874 MB
ofcscan	C:\Program Files (x86)\Trend Micro\Security Server\PCCSRV	34 GB
OtherData	W:\OtherData	51.8 GB
Public	C:\Users\Public	34 GB
RedirectedFolders	C:\Users\FolderRedirections	34 GB
ShireKeysData	W:\ShireKeysData	51.8 GB
UserShares	C:\Users\Shares	34 GB

## Windows Update

**Check for updates for your computer**  
Always install the latest updates to enhance your computer's security and performance.

Check for updates

Most recent check for updates: 27/10/2016 at 10:18 AM  
 Updates were installed: 27/10/2016 at 11:23 AM. [View update history](#)  
 You receive updates: Managed by your system administrator  
[Check online for updates from Microsoft Update](#)





## Users

Name	User Logon Name	Type	Description
DCS_SSC-FILE		User	This account is used for d...
SQLServerMSSQLServerADHelperUser\$SSC-FILE		Security Group ...	Members in the group hav...
Terminal Server Computers		Security Group ...	List of Terminal Server co...
Sandstone Admin Assistant	aa@sandstone.local	User	Admin Assistant
Sandstone Admin	admin@sandstone.local	User	
Margaret Duhig	administration@sandstone.local	User	
Community Engagement Facilitator	cef@sandstone.local	User	Community Engagement F...
Sandstone CEO	ceo@sandstone.local	User	Chief Executive Officer
Sandstone Chambers	chambers@sandstone.local	User	
SSC Consultant	consultant1@sandstone.local	User	
SSC Contractor 2	contractor2@sandstone.local	User	
Sandstone Caravan Park	cpark@sandstone.local	User	Caravan Park Manager
Rhonda Miles	finance@sandstone.local	User	Finance Officer
Haines Norton	hn@sandstone.local	User	
Sandstone Manager Finance & Administration	mfa@sandstone.local	User	Manager Finance & Admini...
Network Administrator	Network Admin@sandstone.local	User	Has unrestricted system a...
Sandstone Receipting	Receipting@sandstone.local	User	
Margaret Duhig Reception	reception@sandstone.local	User	Sandstone Reception
Kim Boulton	records@sandstone.local	User	
RSM Bird Cameron	rsmbc@sandstone.local	User	
SBSMonAcct	SBSMonAcct@sandstone.local	User	
Muriel Murat	sfo@sandstone.local	User	Senior Finance Officer
Sandstone Spare	spare@sandstone.local	User	
Standard User	Standard User@sandstone.local	User	Has access to shared fold...
Sandstone Tenderbox	tenderbox@sandstone.local	User	
Sandstone Visitor Centre	tourism@sandstone.local	User	Tourism Officer
Standard User with administration links	WebWorkplaceTools@sandstone.local	User	Has Standard User permis...
Keith May	workshop@sandstone.local	User	
Sandstone Works Supervisor	ws@sandstone.local	User	Works Supervisor

Display Name	Alias	Recipient Type Details	Primary SMTP Address	Server	Organizational Unit
Administrator	administrator	User Mailbox	administrator@sandstone...	ssc-file	sandstone.local/Users
Building Maintenance Officer	bulld	User Mailbox	bulld@sandstone.wa.gov.au	ssc-file	sandstone.local/MyBusine...
Community Engagement Facilitator	cef	User Mailbox	cef@sandstone.wa.gov.au	ssc-file	sandstone.local/MyBusine...
DCEO	dceo	User Mailbox	xdceo@sandstone.wa.go...	ssc-file	sandstone.local/MyBusine...
Haines Norton	hn	User Mailbox	hn@sandstone.wa.gov.au	ssc-file	sandstone.local/MyBusine...
IT Vision	ITVision	User Mailbox	ITVision@sandstone.wa.g...	ssc-file	sandstone.local/MyBusine...
Keith May	workshop	User Mailbox	workshop@sandstone.wa...	ssc-file	sandstone.local/MyBusine...
Kim Boulton	records	User Mailbox	records@sandstone.wa.g...	ssc-file	sandstone.local/MyBusine...
Margaret Duhig	administration	User Mailbox	administration@sandston...	ssc-file	sandstone.local/MyBusine...
Margaret Duhig Reception	reception	User Mailbox	reception@sandstone.wa...	ssc-file	sandstone.local/MyBusine...
Muriel Murat	sfo	User Mailbox	sfo@sandstone.wa.gov.au	ssc-file	sandstone.local/MyBusine...
PCS Support	pcsadmin	User Mailbox	pcsadmin@sandstone.wa...	ssc-file	sandstone.local/MyBusine...
Rhonda Miles	finance	User Mailbox	finance@sandstone.wa.g...	ssc-file	sandstone.local/MyBusine...
RSM Bird Cameron	rsmbc	User Mailbox	rsmbc@sandstone.wa.go...	ssc-file	sandstone.local/MyBusine...
Sandstone Admin	admin	User Mailbox	admin@sandstone.wa.go...	ssc-file	sandstone.local/MyBusine...
Sandstone Admin Assistant	aa	User Mailbox	aa@sandstone.wa.gov.au	ssc-file	sandstone.local/MyBusine...
Sandstone Caravan Park	stay	User Mailbox	stay@sandstone.wa.gov.au	ssc-file	sandstone.local/MyBusine...
Sandstone CEO	ceo	User Mailbox	ceo@sandstone.wa.gov.au	ssc-file	sandstone.local/MyBusine...
Sandstone Chambers	chambers	User Mailbox	chambers@sandstone.wa...	ssc-file	sandstone.local/MyBusine...
Sandstone Finance Support	financesup	User Mailbox	financesup@sandstone.w...	ssc-file	sandstone.local/MyBusine...
Sandstone Manager Finance & Administration	mfa	User Mailbox	mfa@sandstone.wa.gov.au	ssc-file	sandstone.local/MyBusine...
Sandstone Receipting	Receipting	User Mailbox	Receipting@sandstone.w...	ssc-file	sandstone.local/MyBusine...
Sandstone Spare	spare	User Mailbox	spare@sandstone.wa.go...	ssc-file	sandstone.local/MyBusine...
Sandstone Tenderbox	tenderbox	User Mailbox	tenderbox@sandstone.w...	ssc-file	sandstone.local/MyBusine...
Sandstone Visitor Centre	tourism	User Mailbox	tourism@sandstone.wa.g...	ssc-file	sandstone.local/MyBusine...
Sandstone Works Supervisor	ws	User Mailbox	ws@sandstone.wa.gov.au	ssc-file	sandstone.local/MyBusine...
SSC Consultant	consultant1	User Mailbox	consultant1@sandstone...	ssc-file	sandstone.local/MyBusine...
SSC Contractor	Contractor	User Mailbox	Contractor@sandstone.w...	ssc-file	sandstone.local/MyBusine...
SSC Contractor 2	contractor2	User Mailbox	contractor2@sandstone...	ssc-file	sandstone.local/MyBusine...



## Database server

### Ssc-database

Operating system : Server 2008  
 CPU : Xeon E5-2609 – launched Q1, 2012  
 RAM : 32GB  
 IP Address : 192.168.149.20  
 Anti Virus : Trend V9, SP1 (expired) (Standard)  
 Hard disks : 4 x 450G SAS (2 x mirror)  
 : 1 x 1TB, 1 x 750G (backup)  
 Backup : Microsoft Backup (running)  
 Disk space :

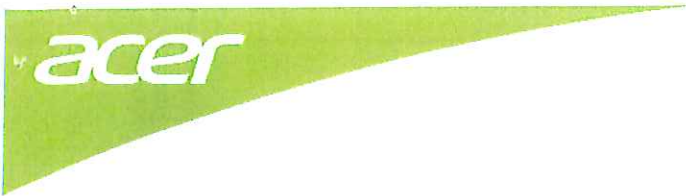
### Hard Disk Drives (6)



### Network Location (2)



Running : Amlib  
 Synergy  
 Office 2010 Standard (on Terminal server?)



## Server Summary

As we can see from Andrew's report the main issue going forward is the state of the server. The most important areas that need to be addressed urgently is backups and the anti-virus solution currently on the network.

## JH Computer Service Proposal

The shire of sandstone in our opinion would be best served by a complete overhaul of the network. By starting from the ground up the shire would be setup for the next 3-5 years without the need for much maintenance to machines or software.

We will start with the server. We would suggest turning the database server into a disaster recovery server and decommissioning both servers and installing a new server capable of running both physical servers on the one box. What this means is less power usage and ease of management. It also allows us to locate another server in a separate location in the shire to provide an offsite backup via wireless link.

The following server is what we suggest



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## Acer Altos R380 F3

For cluster environments, the Altos R380 F3 is a robust two-socket system that is ideal for almost any application. With up to twelve 3.5-inch hard drives for expansion, this dynamic system can function as a head node or storage system for your HPC and technical computing environments. Add two Intel® Xeon® E5 family processors, and up to twenty-four DDR3 DIMMs, and this system becomes a powerful core for your most demanding data-center needs.



### Acer Altos R380-F3 3.5" LFF

OPERATING SYSTEM	Acer Smart Setup
PLATFORM	Altos R380 F3 LFF STD Model
CPU 1	Intel Xeon E5-2620v4 Pro
CPU 2	Intel Xeon E5-2620v4 Pro
MEMORY	64GB(4x16GB) DDR4-2400 R
ETHERNET	Oboard(1+1) 10G NIC X450
RAID MODULE	12GB 8Port PCI RAID w/BB
HDD BAY 1	1TB 7.2K RPM SATA HDD 3.5 inch
HDD BAY 2	1TB 7.2K RPM SATA HDD 3.5 inch
HDD BAY 3	4TB 7.2K RPM SATA HDD 3.5 inch (Hotswap)
HDD BAY 4	4TB 7.2K RPM SATA HDD 3.5 inch (Hotswap)
HDD BAY 5	4TB 7.2K RPM SATA HDD 3.5 inch (Hotswap)
REMOTE MGMT	Intel RMM4 for Rack F3
PSU SLOT	1100W R380-F3 Redund.PSU
ALTOS WARRANTY	Cat B-5Yrs Next Business Day Onsite.(Mon-Fri 9-5)

By starting with the server and putting the latest server operating system on it the server will be current for at least the next 8 years in regards to software as 2008 sbs svr is getting towards EOL as Microsoft normally runs on a 10-year cycle for updates meaning the current server software is getting towards the end of support in the next 12-24 months.

So, what does this entail in the upgrade. Well firstly we will rebuild the server with 2016 Svr and 2016 Exchange. We will also get rid of the windows backup as this is an inefficient way of recovering data and use a program called Shadow Protect which uses real time snapshots of the data for instantaneous recovery of deleted/lost data. We would also recommend upgrading the anti-virus soft to the business edition which includes a mail scanner to provide a second line of scanning and also in the event that you leave westnet there is still mail scanning being performed. Also with this server it has another 10 bays free for future expansion of hdd's which allows us to easily expand the data storage for the shire.



As the network stands I would suggest leaving the desktops for the time being to reduce costs but also due to the fact the desktops are working perfectly fine and in the event of a terminal failure it is not critical to the day to day running of the shire. On the server side, it is the single most critical part of the network and this is where the attention should be focused. By consolidating the servers onto one box it allows us to use the existing hardware as a backup server and also bring the software up to the current operating system and give the shire another 8 or so years until a software upgrade is needed.

The majority of the work can be performed in our service department and it will ensure there is minimal downtime onsite as we will perform most of the work after hours. Also by doing it this way when staff arrive in the morning from their perspective everything will seem the same.

Also, I have included a template of our service agreement which is how we manage the management of the network and there are options for different levels of support.

## Summary

Acer, JH Computer Services and Service West are committed to the implementation and ongoing management of your next IT infrastructure upgrade.

Our highly-experienced management team coupled with our close proximity are key factors in our ability to partner successfully with the Shire of Sandstone.

We look forward to working with you to achieve a successful program for the Shire of Sandstone.

If you have any further enquiries, please do not hesitate to contact me directly.

Regards,

**Tim Sargent**  
**General Manager**  
**JH Computer Services / Servicewest**  
**2/26 Hardy Street**  
**South Perth 6151**

**P: 08 9367 9499**

**F: 08 9474 3059**

**W: [www.jhcs.com.au](http://www.jhcs.com.au)**



JH COMPUTER  
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Sales / Administration

**(08) 9367 9499**

Service / Support

**(08) 9474 4990**







JH COMPUTER SERVICES PTY LTD

A.B.N. 14 008 861 676

2/26 HARDY STREET SOUTH PERTH WA 6151



Hack Street

Western Al 6639

Fax:

Web: [www.jhcs.com.au](http://www.jhcs.com.au)

Order No	Account No.	Courier Details	Your Reference	Sales Person	Date		
	2519			Admin JENNIFER	26/02/2017		
Part No.	Description	Unit	Qty Ordered	Price Each (Ex. GST)	Price Each (Inc. GST)	Ext. Price (Ex. GST)	Ext. Price (Inc. GST)
7NC	Acer AR380 Server	EACH	1	9,800.00	10,780.00	9,800.00	10,780.00
7NC	Worry-Free Business Security Services 3yr Subscription , New , Government , 36 month(s) , 2-24	EACH	10	87.00	95.70	870.00	957.00
7NC	WINDOWS 2016 SERVER SOFTWARE	EACH	1	1,150.00	1,265.00	1,150.00	1,265.00
7NC	MICROSOFT EXCHANGESERVERSTANDARD 2016	EACH	1	1,050.00	1,155.00	1,050.00	1,155.00
7NC	WINDOWS 2016 USER CALS	EACH	10	1.00	1.10	10.00	11.00
7NC	WINDOWS EXCHANGE 2016 USER CALS	EACH	10	95.00	104.50	950.00	1,045.00
7NC	WINDOWS 2016 REMOTE DESKTOP CALS	EACH	10	105.00	115.50	1,050.00	1,155.00
7000	SETUP OF SERVER IN JH AND INSTALLATION OF SOFTWARE AND INHOUSE VALIDATING	EACH	30	160.00	176.00	4,800.00	5,280.00
7000	TRAVEL TIME	EACH	12	100.00	110.00	1,200.00	1,320.00
7000	OVERNIGHT ACCOMODATION	EACH	1	350.00	385.00	350.00	385.00
210898	STORAGECRAFT GOVERNMENT SHADOWPROTECT VIRTUAL SERVER EDITION, 3 GUEST LICENSES - INCLUDING 1 YEAR MAINTENANCE	EA	1	485.00	533.50	485.00	533.50
7000	ONSITE INSTALLATION AND REINSTALLATION OF PC'S AND PRINTERS	EACH	10	160.00	176.00	1,600.00	1,760.00

	Ex GST	GST	Inc GST
Sub Total	24,115.00	2,411.50	26,526.50
Courier	0.00	0.00	0.00
Freight	0.00	0.00	0.00
Freight	0.00	0.00	0.00
Total	24,115.00	2,411.50	26,526.50

Quote: 0000009019-D01

Shire of Sandstone  
Hack Street  
Sandstone Western AU 6639



JH COMPUTER SERVICES PTY LTD  
A.B.N. 14 008 861 676  
2/26 HARDY STREET SOUTH PERTH WA 6151

Phone: 08 9367 9499  
Fax:  
Email: accounts@jhcs.com.au  
Web: www.jhcs.com.au

Order No	Account No.	Courier Details	Your Reference	Sales Person	Date
	2519			Admin JENNIFER	26/02/2017

Part No.	Description	Unit	Qty Ordered	Price Each (Ex. GST)	Price Each (Inc. GST)	Ext. Price (Ex. GST)	Ext. Price (Inc. GST)
7000	DECOMMISSIONING OF CURRENT SERVER AND REWORKING IT INTO BACKUP SERVER	EACH	5	160.00	176.00	800.00	880.00

Notes:	Ship To:	Ex GST	GST	Inc GST
		24,115.00	2,411.50	26,526.50
		0.00	0.00	0.00
		0.00	0.00	0.00
		0.00	0.00	0.00
		24,115.00	2,411.50	26,526.50



Date: March 1, 2017

Claremont Finance is pleased to provide the following rental quote #CFC-SHI-0002779A:

Client Details			
Client Name:	Shire of Sandstone		
Contact:			
Quotation Details			
Finance Type:	Rental		
Equipment:	JM Computer Services Quote #0000009019-D01		
Payment Frequency:	Quarterly in Advance		
Funded Amount (Ex. GST):	\$23,315.00		
Term:	36		
Payments (Ex. GST):	12 x \$2,212.84		
General Terms and Conditions			
Calculation	The pricing has been calculated with the rates of the day and will be indexed in accordance with the 3 years swap rate as advertised in the Australian Financial Review. This quote assumes soft costs of less than 30% unless otherwise stated.		
Government Charges	Stamp Duty and GST are not included in the payments above, unless otherwise stated. These vary from state to state and the applicable rates will be charged as required.		
Interim Rental	For ease of administration, any drawdown that is not made on a Rental Period date will be subject to a pro-rata rental from the Commencement Date to the first Rental Period date occurring after the Commencement Date. The term will begin from the Commencement Date		
Rental Period Dates	1 <sup>st</sup> of each quarter		
Accounting Treatment	Claremont Finance does not warrant, nor provide advice, as to the applicable tax and accounting treatment of this rental facility. Claremont Finance recommends that you seek independent advice with respect to the legal, tax and accounting treatment of this rental facility.		
Approval	This is a quotation only and does not constitute an offer of financing. Any funding is subject to credit approval, compliance with approval conditions and our formal acceptance of required documentation.		
End of Term	At the end of the term, subject to the terms of our Agreement, the client will have the option to return the equipment, replace the equipment, upgrade the equipment or as otherwise may be agreed between the parties.		
Notes			

Please do not hesitate to contact me to discuss the above quote or with any other queries.

Regards,

*Vicki Todorovska*

Vicki Todorovska

0411 078 976

vickit@claremontfca.com.au





# Service Level Agreement

**2/26 Hardy Street  
South Perth WA 6151**

**Ph: 9474 4990  
Fax: 9367 9004  
Email: [service@servicewest.com.au](mailto:service@servicewest.com.au)  
[www.servicewest.com.au](http://www.servicewest.com.au)  
ABN: 14 008 861 676  
ACN: 008 861 676**

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## Executive Summary:

A ServiceWest SLA provides you with all of the benefits of our Network Management Systems including backup monitoring, server monitoring, guaranteed response times, and remote support and diagnostic tools.

Our Support Platform is designed to ensure your Network maintains maximum uptime and system performance over a long period of time.

We ensure that administrative and support tasks are performed quickly and remotely ensuring limited disruption to your users.

Our SLA Agreements are divided into 2 key areas allowing you the flexibility to choose either a Level 1 or Level 2 support agreement or both **Level 1** and **Level 2** depending on your specific requirements.

Level 1 is Monitoring and maintenance, Level 2 is support packs as defined below.

In addition to our Management services we also offer you auditing and review services such as:

- Backup and Disaster Recovery Assessment.
- Network Performance Assessments.
- Virus & Security Assessment
- Network Hardware Review
- Communications Review (I.e. ADSL connections).

# The ServiceWest Solution

## The Service Level:

### Monitoring Service:

- Our Managed Services Platform (Kaseya) is consistently monitoring your Network Hardware and Infrastructure and reporting to us any discrepancies or flagged concerns for remedial action.

**Monitoring:** As the system is monitoring your server 24 / 7 we generally are made aware of issues & potential problems before you are. It allows us to be very **Proactive in administering** your server as opposed to being placed in a pressurised Reactive situation as generally occurs when clients call us with server related issues.

Examples of this include, but are not limited to:

- Monitoring Server Uptime
- Being made aware immediately that the server goes offline,
- Monitoring and maintaining Backups,
- Monitoring and Managing Hard Disk Utilisation,
- Monitoring and notifying / instigating repair of Hardware faults.
- Checking windows updates that are required

### Labour Support Pack:

- ServiceWest classify **Labour Support Pack** as user initiated administrative work requests. These often include, but are not limited to:
  - Adding / Creating new users
  - Removing old users
  - Redirecting emails
  - Adding / removing printers
  - Changing passwords
  - Retrieving lost documents / emails
  - General User Operational Enquires
  - Installing required windows updates
- Some business have internal technical capability to perform these tasks and therefore may only require our Monitoring Service. Other businesses may have little or no internal resources and therefore we offer this solution via a Labour Support Pack.

All Requests will be logged via phone or email, and will be categorised as Critical or Standard.

## Priority Levels:

The priority of the maintenance response to e-mail and telephone calls and the on-site response, where necessary, is determined by 'Critical' and 'Standard' issues. As there is a broad range of industry, business size and type and technology reliance the determination of the priority will be made by the responding ServiceWest technician.

Typical events constituting 'Critical,' 'Standard' and 'Scheduled' issues include, but are not limited to:

### Critical:

- Major disaster: e.g. loss of essential server/s, mission-critical LAN or widespread loss of communications
- Non-availability by everyone to any program for whatever reason
- Printing problems across multiple printers
- Multiple users are being prevented from serving company customers
- Data being lost/corrupted
- One network down
- Problem appears to be related to a security breach
- Users being prevented from serving internal requests
- System constantly producing incorrect results in isolated circumstances
- Constant error generation from fundamental processes

### Standard:

- Crash/no access to/non-availability of a non-essential server
- Local and confined PC problems
- Local printer/scanner problems
- User is unable to process a particular type of service but has simple alternative
- User prevented from performing low priority work
- Only one of many users is affected
- One PC not working (except where it constitutes a significant portion of system)
- System produces incorrect results in a known and isolated set of circumstances which can be worked round
- Level 1 User initiated administrative requests are generally logged as **Standard** by default

### Scheduled:

- Program updates / program installations / cosmetic changes / planned downtime
- Manual / instruction / user error problems

When a client calls (or e-mails) and leaves a message for an engineer to attend to their issue, it is helpful if a short description of the issue, along with an estimate of the Priority Level, is left as part of the message.

Note that issues may move from one level of priority to another depending on changing circumstances or understanding of the problem or impact. If an item changes priority, it receives the appropriate response time from the time the priority is changed.

Issues logged by email will be initially allocated the standard priority level, but may be reallocated on review.

## **Service Rates:**

### **Monitoring Service:**

Monitoring requires us to install the Kaseya remote management client on your hardware devices.

**Server Monitoring:** Kaseya is installed and charged at \$230 Ex GST a month per server and invoiced annually (\$2760ex / yr).

### **Labour Support Pack:**

Labour can be bought in blocks. The ServiceWest standard Hourly Service Rate is \$160.00 + GST / Hour.

Records of time utilised each month will be documented and you will be notified when your allocation is nearing completed use.

Support packs can be bought only in conjunction with Monitoring Services.

Support pack blocks are in bundles of 10 hours and come with 1 hour additional per 10 hour block (e.g. pay 10, get 11).

Workstations can be remotely supported and time used will be deducted from the amount of hour purchased.

## **On-Site Visits:**

Our system allows for the majority of system administration to be performed remotely. However we will organise site visits as required or requested. We will consult with the customer so as to determine the scope of the job and an approximate costing.

## **Information from the Client:**

- For efficient operation of the Support Agreement, ServiceWest request that each organisation nominate one site contact for each site covered by this SLA to manage all service requests directed to ServiceWest. This ensures that we have a managed system of accepting service requests and that they are filtered and classified correctly before submitting.
- The Client must provide full contact details for any 3<sup>rd</sup> party technology or software vendors and if required authorise ServiceWest to deal with these vendors on their behalf.



## **Additional Services Available:**

### **Full Systems Assessment:**

- A Full Systems Assessment is recommended at least annually, but is performed when requested. This is an opportunity to see what improvements might need to be made to your current network to gain the most efficiency. A diagnostic review with a broader scope than the Regular Preventative Maintenance will be performed and a report delivered. The Disaster Recovery Plan testing will also be carried out. Time spent on assessment, testing and preparing the report will be charged at the hourly rate.

### **Hardware Audits:**

- On request, a hardware and software audit can be produced by ServiceWest. Time spent preparing the report will be charged at the hourly rate.
- It is the responsibility of the Client to notify ServiceWest within 5 working days of any changes to the items covered by the SLA.
- If there are significant increases or decreases to the number, or changes to the type of hardware covered by the SLA, ServiceWest reserve the right to adjust the monthly fee payable. Any changes to charges will commence the following month.

### **Backup and Disaster Recovery:**

ServiceWest recognises that Backup and Disaster Recovery is crucial to businesses as computer systems need to be operational as often as possible and data loss can have a severe impact on a business.

We sell and recommend Shadow Protect Backup Solution. Maintenance and monitoring will be provided as part of the standard SLA. Time spent on monitoring and correcting issues will be charged at the hourly rate.

As we value your business, we require you to have a current Backup and Disaster Recovery plan which is regularly tested. ServiceWest will work with you to design a specific plan to meet your specific requirements.

Additional hardware and/or software may be required to support the plan. The type and quantity of hardware will be dependent on your recovery targets and cannot be determined in advance.

Time spent preparing or testing the plan will be charged at the hourly rate.

## Service Level Agreement - Contract Acceptance

### Signing of this document authorises ServiceWest to commence the SLA

#### Agreement between:

**ServiceWest**, 2/26 Hardy Street , South Perth WA 6151

And,

**Insert Name**, Sample address

#### Authorisation:

The Client authorises ServiceWest to commence the work set out in the Service Level Agreement specified in this document, and will pay the costs of the work when they fall due. The Client acknowledges that no work will commence until this document is correctly completed and faxed or presented to ServiceWest. This agreement will not become effective until this contract is signed and authorised by the General Manager, ServiceWest.

#### Acknowledgment:

The Client acknowledges that they have read and understood the Service Level Agreement document. The Client acknowledges that commencement will involve ServiceWest incurring costs. All details of the Service Level Agreement form part of this contract acceptance.

#### Cancellation or Variation:

If the equipment is relocated then ServiceWest has the right to terminate this agreement or review the service fee.

This agreement is valid for 12 months, with annual reviews. The agreement can be extended by mutual written agreement. The Client agrees to fulfil their contractual agreement with ServiceWest for the 12 months period from the commencement date of this contract. Should the customer wish to terminate the agreement prior to the completion of the 12 month period, any remaining months must be paid out in full.

#### Vendor Authorisation:

The Client agrees to authorise ServiceWest to act on their behalf with any technology related vendors. The Client agrees to provide ServiceWest with contact details for these vendors and to notify them of any changes to these details.

#### Issue Logging Procedure:

All issues are to be logged by phoning 08 9474 4990 or by emailing [service@servicewest.com](mailto:service@servicewest.com). Issues received will need to be allocated as either Standard, Critical or Scheduled Maintenance, and ServiceWest reserve the right to reallocated after review.

NB: Issues must be logged correctly. ServiceWest is not responsible for any failure or delay of email. Response time on emailed requests will be from the time they are received by ServiceWest.

**ServiceWest Commitment to the Client:**

ServiceWest will supply services in accordance with this Service Level Agreement. ServiceWest will carry out all work with due care and diligence, to the best of our ability and in accordance with the expressed requirements of our customers. We will endeavour to provide products and services that meet the functional and financial needs of customers. We will maintain our professional standards, knowledge and awareness of technological developments relevant to the services and products offered.

Due to the complexity of computer systems, some problems may not be resolvable or may require additional resources to address permanently. Every effort will be made to provide a solution, however, successful diagnosis and/or resolution of any computer problem is not guaranteed. We reserve the right to cease work on an issue if it is not practical or economical to pursue a resolution.

**ServiceWest Guarantee:**

ServiceWest will stand behind its guarantee to provide you with the three (3) key services contained within your Service Level Agreement.

1. Maximum phone / e-mail response times for new critical issues;
2. Maximum on-site time for new critical issues (when required at the discretion of ServiceWest);
3. Regular Preventative Maintenance schedule

**Limitation of Liability:**

The Service Level Agreement involves the supply of services. It is not a guarantee that the Client will never have a problem with their equipment nor is it a guarantee that the security of the Client's network will never be compromised. ServiceWest will supply the services under the SLA using its best endeavours. To the extent permitted by law, ServiceWest does not accept any liability for any loss or damage to the Client's equipment, software or data however it arises, including as a result of any negligent act or omission by ServiceWest or its staff or representatives.

.....  
Signature of Authorising Person

.....  
Name of Authorising Person

Date:.....

.....  
ServiceWest Manager Signature

Date:.....









10.1.3

## **Site Refresh & Managed Service Agreement**

Quote # 000361

Version 1

Prepared for:

**SHIRE OF SANDSTONE**

Prepared by:

**Mathias Sehnke**

*www.marketcreations.com.au*

Wednesday, 06 December, 2017

Shire of Sandstone  
Harry Hawkins  
Hack Street  
Sandstone, WA 06639  
ceo@sandstone.wa.gov.au

Dear Harry

Market Creations is a WALGA Preferred Supplier for Data Centre Services and Managed IT Services. We provide these and other types of services to several Local Government Authorities including the City of Greater Geraldton, City of Kalamunda, Shire of Dowering, Shire of Perenjori, Shire of Chapman Valley and others.

Market Creations are the exclusive Cloud-Services Partner for ITVision (SynergySoft). We have created a Local Government specific & SynergySoft specific DR solution to ensure business continuity and compliance for your data.

Market Creations have visited the Shire of Sandstone to conduct an audit of the ICT and network environment of the Shire of Sandstone in order to provide a proposal for support agreement.

We have found during this audit, that the server hardware and setup is outdated and due for a hardware refresh. We have also found that all workstations (All-In-One & PCS PCs) are out of manufacturer warranty.

This document has been compiled to propose a server and workstation refresh for the Shire of Sandstone and manage the servers, network & workstations ongoing under our managed service agreement.

Please feel free to contact me if you have any questions.

Kind Regards



Mathias Sehnke  
Account Manager  
Geraldton Office



## Proposed Server Refresh

### Server Setup

Market Creations recommend to replace the existing two physical servers with one Dell PowerEdge R530 server, running two virtual servers by using Windows Server 2016 Standard. The proposed setup will be configured as an onsite Remote Desktop Services setup and ensure that all of the Shires Data remains on the server and gets backed up as part of the daily backup routine. This includes any data which users may save on their individual desktops.

The proposed setup will enable senior staff to remote into the server while attending conferences or meetings with other shires. It will also reduce the dependency on the workstations at the Shire Office and provide staff the ability to access SynergySoft while working from other shire sites.

The Shire of Sandstone is currently hosting their emails on site as part of the outdated Microsoft 2008 SBS server. Market Creations recommend to remove the onsite email server and use Office 365 for the shires email hosting needs. Microsoft Office 365 would provide the Shire of Sandstone with:

- Compliant email hosting
- Reduced requirements for onsite hardware & software
- Reduced support cost for the Shire's ICT environment

We have also included a Meraki Security Appliance to provide a n additional layer of network security from the outside, as well as the inside such as the publicly accessible PCs in the Library.

### Workstations:

The onsite review has shown, that all of the Shire's desktop PCs are outside of the manufacturers warranty.

Based on the above recommended Remote Desktop Services setup for the server at the Shire Office, we recommend to keep the workstations at the Shire Office aside from the CEO's All in One PC.

Our recommendation is:

- Replace the CEO PC with a Microsoft Surface Book2 for greater mobility and note taking capacity during meetings. We included a docking station and required adapters for a dual screen setup.
- Reuse the CEOs All in One PC for the Reception
- Keep any other workstations at the Shire office as is
- Replace the workstations at the Works Depot, Caravan Park and Visitor Centre, as these are setup as Thick Clients.

## Managed Service Agreement

Market Creations Managed Service Agreements are created and managed to do everything we can, to make sure you we give you reliable, cost effective, fast and most of all WORRY-FREE IT Support, so that the business can focus on business as usual in servicing your customers.

- **We cover the following:**

- Australian Based Helpdesk - A friendly IT Helpdesk at your service
- Monitoring - 24/7/365 Monitoring of your IT Infrastructure
- IT Planning - Regular IT Catch-up on budgets/planning
- Vendor Management - we deal with your other IT vendors on your behalf
- Fixed Costs – all for the one fixed monthly price

- **You get the following:**

- Faster IT systems allowing for better productivity
- Fixed monthly costs, allowing for easy budgeting
- Regular reporting so you know what's happening
- Reduced downtime with proactive monitoring and maintenance
- PEACE OF MIND

- **Travel & Site Visits**

- Market Creations hold a list of vendor contracts, ICT integrator for the Department of Education & IT support for GRAMS. These contractual arrangements, require our technician to travel the region on a regular basis. Market Creations will contact the Shire of Sandstone when we travel in the area to see if the Shire requires a tech to visit the site. These site visits would be at reduced travel cost, as we would only pass on travel cost that are incurred for any travel that is additionally to the technicians original travel path.
- Market Creations can deploy a technician to attend the Shire site at short notice. In this case the travel charges from Geraldton to Sandstone would be charged in full, unless we find any clients in the area who also require a site visit to combine this trip with or it is deemed as the optional quoted Half-Annual site visit.
- We always aim to combine any regional trips with other clients in the area in order to share the cost of travel where possible.



## Fixed Fee Agreements

### Unlimited Remote Helpdesk



A friendly Australian based Helpdesk where you can call or email for all your IT issues.

### Online Support



Friendly onsite engineers available for any IT assistance you might need from desk moves to new server installs.

### Vendor Management



We can act on your behalf with your IT vendors (e.g.: software vendors, multi-function printers and more).

### Regular Meetings



A regular quarterly catch up with your Account Manager to budget and plan for the future.

### Fixed Fee Cost



Imagine being able to know your IT cost well in advance. Makes for easy budgeting right?

### Executive Reporting



You will receive a monthly easy to read IT Executive Report with metrics that matter.

### After Hours Support



We have 24/7/365 support available for those critical after hours emergencies.

### 24/7/365 Monitoring



Our Helpdesk continually monitors for issues that could affect your network and proactively works on them.

### Proactive Maintenance



Keep your network up to date with Microsoft, Adobe, Java and other updates automatically delivered.

### Central Access Portal



A web based portal where you and your staff can access things such as Open Tickets, Invoices, Agreements and more.

## Guaranteed Response Time

We always aim to hit our "Response Target" when it comes to responding to your issues, however we absolutely guarantee we will respond by the "Response Guarantee" times listed below:

Priority	Example	Response Guarantee	Response Target
<b>Critical</b>	Entire Company Offline (Call Us!)	1 Hour	15 Minutes
<b>High</b>	Department Offline (Call Us!)	2 Hours	1 Hour
<b>Medium</b>	User PC Offline	4 Hours	2 Hours
<b>Low</b>	Printing is slower than usual	8 Hours	4 Hours
<b>No Priority</b>	New user request	N/A	NBD

### NEXT STEPS

- Accept the proposal as signing the Client Authorisation Form, or call or email me to discuss any required changes
- We will generate and email our Service Agreement for you and send your first Invoice for next month's service
- We book in a "Meet the Team" appointment to start the onboarding process and introduce you to your assigned "Account Engineer"
- We start working together supporting your business



## Frequently Asked Questions

### What is covered under this Agreement?

Please check your individual agreement, however as a rule of thumb, everything related to keeping your existing IT environment in tip-top shape is covered.

### Are Projects covered in my Agreement?

Unfortunately, we can't cover Project work under your Agreement. These are quoted separately to your ongoing monthly Agreement.

---

### What are the standard Helpdesk Hours?

Our helpdesk is available 8am – 5:00pm  
Monday to Friday  
(excluding Western Australia Public Holidays)

### When is After Hours Support Available?

Simple, 24x7x365. Whilst we may not be able to respond as fast as we can during business hours, we will always aim to do our best.

---

### Can I have regular onsite visits?

Absolutely, in fact we encourage every client of ours to have regular visits. Most productivity affecting IT issues go ignored until the IT person "walks past".

### What technologies do you support?

We have in-house experience with loads of different technologies  
(Microsoft, Apple, Google, Cloud, IP Telephony and much more.)

---

### How is pricing managed?

As most of our pricing is based on a per user basis, we work out each quarter whether there is more or less staff and modify the agreement accordingly.

### Is the Cloud useful for my business?

We strongly believe a "Hybrid Approach" is currently the best approach to utilising Cloud technologies. A mixture of onsite and offsite infrastructure works for most businesses.

---

### How long is the Agreement for?

Typically, most agreements are 12 months, however the general rule of thumb is the longer the agreement, the better the deal.

### Can I cancel my Agreement?

Absolutely, if we break any of the conditions we promise to you, you have grounds to cancel your agreement with us and walk away.

---

### Do you support Tablets and Phones?

Absolutely, we live in an age where everyone is connected all the time and we can assist your team with this.

### Do you have standard forms we can use?

Absolutely, we have a vast array of Computer and Email Policies, Privacy Policies and Other forms. Ask us for more details.

## Assumptions / Out of Scope

### Assumptions

- Office 365 migration will be completed as part of the scope and the Shire of Sandstone is using Office 365 E3 Licenses for any user who requires Microsoft Office licensing.
- IT Vision will install & migrate SynergySoft. Any cost incurred for this work is not part of this proposal and will be invoiced directly by IT Vision to the Shire of Sandstone.
- All information in this quote is based on the information is based on the access we had when reviewing the Shire network and Information received by the Shire of Sandstone.
- This Proposal is provided with the understanding, that the Shire of Sandstone has a physical SBS server with 8 onsite-hosted emails and 4 office staff to access.

### Out of Scope

- Any charges associated with travel will be passed on to the Shire of Sandstone at our standard travel rates as per below
  - Travel Labour @ \$90.00 / hour (per Technician)
  - Travel Mileage @ \$1.10 / km
  - Disbursements @ \$146.85 / per night (per Technician)
  - Accommodation @ \$110.00 / per night @ Outback Accommodation Sandstone (per Technician)
- Accommodation Charges may vary, based on availability.
- Should the Shire of Sandstone have the ability to provide accommodation, Market Creations will use the provided accommodation in order t keep any travel charges as low as possible.
- Any extra works not included in the proposal is deemed out of scope and therefore chargeable



## Server Replacement

Description	Qty	Unit Price	Total
<b>Hardware</b>			
Dell PowerEdge R530 (2RU Rack Server, 1x Xeon E5-2620 v4, 48GB RAM, 2x 600GB 10K SAS, 2x 1TB 7.2K SATA, 2x 4TB 7.2K SATA, PERC H730 RAID Controller, iDRAC8 Enterprise, Redundant Power, 1GB Quad Port Network Card, 3Yr ProSupport	1	\$5,685.00	\$5,685.00
Meraki Network Security/Firewall Appliance - 5 Port - 10/100/1000Base-T Gigabit Ethernet - 25 VPN	1	\$600.00	\$600.00
Meraki Hardware License for Meraki MX64 - 3 Year Advanced Security License	1	\$1,150.00	\$1,150.00
<b>Software</b>			
Microsoft Windows Server 2016 Standard - 2 Core License (GOV, VL)	8	\$120.00	\$960.00
Microsoft Windows Server 2016 - User CAL (GOV, VL)	6	\$44.00	\$264.00
Microsoft Windows Remote Desktop Services - User CAL (GOV, VL)	6	\$150.00	\$900.00
Trend Micro Worry Free Security Services Advanced - (Cross Grade Pricing, 12month, 2-24)	15	\$41.00	\$615.00
SSL Certificate	1	\$90.00	\$90.00
Email Migration Tool	8	\$65.00	\$520.00
<b>Subtotal (ex GST):</b>			<b>\$10,784.00</b>

## Workstation Replacement

Please note:

Market Creations have recommended an onsite Remote Desktop Environment for the Shire of Sandstone. This type of server and user access allows staff to work from any internet connected device and reduces the dependency and workload on the individual workstations. This would allow the Shire of Sandstone to use the existing Shire Office workstations for longer, as all workload is outsourced to the Remote Desktop Server.

However, we recommend to replace the workstations at the Caravan park, Works Depot and Visitor Centre as per below. We have marked any hardware that we deem as not urgently to be replaced as "optional" and quoted these devices separately.

Description	Qty	Unit Price	Total
Dell OptiPlex 7050SFF (Intel i5-7500, 8GB, 128GB SSD, Windows 10 Pro, 3 Year Dell ProSupport (NBD))	3	\$980.00	\$2,940.00
Microsoft Surface Book 2 (13", i5, 8GB, 256GB, Commercial Warranty)	1	\$1,850.00	\$1,850.00
Extended Commercial Warranty (3 Years in Total)	1	\$163.00	\$163.00
Microsoft Docking Station for Surface Devices	1	\$245.00	\$245.00
Microsoft Surface Pen (V4 / Silver)	1	\$105.00	\$105.00
Mini DP to DVI Adapter (active)	2	\$24.00	\$48.00
<b>Subtotal (ex GST):</b>			<b>\$5,351.00</b>



## Labour

Description	Qty	Unit Price	Total
Technical Labour (WALGA Rate) - Server Replacement	25	\$125.00	\$3,125.00
Technical Labour (WALGA Rate) - Configuration of Meraki Security Appliance	2	\$125.00	\$250.00
Technical Labour (WALGA Rate) - Workstation Replacement / Setup	9	\$125.00	\$1,125.00
Technical Labour (WALGA Rate) - Office 365 Migration	24	\$125.00	\$3,000.00
Technical Labour (WALGA Rate) - Managed Services Onboarding & Site Documentation	8	\$125.00	\$1,000.00
Project Management (WALGA Rate)	8	\$125.00	\$1,000.00
<b>Subtotal (ex GST):</b>			<b>\$9,500.00</b>

## Estimated Travel Charges

Market Creations have provided indicative travel charges, based on two technicians visiting the Shire of Sandstone for three full days.

Description	Qty	Unit Price	Total
Travel Mileage	990	\$1.10	\$1,089.00
Travel Labour	20	\$90.00	\$1,800.00
Accommodation	8	\$110.00	\$880.00
Disbursements	2	\$503.40	\$1,006.80
<b>Subtotal (ex GST):</b>			<b>\$4,775.80</b>

## Ongoing Monthly Services

Description	Qty	Unit Price	Total
Office 365 Enterprise E1 (Government Pricing) Email hosting only Account	3	\$7.70	\$23.10
Office 365 Enterprise E3 (Government Pricing) Email hosting & Microsoft Office Software Licensing (for desktops & RDS Server)	5	\$22.90	\$114.50
Veeam Backup & Replication Enterprise Plus License (per VM)	2	\$25.00	\$50.00
Managed Service Agreement - Standard Package (Per User)  <b>Fixed Fee IT Remote Support Agreement Per User</b> <ul style="list-style-type: none"> <li>• Remote Business Hours Helpdesk Support</li> <li>• Guaranteed Response Time / Service Level Agreement</li> <li>• 24/7/365 Server and PC Monitoring</li> <li>• Backup Monitoring and Daily Testing</li> <li>• Server and PC Maintenance</li> <li>• Monthly Executive Report</li> <li>• Quarterly Management Meeting (Half-Annual onsite)</li> </ul>	4	\$90.00	\$360.00
Managed Service Agreement - Standard Package (Additional Devices to be covert) to cover additional devices beyond a 1:1 staff to device ratio	8	\$20.00	\$160.00
<b>Monthly Subtotal (ex GST):</b>			<b>\$707.60</b>



### Optional Workstation Replacement

\* Optional

Market Creations recommend to replace three workstations and the CEO workstation as detailed earlier in this document.

We have provided you with the option to replace the existing workstations at the Shire of Sandstone.

Description	Qty	Unit Price	Total
OptiPlex 7450 AIO PC (23.8" Screen, Intel i5-7600, 8GB, 128GB SSD, Windows 10 Pro, 3Year Dell ProSupport (NBD))	4	\$1,380.00	\$5,520.00
Technical Labour - Workstation replacement (optional Devices)	8	\$125.00	\$1,000.00
<b>* Optional Subtotal (ex GST):</b>			<b>\$6,520.00</b>

### Optional Monthly Services

\* Optional

Market Creations have a wide range of support contracts for a variety of different vendors and are a panel integrator for the Department of Education. These contracts require our technicians to travel the region on a regular yet infrequent schedule.

Market Creations offer to contact the Shire of Sandstone when we are in the area to attend the site at highly reduced travel charges, as most of the travel charges would be already covered by vendor contracts.

Additionally, we do offer to attend the Shire of Sandstone on a regular half-yearly schedule for extra peace of mind and onsite review of hardware and infrastructure.

Description	Qty	Unit Price	Total
Half-Yearly Scheduled Site Visit	1	\$467.00	\$467.00
<b>* Optional Monthly Subtotal (ex GST):</b>			<b>\$467.00</b>



## Site Refresh & Managed Service Agreement

### Quote Information:

**Quote #: 000361**

Version: 1

Delivery Date: 06/12/2017

Expiration Date: 20/12/2017

### Prepared for:

**Shire of Sandstone**

Hack Street

Sandstone, WA 06639

Harry Hawkins

(08) 9963 5802

ceo@sandstone.wa.gov.au

### Prepared by:

**Mathias Sehnke**

08 9920 8555

Fax (08) 9920 8556

mathias.sehnke@marketcreations.com.au



### Quote Summary

Description	Amount
Server Replacement	\$10,784.00
Workstation Replacement	\$5,351.00
Labour	\$9,500.00
Estimated Travel Charges	\$4,775.80
Subtotal (ex GST):	\$30,410.80
GST:	\$2,472.58
<b>Total:</b>	<b>\$32,883.38</b>

### Monthly Expenses Summary

Description	Amount
Ongoing Monthly Services	\$707.60
Monthly Subtotal (ex GST):	\$707.60
GST:	\$70.76
<b>Monthly Total:</b>	<b>\$778.36</b>

### \*Optional Expenses

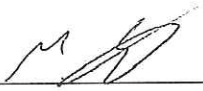
Description	One-Time
Optional Workstation Replacement	\$6,520.00
Optional Subtotal (ex GST):	\$6,520.00

### \*Optional Expenses

Description	Recurring
Optional Monthly Services	\$467.00
Optional Subtotal (ex GST):	\$467.00

Taxes, shipping, handling and other fees may apply. We reserve the right to cancel orders arising from pricing or other errors.

### Market Creations

Signature:   
 Name: Mathias Sehnke  
 Title: Account Manager  
 Date: 06/12/2017

### Shire of Sandstone

Signature: \_\_\_\_\_  
 Name: Harry Hawkins  
 Title: \_\_\_\_\_  
 Date: \_\_\_\_\_

## Team - Appendix

### Sales Consultants



Mathias Sehnke  
IT / Cloud Account Manager  
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### Operations Team



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Vickie Buscumb  
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DDI: 08 9920 8502



## About Us

### Market Creations

Market Creations is an innovative full service Information and Communications Technology (ICT) company providing services Statewide. The company specialises in managed information communication technology and data centre services that includes typical colocation, cloud, business continuity, and managed ICT services.

Market Creations have been servicing Western Australia for over 20 years, providing business, government agencies and community groups with innovative solutions to connect with their customers.

Market Creations is continually developing and adapting its range of products and services in order to maximise the benefits from an ever changing media, marketing and technology landscape. The business has embraced the convergence of these industry types and its responsiveness to change keeps the business relevant and sustainable.

The business offers end-to-end solutions in marketing and IT services. The IT business is orientated towards business-to-business service. With the most qualified team in regional Western Australia the Technology and Integration division offers a vast array of Information and Communications Technology solutions.

### Consulting Services

We understand that organisations are increasingly reliant on Information and Communication Technology (ICT) in order to perform efficiently. Market Creations consulting services span the complete ICT lifecycle, including strategic planning, design and procurement, and the project management of your ICT initiatives through to the operational phase.

Market Creations and the Geraldton Data Centre's Consultancy services will help ensure your technologies and investments are in line with your business needs, both now and into the future.

Market Creations has a qualified Technology and Integration team inclusive of business development managers, project engineers, network engineers and network technicians. Our team of professionals has the depth of experience to ensure a technology solution is developed to meet your business needs.







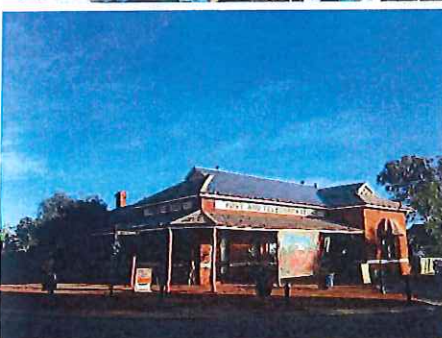


10.1-5



SHIRE OF SANDSTONE  
SERVE THE PEOPLE

# SHIRE OF SANDSTONE



## DRAFT STRATEGIC COMMUNITY PLAN 2017 - 2027

*Expressing the vision, aspirations and objectives of the community*



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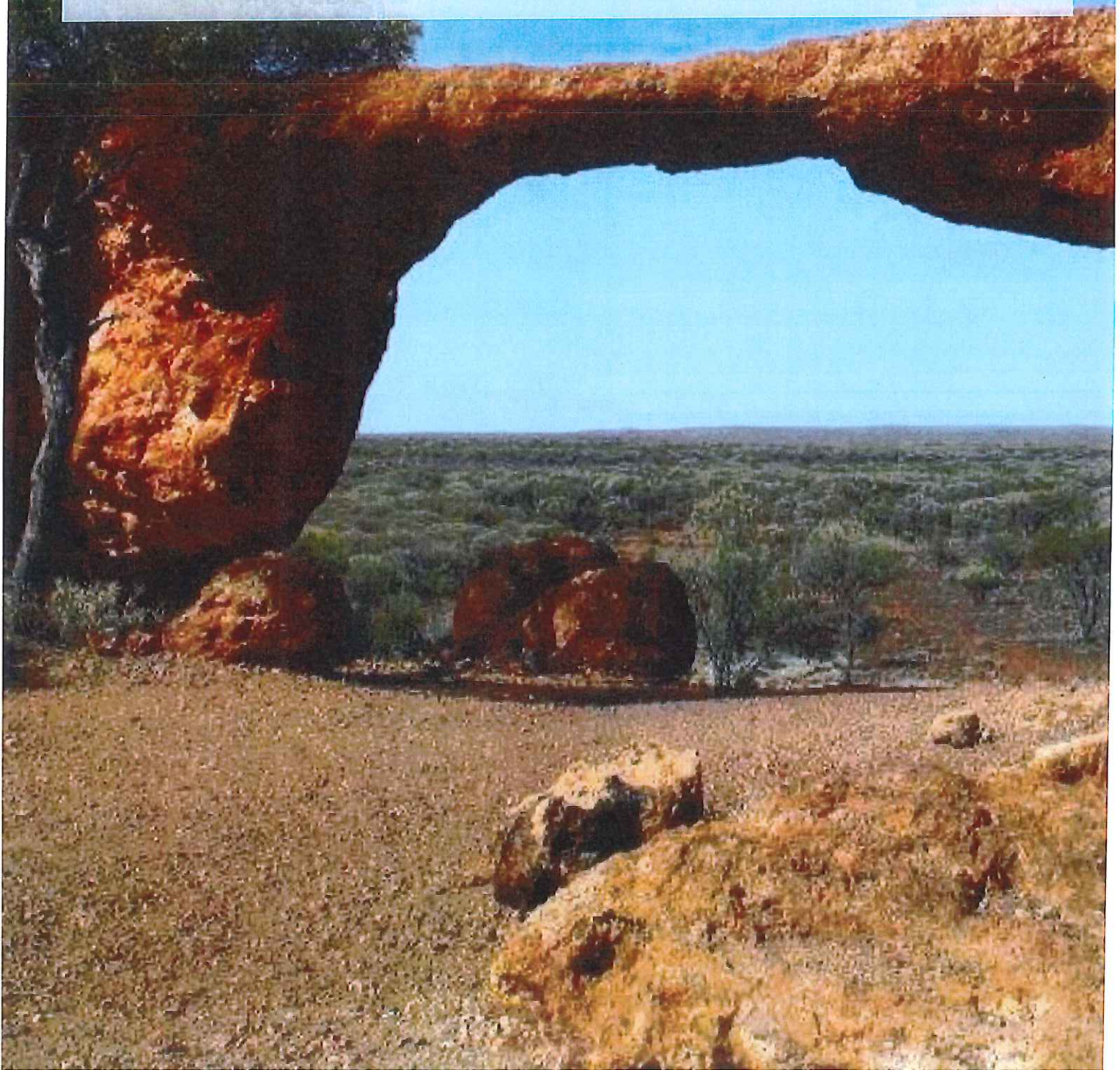
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Shire of Sandstone  
Hack Street  
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P: 08 9963 5802  
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E: [askus@sandstone.wa.gov.au](mailto:askus@sandstone.wa.gov.au)



## ***Our Vision***

***“A welcoming and friendly community  
recognising our rich heritage and  
embracing economic opportunity, whilst  
nurturing our natural and built  
environment”***





## Foreword

We are proud to present the Shire of Sandstone Draft Strategic Community Plan 2017 – 2027. The Strategic Community Plan shares our visions and aspirations for the future and outlines how we will, over the next decade, work towards a brighter future for the Shire of Sandstone community.

This Strategic Community Plan could not have been produced without the input of the local community. We are grateful to the community for their response and especially to those who took the time to provide input into the Strategic Community Plan. Your responses gave us valuable insight into your vision for the future.

We believe we have captured the community's aspirations and have reflected these in our desired outcomes. As a local government, we will work in partnership with the community and other key stakeholders to deliver these outcomes using the strategies we have detailed in this Strategic Community Plan.

We look forward to continuing our focus to ensure the Shire of Sandstone community is 'a welcoming and friendly community recognising our rich heritage and embracing economic opportunity, whilst nurturing our natural and built environment'.

Beth Walton  
President

Harry Hawkins  
Chief Executive Officer

July 2017

## What is the Strategic Community Plan

The Strategic Community Plan is the highest-level planning document in the Integrated Planning and Reporting process. This Strategic Community Plan is designed to be a 'living' document that guides the development of the Shire of Sandstone community for at least the next ten years.

One of the key features of the strategic community planning process is community engagement and the part it plays in influencing the Shire's strategic direction as it seeks to achieve the community's long term vision and aspirations.

Strategic community planning is a recurring process, requiring constant refinement and review. Every second year a desktop review of this Strategic Community Plan is scheduled to occur which will alternate with a comprehensive review every four years to ensure the Strategic Community Plan remains in line with the community's vision, aspirations and objectives.

## How the Strategic Community Plan will be used

The Strategic Community Plan outlines how the Shire will, over the long term, work towards a brighter future for the Shire of Sandstone community as it seeks to achieve its vision inspired by the community's aspirations and objectives.

Looking to the future, the Strategic Community Plan will influence how the Shire uses its resources to deliver services to the community. The Strategic Community Plan forms the primary driver for all other planning undertaken by the Shire.

The Shire of Sandstone intends to use the Strategic Community Plan in several ways, including:

- Guide Council priority setting and decision making;
- Be a mechanism for the ongoing integration of local planning initiatives;
- Inform the decision making of other agencies and organisations, including community and State Government;
- Provide a rationale to pursue grants and other resources by demonstrating how specific projects align with the aspirations of our community, within the strategic direction of the Shire;
- Inform potential investors and developers of our community's key priorities, and the way we intend to grow and develop;
- Engage local businesses, community groups and residents in various ways to contribute to the Shire's future; and
- Provide a framework for monitoring progress against our vision.

Importantly, plans are only effective if adequate resources are dedicated to ensure they can be delivered.

The strategies are prioritised and actions applied (after a further assessment of available resources) through the development of a Corporate Business Plan. Strategic performance indicators will be used to report back to the community on the Shire's performance in achieving the outcomes.

## Integrated Planning and Reporting Framework

All Western Australian local governments are required to prepare a Plan for the Future for their district under *Section 5.56(1) of the Local Government Act 1995*. The Plan for the Future comprises the following two key strategic documents<sup>1</sup>, which a local government is required to have regard for when forming its annual budget.

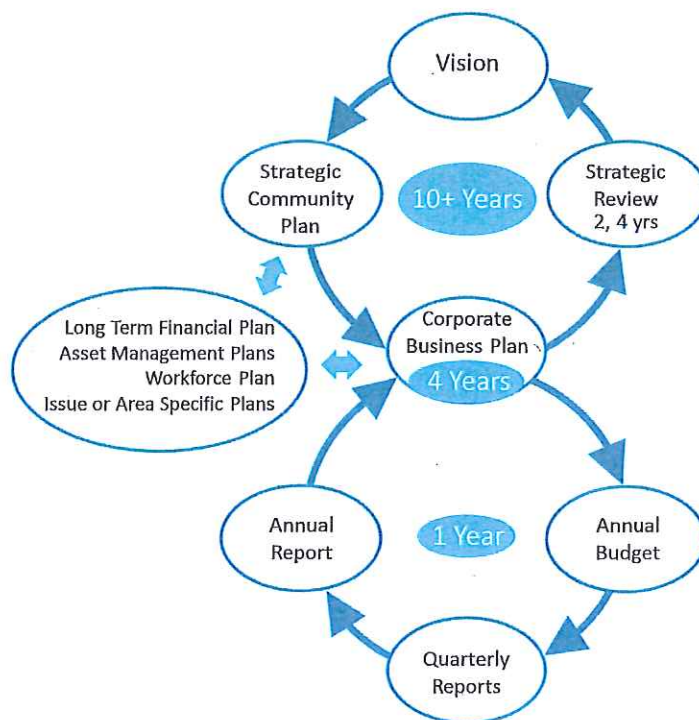
**Strategic Community Plan** – Council’s principal 10-year strategy and planning tool. It is the principal guiding document for the remainder of the Shire’s strategic planning as community engagement is central to this Strategic Community Plan.<sup>2</sup>

**Corporate Business Plan** – Council’s 4-year planning document. The core components of this Corporate Business Plan include a 4-year delivery program, aligned to the Strategic Community Plan and accompanied by 4-year financial projections.<sup>2</sup>

Development of the Strategic Community Plan and Corporate Business Plan is undertaken in accordance with the Integrated Planning and Reporting Framework and Guidelines. An essential element of the Integrated Planning and Reporting process is to enable community members and stakeholders to participate in shaping the future of the community and in identifying issues and solutions. It is designed to articulate the community’s vision, aspirations, outcomes and priorities for the future of the district.

Importantly, the Strategic Community Plan and Corporate Business Plan are informed by several other key plans and processes. The connection between the community and the Shire’s strategic plans, annual budget and corporate documents developed to guide the Shire in delivering services to the community are shown in the diagram below. The term of each key plan is shown in the blue circles.

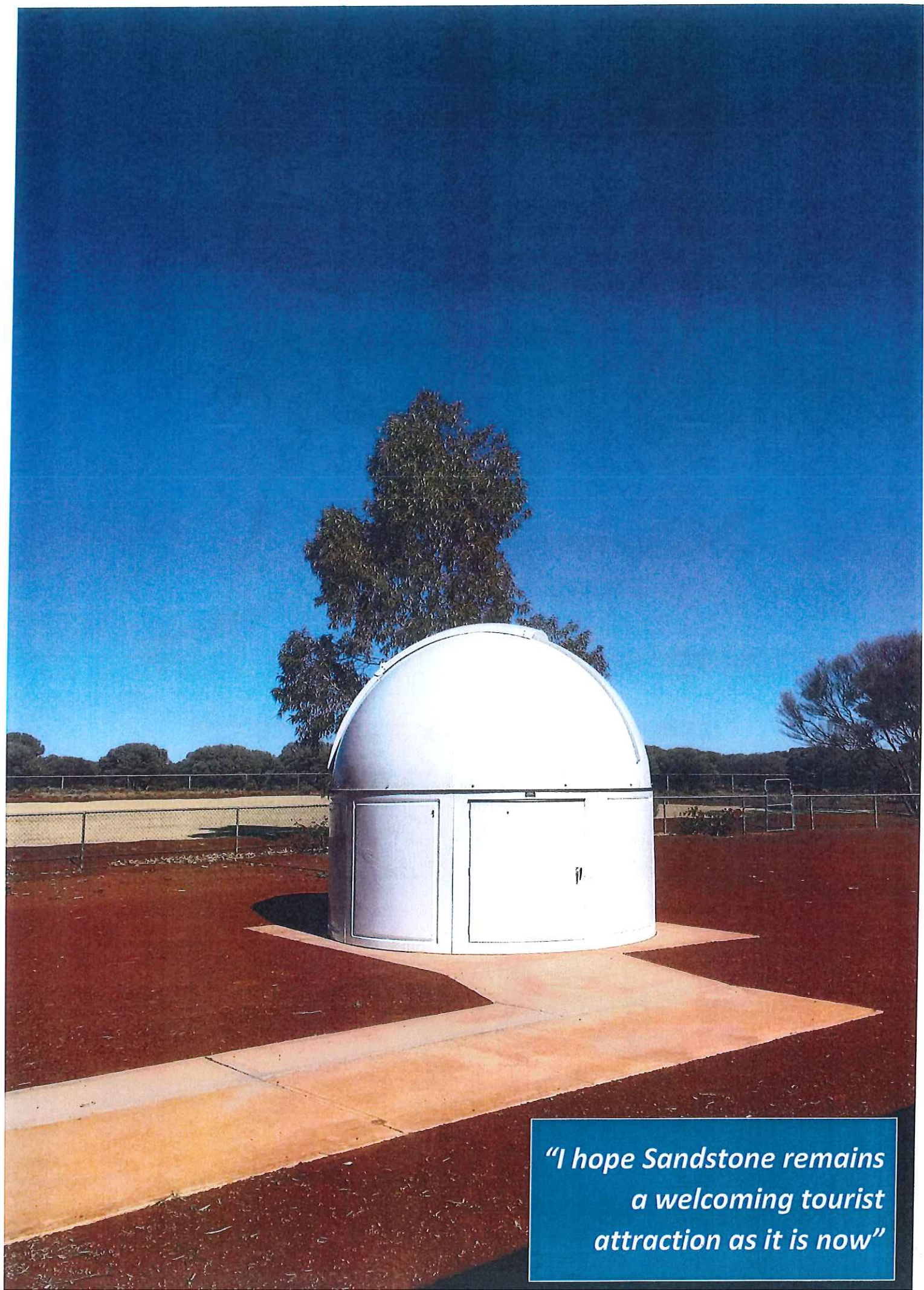
**Diagram: Integrated Planning and Reporting Cycle<sup>2</sup>**



<sup>1</sup>Local Government (Administration) Regulations 1996, Paragraph 19BA.

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





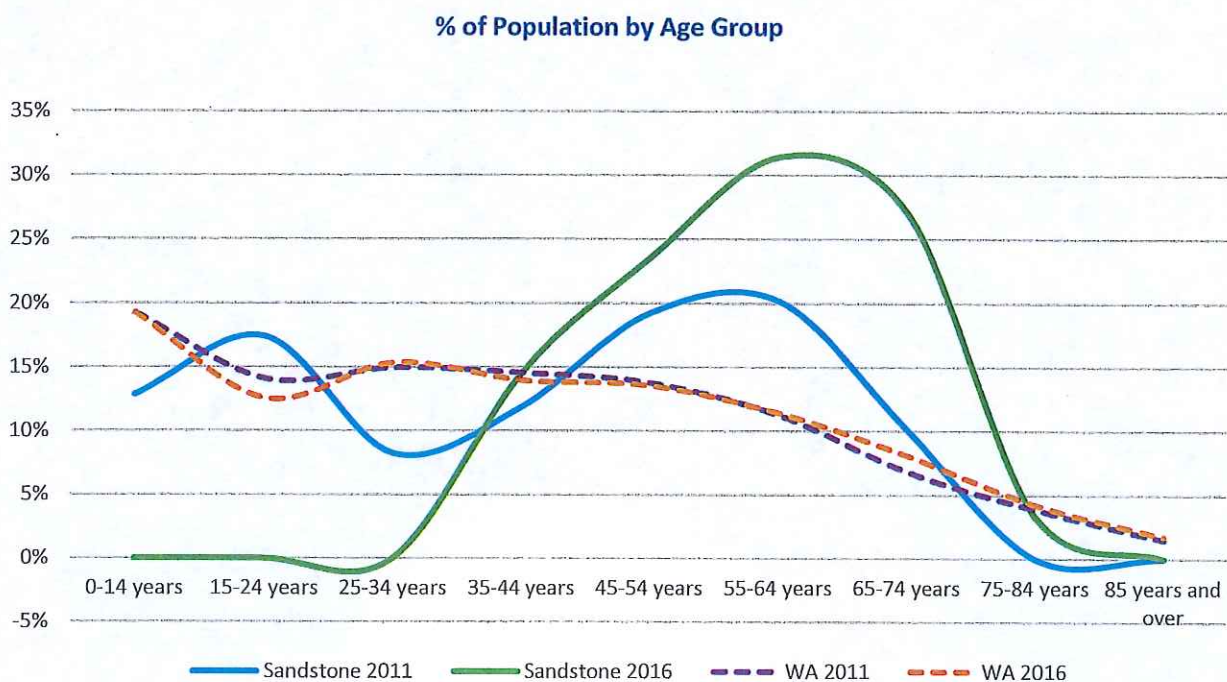
*"I hope Sandstone remains  
a welcoming tourist  
attraction as it is now"*



# Profile of the Shire of Sandstone

## Demographic Trend

In 2016, the Shire of Sandstone's population on the night of the census was 89<sup>3</sup>, with no significant variation forecast. The chart below reflects the percentage of the estimated resident population within each age grouping for the Shire of Sandstone (represented by the blue (2011) and green (2016) lines) and Western Australia (represented by the purple (2011) and orange (2016) dotted lines).



When comparing the Shire's demographic to Western Australia (reflected by the dotted orange and purple lines), the Shire has a lower proportion of residents in the 0-44 year old age bracket. The 2016 census indicated there are no residents under 35 years, and no education facilities are operating within the district. The percentage of the resident population from 45 to 84 years is noticeably higher than the State average with the percentage over 55 increasing from 2011 to 2015 by 28%.



# Sandstone Natural and Built Environment

## The Natural Landscape

Sandstone is a rural community located in the heart of the spectacular Murchison District, 742 km north-east of Perth in Western Australia. The Shire of Sandstone covers 32,605 square kilometres<sup>4</sup>.

Throughout the Sandstone area natural rock formations or breakaways contrast dramatically with the rust stained sandstone landscape which gives the town its name. The mainly flat surroundings of Sandstone and the distant horizons give the impression of a very large sky which provides that wide open and free feeling which one can only experience in the outback.

Sandstone is home to Australian wildlife such as emus, bungarras and kangaroos. It is not unusual to see a kangaroo hopping in the main street after dark.

The red terrain and the vivid blue of the mostly cloudless sky, enhances the natural beauty of this unique place. Sandstone is a wonderful, peaceful environment to experience the glory of the night skies. In the evenings you can witness the truly spectacular sunsets Sandstone has to offer. At night, far from the interference of city lights, the darkness of the outback makes Sandstone a great setting for stargazing and viewing the magnificent sky of the southern hemisphere. Sandstone also boasts a spectacular wildflower display in July to September when the landscape is transformed from red earth to a carpet of magnificent wildflower colours.

## The Built Environment

In 1894 Ernest Shillington and a number of fellow prospectors found gold about 20 kilometres southwest of the present town site.

For a period of six years from 1907 Sandstone was a large town of some 6,000 to 8,000 people. It had four hotels, four butchers, many cafes, stores and business houses, as well as a staffed police station and two banks. During this boom period, in July 1910, the railway came to the town. However by 1919 only 200 people remained and many buildings were pulled down and moved. Fortunately Sandstone was able to survive as a centre for the region's growing pastoral industry. In more recent times, gold-mining has re-emerged as Sandstone's principal industry.

The Shire has retained a number of heritage assets which draw many tourists, including the old police station, Sandstone Heritage Museum, National Hotel, primary school – originally the Warden's Court, Black Range Chapel and a historic miner's cottage. The Shire continues to maintain and develop these assets to service the community and visitors. The townsite is home to a nursing post, tea rooms, post office, Shire administration office, visitor information centre, hotel, onsite accommodation and caravan park.

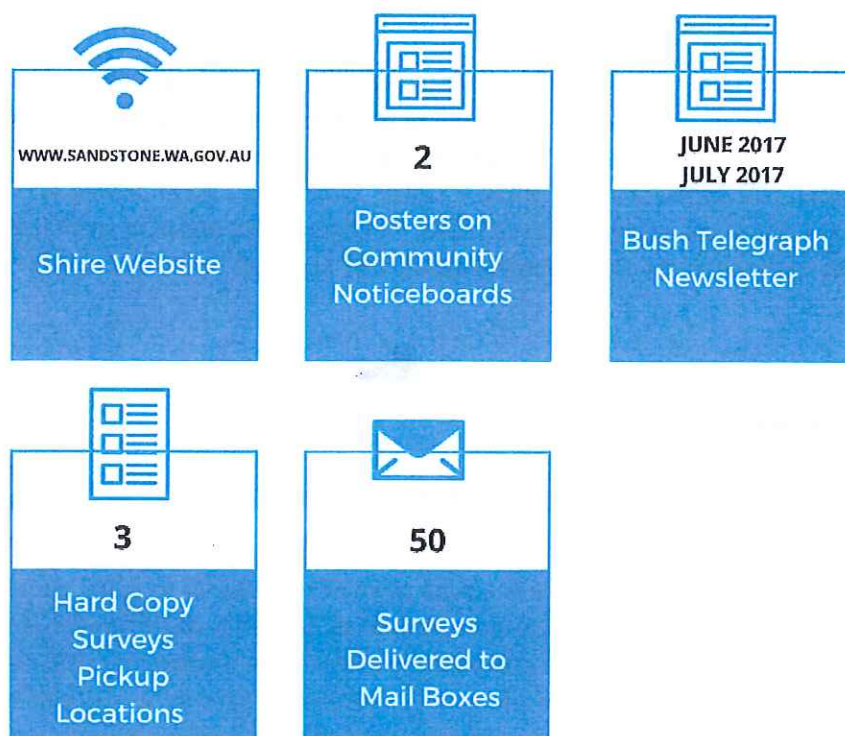
4 Australian Bureau of Statistics, Sandstone (5) (LGA57630) 2016 Census of Population and Housing, viewed 12 July 2017

## Community Engagement

The Strategic Community Plan review process commenced in May 2017 and sought to obtain the community's aspirations, vision and objectives for the future, as well as obtaining feedback in relation to Shire services and facilities.

The campaign was promoted and advertised in the local newsletter the Bush Telegraph, local noticeboards, the Shire of Sandstone website and included a link to the electronic survey form. The survey was mailed out to all residents and hardcopies were available at the Shire Office and Tourist Information Centre.

A summary of the community communications undertaken to seek community involvement is provided below.



A summary of the community engagement response is provided on the following page.

## Community Response

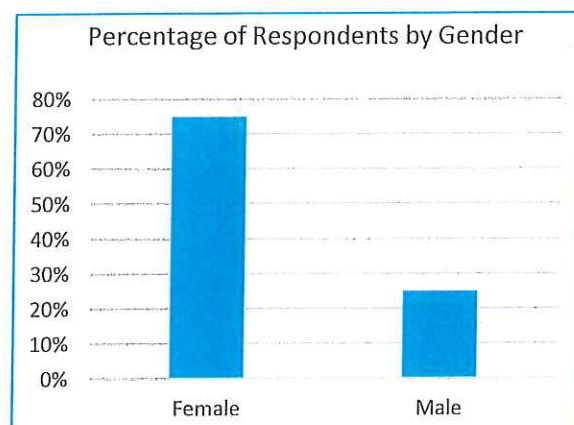
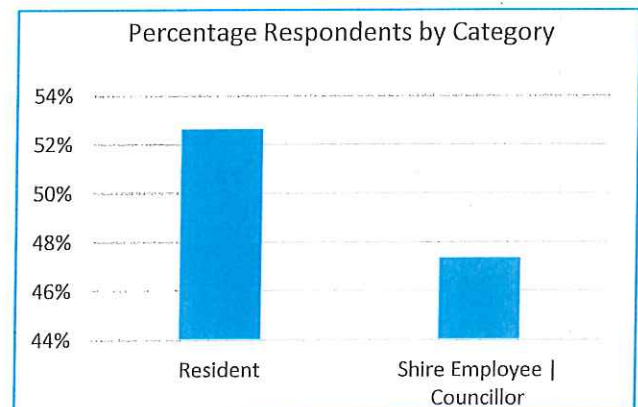
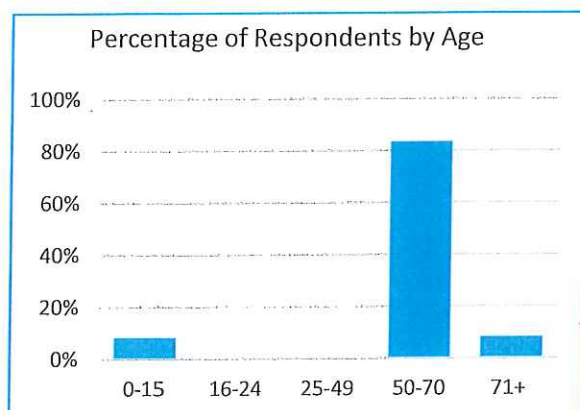
The community engagement provided valuable insight into the key issues and aspirations as identified by the residents and ratepayers. Importantly for the Council, these views have established and confirmed clear priorities and shaped the visions, values, objectives and strategies documented in this Strategic Community Plan.

A community workshop was held in Sandstone on 11 July 2017 at the Shire of Sandstone Council Chambers. Responses were received from 22 individuals, who either completed the survey or attended the community workshop.

A summary of the community responses received from the two engagement processes is provided below.



The community survey responses were from a range of age groups, gender and categories as represented in the charts below. All survey respondents identified as residents in the Shire of Sandstone.



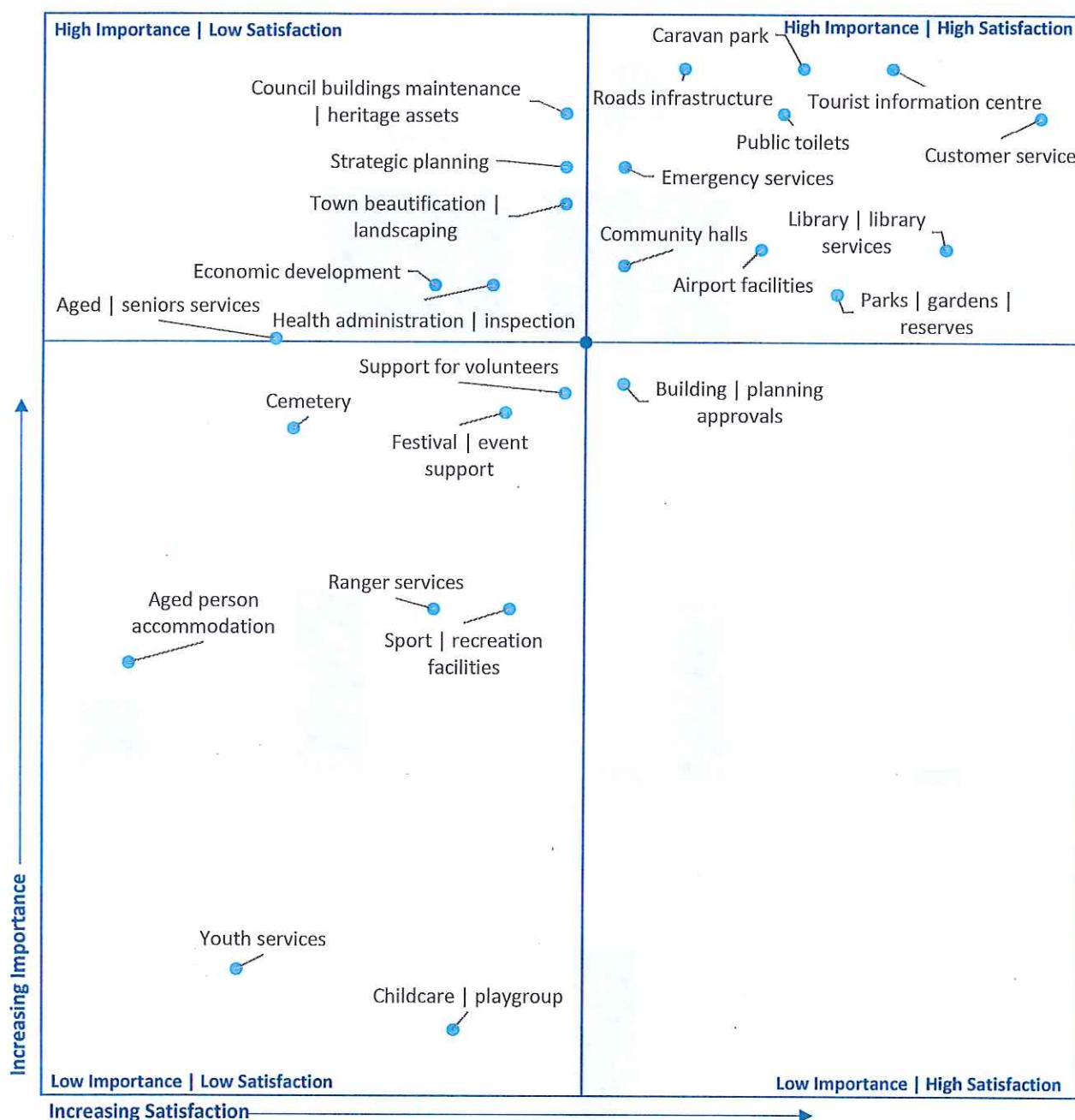


## Community Response (continued)

Survey respondents rated their perspective of the importance and their level of satisfaction with current and anticipated Shire services and facilities. Based on the survey results, the relative importance and satisfaction of various Shire services, community facilities and infrastructure was determined.

Services and facilities with a higher than average importance to the community are reflected in the top half of the chart below. Services and facilities the community is most satisfied with are reflected in the right half of the chart below.

### Relative Importance and Satisfaction with the Shire's Services and Facilities





## Structure of the Strategic Community Plan

Based on community engagement, the Strategic Community Plan sets out the vision for the Shire's future and captures the community's aspirations and values.

A strategic objective has been developed for each of four key themes of community interest, being:

- **Economic:** A prosperous, diverse and thriving local economy;
- **Environment:** A natural and built environment, recognising our heritage for the benefit of present and future generations;
- **Social:** A safe, welcoming and resilient community; and
- **Leadership:** Strong governance and leadership.

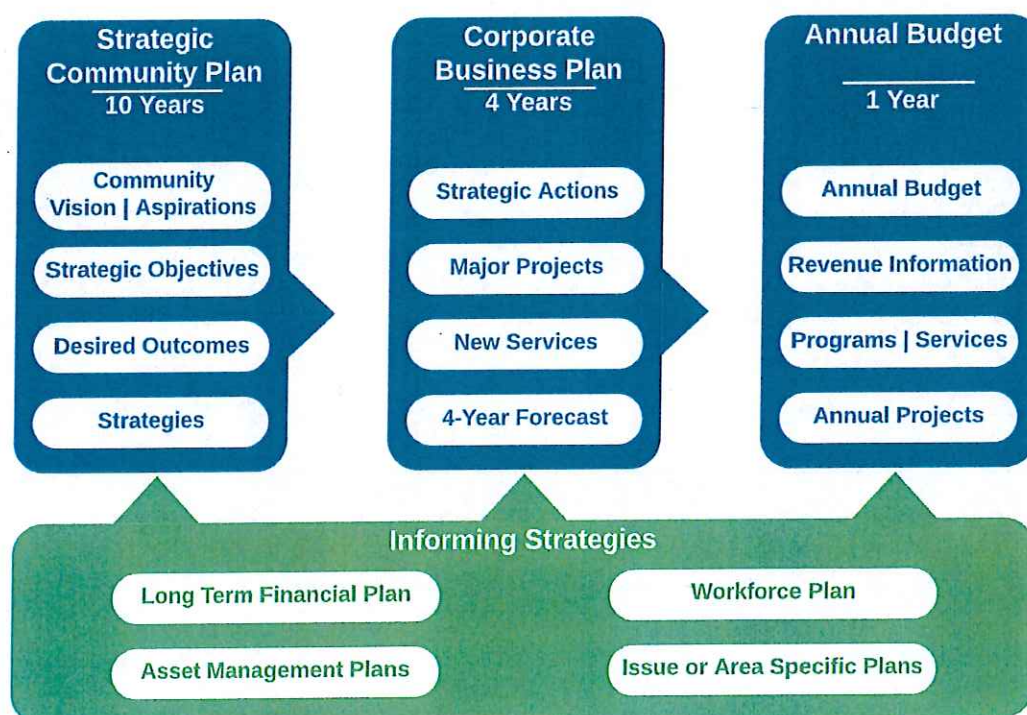
Desired outcomes for each objective have been determined and strategies to achieve the outcomes established. In undertaking the review, the Shire had regard for the community's feedback, current and future resources, strategic performance indicators and demographic trends. Commentary on each of these is provided within the Strategic Community Plan.

For each strategic objective, the following information has been provided:

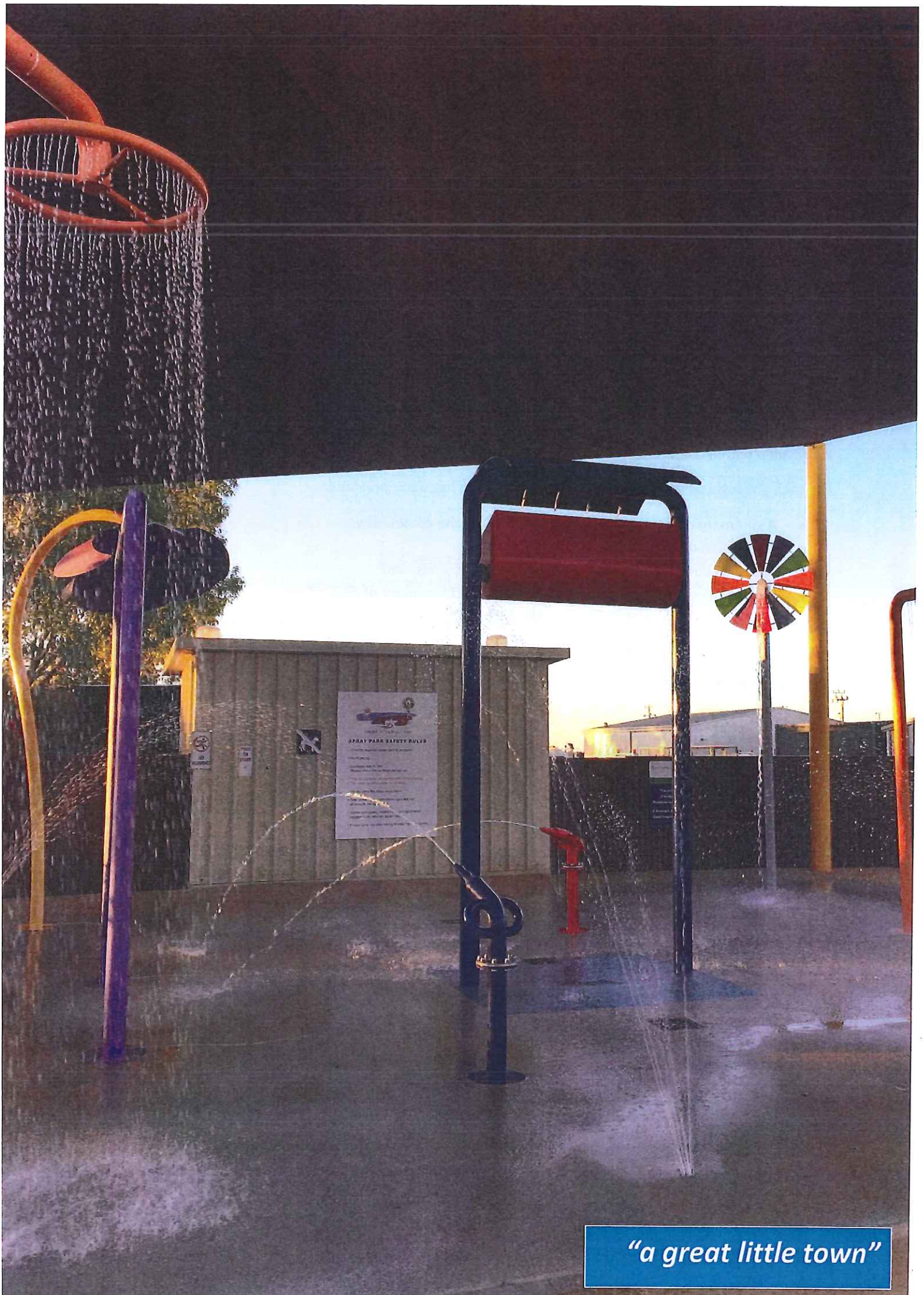
- A summary of the major issues highlighted by the community;
- A selection of community comments;
- Tables of strategies to achieve the desired outcomes; and
- Strategic performance indicators to monitor achievement of desired outcomes.

The structure of the Strategic Community Plan within the overall Integrated Planning and Reporting Framework and its relationship to the annual budget is represented in the diagram below.

**Diagram: The Integrated Planning Structure**







*"a great little town"*



## Objectives and Outcomes

Based on the community feedback received, the Shire of Sandstone has set out four key objectives within this Strategic Community Plan as it delivers services to the community. An objective has been defined for each of four key themes, being: social, economic, environment and leadership. Each of the four objectives has a number of desired outcomes the Shire is aiming to achieve over the 10+ years of this Strategic Community Plan.

The following summarises the desired outcomes of working toward the strategic objectives in achieving the vision and aspirations. The tables on the following pages detail the strategies developed to achieve these desired outcomes and the strategic performance indicators to provide a signal of whether the Shire is meeting the objectives and will be monitored and reported.



### ECONOMIC

*A prosperous, diverse and thriving local economy*

**Outcome 1.1**    **An attractive destination for visitors**

**Outcome 1.2**    **A diverse and stable economy**

**Outcome 1.3**    **An effective transport network**



### ENVIRONMENT

*A natural and built environment, recognising our heritage for the benefit of present and future generations*

**Outcome 2.1**    **An effectively managed natural environment**

**Outcome 2.2**    **A built environment supporting the community and retaining our heritage**



### SOCIAL

*A safe, welcoming and resilient community*

**Outcome 3.1**    **A welcoming and resilient community**

**Outcome 3.2**    **A healthy and safe community**



### LEADERSHIP

*Strong governance and leadership*

**Outcome 4.1**    **A strategically focussed Council**

**Outcome 4.2**    **An efficient and effective organisation**

As the Shire strives to achieve these outcomes, the community will be kept informed of the progress by means of the Annual Report.



### Comments from the Community:

*"we need to expand  
our heritage and  
visitors services"*

*"the outback and the  
serenity of our town is  
a great draw card for  
visitors"*

## Economic Objective

### A prosperous, diverse and thriving local economy

#### Community Feedback

The community recognise and value the mining and pastoral industries as the primary economic drivers for the district, with support for these essential for economic stability and growth. Maintaining existing business whilst supporting new development and industry is important to the community.

#### Economic Aspirations and Opportunities

Creating economic growth and employment opportunities is challenging for the district, with increased promotion of the region seen as a priority. Opportunities for promoting and attracting increased visitor numbers were identified by the community, with a desire to see further development.

Maintaining and improving the transport and communication network throughout the district is seen as essential to the continued economic prosperity.





## Economic Objective

### A prosperous, diverse and thriving local economy

The following outcomes and strategies have been identified to achieve this objective.

#### Outcome 1.1 An attractive destination for visitors

1.1.1

Provide quality tourism facilities, events and information

#### Outcome 1.2 A diverse and stable economy

1.2.1

Continue to provide support to existing businesses and those wishing to establish themselves in Sandstone

#### Outcome 1.3 An effective transport network

1.3.1

Enhance and maintain our transport network

#### Strategic Performance Indicators:

Visitor Numbers  
*(increasing)*

Road Expenditure  
*(in line with budget)*

Statutory Asset  
Management Ratios  
*(maintain healthy ratios)*



### Comments from the Community:

*"a tidy safe and  
friendly community  
with the peace and  
tranquillity that only  
the outback provides"*

*"beautiful sunsets and  
night sky surrounded  
by the bush with its  
diverse flora and  
fauna"*

## Environment Objective

**A natural and built environment, recognising our heritage  
for the benefit of present and future generations**

### Community Feedback

The community values the natural environment with native reserves, granite rocks, wildflowers, bird life and tree covered bushland blending with pastoral land.

Existing built infrastructure, including roads, parks, buildings and facilities contribute to a valued lifestyle and community life.

### Environment Aspirations and Opportunities

The community appreciate the local attractions, both the built heritage and natural environment and would like these to be protected and enhanced for the enjoyment of current and future generations.

Managing and enhancing the Shire's significant natural environment along with the built infrastructure are important to the community.



## Environment Objective

**A natural and built environment, recognising our heritage for the benefit of present and future generations**

The following outcomes and strategies have been identified to achieve this objective.

### **Outcome 2.1 An effectively managed natural environment**

<b>2.1.1</b>	Maintain environmental diversity and bio-security of the district
<b>2.1.2</b>	Effective and efficient resource utilisation
<b>2.1.3</b>	Efficient and effective waste management

### **Outcome 2.2 A built environment supporting the community and retaining our heritage**

<b>2.2.1</b>	Well maintained community infrastructure
<b>2.2.2</b>	Provide multi-purpose community facilities

### **Strategic Performance Indicators:**

**Compliance with Waste Management Regulations**  
*(maintain compliance)*

**Building Maintenance and Renewal**  
*(in line with budget)*





### Comments from the Community:

*"I enjoy the peace  
and tranquillity of our  
township and would  
like to see this  
remain"*

*"unique town,  
friendly people"*

## Social Objective

### A safe, welcoming and resilient community

#### Community Feedback

The residents highly value the strong sense of community displayed in the Shire of Sandstone. The relatively safe, peaceful and quiet atmosphere along with the strong volunteer spirit were highlighted as elements that make Sandstone special.

The medical and health services currently provided in Sandstone are viewed as very important. Due to the remote location and population size, the community recognise increased service provision is unlikely.

#### Social Aspirations and Opportunities

Retention of the strong sense of a community and welcoming spirit is of key importance, with an expressed wish to see more events organised during the year, encouraging engagement and attracting new residents and visitors to the district.

Retention of the medical and health services and accommodation are seen as essential to the district.





## Social Objective

### A safe, welcoming and resilient community

The following outcomes and strategies have been identified to achieve this objective.

#### Outcome 3.1 A welcoming and resilient community

3.1.1	Support for community events and groups
-------	---

#### Outcome 3.2 A healthy and safe community

3.2.1	Maintain and improve health care facilities and services
3.2.2	Maintain and promote a safe community

#### Strategic Performance Indicators:

**Website Activity**  
*(increase level of posts  
and engagement rate)*

**Provision of Health  
Services**  
*(maintain level of service)*



### Comments from the Community:

*"quiet little town,  
neat and tidy, great  
streetscape"*

*"good Shire services"*

## Leadership Objective

### Strong governance and leadership

#### Community Feedback

The community prides itself on offering a country lifestyle and a welcoming friendly environment. To retain these important traits, the community acknowledged that working together is essential.

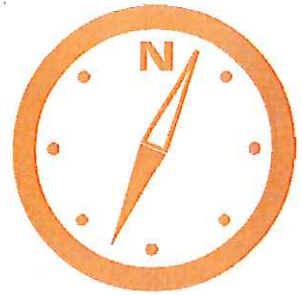
The community wants the Shire to continue to advocate for the maintenance and where possible increased services provision on its behalf.

#### Leadership Aspirations and Opportunities

The community would like the Shire to continue to service the needs of the district through the provision and delivery of a high level of governance and accountability.

The Council is committed to strategic forward thinking, strong representation and providing the community with leadership. We will proactively communicate and acknowledge local feedback to ensure the services we deliver are representative of our community's needs.

Opportunities exist to work to leverage partnerships through greater collaboration. A primary aim is to continually enhance community capacity and investment whilst maximising efforts to advocate and lobby for more funding, resources and better services.



## Leadership Objective

### Strong governance and leadership

The following outcomes and strategies have been identified to achieve this objective.

#### Outcome 4.1 A strategically focussed Council

- |       |   |
|-------|---|
| 4.1.1 | Engage and communicate with the community   |
| 4.1.2 | Strongly advocate for the Shire's interests |

#### Outcome 4.2 An efficient and effective organisation

- |       |  |
|-------|--|
| 4.2.1 | Provide appropriate services to the community in a professional and efficient manner |
|-------|--|

#### Strategic Performance Indicators:

Statutory Financial Ratios  
(maintain healthy ratios)

Employee Retention  
Rates  
(maintain / increase)

Currency of Strategic  
Plans and Reports  
(maintain currency)





← P. O. AGENCY P

SANDSTONE  
HERITAGE MUSEUM AND  
VISITOR CENTRE

*"a truly great place for  
tourists"*



## Services and Facilities

Services and facilities provided by the Shire have been linked with the relevant strategies in the Strategic Community Plan in the following table. The table provides a connection between the services and facilities and the desired outcomes and community vision for the Shire of Sandstone.

Services	Economic	Environment	Social	Leadership
Aged   seniors' services			3.1.1   3.2.1	4.1.2
Airport facilities	1.3.1			
Building   planning approvals				4.2.1
Caravan park	1.1.1	2.2.1		
Cemetery		2.2.1		
Council buildings maintenance   heritage assets		2.2.1		
Customer service				4.2.1
Economic development	1.1.1   1.2.1			4.1.2
Emergency services			3.1.1   3.2.2	
Festival   event support	1.1.1		3.1.1	
Health administration   inspection				4.2.1
Library   library services				4.2.1
Parks   gardens   reserves		2.2.1		
Public toilets		2.2.1		
Ranger services				4.2.1
Roads infrastructure	1.3.1			
Sport   recreation facilities		2.2.1   2.2.2	3.1.1	
Strategic planning				4.1.1   4.2.1
Support for volunteers			3.1.1	4.2.1
Tourist information centre	1.1.1			
Town beautification   landscaping	1.1.1	2.2.1		

## Resource Capacity

This Strategic Community Plan was developed with an understanding of the Shire's current resource capacity, including financial, workforce and asset resources. Whilst future resource capacity is not currently known, expected future resource capacity was considered in the development of this Strategic Community Plan.

At 30 June 2017, the Shire had the following estimated current resource profile<sup>5</sup>. Future resource capacity is partially dependent on other levels of government, however the following long term trends expected in each resource level are provided in the table below.

Resource	Current	Future Trend
Workforce	14 FTE	Stable
Infrastructure Assets	\$38.5m	Stable
Property, Plant and Equipment	\$9.4m	Stable
Cash Backed Reserves	\$5.0m	Increasing
Borrowings	\$0	Stable
Annual Rates Revenue	\$0.9m	Stable   Increasing
Annual Revenue	\$7.3m	Stable   Increasing
Annual Expenditure	\$4.2m	Stable   Increasing

Review and further development of Asset Management Plans, the Workforce Plan and Long Term Financial Plan will influence expected future resource levels for consideration during Corporate Business Planning and Annual Budget processes.

<sup>5</sup> Shire of Sandstone Draft Long Term Financial Plan 2017-2032

## Strategic Risk Management

It is important to consider the external and internal context in which the Shire of Sandstone operates, relative to risk, in order to understand the environment in which the Shire seeks to achieve its strategic objectives.

The external and internal factors identified and considered during the preparation of this Strategic Community Plan are set out below.

### External Factors

---

Increasing community expectations in relation to service levels and service delivery

---

Rapid changes in information technology changing the service delivery environment

---

Increased compliance requirements due to Government Policy and Legislation

---

Cost shifting by Federal and State Governments

---

Reducing external funding for infrastructure and operations

---

Changes in mining and pastoral practices and the associated social impacts

---

Climate change and subsequent response

---

### Internal Factors

---

The objectives and strategies contained in the Council's current Strategic Community Plan

---

The timing and actions contained in the Council's Corporate Business Plan

---

Organisational size, structure, activities and location

---

Human resourcing levels and staff retention

---

The financial capacity of the Shire

---

Allocation of resources to achieve strategic outcomes

---

Maintenance of corporate records

---





*"We strive towards being a thriving community that attracts visitors and encourage new businesses"*



## References and Acknowledgements

Acknowledgement and appreciation is expressed to the ratepayers and residents of the Shire of Sandstone for their time and effort in being a part of the community engagement process and for their invaluable input into the Strategic Community Plan.

The Shire of Sandstone Draft Strategic Community Plan 2017 – 2027, has been developed by engaging the community and other stakeholders. Council's Elected Members, management and staff have also had input to the development of the Strategic Community Plan. Much of the information contained in this Strategic Community Plan has been derived from documents in the public domain and liaison with key stakeholders and the community.

Reference to the following documents or sources were made during the preparation of the Strategic Community Plan:

- Shire of Sandstone Strategic Community Plan 2012 - 2022;
- Council website: [www.sandstone.wa.gov.au](http://www.sandstone.wa.gov.au);
- Australian Bureau of Statistics, Sandstone (S) (LGA 57630), 2016 Census of Population and Housing General Community Profile, viewed 12 July 2017; and
- Shire of Sandstone Annual Financial Report 2015 – 2016.

## Disclaimer

This Plan has been prepared for the exclusive use by the Shire of Sandstone.

This Plan contains quantitative and qualitative statements, including projections, estimates, opinions and forecasts concerning the anticipated future performance of the Shire of Sandstone, based on a large number of assumptions, and will be, subject to significant uncertainties and contingencies many, if not all, of which are outside the control of the Shire of Sandstone.

This Plan is supplied in good faith for public information purposes and the Shire accepts no responsibility for any loss occasioned by any person acting or refraining from action as a result of reliance on the Plan.

## Review of the Strategic Community Plan

In accordance with statutory requirements, the Strategic Community Plan is reviewed and updated on a 4-year review cycle including community consultation, with a desktop review being undertaken every 2 years.

## Document Management

Status: Draft | V1.2  
Date of Adoption:



For further details on the Strategic Community Plan please contact

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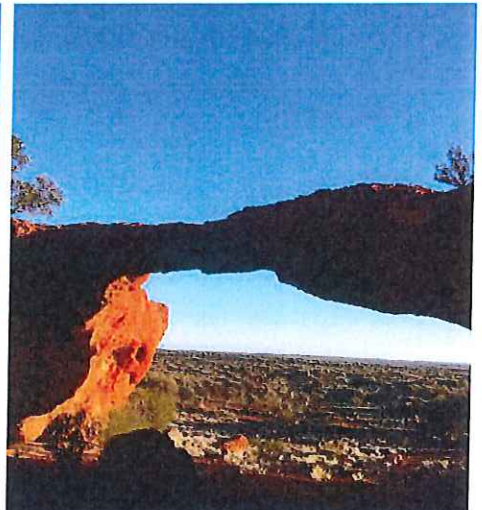
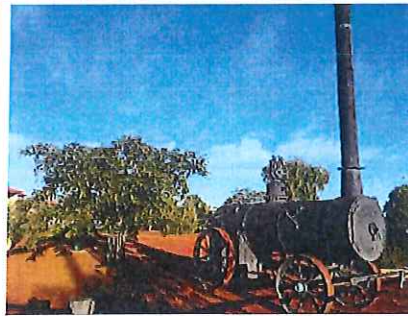
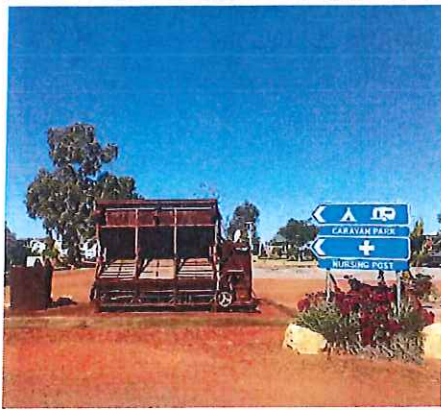






**SHIRE OF SANDSTONE**  
SERVE THE PEOPLE

# SHIRE OF SANDSTONE



# DRAFT CORPORATE BUSINESS PLAN 2017 - 2021



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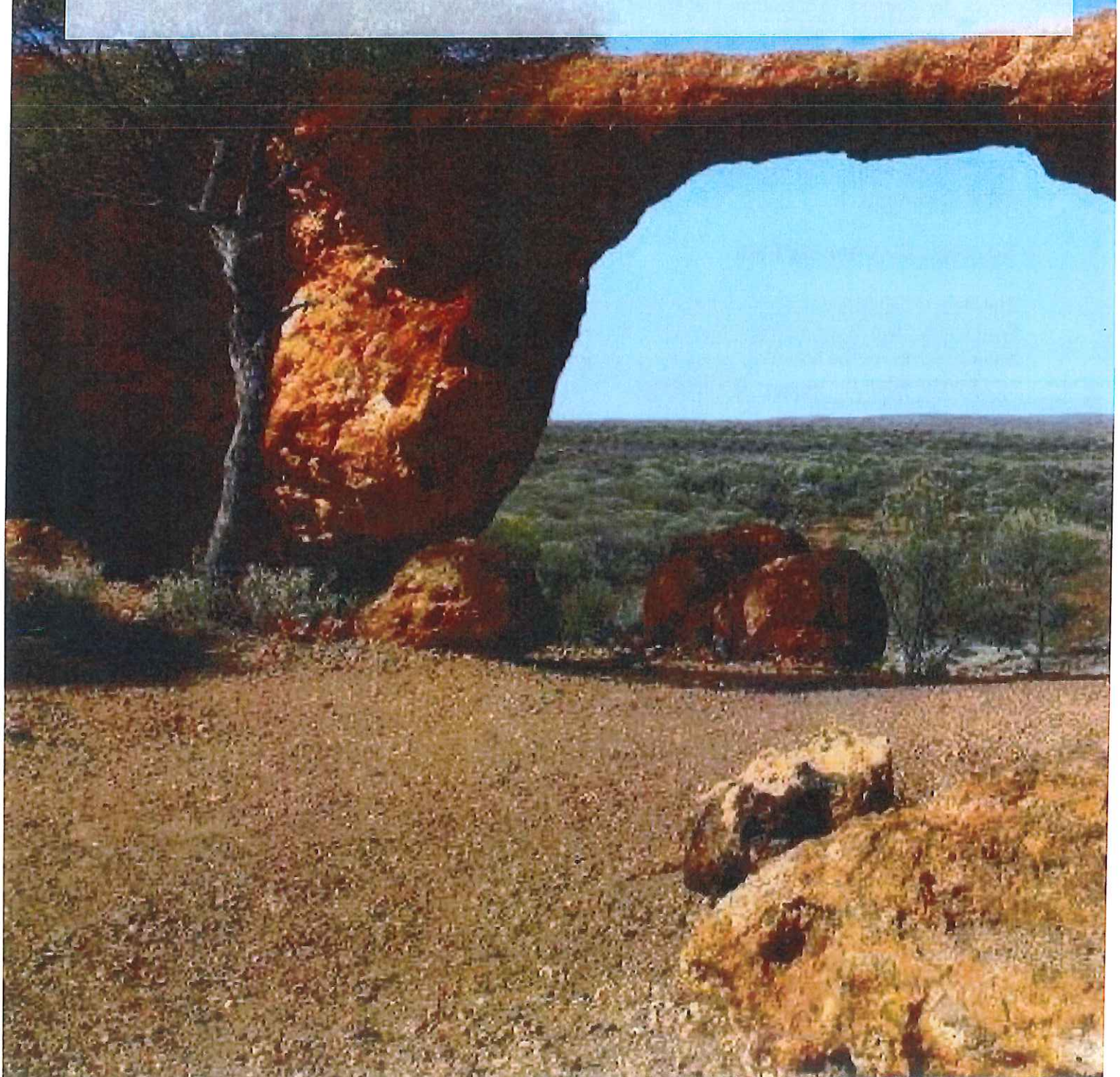
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# ***Our Vision***

***“A welcoming and friendly community  
recognising our rich heritage and  
embracing economic opportunity, whilst  
nurturing our natural and built  
environment”***





# Planning Framework

This Draft Corporate Business Plan 2017-2021, together with the Strategic Community Plan 2017-2027, comprise the Shire of Sandstone's Plan for the Future and have been prepared to achieve compliance with the *Local Government (Administration) Regulations 1996*.

Under *Local Government (Administration) Regulations 1996* Regulation 19DA (3), a Corporate Business Plan for a district is to:

- a) set out, consistently with any relevant priorities in the Strategic Community Plan, a local government's priorities for dealing with the objectives and aspirations of the community in the district; and
- b) govern a local government's internal business planning by expressing a local government's priorities by reference to operations that are within the capacity of the local government's resources; and
- c) develop and integrate matters relating to resources, including asset management, workforce planning and long-term financial planning.

In the preparation of the annual budget the local government is to have regard to the contents of the Plan for the Future to comply with Section 6.2(2) of the *Local Government Act 1995*.

Development of the Plan has also been influenced by the Department of Local Government, Sport and Cultural Industries.

## Strategic Community Plan

The Shire of Sandstone community had a strong involvement and voice in the development of the Strategic Community Plan. Commencing in May 2017, the community were invited to share their vision, aspirations and objectives for the future of the Shire of Sandstone, and the Plan has subsequently been reviewed and updated to reflect the community aspirations.

This information provided a valuable insight into the key issues and aspirations, as held by the local community. Importantly for the Council, these views have helped establish clear priorities and shaped the visions, values, objectives and strategies contained within the Draft Corporate Business Plan 2017-2021. The following four key strategic objectives are defined within the Plan.

- **Economic:** A prosperous, diverse and thriving local economy;
- **Environment:** A natural and built environment, recognising our heritage for the benefit of present and future generations;
- **Social:** A safe, welcoming and resilient community; and
- **Leadership:** Strong governance and leadership.



# Planning Framework (continued)

## Corporate Business Plan

Achieving the community's vision and the Shire's strategic objectives requires the development of actions to address each strategy contained within the Strategic Community Plan. Careful operational planning and prioritisation is required to achieve the objectives and desired outcomes due to the limited resources available. This planning process is formalised by the development of our Corporate Business Plan. The Corporate Business Plan then converts the Strategic Community Plan into action through the adoption of an Annual Budget.

Actions requiring funding will only be undertaken once approved within the statutory budget and subject to funding availability. Along with achieving the community aspirations and objectives, the Corporate Business Plan draws on information contained within the following strategic documents.

## Asset Management Plan

The Shire has developed Asset Management Plans for major asset classes in accordance with Council's Asset Management Policy. The Asset Management Plans form a component of an overall Asset Management Strategy which addresses the Shire's current asset management processes and sets out the steps required to continuously improve the management of Shire controlled assets.

Capital renewal estimates contained within the Asset Management Plans have been included to the extent the financial and workforce resources are available to enable the renewals to occur.

## Workforce Plan

The Workforce Plan provides the workforce management and resource strategies necessary to deliver the objectives, outcomes and strategies of the Shire's Strategic Community Plan.

Workforce issues have been considered during the development of this Corporate Business Plan and the financial impacts of the Workforce Plan captured within the Long Term Financial Plan. A combination of workforce and financial constraints has influenced the prioritisation of actions within this Plan.

## Long Term Financial Plan

The Shire of Sandstone is planning for a positive and financially stable future. The Shire seeks to maintain, and where possible, improve service levels into the future while maintaining a healthy financial position.

During the development of this Corporate Business Plan, the Long Term Financial Plan was updated to confirm the financial capability to undertake the planned actions and ensure integration. The results of this update are reflected within the forecast financial estimates on the following pages.

## Review of Plan

In accordance with statutory requirements, the Corporate Business Plan is reviewed and updated annually to assess the progress of projects and realign the Plan's actions and priorities based on current information and available funding. The review of this Plan occurred following a major review of the Strategic Community Plan in 2017.

The following Forecast Statement of Funding (operations) is extracted from the Long Term Financial Plan to provide an indication of the net funding available from operational activities. The forecast statement should be read in conjunction with the Long Term Financial Plan document and its underlying assumptions and predictions.

contracts	(8,308,704)	(1,744,459)	(10,053,163)
(electricity, gas, water etc.)	(124,111)	(1,174,459)	(1,298,570)
in non-current assets			
expense			
future			
			(72,557)
		(3,340,340)	(3,916,123)
	(5,326)	1,170,917	1,201,404
	596,227	618,290	635,774
	(237,099)	1,789,207	1,837,178



## Capital Program

A number of projects are forecast to be undertaken during the life of the Plan which result in capital expenditure. The activities are summarised below along with an indication of the forecast capital expenditure extracted from the Long Term Financial Plan.

Action	Project	2017-18 \$	2018-19 \$	2019-20 \$	2020-21 \$
2.2.2.1	Town Hall upgrade	30,870	30,000		
2.2.2.1	Old School upgrade	55,000			
2.2.1.2	Staff housing		250,000		
2.2.1.2	Buildings renewal		150,000	150,000	150,000
2.2.2.1	Bowling Green Renewal	235,580			
2.2.1.2	Furniture and equipment			7,000	7,000
1.3.1.2	Plant Replacement			390	449,209
2.2.1.5	Cemetery Plot numbers				
2.2.1.5	State Battery restoration				
2.2.1.2	Infrastructure - etc			40,000	40,000
1.1.1.8	Upgrade				
2.2.1.5	Rel	5,000			
1.1.1.7	Inte	10,000	10,000		
1.1.1.7	Deve			50,000	
2.1.3.3	Liquid disposal			20,000	
1.3.1.2	Road program				
1.3.1.2	Road program - Council Funded				
1.3.1.2	Road program - R2R	217,700		500,000	500,000
1.3.1.2	Road program - RRG	180,000	180,000	180,000	180,000
1.3.1.2	Road program - MRWA Direct	100,300	104,000	106,080	108,202
1.3.1.3	Upgrade Airstrip				
<b>Grand Total</b>		<b>889,595</b>	<b>1,695,956</b>	<b>2,220,470</b>	<b>1,434,411</b>

**TO BE FINALISED**



# Service Delivery

The Shire of Sandstone delivers services to its community in line with its mission, values and the four key strategic objectives set out within the Strategic Community Plan.

Each of the four objectives has several outcomes the Shire seeks to achieve over the 10+ years of the Strategic Community Plan. For each objective, one or more desired outcomes has been defined along with strategies to achieve these outcomes.

The outcomes were developed after considering the community engagement process and other external factors such as the available plans published by other government agencies.

The table below summarises the desired outcomes under each of the four key themes and strategic objectives.



## ECONOMIC

*A prosperous, diverse and thriving local economy*

**Outcome 1.1**    **An attractive destination for visitors**

**Outcome 1.2**    **A diverse and stable economy**

**Outcome 1.3**    **An effective transport network**



## ENVIRONMENT

*A natural and built environment, recognising our heritage for the benefit of present and future generations*

**Outcome 2.1**    **An effectively managed natural environment**

**Outcome 2.2**    **A built environment supporting the community and retaining our heritage**



## SOCIAL

*A safe, welcoming and resilient community*

**Outcome 3.1**    **A welcoming and resilient community**

**Outcome 3.2**    **A healthy and safe community**



## LEADERSHIP

*Strong governance and leadership*

**Outcome 4.1**    **A strategically focussed Council**

**Outcome 4.2**    **An efficient and effective organisation**

# Economic Objective



## A prosperous, diverse and thriving local economy

The following tables reflect the future actions to be undertaken for each strategy. The prioritisation of the actions is reflected by a square indicating when the action is planned to be undertaken.

### Outcome 1.1 An attractive destination for visitors

Strategy	Action No.	Actions	2017-18	2018-19	2019-20	2020-21	2021 Onwards
Provide quality tourism facilities, events and information	1.1.1.1	Continue to fund and manage the Sandstone Visitor Centre	■	■	■	■	→
	1.1.1.2	Obtain visitor centre accreditation	■				
	1.1.1.3	Work with our neighbouring communities to develop a regional tourism strategy	■	■			
	1.1.1.4	Seek RV friendly status and provide associated services	■	■	■	■	→
	1.1.1.5	Investigate options for new facilities, events and points of interest to help attract and retain tourists	■	■	■	■	→
	1.1.1.6	Provide and enhance visitor accommodation options within the townsite	■	■	■	■	→
	1.1.1.7	Upgrade trails interpretive signage and develop walk trails	■	■	■		
	1.1.1.8	Maintain and enhance current facilities, events and attractions	■	■	■	■	→

### Outcome 1.2 A diverse and stable economy

Strategy	Action No.	Actions	2017-18	2018-19	2019-20	2020-21	2021 Onwards
Continue to provide support to existing businesses and those wishing to establish themselves in Sandstone	1.2.1.1	Maintain availability of commercial, industrial and residential land	■	■	■	■	→
	1.2.1.2	Maintain relationships with mining operators for the communities benefit	■	■	■	■	→

### Outcome 1.3 An effective transport network

Strategy	Action No.	Actions	2017-18	2018-19	2019-20	2020-21	2021 Onwards
Enhance and maintain our transport network	1.3.1.1	Continue to seek funding for transport network	■	■	■	■	→
	1.3.1.2	Maintain, renew and upgrade transport network	■	■	■	■	→
	1.3.1.3	Upgrade/seal airstrip subject to funding	■	■			

# Environment Objective



## A natural and built environment, recognising our heritage for the benefit of present and future generations

The following tables reflect the future actions to be undertaken for each strategy. The prioritisation of the actions is reflected by a square indicating when the action is planned to be undertaken.

### Outcome 2.1 An effectively managed natural environment

Strategy	Action No.	Actions	2017-18	2018-19	2019-20	2020-21	2021 Onwards
Maintain environmental diversity and bio-security of the district	2.1.1.1	Support the improved conservation of our natural environs	■	■	■	■	→
	2.1.1.2	Support bio-security measures	■	■	■	■	→
	2.1.1.3	Support control of domestic and feral animals	■	■	■	■	→
Effective and efficient resource utilisation	2.1.2.1	Maintain and seek efficient use of energy sources	■	■	■	■	→
	2.1.2.2	Lobby for increased water supply quality	■	■	■	■	→
	2.1.2.3	Promote and maintain efficient use and management of water resources including rainfall harvesting	■	■	■	■	→
Efficient and effective waste management	2.1.3.1	Continue to provide an effective waste management and bio-remedial service	■	■	■	■	→
	2.1.3.2	Promote waste minimisation strategies	■	■	■	■	→
	2.1.3.3	Investigate and provide liquid waste disposal options	■	■	■	■	→



## Environment Objective (continued)



### Outcome 2.2 A built environment supporting the community and retaining our heritage

Strategy	Action No.	Actions	2017-18	2018-19	2019-20	2020-21	2021 Onwards
Well maintained community infrastructure	2.2.1.1	Enhance and provide well maintained and presented town gardens, parks and public areas	■	■	■	■	→
	2.2.1.2	Regular inspection and maintenance of community buildings and infrastructure	■	■	■	■	→
	2.2.1.3	Develop a Town Centre Enhancement Plan (landscaping, kerbing, multi-use paths)		■			
	2.2.1.4	Upgrade and maintain sporting facilities	■	■	■	■	→
	2.2.1.5	Enhance and maintain heritage assets	■	■	■	■	→
Provide multi-purpose community facilities	2.2.2.1	Redevelop and maintain multi-use facilities including the existing old Shire Offices and School	■	■	■	■	→



# Social Objective

## A safe, welcoming and resilient community

The following tables reflect the future actions to be undertaken for each strategy. The prioritisation of the actions is reflected by a square indicating when the action is planned to be undertaken.

### Outcome 3.1 A welcoming and resilient community

Strategy	Action No.	Actions	2017-18	2018-19	2019-20	2020-21	2021 Onwards
Support for community events and groups	3.1.1.1	Support and promote community events	■	■	■	■	→
	3.1.1.2	Provide facilities, services and support for community and sporting groups	■	■	■	■	→
	3.1.1.3	Support emergency services and encourage community volunteers	■	■	■	■	→

### Outcome 3.2 A healthy and safe community

Strategy	Action No.	Actions	2017-18	2018-19	2019-20	2020-21	2021 Onwards
Maintain and improve health care facilities and services	3.2.1.1	Identify and support health services / facilities to meet community needs	■	■	■	■	→
	3.2.1.2	Improve access to health and medical service by encouraging use of new technologies	■	■	■	■	→
	3.2.1.3	Continue to support the Sandstone Nursing Post and visiting Practitioners such as the RFDS and specialist service providers including physiotherapy, podiatry, optometry and dentistry	■	■	■	■	→
Maintain and promote a safe community	3.2.2.1	Maintain community safety infrastructure	■	■	■	■	→
	3.2.2.2	Support and participate in the local emergency management committee	■	■	■	■	→



# Leadership Objective

## Strong governance and leadership

The following tables reflect the future actions to be undertaken for each strategy. The prioritisation of the actions is reflected by a square indicating when the action is planned to be undertaken.

### Outcome 4.1 A strategically focussed Council

Strategy	Action No.	Actions	2017-18	2018-19	2019-20	2020-21	2021 Onwards
Engage and communicate with the community	4.1.1.1	Ongoing communication and engagement with the community	■	■	■	■	→
	4.1.1.2	Provide and encourage leadership within the community	■	■	■	■	→
	4.1.1.3	Provide long term strategic leadership	■	■	■	■	→
Strongly advocate for the Shire's interests	4.1.2.1	Continue to lobby and advocate on behalf of the community	■	■	■	■	→
	4.1.2.2	Advocate for maintenance and improvement of State Government services	■	■	■	■	→

### Outcome 4.2 An efficient and effective organisation

Strategy	Action No.	Actions	2017-18	2018-19	2019-20	2020-21	2021 Onwards
Provide appropriate services to the community in a professional and efficient manner	4.2.1.1	Continue to deliver quality local government services and facilities and maintain a high level of compliance	■	■	■	■	→
	4.2.1.2	Continue to promote the Shire through various media and publish the Bush Telegraph	■	■	■	■	→
	4.2.1.3	Community volunteers continue to be supported and acknowledged	■	■	■	■	→
	4.2.1.4	Maintain a high standard of customer service with a can-do attitude	■	■	■	■	→
	4.2.1.5	Provide professional development opportunities for elected members and staff	■	■	■	■	→
	4.2.1.6	Maintain long term strategic planning and management	■	■	■	■	→
	4.2.1.7	Maintain a safe work environment	■	■	■	■	→
	4.2.1.8	Provide effective regulatory and compliance services	■	■	■	■	→
	4.2.1.9	Investigate requirements for additional services to the community	■	■	■	■	→



# Measuring Success

The intended outcome of this Plan is to align the community's visions and aspirations for the future of the Shire of Sandstone to the Shire's objectives. Success will be measured by both quantifiable and non-quantifiable outcomes.

Strategic performance indicators provide an indication of whether the Shire is meeting the objectives and will be monitored and reported. The strategic performance indicators and desired trend for each objective are provided in the table below.



## ECONOMIC

*A prosperous, diverse and thriving local economy*

Performance Indicator	Desired Trend
Visitor Numbers	<i>Increasing</i>
Road Expenditure	<i>In line with budget</i>
Statutory Asset Management Ratios	<i>Maintain healthy ratios</i>



## ENVIRONMENT

*A natural and built environment, recognising our heritage for the benefit of present and future generations*

Performance Indicators	Desired Trend
Compliance with Waste Management Regulations	<i>Maintain compliance</i>
Building Maintenance and Renewal	<i>In line with budget</i>



## SOCIAL

*A safe, welcoming and resilient community*

Performance Indicator	Desired Trend
Website Activity	<i>Increase level of posts and engagement rate</i>
Provision of Health Services	<i>Maintain level of service</i>



## LEADERSHIP

*Strong governance and leadership*

Performance Indicator	Desired Trend
Statutory Financial Ratios	<i>Maintain healthy ratios</i>
Employee Retention Rates	<i>Maintain / increase</i>

## Services and Facilities

Services and facilities provided by the Shire have been linked with the relevant strategies in the Plan in the following table. The table provides a connection between the services and facilities and the desired outcomes and community vision for the Shire of Sandstone.

Services	Economic	Environment	Social	Leadership
Aged   seniors' services			3.1.1   3.2.1	4.1.2
Airport facilities	1.3.1			
Building   planning approvals				4.2.1
Caravan park	1.1.1	2.2.1		
Cemetery		2.2.1		
Council buildings maintenance   heritage assets		2.2.1		
Customer service				4.2.1
Economic development	1.1.1   1.2.1			4.1.2
Emergency services			3.1.1   3.2.2	
Festival   event support	1.1.1		3.1.1	
Health administration   inspection				4.2.1
Library   library services				4.2.1
Parks   gardens   reserves		2.2.1		
Public toilets		2.2.1		
Ranger services				4.2.1
Roads infrastructure	1.3.1			
Sport   recreation facilities		2.2.1   2.2.2	3.1.1	
Strategic planning				4.1.1   4.2.1
Support for volunteers			3.1.1	4.2.1
Tourist information centre	1.1.1			
Town beautification   landscaping	1.1.1	2.2.1		

# Strategic Risk Management

It is important to consider the external and internal context in which the Shire of Sandstone operates, relative to risk, in order to understand the environment in which the Shire seeks to achieve its strategic objectives.

The external and internal factors identified and considered during the preparation of this Strategic Community Plan are set out below.

## External Factors

---

Increasing community expectations in relation to service levels and service delivery

---

Rapid changes in information technology changing the service delivery environment

---

Increased compliance requirements due to Government Policy and Legislation

---

Cost shifting by Federal and State Governments

---

Reducing external funding for infrastructure and operations

---

Changes in mining and pastoral practices and the associated social impacts

---

Climate change and subsequent response

---

## Internal Factors

---

The objectives and strategies contained in the Council's current Strategic Community Plan

---

The timing and actions contained in the Council's Corporate Business Plan

---

Organisational size, structure, activities and location

---

Human resourcing levels and staff retention

---

The financial capacity of the Shire

---

Allocation of resources to achieve strategic outcomes

---

Maintenance of corporate records

---



## References and Acknowledges

Reference to the following documents or sources were made during the preparation of the Corporate Business Plan:

- Shire of Sandstone Draft Strategic Community Plan 2017 - 2027;
- Council website: [www.sandstone.wa.gov.au](http://www.sandstone.wa.gov.au);
- Shire of Sandstone Corporate Business Plan 2013 – 2017;
- Shire of Sandstone, Draft Strategic Resource Plan 2017-2032; and
- Shire of Sandstone Annual Financial Report 2015 – 2016.

### Disclaimer

This Plan has been prepared for the exclusive use by the Shire of Sandstone.

This Plan contains quantitative and qualitative statements, including projections, estimates, opinions and forecasts concerning the anticipated future performance of the Shire of Sandstone, based on a large number of assumptions, and will be, subject to significant uncertainties and contingencies many, if not all, of which are outside the control of the Shire of Sandstone.

This Plan is supplied in good faith for public information purposes and the Shire accepts no responsibility for any loss occasioned by any person acting or refraining from action as a result of reliance on the Plan.

### Review of the Corporate Business Plan

In accordance with statutory requirements, the Corporate Business Plan is reviewed and updated on an annual review cycle. Actions requiring funding will only be undertaken once approved within the statutory budget and subject to funding availability.

### Document Management

Status: Draft | V1.1

Date of Adoption:



For further details on the Corporate Business Plan please contact

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# SHIRE OF SANDSTONE

## Draft Strategic Resource Plan

2017 - 2032

(Incorporating Asset Management Planning and  
Long Term Financial Planning)

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## 1.0 Foreword

We are pleased to present to the community the Shire of Sandstone Draft Strategic Resource Plan for 2017 - 2032.

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

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

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

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

This Plan will be used with the Corporate Business Plan and Workforce Plan to achieve our goals and drive the Shire in achieving its vision of "A welcoming and friendly community recognising our rich heritage and embracing economic opportunity, whilst nurturing our natural and built environment".

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.

Beth Walton  
Shire President

Harry Hawkins  
Chief Executive Officer

## 2.0 Planning Overview

### 2.1 Planning for a Sustainable and Stable Future

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

### 2.2 Planning Process

Based on the 2016 audited Annual Financial Report and 2016-17 Annual Budget, a financial baseline was determined for operating revenue and expenditure. Modifications to this baseline were made over the 15 year term to predict forecast changes in operating revenue and expenditure.

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.

By adjusting the estimated useful life of assets, modelling was undertaken to ensure adequate long term funding for asset maintenance and renewal.

Detailed long term planning is required for the renewal of building assets (particularly those identified by the Shire as critical) 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 undertaken utilising 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.

### 2.3 Critical Assets

Selected assets have been classified in the Plan as 'critical' to the Shire's capacity to meet community service expectations, achieve the community vision and comply with statutory obligations. Ensuring adequate future funding for the appropriate maintenance and renewal of critical assets is a key asset management challenge facing the Shire and was a significant planning consideration in the development of this Plan.

As part of the planning process, the following assets were identified as critical:

- Depot;
- Shire Administration Building; and
- Regional and Local Distributor Roads.

Where resources are limited, critical assets have been prioritised in the planning process to help minimise the risk of sudden unexpected failure of these assets.



## 3.0 Strategic Overview

### 3.1 Forecast Significant Events

Road maintenance and road renewal remain a high priority for the Shire due to the strategic economic benefit the road network provides to the district. Road renewals are prioritised based on a road hierarchy with regional and local distributor roads taking priority over local access roads. Although of high importance, adequate maintenance, renewal and upgrading of the road network remains highly dependent on the receipt of external grants and contributions.

Buildings classified as critical in the Plan have been prioritised for maintenance expenditure.

### 3.2 Asset Management Strategy

Recognising a large 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 focussing resources and efforts on a small number of key critical assets, the Shire has achieved targeted asset management outcomes integrated with financial planning within its forecast financial capacity.

### 3.3 Financial Management Strategy

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 marginally higher than the consumer price index (CPI) are forecast to occur combined with the maintenance of operating expenditure in line with the CPI forecast.

Forecast planned asset renewals for the term of the Plan are provided in the table below along with the forecast required asset renewals to maintain services in future. 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. These are provided in the table below with the asset renewal surplus/(deficit) column representing the difference between the planned and required asset renewals. A number of assumptions and estimates have been utilised in arriving at these values and actual events may vary significantly from those provided.

Year	Planned Asset Renewal \$	Required Asset Renewal \$	Asset Renewal Surplus/(Deficit) \$
2017-18	889,595	3,964,357	(3,074,762)
2018-19	2,673,467	2,673,484	(17)
2019-20	2,951,695	2,130,722	820,973
2020-21	2,362,154	3,097,121	(734,967)
2021-22	2,447,008	2,676,039	(229,031)
2022-23	2,613,308	1,060,689	1,552,619
2023-24	2,561,428	2,174,681	386,747
2024-25	2,812,320	2,961,908	(149,588)
2025-26	2,669,844	2,406,077	263,767
2026-27	2,972,817	2,276,627	696,190
2027-28	2,920,227	5,304,798	(2,384,571)
2028-29	2,693,314	2,772,235	(78,921)
2029-30	2,909,079	5,841,664	(2,932,585)
2030-31	2,697,121	4,078,137	(1,381,016)
2031-32	3,125,233	2,111,831	1,013,402
Total	39,298,610	45,530,369	(6,231,759)



## 3.0 Strategic Overview (Continued)

### 3.3 Financial Management Strategy (Continued)

No borrowings are outstanding at the commencement of the Plan and no new borrowings have been included within the Plan. This permits the Shire to respond to sudden or unexpected expenditure requirements or the loss of planned external grant contributions. This strategy also provides scope to leverage off future grant funding opportunities when, and if, they become available. The strategy also includes the use of cash backed reserves to save for significant future asset renewal spikes.

### 3.4 Key Assumptions

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

- The Shire population is forecast to remain stable;
- The Shire will maintain its current service levels and, where financially prudent, increase services;
- The level of grants and contributions for capital projects and operations will remain relatively stable over the term of the Plan;
- The region and State economy will remain stable for the long term; and
- Assets are expected to be adequately maintained and continue to provide existing levels of service.

For a detailed analysis of all assumptions and their associated risks please refer to section 13.0.

## 4.0 Community Profile, Vision and Objectives

### 4.1 Community

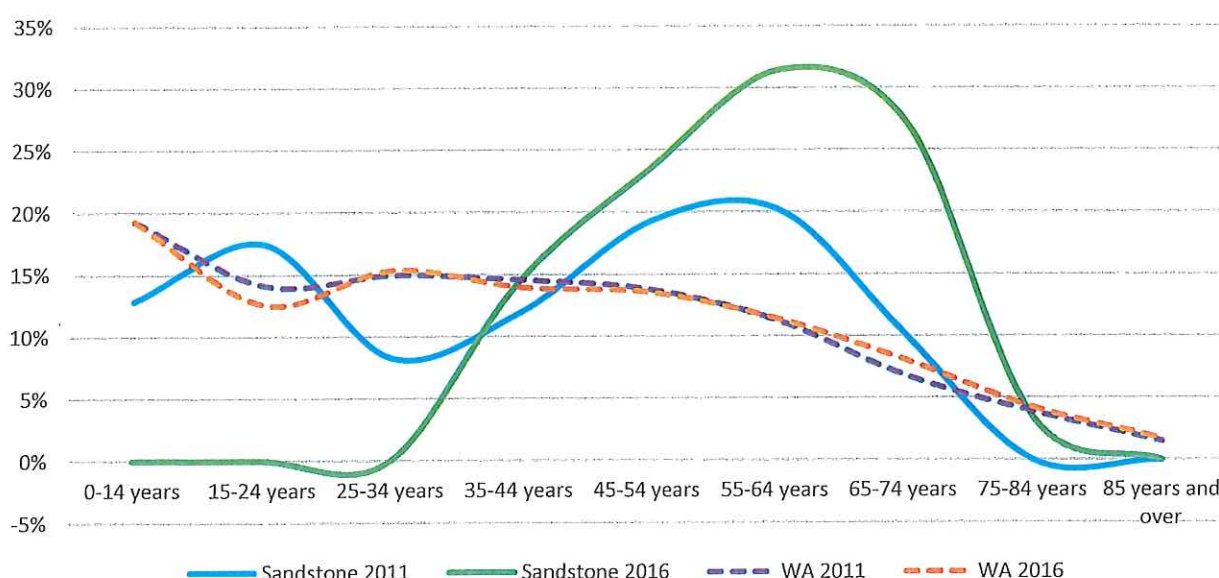
Sandstone is a rural community located in the heart of the spectacular Murchison District, 742 km north-east of Perth in Western Australia. The Shire of Sandstone covers 32,605 square kilometres. In 2016, the Shire of Sandstone's population on the night of the census was 89<sup>1</sup>, with no significant variation forecast.

Sandstone as a townsite was established in the early 1900's and rapidly grew to a population of 8000 due to a gold mining boom. However, by 1919 only 200 people remained, Sandstone was able to survive as a centre for the region's growing pastoral industry. In more recent times, gold-mining has re-emerged as Sandstone's principal industry.

The Shire has retained a number of heritage assets which draw many tourists, these include the old police station, Sandstone Heritage Museum, National Hotel, primary school – originally the Warden's Court, Black Range Chapel and a historic miner's cottage. The Shire continues to maintain a number of assets to service the community and visitors. The town is currently home to a nursing post, tea rooms, post office, Shire administration office, visitor information centre, hotel, onsite accommodation and caravan park.

### 4.2 Shire of Sandstone Resident Population by Age Group

When compared to the State population average, the Shire has a lower percentage of residents under 54 than the State average with no residents under 24 years. The Shire also has a higher percentage of the population over 55 years of age than the average State percentage, with a significant increase in the percentage of the population aged between 55 to 74 between the 2011 and 2016 census. This may be due to the combination of long term residents remaining in the Shire and people of this age group choosing to settle in the area for the lifestyle. Consideration of the service and infrastructure requirements of this ageing population is important when planning for the future.



When comparing the Shire's demographic to Western Australia (reflected by the dotted orange and purple lines), the Shire has a lower proportion of residents in the 0-44 year old age bracket. There is currently no local education facilities operating, with the 2016 census indicating there are no residents under 35 years. The percentage of the resident population from 45 to 84 years is noticeably higher than the State average with the percentage over 55 increasing from 2011 to 2015 by 28%.

<sup>1</sup> Australian Bureau of Statistics, Sandstone (S) (LGA57630) 2016 Census of Population and Housing, viewed 12 July 2017

## 4.0 Community Profile, Vision and Objectives (Continued)

### 4.3 Vision

The Shire's strategic vision:

*"A welcoming and friendly community recognising our rich heritage  
and embracing economic opportunity,  
whilst nurturing our natural and built environment"*

### 4.4 Strategic Objectives

The following key objectives are captured in the Shire's Strategic Community Plan and considered within the Strategic Resource Plan:

- **Economic:** A prosperous, diverse and thriving local economy;
- **Environment:** A natural and built environment, recognising our heritage for the benefit of present and future generations;
- **Social:** A safe, welcoming and resilient community; and
- **Leadership:** Strong governance and leadership.



## 5.0 Key Current Information

### 5.1 Key Statistics: Shire of Sandstone 2016<sup>2</sup>

Number of Elected Members	6
Number of Employees	14
Number of Electors	70
Number of Dwellings	78
Distance from Perth (km)	724
Area (sq km) <sup>3</sup>	32,605
Population (Est.) <sup>3</sup>	89

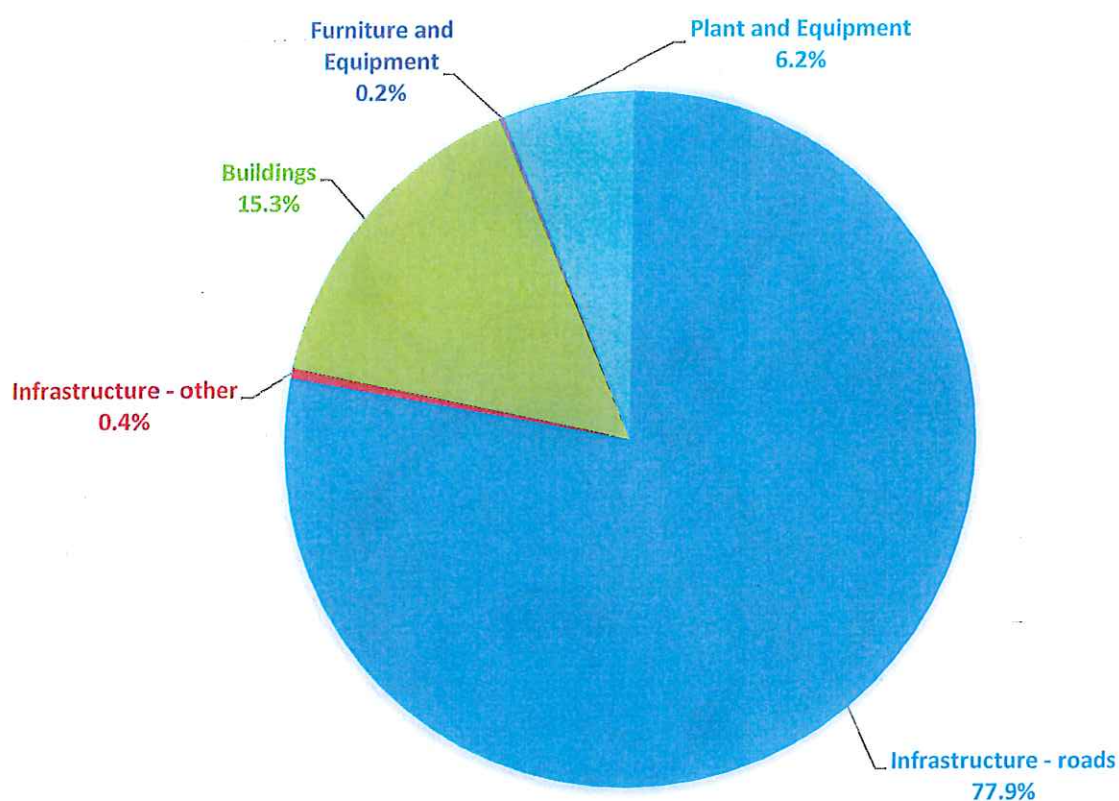
### 5.2 Key Financial Information 2015-16<sup>4</sup>

Rates Revenue	\$981,003
Fees and Charges	\$211,318
Operating Revenue	\$4,917,706
Operating Expenditure	\$6,406,385
Net Assets	\$49,089,272
Cash Backed Reserves	\$5,064,017
Long Term Borrowings	\$0

### 5.3 Key Asset Information

The Shire controls an asset network with a written down value of over \$49m, of which Roads and Buildings constitute the largest component value as reflected in the chart below.

#### 5.3.1 Asset Value by Class: Shire of Sandstone 2016 (\$49m)<sup>4</sup>



<sup>2</sup> WALGA Online Local Government Director 2016/2017, Shire of Sandstone

<sup>3</sup> Australian Bureau of Statistics, Sandstone (S) (LGA57630) 2016 Census of Population and Housing, viewed 12 July 2017

<sup>4</sup> Shire of Sandstone, Audited Annual Financial Report 2015-16

## 6.0 Strategic Planning and Policies

### 6.1 Linkage with Other Plans

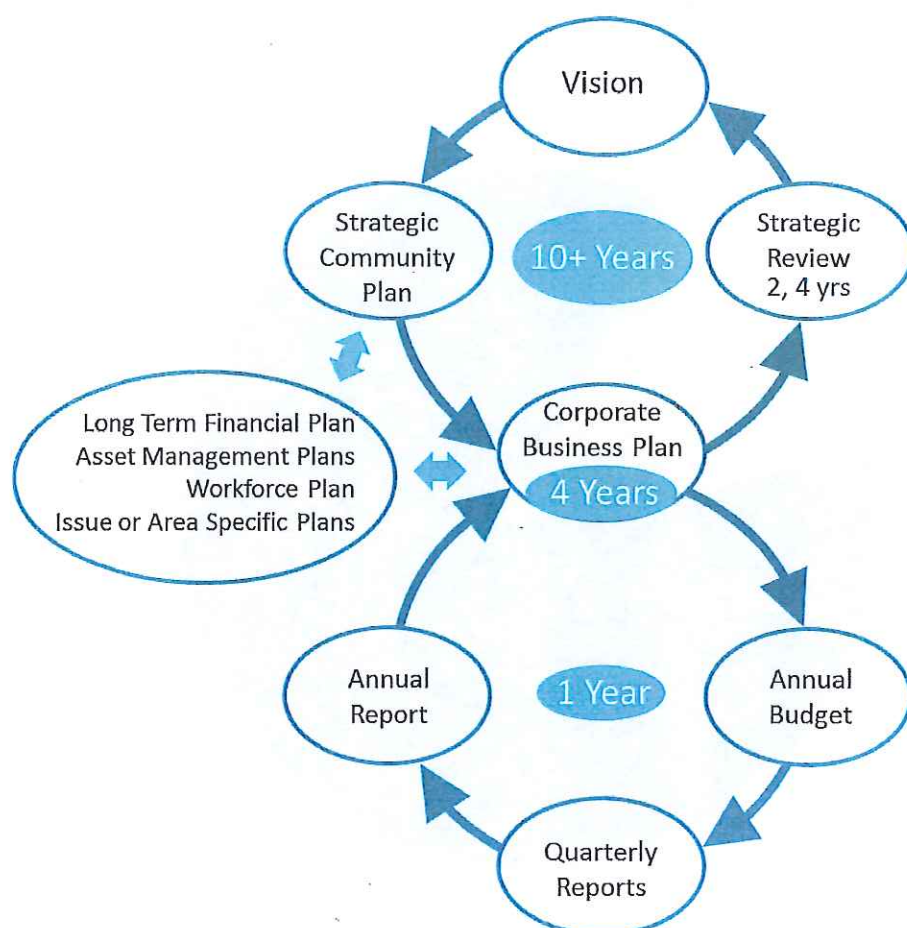
The Strategic Resource Plan is one component of a number of integrated strategic planning practices the Shire has developed. Combining asset management planning and long term financial planning into one document, the Strategic Resource Plan considers, and influences, workforce planning along with other 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 of Local Government, Sport and Cultural Industries (the Department) Integrated Planning Framework and Guidelines.

### 6.2 Strategic Documents Linkage

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

#### 6.2.1 Diagram: Integrated Planning and Reporting Cycle<sup>5</sup>



<sup>5</sup> Department of Local Government, Sport and Cultural Industries, Integrated Planning and Reporting: Framework and Guidelines, September 2016



## **6.0 Strategic Planning and Policies (Continued)**

### **6.3 Strategic Community Plan**

The Strategic Community Plan has been prepared to cover a minimum period of 15 years and set out the community's vision, aspirations and objectives for the district. To achieve the vision, a series of outcomes and strategies are developed. Many strategies may be required to achieve a single outcome and many outcomes needed to achieve a single objective.

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

Achieving the Shire's strategic outcomes requires careful operational planning and prioritisation. This planning process is formalised as a Corporate Business Plan which operates on a rolling four-year basis.

### **6.4 Corporate Business Plan**

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

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

### **6.5 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, but where resources are not included, the Plan identifies when the required resources may be available to inform future review activities in relation to these plans.

### **6.6 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.
- Ensure adequate provision is made for the maintenance and replacement of assets in accordance with the assessed levels of service.

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

### **6.7 Asset Management Strategy**

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.

### **6.8 Borrowing Policy**

As part of its financial strategy, the Council intends to minimise the level of borrowings to provide the capacity to borrow in the event of an emergency. No formal borrowing policy has been adopted by Council.



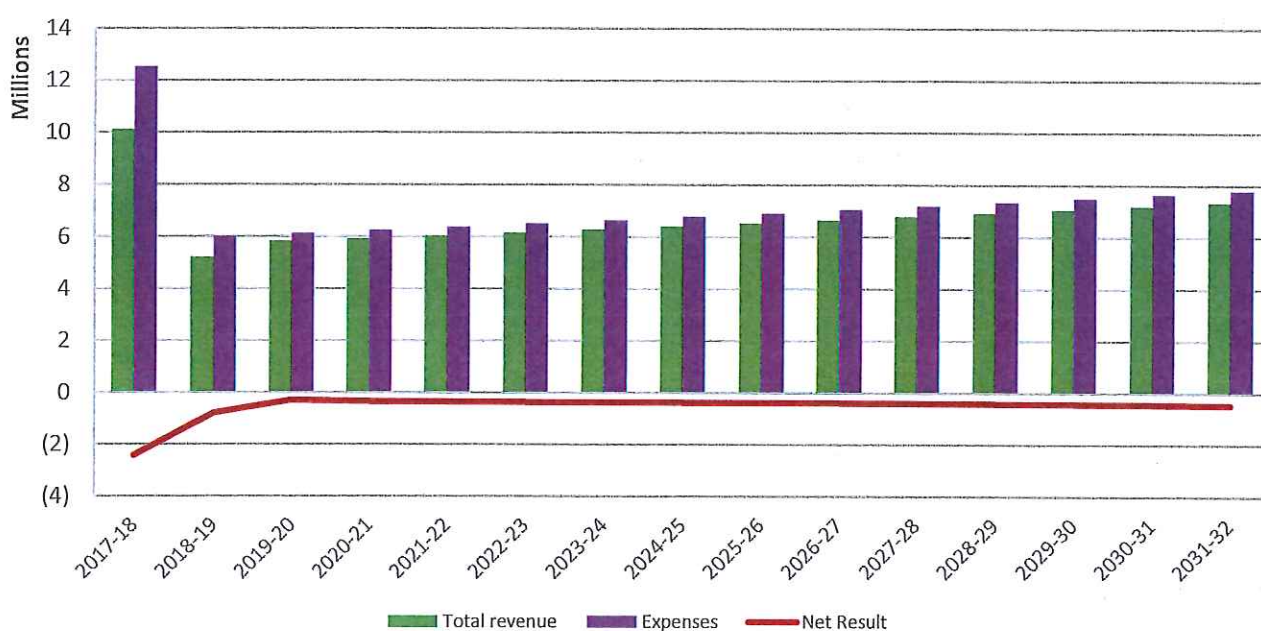
## 7.0 Operations Overview

### 7.1 Operations

The chart below shows the operating revenues and expenses over time represented as columns and the net result (revenues less expenses excluding asset revaluation adjustments) as a line.

The Shire is reliant on receiving more than \$59.9m over the next 15 years in untied operating grants, subsidies and contributions to maintain the current level of operations and services. A steady increase in operating revenue and expenditure is forecast over the 15 years of the Plan. Fluctuations to the level of non-operating grants and contributions received, produce changes to the net result.

#### 7.1.1 Forecast Revenue, Expenses and Net Result



### 7.2 Rates Revenue

Rate revenue is forecast to increase by 2.5% (CPI 2% + 0.5%) over the term of the Plan. These increases are to assist in the long term financial stability of the Shire and to maintain the level of service to the community in the face of forecast reductions in external grants and contributions. Rates are expected to generate \$1.04m in 2017-18 increasing to \$1.47m in 2031-32.

### 7.3 Non-Operating Grants and Contributions

Non-operating grants and contributions fluctuate throughout the life of the Plan, dropping to a low in 2018-19 with the forecast to increase at a steady rate from year four, for the remainder of the Plan.

### 7.4 Operating Grants and Contributions

Operating grants, subsidies and contributions fluctuates during the first two years of the Plan due to the Federal Government paying half of the 2017/18 Financial Assistance Grant allocation to local governments in advance within the 2016/17 financial year, resulting in a low level of operating grants in 2017/18. Grants are expected to return to normal scheduling in 2018/19 onwards.

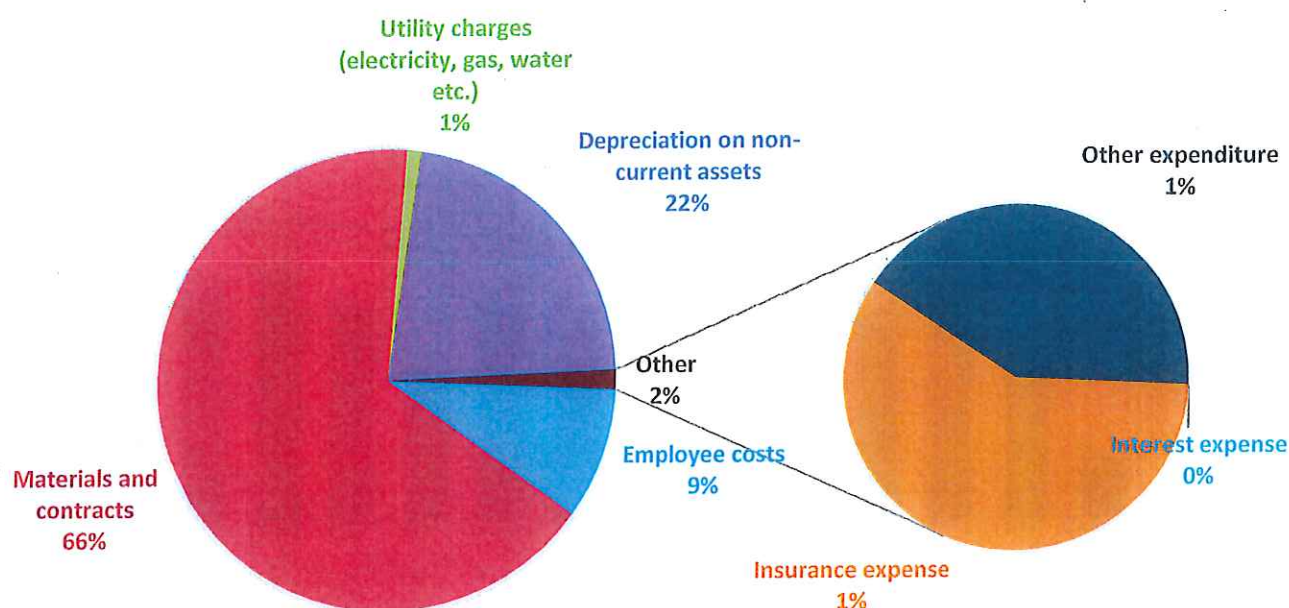
In February 2017 flooding caused large segments of roads within the Shire to be substantially damaged, resulting in repairs of \$6.6m. As the repairs are to be funded by WANDRRA in 2017-18, both revenue and expenditure are higher than normal in this year.

## 7.0 Operations Overview (Continued)

### 7.5 Workforce Planning

The Shire currently employs 14 full time equivalent employees to deliver a range of services to the community and maintain assets.

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



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

### 7.6 Operating Expenditure

Over the term of the Plan, the operating expenditure components are forecast to remain relatively stable. Materials and contracts and depreciation remain the dominant operating expenditure components as reflected in the chart below.

#### 7.6.1 Composition of Forecast Operating Expenditure 2017-18 (Total Operating Expenditure \$12.5m)

### 7.7 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.



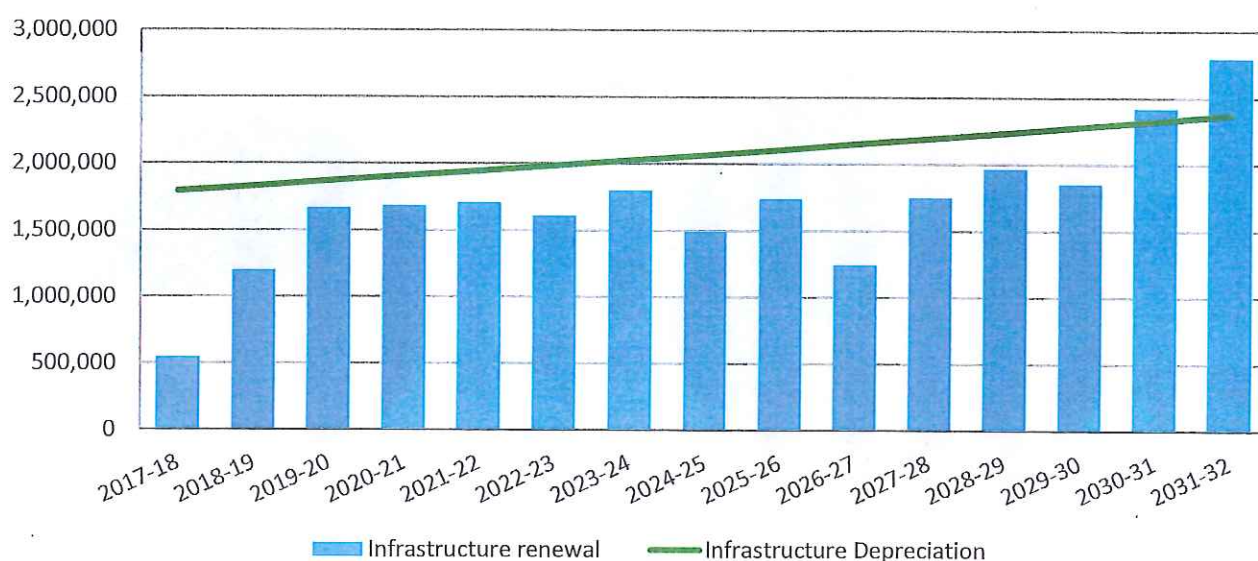
## 7.0 Operations Overview (Continued)

### 7.8 Depreciation Expense

Depreciation expense increases throughout the Plan from \$2.7m in year 1 to \$3.6m in year 15 as assets are revalued and renewed. Depreciation of infrastructure over the 15 years is \$31m, shown by the green line in the chart below. The planned level of infrastructure asset renewal expenditure at \$25.5m (reflected by the blue columns) is below the estimated infrastructure depreciation for all years except the last two years, as shown in the chart below.

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

#### 7.8.1 Infrastructure Depreciation Expense -V- Asset Renewal Expenditure



Asset renewals are low in 2017-18 due to significant road reconstruction being undertaken on previously flood damaged roads. These works have been included within operating expenditure and amount to \$6.6m.

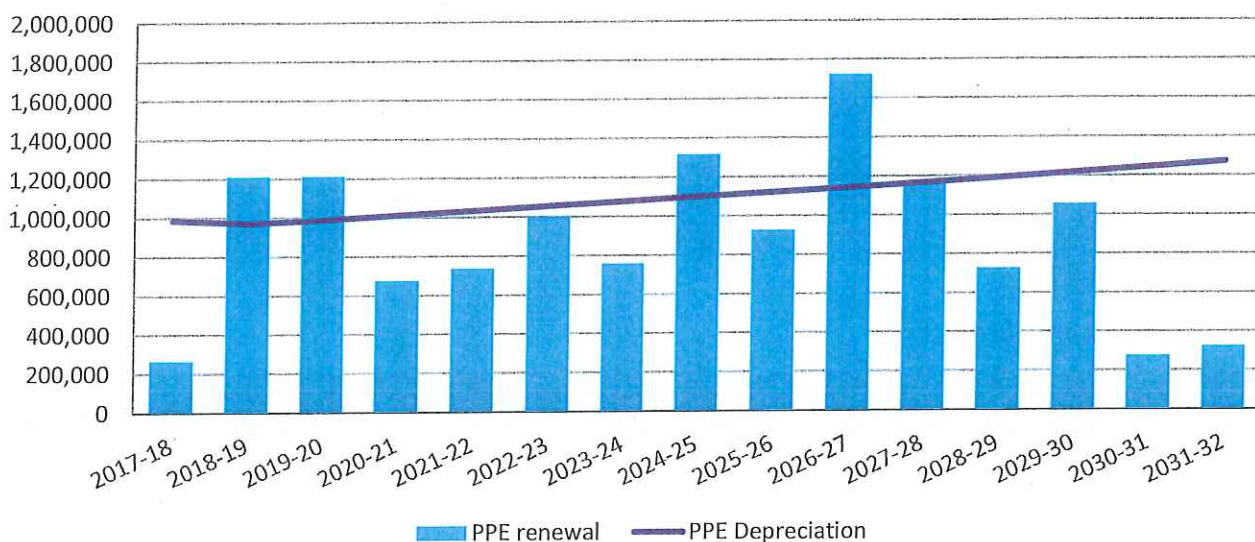
Further improvements in asset management data and the estimation of depreciation expense along with the future renewal of long lived assets may result in a closer alignment between asset renewals and depreciation expense.



## 7.0 Operations Overview (Continued)

Planned property, plant and equipment asset renewals of \$13.3m (reflected by the blue columns) over the 15 years is below depreciation expense of \$16.5m (reflected by the purple line) over the same period as shown in the chart below.

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



The 2017-18 plant replacements were undertaken in 2016-17, resulting in minimal planned renewals in 2017-18. Where the planned asset renewals are greater than depreciation, the written down value of these assets will increase over time as existing assets are renewed. Revaluation of assets in line with inflation will compound this increase and may mask a real decrease in value where planned asset renewals are lower than depreciation.

## 8.0 Capital Overview

### 8.1 Community Demand

User demand for a number of community buildings changes over time due to changing community interests and lifestyle.

Community demand for upgrade of parks and recreation facilities and maintaining the roads were identified within the Strategic Community Plan and have been included within the Plan.

### 8.2 Upgrade/New Expenditure

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

#### 8.2.1 New Capital Projects

Asset Class   Project	2017-18 \$	2018-19 \$	2019-20 \$
<b>Buildings</b>			
Old School Upgrade	55,000		
Staff Housing		250,000	
<b>Infrastructure</b>			
Upgrade 24hr Stop Over Facilities	10,000		
Interpretive Signage	10,000	10,000	
Develop Walk Trails			50,000
Liquid Waste Disposal			20,000
<b>Grand Total</b>	<b>75,000</b>	<b>260,000</b>	<b>70,000</b>

### 8.3 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.

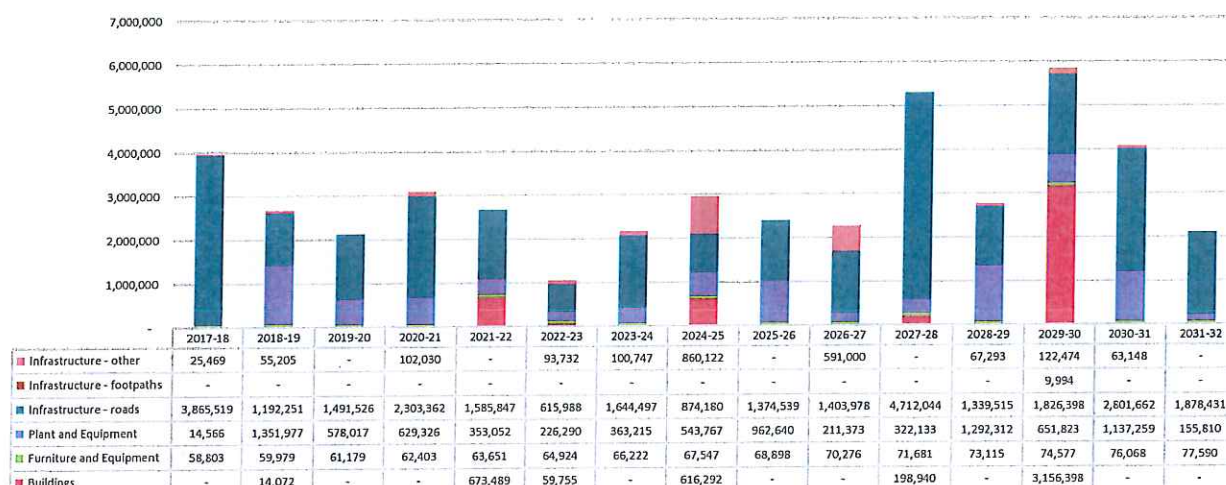


## 8.0 Capital Overview (Continued)

### 8.4 Renewal Expenditure

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

#### 8.4.1 Required Asset Renewal Expenditure by Asset Class

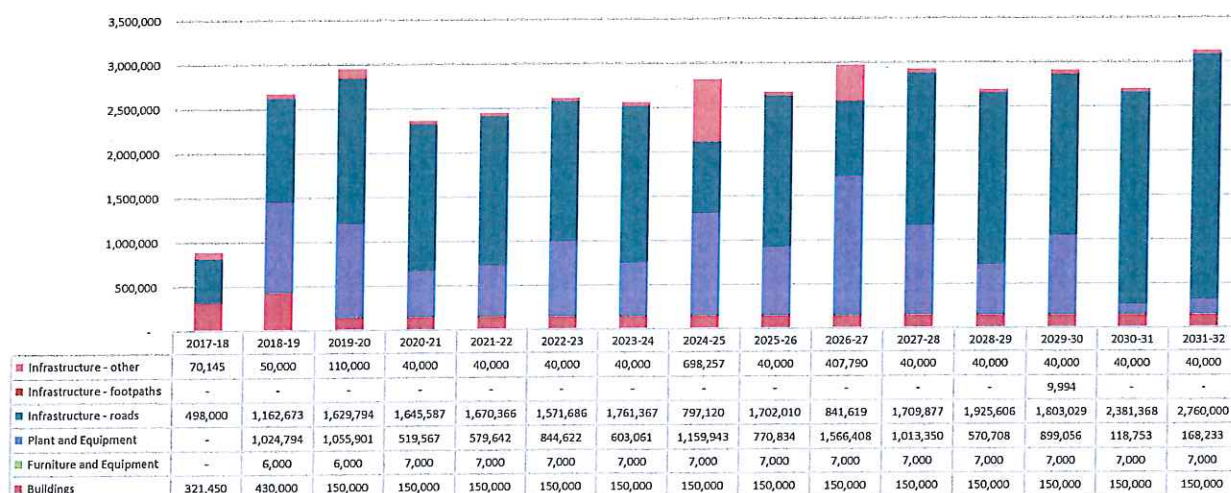


Renewal of roads and plant and equipment dominate the forecast required asset renewals.

#### 8.4.2 Planned Asset Renewal

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

#### 8.4.3 Planned Asset Renewal Expenditure by Asset Class



As with the required forecast asset renewals, roads and plant and equipment dominate the planned asset renewals expenditure. As discussed in section 7.7.1 road asset renewals in 2017-18 are distorted by the inclusion of flood damage repairs within operating expenditure.



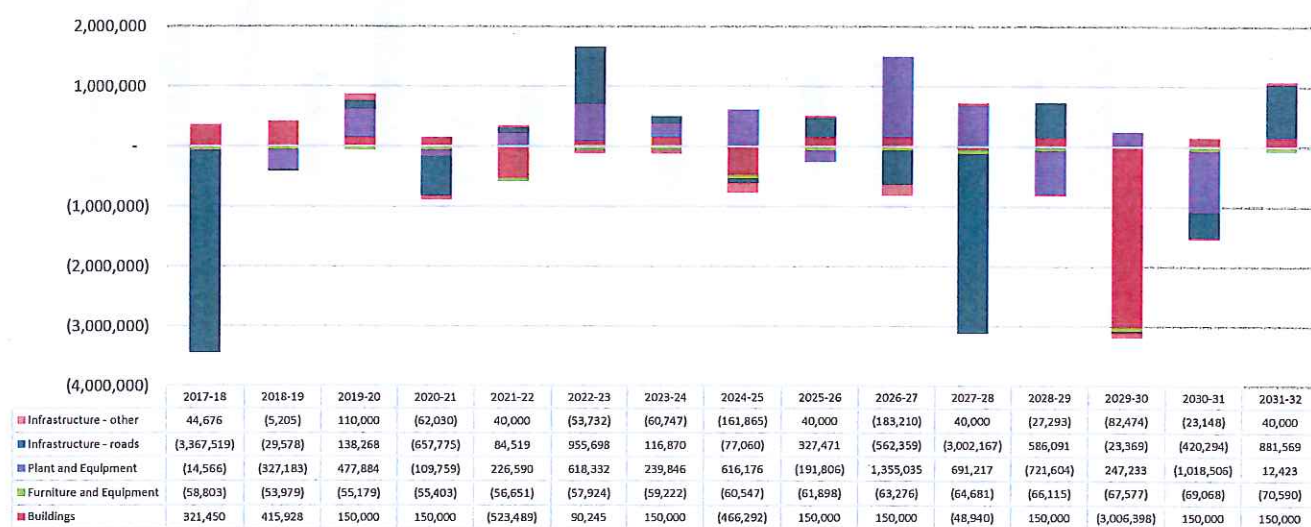
## 8.0 Capital Overview (Continued)

### 8.4.4 Asset Renewal Funding Surplus/(Deficit)

The Shire is planning for renewal of all assets at the end of their useful life. The annual budget cycle and resource limitations result in differences between the planned and required renewal expenditure, referred to as an asset renewal funding surplus/(deficit). The surplus or (deficit) for each asset class is shown by the columns in the chart below with the orange line reflecting the net asset renewal funding surplus/(deficit) for each year.

The chart below reflects the asset renewal funding surplus varies throughout the term of the Plan and the overall deficit of \$6.2m. Improvements in the estimation of the required asset renewals may significantly impact the level of this surplus.

### 8.4.5 Asset Renewal Funding Surplus/(Deficit)



Inclusion of \$6.6m in road asset flood damage repairs for 2017-18 in operating expenditure distorts the actual asset renewal funding surplus/(deficit).

## 9.0 Forecast Capital Projects

### 9.1 Key Asset Renewal Timeline

Renewal of road infrastructure and plant and equipment represents the bulk of the planned asset renewals.

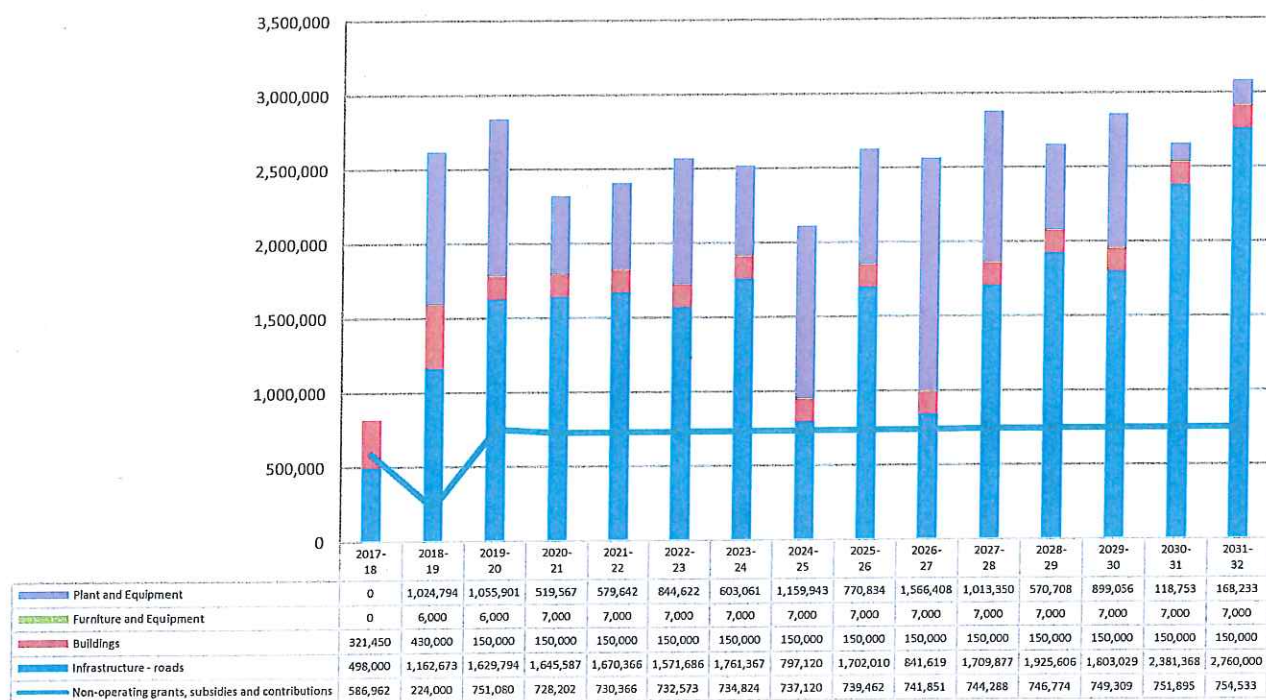
Planned asset expenditure (by asset class) is reflected in the chart below, with the level of capital grants reflected by the blue line.

The following major projects are forecast to occur in the Plan:

- Road Renewals;
- Building Renewals;
- Bowling Green Renewal; and
- Staff Housing.

Combined new and renewal asset expenditure of \$35.7m has been planned. New asset expenditure comprises \$70k of the total asset expenditure and asset renewal expenditure of \$35.6m. Total asset expenditure by class is reflected in the chart below by the columns with the level of non-operating grants shown by the blue line.

#### 9.1.1 Total Planned Asset Expenditure by Asset Class



Asset renewals are low in 2017-18 due to significant road reconstruction being undertaken on previously flood damaged roads. These works have been included within operating expenditure and amount to \$6.6m. Plant and equipment renewals previously planned for 2017-18 were undertaken in 2016-17, resulting in no expenditure in 2017-18.

## 9.0 Forecast Capital Projects (Continued)

### 9.2 Planned Capital Expenditure

The table below sets out the total value of planned capital expenditure, detailed by project:

Asset Class	Project	Total Expenditure (2017-2032) \$
Buildings		
	Town hall upgrade	60,870
	Old school upgrade	55,000
	Staff housing	250,000
	Buildings renewal	1,800,000
	Bowling green renewal	235,580
<b>Buildings Total</b>		<b>2,401,450</b>
Furniture and Equipment		
	Furniture and equipment	82,000
<b>Furniture and Equipment Total</b>		<b>82,000</b>
Plant and Equipment		
	Plant replacement	10,607,886
<b>Plant and Equipment Total</b>		<b>10,607,886</b>
Infrastructure - Other		
	Cemetery plot numbers	5,145
	State battery restoration	40,000
	Infrastructure - other renewal	480,000
	Upgrade 24hr stop over facilities	10,000
	Renew miners cottage	5,000
	Interpretive signage	20,000
	Develop walk trails	50,000
	Liquid waste disposal	20,000
	Renew water park	658,257
	Renew tennis courts	367,790
<b>Infrastructure - Other Total</b>		<b>1,656,192</b>
Infrastructure - Roads		
	Road program	
	Road program - Council funded	
	Road program - R2R	5,717,700
	Road program - RRG	2,340,000
	Road program - MRWA direct	1,495,149
	Road renewals	9,165,885
<b>Infrastructure - Roads Total</b>		<b>18,718,734</b>
Infrastructure - Footpaths		
	Footpath renewal	9,994
<b>Infrastructure - Footpaths Total</b>		<b>9,994</b>
<b>Grand Total</b>		<b>33,476,256</b>



## 10.0 Financing Overview

In general, the finances of the Shire are expected to remain stable over the term as represented in the graph below.

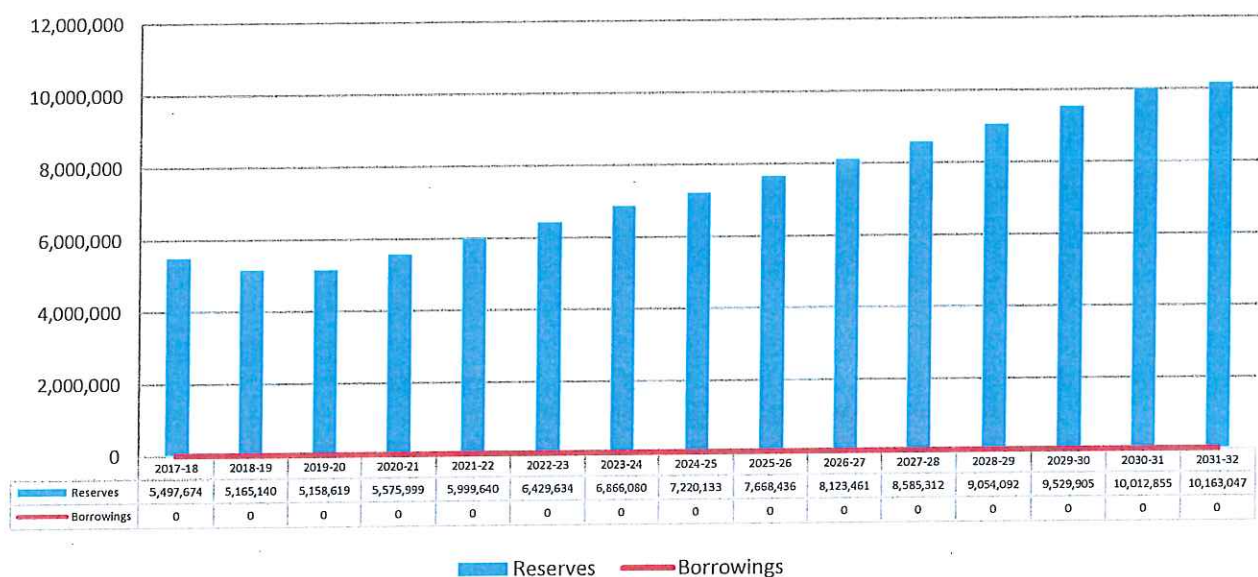
### 10.1 Borrowings

The Shire has no borrowings and does not plan to take up any borrowings over the term of the Plan.

### 10.2 Cash Reserves

The balance of cash reserves is forecast to fluctuate over the initial four years of the Plan as funds are used to renew assets and thereafter generally trend upwards in line with inflation.

#### 10.2.1 Forecast Borrowings and Cash Reserves



## 11.0 Scenario Modelling

### 11.1 Scenario Modelling

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

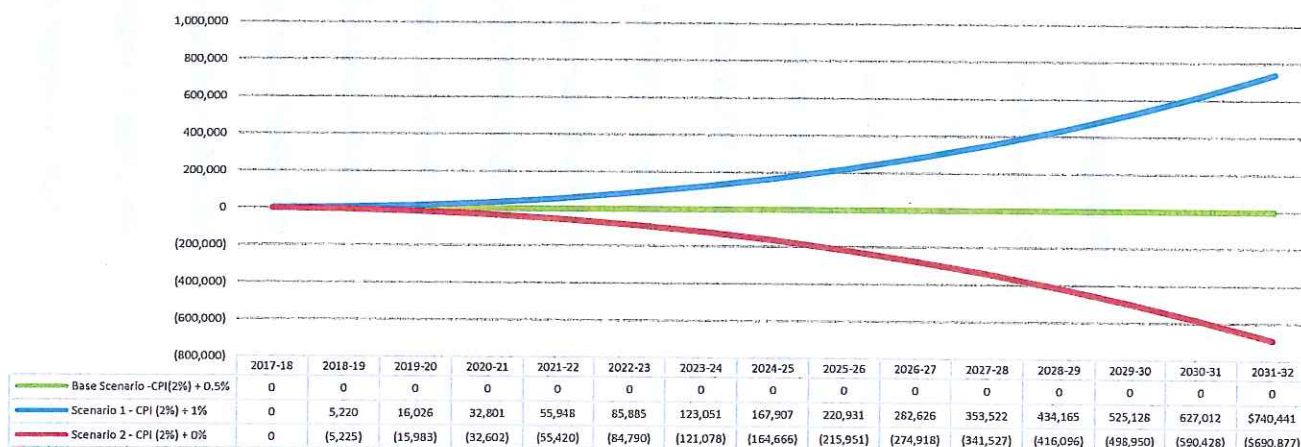
To ascertain the effect of reduced funding levels, a base scenario was developed with a rate yield increase of 0.5% above inflation of 2%. Two alternative scenarios were also developed from this base, in scenario one calculations reflect an increase of 1% above inflation for the term of the Plan and for scenario two the rates yield increase is in line with inflation for the term of the Plan.

All other assumptions remained the same across the three scenarios.

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

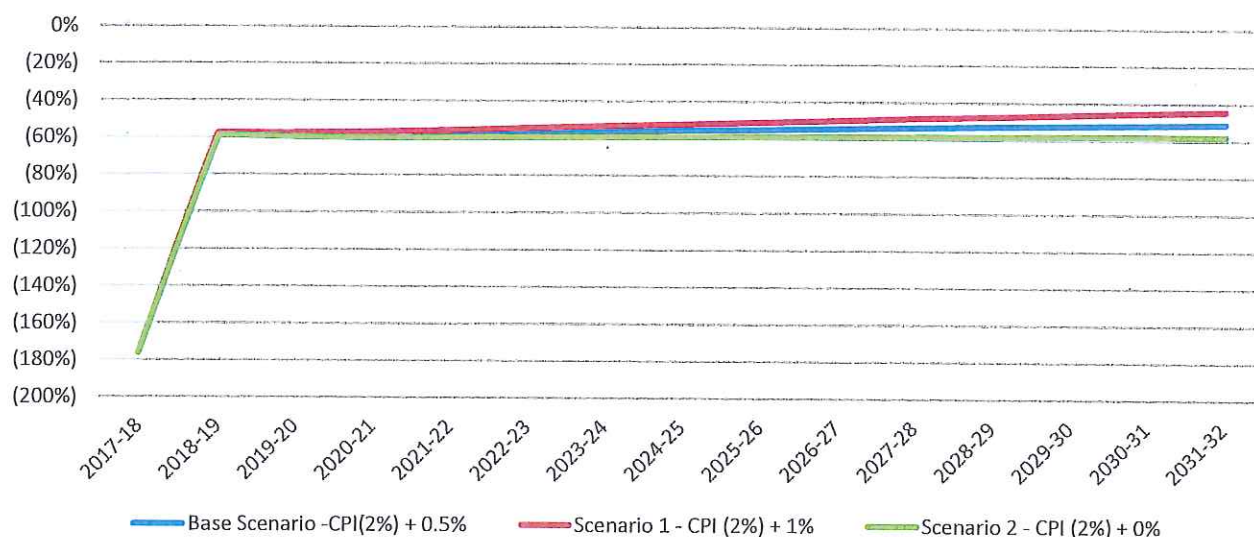
The charts below reflect the impact of a change in total rates yield on the estimated surplus (deficit) June 30 from the base scenario (other assumptions remaining the same).

### 11.2 Estimated Surplus (Deficit) June 30 Carried Forward



The chart below reflects 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 achieved an improvement in the operating surplus ratio toward the target ratios levels set out in the Department's published Advisory Standard.

#### 11.2.1 Scenario Comparison – Operating Surplus Ratio



## 12.0 Risk Management

### 12.1 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.

### 12.2 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.

### 12.3 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.



## 13.0 Assumptions, Risks, Uncertainties and Sensitivity

### 13.1 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
<b>District Growth in Population:</b> 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.
<b>Rates Level Increase:</b> Annual rates have been based on an increase in the total rate yield of 0.5% higher than forecast inflation rate of 2%.	Low	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
<b>Operating Grants and Contributions:</b> Increases in line with inflation forecast.	High	The road maintenance program and general operations of the Shire are dependent on levels of Federal Financial Assistance Grants. Changes in the levels of these grants would impact directly on the Shire's ability to meet projected service levels.	Medium	± \$78,029 to the value of operating grants and contributions per 1% movement in the value in the first year of the Plan.
<b>Non-operating Grants and Contributions:</b> 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	± \$104,532 to the value of non-operating grants and contributions per 1% movement in the value over the life of the Plan.
<b>Fees and Charges:</b> Increases in line with inflation forecast.	Medium	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
<b>Interest Earnings:</b> Interest earning of an average rate of 1.50% per annum.	Low	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
<b>Other Revenue:</b> Increases in line with inflation.	Low	Not assessed as high financial risk.	Low	Not assessed as high level of uncertainty.
<b>Profit on Asset Disposal:</b> 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.

## 13.0 Assumptions, Risks, Uncertainties and Sensitivity (Continued)

### 13.2 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
<b>Employee Costs:</b> Increased annually by forecast inflation.	Medium	Not assessed as high financial risk.	Low	Not assessed as high level of uncertainty.
<b>Materials and Contracts:</b> 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.	Medium	± \$361,490 to the value of materials and contracts per 1% movement in the value over the life of the Plan.
<b>Depreciation:</b> Depreciation has been calculated using an average depreciation rate based on historical rates.	Low	Not assessed as high financial risk.	Low	Not assessed as high level of uncertainty.
<b>Insurance:</b> Base year increased in line with inflation.	Medium	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
<b>Other Expenditure:</b> There is no other expenditure forecast.	Medium	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
<b>Loss on Asset Disposal:</b> 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.



## 13.0 Assumptions, Risks, Uncertainties and Sensitivity (Continued)

### 13.3 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
<b>Revaluations:</b> 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	±\$47,882 to the value of property, plant and equipment per 1% movement in the value over the life of the Plan.  ±\$452,059 to the value of infrastructure assets per 1% movement in the value over the life of the Plan.
<b>Impairment of Assets:</b> 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.
<b>Infrastructure Assets:</b> 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	±\$104,532 to the value of infrastructure assets per 1% movement in the capital grants received over the life of the Plan.
<b>Property, Plant and Equipment:</b> 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.



## 13.0 Assumptions, Risks, Uncertainties and Sensitivity (Continued)

### 13.4 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
<b>Borrowings:</b> New borrowings to be considered for capital works where required.	Medium	Not assessed as high financial risk.	Low	Not assessed as high level of uncertainty.
<b>Employee Entitlements:</b> 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.

## 13.0 Assumptions, Risks, Uncertainties and Sensitivity (Continued)

### 13.5 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
<b>Cash Backed Reserves:</b> 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.
<b>Revaluation Surplus:</b> 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	±\$47,882 to the value of property, plant and equipment per 1% movement in the value over the life of the Plan.  ±\$452,059 to the value of infrastructure assets per 1% movement in the value over the life of the Plan.

## 13.0 Assumptions, Risks, Uncertainties and Sensitivity (Continued)

### 13.6 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
<b>Ownership of Strategic Assets:</b> 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.
<b>Inflators:</b> Forecast inflation at 2% per annum.	Medium	Not assessed as high financial risk.	High	± \$901,446 to operating revenue per 1% movement in the inflators over the life of the Plan.  ± \$611,256 to operating expenditure per 1% movement in the inflators over the life of the Plan.
<b>Commercial Activities:</b> 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.
<b>General Economic Forecasts for State:</b> The economic forecast for the State is closely linked to the success of the mining industry. Demands for minerals is forecast to decline in the short term with a corresponding tightening of the state economy.	Medium	Not assessed as high financial risk.	Medium	Not assessed as high level of uncertainty.
<b>General Economic Forecasts for Region:</b> Historically, the region's economy is heavily dependent on pastoral and mining activities, 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.



## 14.0 Monitoring and Performance

### 14.1 Monitoring

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

### 14.2 Performance Assessment

A series of performance indicators, in the form of financial ratios, 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*.

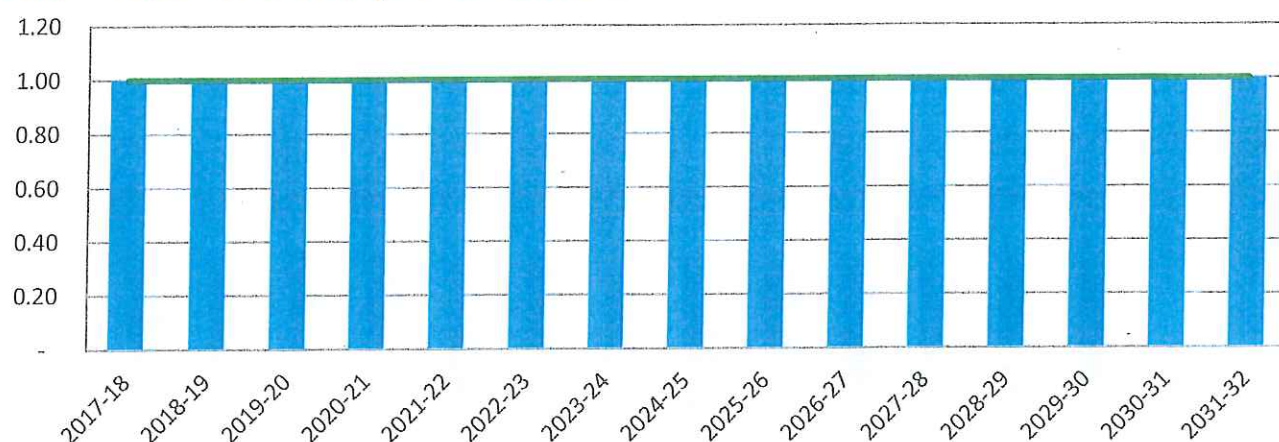
Graphs of these financial ratios are presented on the following pages together with the formula used to calculate the ratio, a brief description of what the ratio indicates and an assessment of the impact of the ratio on the Shire's finances in the future.

### 14.3 Ratio Targets

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

## 14.0 Monitoring and Performance (Continued)

### 14.4 Forecast Ratio Analysis – Current Ratio

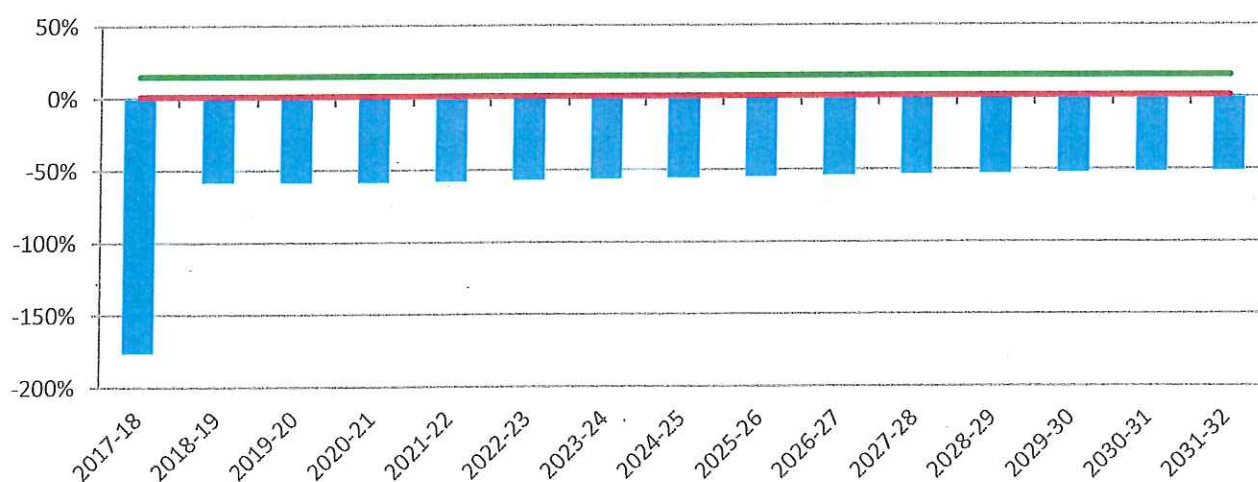


$$\frac{\text{current assets minus restricted assets}}{\text{current liabilities minus liabilities associated with restricted assets minus current liabilities associated with long term borrowings}}$$

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

**Commentary:** As expected for a Shire with a forecast balanced funding surplus position and no current borrowing liabilities, the ratio meets the target of 1.

### 14.5 Forecast Ratio Analysis – Operating Surplus Ratio



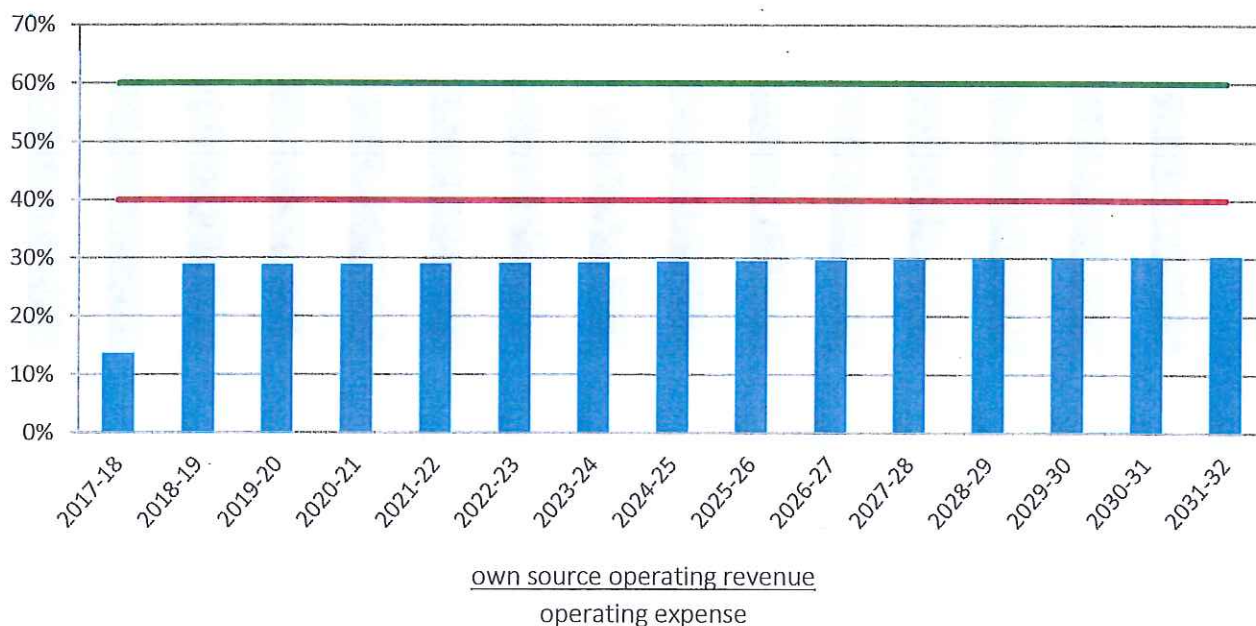
$$\frac{\text{operating revenue minus operating expense}}{\text{own source operating revenue}}$$

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

**Commentary:** While the ratio is below the target throughout the Plan, the ratio is improving over the term of the Plan indicating an increased capacity to renew assets into the future with forecast operating revenues increasing at a greater rate than forecast operating expenditure. Year 1 is distorted by the early payment of the 2017-18 Federal Assistants Grant allocation, resulting in low operating revenue in 2017-18.

## 14.0 Monitoring and Performance (Continued)

### 14.6 Forecast Ratio Analysis – Own Source Revenue Coverage Ratio



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

**Commentary:** The ratio is below the target range indicating that the Shire is reliant on external funding to continue to operate. The 2017-18 ratio is distorted by the inclusion of WANDRRA funded flood damage repairs within operating expenditure.

### 14.7 Forecast Ratio Analysis – Debt Service Coverage Ratio

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

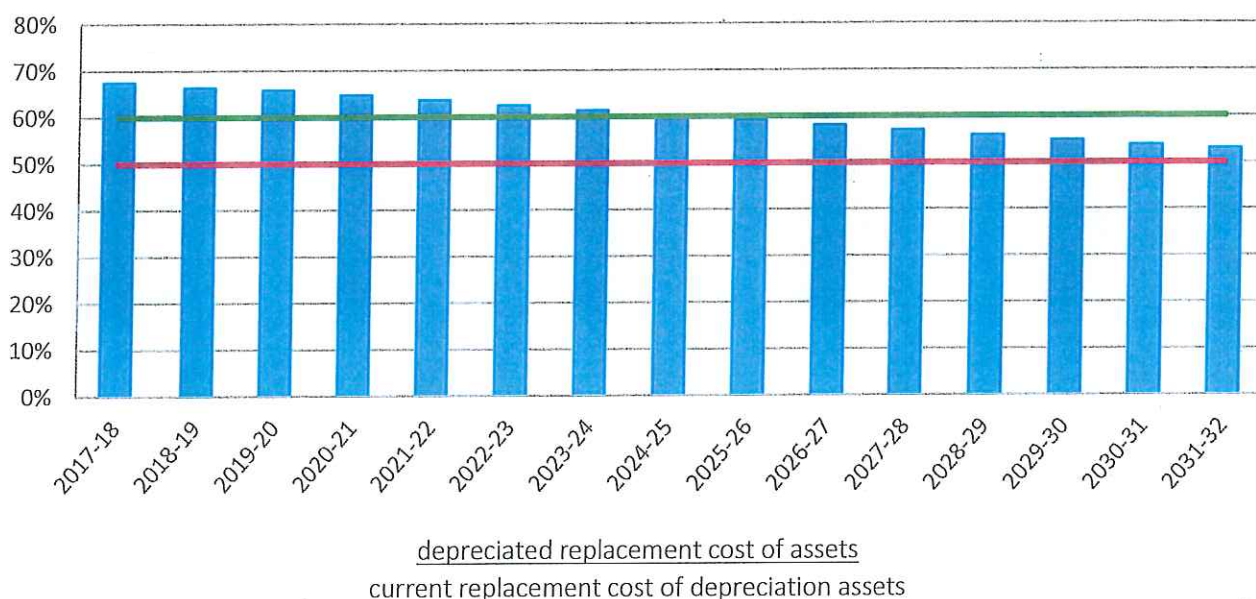
**Indication:** A measure of the extent of the Shire's capacity to generate sufficient cash to cover debt payments.

**Commentary:** The Shire has no existing borrowings, and therefore has capacity to borrow for the term of the Plan.



## 14.0 Monitoring and Performance (Continued)

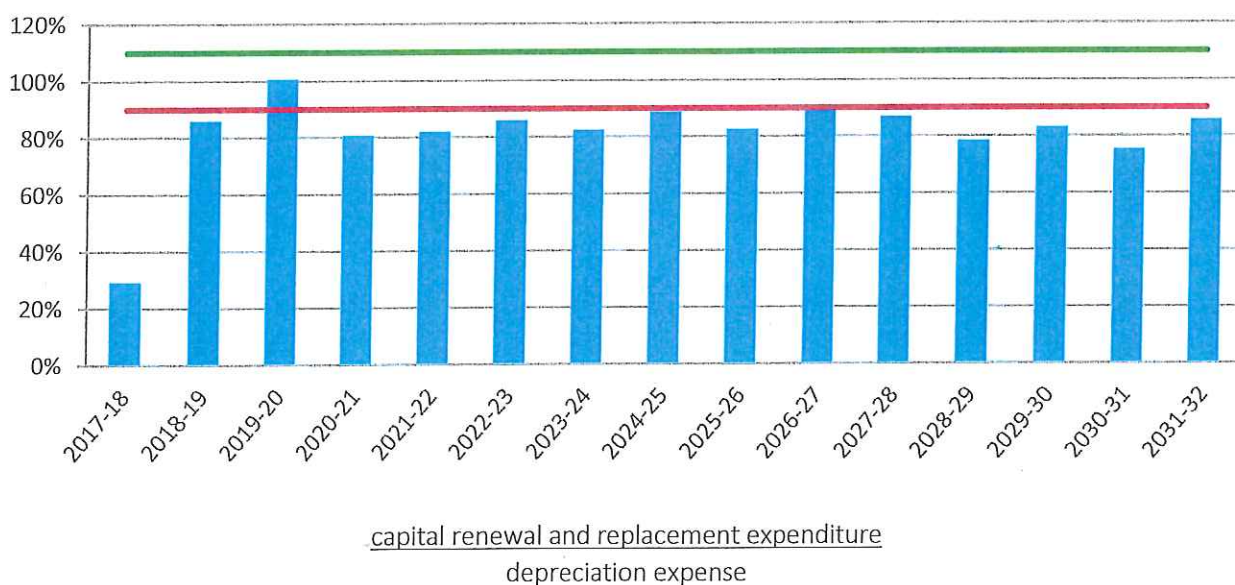
### 14.8 Forecast Ratio Analysis – Asset Consumption Ratio



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

**Commentary:** The 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.

### 14.9 Forecast Ratio Analysis –Asset Sustainability Ratio

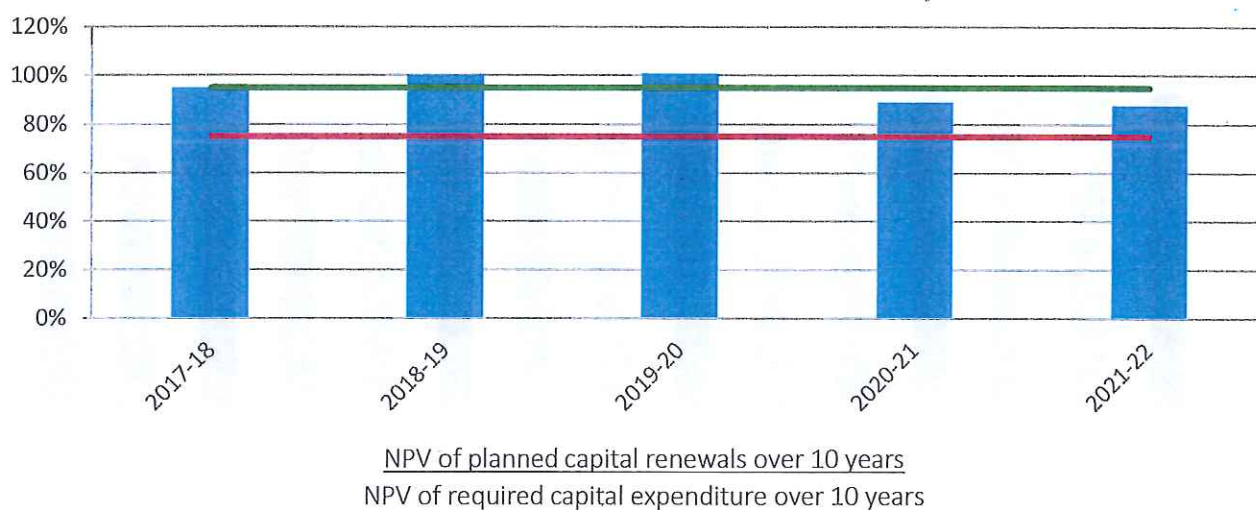


**Indication:** A measure of the extent to which assets managed by the Shire are being replaced as they reach the end of their useful lives.

**Commentary:** The ratio highlights asset renewal expenditure relative to depreciation fluctuates as expected. The ratio averages at 81.29% over the term of the Plan which is marginally below the guideline level of 90%. The 2017-18 ratio is distorted by the inclusion of WANDRRA funded flood damage repairs within operating expenditure.

## 14.0 Monitoring and Performance (Continued)

### 14.10 Forecast Ratio Analysis – Asset Renewal Funding Ratio



**Indication:** The Shire's financial capacity to fund asset renewal to support existing service levels. (This ratio is based on the ten years forecast expenditure and as such is only able to be calculated of the first five years of the Plan).

**Commentary:** The ratio is above the target ratio with planned asset renewal expenditure being above required asset renewal expenditure as set out in this Plan. Further improvements in forecasting the remaining useful lives of assets may result in a decrease in this ratio.

## 15.0 Improvement Plan

### 15.1 Strategic Resource Improvement Plan

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

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

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

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

*Operation and Maintenance:* The 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).

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:

- Undertake routine condition inspections.
- 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.
- 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 Administration Office	2,210,000
Shire Depot	970,800
<b>Total</b>	<b>3,180,800</b>

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 – Roads

### 2.1 Significant Matters

The continued provision of the road network remains one of the key priorities and major expenditure items for the Shire. The continued planning for future road infrastructure renewals influenced by condition based estimation of the remaining useful life is essential to reducing the risk of sudden unexpected road failure. Regional and local distributor roads due to their strategic importance, will be given funding prioritisation over other road assets.

Whilst renewal of road assets is planned based on road condition the impact of flooding may impact on both the timing and extent of unsealed road renewals.

### 2.2 Road Inventory

The Shire of Sandstone has a road network servicing an area of 32,605<sup>1</sup> square kilometres.

Road asset information is recorded within a road inventory database. In 2014, a road infrastructure condition report and valuation was undertaken by an external consultant which forms the basis of the measurements and current replacement cost estimates. This information has been updated by management subsequent to the valuation. 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 road asset database along with standard unit rates, the current replacement cost provided in the road infrastructure inventory system, has been estimated by management below.

Road Assets	Length (m)	Area (m <sup>2</sup> )	Current Replacement Cost (\$)
Unformed SG	20,8275	1,354,760	677,380
Formed SG	713,855	7,857,287	19,643,218
Unsealed Pavement	359,307	3,127,663	12,510,652
Sealed Pavement	16,070	168,487	1,684,875
Surfacing	16,070	122,110	553,014
Culverts – Circular	1,155	15	521,000
Culverts – Box Shape	280	9	210,000
Signs			217,400
Kerbing – Barrier	2,860		85,800
Kerbing – Semi Mountable	855		25,650
Flood ways – Concrete	120		114,000
Flood ways – Concrete w. Rock Protection	60		78,000
Flood ways – Gravel	6,200		748,500
Flood ways – Gravel w. Rock Protection	40		8,000
Flood ways – Gravel w. Rock Protection 1 side	150		24,000
Flood ways – Sealed	320		80,000
Flood ways – Sealed w. Rock Protection	440		154,000
Grids			1,295,000
Streetlights			90,000
Footpaths – Insitu Concrete	1,065	1,906	95,300
Footpaths – Brick Paving	425	947	75,760
<b>Total</b>			<b>38,891,550</b>

<sup>1</sup> Australian Bureaus of Statistics, 2016 Census of Population and Housing, General Community Profile, Sandstone (S) (LGA57630), Downloaded 7 June 2017 [www.abs.gov.au](http://www.abs.gov.au)



## Appendix A2 – Roads (Continued)

### 2.3 Financial Summary

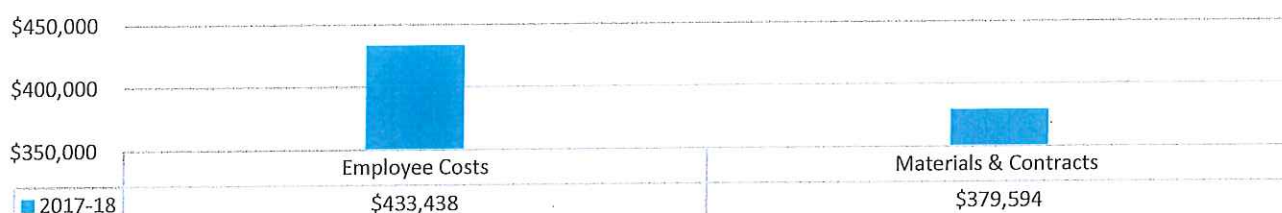
Financial impacts of managing the Shire road assets are broken down into maintenance, new and renewal expenditure, each of which is examined separately as follows.

#### 2.3.1 Maintenance Expenditure

Routine maintenance expenditure is currently forecast based on historical data and staff experience. It is currently estimated at \$1.5m per annum and is comprised of a number of expenditure items as reflected in the chart on the following page.

#### 2.3.2 Composition of Budgeted Road Maintenance Expenditure

Road maintenance expenditure is forecast to increase in line with inflation and is comprised of the following estimated costs in 2017-18:



Road maintenance expenditure is primarily related to the grading of unsealed roads and associated drainage clearing within the district. Trimming of roadside vegetation is another routine road maintenance operation along with a low level of reactionary minor repair works. As far as possible the road maintenance program is scheduled annually, based on staff knowledge of road conditions and expected traffic volumes.

#### 2.3.3 Flood Damage

Flood damage repairs of \$6.6m are forecasted to be effected within the 2017-18 financial year. These repairs are funded by external grants. As a large proportion of the roads within the Shire are in flood prone zones, flood repairs may occur in the future and are impossible to predict. Significant flood damage repairs will result in changes to the timing and extent of road renewals.

#### 2.3.4 New Expenditure

Upgrades to existing road infrastructure is not currently planned and no significant increase in community demand is forecast to occur. Road safety related projects will be prioritised where issues are identified. External grant funding would be essential to achieve any upgrades.

#### 2.3.5 Renewal Expenditure

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

In the chart on the following page (2.3.5), planned road expenditure is shown as red columns, with required road renewals as the blue columns. The green line shows the difference between the two expenditure levels. Planned road renewal over the term totals \$23.8m. Required road renewal is calculated at \$28.9m for the term, overall there is a \$5m renewal deficit for the Shire's road assets.

## Appendix A2 – Roads (Continued)

### 2.3.6 Forecast Planned and Required Road Renewal Expenditure



The level and extent of the renewal surplus is dependent on the accuracy of unit cost estimates and remaining useful life estimates for each road component. An improvement in this information will result in improved planning outcomes and enable the scheduling of works to minimise the negative impact of renewal spikes such as occurs in 2027-28.

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.

## Appendix A2 – Roads (Continued)

### 2.3.7 Forecast Planned and Required Road Renewal Expenditure

The values represented in the chart above are detailed in the table below.

	Required Roads Renewals \$	Planned Roads Renewals \$	Roads Renewal Funding (Gap)/Surplus \$
2017-18	3,865,519	498,000	(3,367,519)
2018-19	1,192,251	1,162,673	(29,578)
2019-20	1,491,526	1,629,794	138,268
2020-21	2,303,362	1,645,587	(657,775)
2021-22	1,585,847	1,670,366	84,519
2022-23	615,988	1,571,686	955,698
2023-24	1,644,497	1,761,367	116,870
2024-25	874,180	797,120	(77,060)
2025-26	1,374,539	1,702,010	327,471
2026-27	1,403,978	841,619	(562,359)
2027-28	4,712,044	1,709,877	(3,002,167)
2028-29	1,339,515	1,925,606	586,091
2029-30	1,826,398	1,803,029	(23,369)
2030-31	2,801,662	2,381,368	(420,294)
2031-32	1,878,431	2,760,000	881,569
Total	28,909,737	23,860,102	(5,049,635)

### 2.4 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.



## Appendix A2 – Roads (Continued)

### 2.5 Road Construction

Key Performance Measure	Level of Service	Performance Measure Process	Performance Target
<b>Gravel Road Construction</b>			
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.
<b>Bitumen Road Construction</b>			
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 – Roads (Continued)

### 2.6 Road Maintenance

Key Performance Measure	Level of Service	Performance Measure Process	Performance Target
<b>Gravel Road Maintenance</b>			
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.	Two 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.
Function	To ensure that any maintenance issues that arise are dealt with promptly.	Within 2 working days of notification.	95% addressed.
Safety	To provide a 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.
<b>Bitumen Road Maintenance</b>			
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.
Function	To ensure that any maintenance issues that arise are dealt with promptly.	Within 2 working days of notification.	95% addressed.
Safety	To provide a 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 – Roads (Continued)

### 2.6 Road Maintenance (continued)

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

### 2.7 Risk Management

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

Risk	Consequence	Risk Rating	Risk Treatment
Asset condition decreases due to flood damage.	Desired level of service not maintained.	Medium	Ensure adequate drainage in road design and maintenance to mitigate risk of flood damage.
Climate change.	Likelihood of severe storm damage increases.	Medium	Consider climate change when managing assets.
Significant unforeseen increases in maintenance or renewal costs.	Desired level of service not maintained.	Medium	Monitor costs and adjust long-term plans accordingly.
Asset condition decreases due to inadequate renewal program.	Desired level of service not maintained.	Medium	Determine maintenance priorities based on lifecycle cost.
Sudden significant changes in population.	Sudden increase in level of service requirements.	Medium	Monitor population trends and industry developments 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.



## Appendix A2 – Roads (Continued)

### 2.7 Risk Management (continued)

Risk	Consequence	Risk Rating	Risk Treatment
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.

### 2.8 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 – Buildings

### 3.1 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.

### 3.2 Inventory

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

### 3.3 Composition of Estimated Current Replacement Cost of Building Assets

Land & Buildings	Current Replacement Cost (\$)
Ablutions	977,000
Steel framed Shed	577,000
Shelter	235,000
Residence	5,585,000
Kitchen	61,000
Changeroom	365,000
Workshop	325,000
Transportable	73,000
Heritage	1,567,000
Nursing Post	335,000
Museum	880,000
Administration	3,370,000
Community Centre	500,000
Shed	69,000
<b>Land &amp; Buildings Total</b>	<b>14,919,000</b>

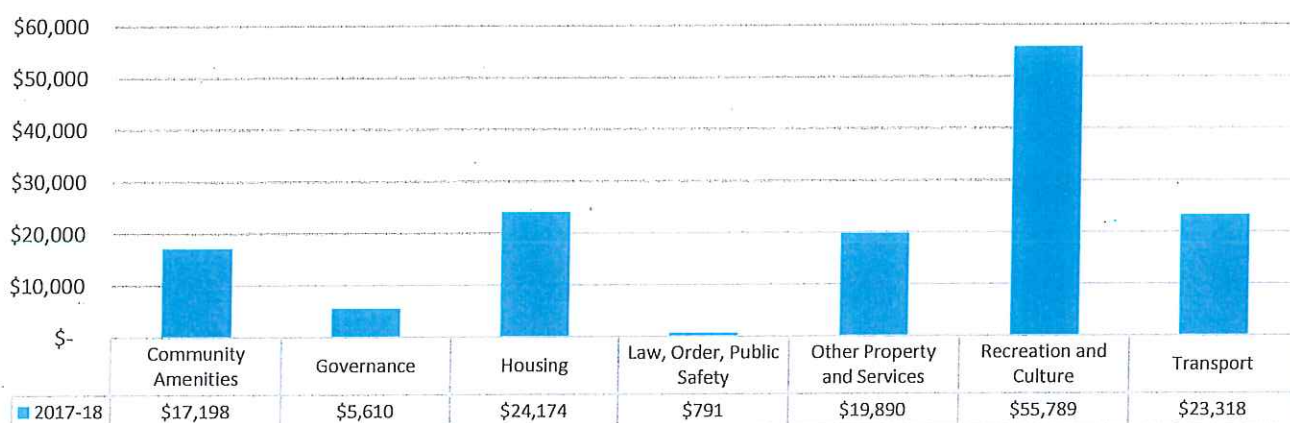
## Appendix A3 – Buildings (Continued)

### 3.4 Financial Summary

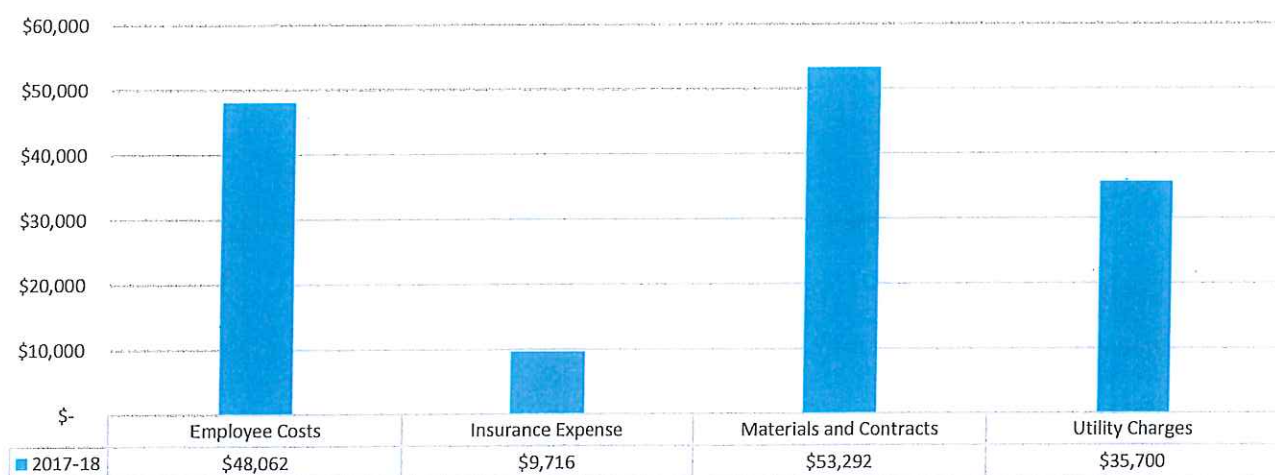
The financial impacts of managing the Shire building assets has been broken down into maintenance, new and renewal expenditure, each of which is examined separately.

#### 3.4.1 Maintenance Expenditure by Program

Routine maintenance expenditure is forecast to increase in line with inflation and is comprised of the following estimated costs in 2017-18:



#### 3.4.2 Maintenance Expenditure by Nature and Type





## Appendix A3 – Buildings (Continued)

### 3.4.3 New/Upgrade Asset Expenditure

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

Year	Project	Planned Expenditure \$
2017-18	Old School Upgrade	55,000
2018-19	Staff Housing	250,000
<b>Total</b>		<b>305,000</b>

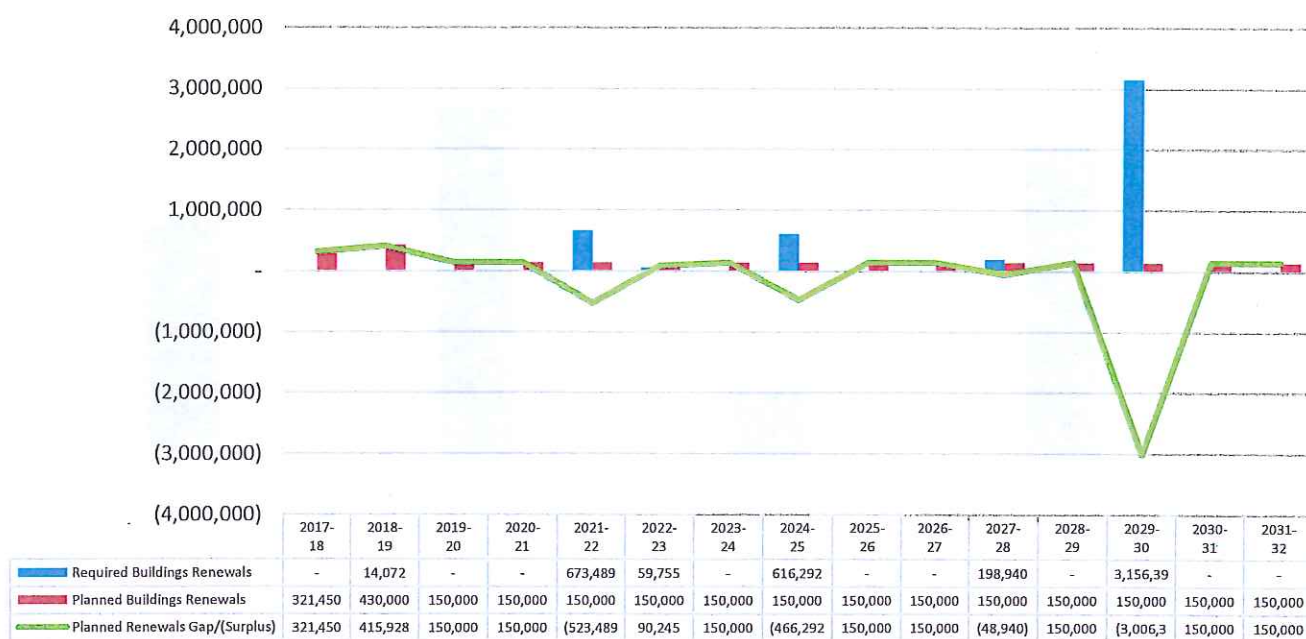
The buildings are forecasted to be funded partially from external contributions, with the balance being sourced from general purpose funding.

### 3.4.4 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 property renewals has been forecast (adjusted for inflation).

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

### 3.4.5 Forecast Planned and Required Building Renewal Expenditure



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

## Appendix A3 – Buildings (Continued)

### 3.4.6 Forecast Planned and Required Building Renewal Expenditure

The values represented in the chart on the previous page are detailed in the table below.

	Required Building Renewals \$	Planned Building Renewals \$	Building Renewal Funding (Deficit)/Surplus \$
2017-18	0	321,450	321,450
2018-19	14,072	430,000	415,928
2019-20	0	150,000	150,000
2020-21	0	150,000	150,000
2021-22	673,489	150,000	(523,489)
2022-23	59,755	150,000	90,245
2023-24	0	150,000	150,000
2024-25	616,292	150,000	(466,292)
2025-26	0	150,000	150,000
2026-27	0	150,000	150,000
2027-28	198,940	150,000	(48,940)
2028-29	0	150,000	150,000
2029-30	3,156,398	150,000	(3,006,398)
2030-31	0	150,000	150,000
2031-32	0	150,000	150,000
Total	4,718,946	2,701,450	(2,017,496)

### 3.5 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.
Condition	The building's meets the expectations of the community.	Customer complaints	One per year per building.



## Appendix A3 – Buildings (Continued)

### 3.6 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.

### 3.7 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 A4 – Furniture and Equipment

### 4.1 Significant Matters

The Shire owns an extensive listing of furniture and equipment to support operations such as office furniture, IT and communication equipment.

### 4.2 Inventory

A management valuation on furniture and equipment was conducted in 2016. The current replacement cost at the last valuation was \$565k. A register of furniture and equipment inventory is maintained within the Shire's financial management system.

### 4.3 Financial Summary

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.

### 4.4 Level of Service

Level of service measures have not been defined or monitored for furniture and equipment for reasons of materiality.

### 4.5 Risk Management

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

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

### 4.6 Improvement Plan

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

## Appendix A5 – Plant and Equipment

### 5.1 Significant Matters

The Shire has a large plant and equipment portfolio which includes items such as graders, tractors, prime movers and passenger vehicles. A 15 year plant replacement program is updated on an annual basis as part of the Shire's annual budget process.

### 5.2 Inventory

The chart 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.

### 5.3 Composition of Estimated Current Replacement Cost of Plant and Equipment Assets

Plant & Equipment	Current Replacement Cost \$
Heavy Plant	1,480,000
Heavy Vehicle	1,270,000
Light Plant	108,000
Light Vehicle	140,000
Mowers	15,000
Pumps	38,500
Sundry	440,700
Tanks	20,000
Trailers	85,000
<b>Plant &amp; Equipment Total</b>	<b>3,597,200</b>

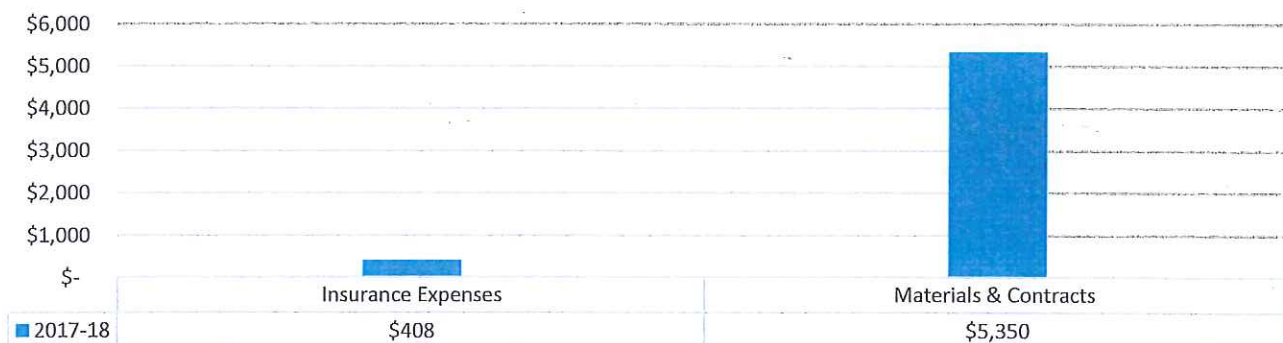
### 5.4 Financial Summary

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.

#### 5.4.1 Maintenance Expenditure

Plant and equipment maintenance expenditure is forecast to increase in line with inflation and is comprised of the following estimated costs in 2017-18:





## Appendix A5 – Plant and Equipment (Continued)

### 5.4.2 New Expenditure

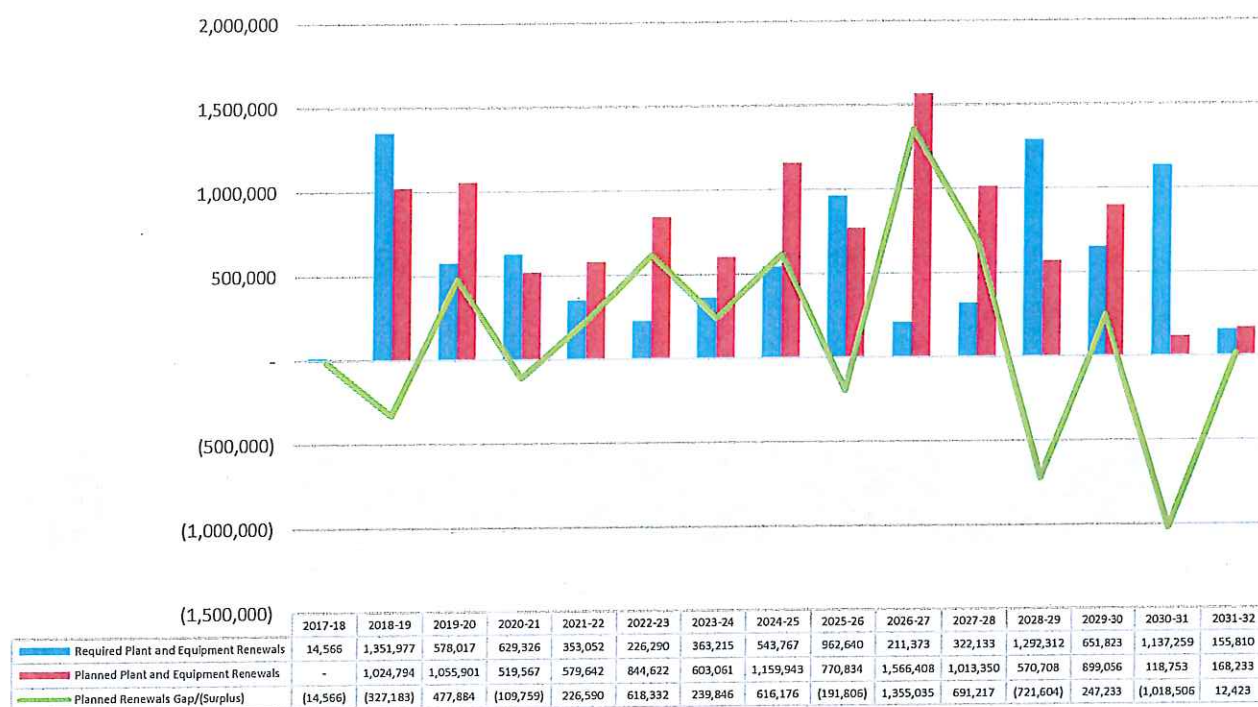
The current fleet of plant and equipment is forecast to maintain the requirements of the Shire and no additional items are forecast to be required over the life of this Plan.

### 5.4.3 Renewal Expenditure

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

The Plan has annual allocations for plant replacement expenditure based on the adopted program. In the chart on the following page, planned expenditure is shown as the red columns with required renewals shown as the blue columns. The green line shows the variation between the two expenditure levels.

### 5.4.4 Forecast Planned and Required Plant and Equipment Renewal Expenditure



The chart reflects a lack of correlation between the Plant Replacement Program and the estimated useful life of plant and equipment provided by the valuers. The Plan overall has a funding surplus of \$2.1m over the term of the Plan with planned renewals of \$10.89m and required asset renewals of \$8.79m.

There are no planned replacements in 2017-18 due to anticipated increase in licensing fees, the previously planned plant replacements for 2017-18 were undertaken in 2016-17.

### 5.4.5 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)

### 5.5 Level of Service

Levels of service have not been previously monitored.

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

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

### 5.6 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.

### 5.7 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 A6 – Other Infrastructure

### 6.1 Significant Matters

The Shire controls a network of other infrastructure made up of sporting grounds, active and passive reserves, sporting facilities, lighting, dams and other minor recreational facilities.

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

### 6.2 Inventory

The Shire's other infrastructure current replacement cost at the time of valuation at 30 June 2015 was \$1.78m.

A register of parks and gardens is maintained within the financial reporting system.

### 6.3 Composition of Estimated Current Replacement Cost of Other Infrastructure Assets

Infrastructure	Estimated Current Replacement Cost (\$)
Airstrip	104,000
Caravan Park	387,600
Cat / dog shelter	13,000
Community Centre	370,800
Gold & Wool Interpretive Park	134,600
Judges Tower	24,000
Philip Lefroy Park	679,400
Shire Depot	69,800
Infrastructure - Other Total	1,783,200

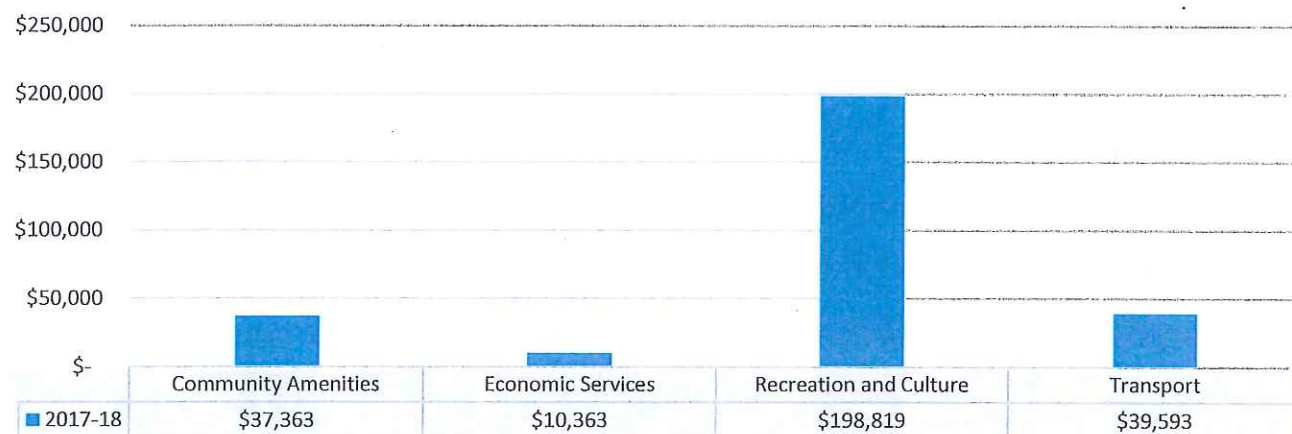
### 6.4 Financial Summary

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

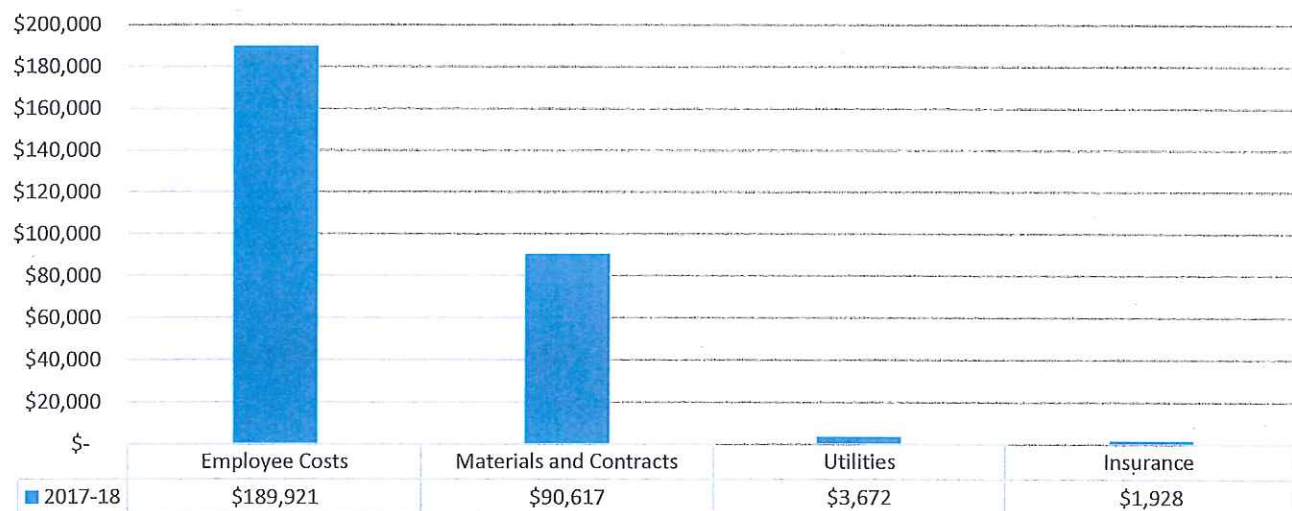
## Appendix A6 – Other Infrastructure (Continued)

### 6.4.1 Maintenance Expenditure by Program

Plant and equipment maintenance expenditure is forecast to increase in line with inflation and is comprised of the following estimated costs in 2017-18:



### 6.4.2 Maintenance Expenditure by Nature and Type



### 6.4.3 New Expenditure

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



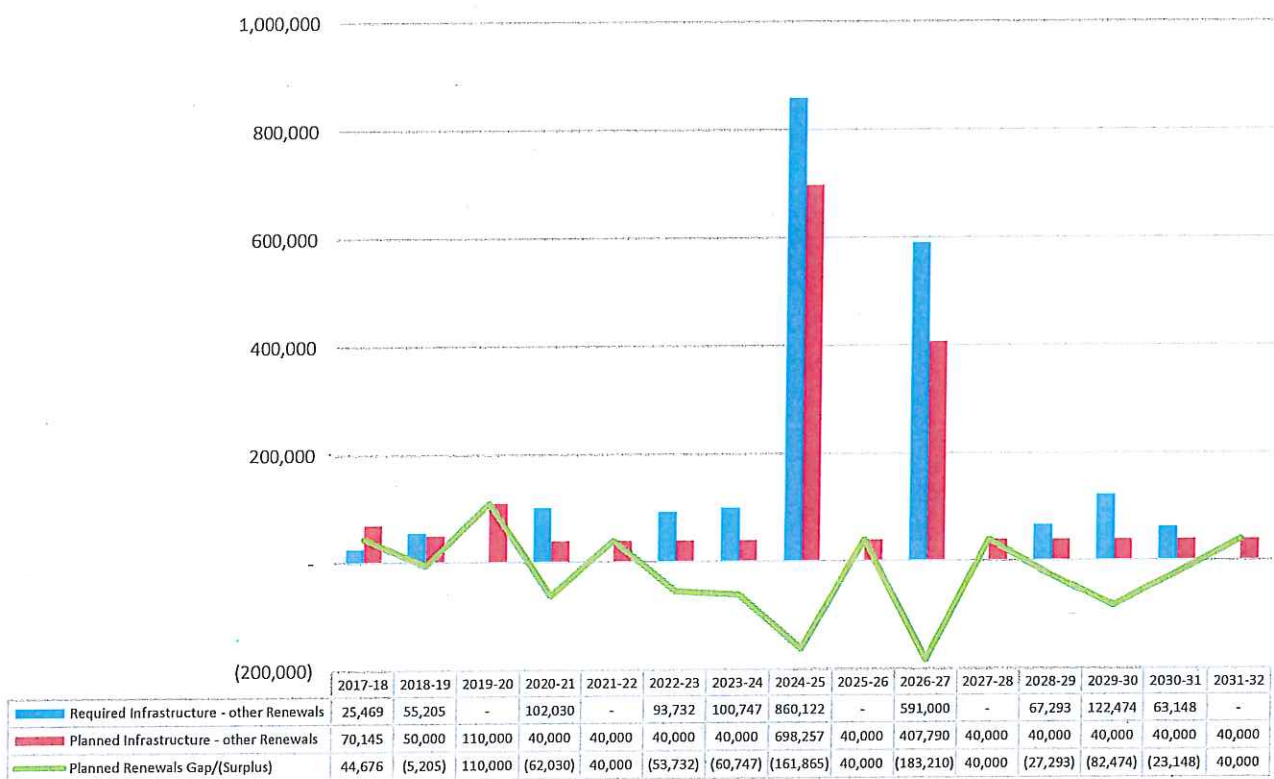
## Appendix A6 – Other Infrastructure (Continued)

### 6.4.4 Renewal Expenditure

Required other infrastructure renewals over the next 15 years have not been forecast with no major asset renewals currently forecast as being required. Minor asset renewals will be determined and funded within the annual budget cycle.

The Plan has planned allocations for the renewal of other infrastructure. In the chart below, planned expenditure is shown as the red columns, with forecast required renewals shown as the blue columns (no required expenditure forecast). The green line shows the variation between the two levels.

### 6.4.5 Forecast Planned and Required Other Infrastructure Renewal Expenditure



## Appendix A6 – Other Infrastructure (Continued)

### 6.5 Level of Service

The level of service measures were defined for parks and gardens and within the Shire's previous Asset Management Plan. Since adoption of the previous Plan, these measures have not been routinely recorded or reported.

The previously identified level of service indicators are provided in the table below.

Key Performance Measure	Level of Service	Performance Measure Process	Performance Target
<b>Parks and Gardens</b>			
Condition	Parks and gardens are maintained to a high standard with regular mowing, watering, pruning and other maintenance tasks being carried out.	Customer complaints. Community Survey.	Under 5 per year. 90% satisfaction.
Function	Provide the community and tourists with attractive natural and playground recreation facilities.	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.
All parks and gardens are clean, well maintained	Customer complaints.	Under 5 per year.	All parks and gardens are clean, well maintained.

### 6.6 Improvement

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

## Appendix A7 – Estimated Asset Life and Residual Value

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

Asset Class	Asset Sub-Class	Pavement Type	Estimated Useful Life	Materials Remaining in-situ
Infrastructure - roads	Unformed SG		100	100%
Infrastructure - roads	Formed SG		100	100%
Infrastructure - roads	Unsealed Pavement		10	
Infrastructure - roads	Sealed Pavement		40	
Infrastructure - roads	Surfacing		15	
Infrastructure - roads	Culverts	Circular	80	
Infrastructure - roads	Culverts	Box shaped	80	
Infrastructure - roads	Signs		20	
Infrastructure - roads	Kerbing	Kerb Barrier	40	
Infrastructure - roads	Kerbing	Kerb Semi Mountable	40	
Infrastructure - roads	Flood ways	Concrete Floodway	80	
Infrastructure - roads	Flood ways	Concrete Floodway w/rock Protection	80	
Infrastructure - roads	Flood ways	Gravel Floodway	10	
Infrastructure - roads	Flood ways	Gravel Floodway w/rock Protection	10	
Infrastructure - roads	Flood ways	Gravel Floodway w/rock Protection 1Side	10	
Infrastructure - roads	Flood ways	Sealed Floodway	40	
Infrastructure - roads	Flood ways	Sealed Floodway w/rock Protection	40	
Infrastructure - roads	Grids		80	
Infrastructure - roads	Streetlights		30	
Infrastructure - footpaths	Footpaths	Insitu Concrete	40	
Infrastructure - footpaths	Footpaths	Brick Paving	30	



## Appendix A7 – Estimated Asset Life and Residual Value (Continued)

Asset Class	Asset Sub-Class	Estimated Useful Life	Estimated Residual Value %
Buildings	Ablutions	42	
Buildings	Steel framed Shed	43	
Buildings	Shelter	38	
Buildings	Residence	45	
Buildings	Kitchen	40	
Buildings	Changeroom	45	
Buildings	Workshop	45	
Buildings	Transportable	20	
Buildings	Heritage	50	
Buildings	Nursing Post	45	
Buildings	Museum	43	
Buildings	Administration	45	
Buildings	Community Centre	45	
Buildings	Shed	45	
Furniture and Equipment		10	
Plant and Equipment	Plant & Equipment 10 Years Estimated Life	10	
Plant and Equipment	Plant & Equipment 6.7 Years Estimated Life	6	
Plant and Equipment	Plant & Equipment 5 Years Estimated Life	5	
Plant and Equipment	Motor Vehicle Replaced after 2 Years	2	
Plant and Equipment	Sundry Equipment - BBQ	20	
Plant and Equipment	Sundry Equipment - Books and Cassettes		
Plant and Equipment	Sundry Equipment - Bowser	15	
Plant and Equipment	Sundry Equipment - Card Reader	10	
Plant and Equipment	Sundry Equipment - Cleaner	10	
Plant and Equipment	Sundry Equipment - Exhaust Fan	25	
Plant and Equipment	Sundry Equipment - Exhaust Fan	10	
Plant and Equipment	Sundry Equipment - Generator	18	
Plant and Equipment	Sundry Equipment - Mower	18	
Plant and Equipment	Sundry Equipment - Oven	18	
Plant and Equipment	Sundry Equipment - Phone System	10	
Plant and Equipment	Sundry Equipment - Photocopier	10	
Plant and Equipment	Sundry Equipment - Piano	35	
Plant and Equipment	Sundry Equipment - Play Equipment	15	
Plant and Equipment	Sundry Equipment - Pump	17	
Plant and Equipment	Sundry Equipment - Racking	30	
Plant and Equipment	Sundry Equipment - Receiver	15	
Plant and Equipment	Sundry Equipment - Refrigerator	15	
Plant and Equipment	Sundry Equipment - Road Broom	15	
Plant and Equipment	Sundry Equipment - Safe	25	

## Appendix A7 – Estimated Asset Life and Residual Value (Continued)

Asset Class	Asset Sub-Class	Estimated Useful Life	Estimated Residual Value %
Plant and Equipment	Sundry Equipment - Server	10	
Plant and Equipment	Sundry Equipment - Shelter	20	
Plant and Equipment	Sundry Equipment - Table	30	
Plant and Equipment	Sundry Equipment - Tank	23	
Plant and Equipment	Sundry Equipment - Telescope	10	
Plant and Equipment	Sundry Equipment - Transmitter	15	
Plant and Equipment	Sundry Equipment - Truck	25	
Plant and Equipment	Sundry Equipment - Tyre Changer	15	
Plant and Equipment	Sundry Equipment - Tyre Inflator	10	
Plant and Equipment	Sundry Equipment - Welder	15	
Plant and Equipment	Sundry Equipment - Winch	15	
Infrastructure - other	Fencing	25	
Infrastructure - other	Water tank	15	
Infrastructure - other	Shelter	40	
Infrastructure - other	Lighting	25	
Infrastructure - other	Windsock	25	
Infrastructure - other	Caravan bays	30	
Infrastructure - other	Bore and pump	25	
Infrastructure - other	Gym equipment	10	
Infrastructure - other	TV Transmission Tower & Transportable Unit	30	
Infrastructure - other	Reticulation	23	
Infrastructure - other	Park benches	15	
Infrastructure - other	Picnic bench	15	
Infrastructure - other	Play Equipment	10	
Infrastructure - other	Tennis Courts	30	
Infrastructure - other	Tennis hit-up wall	40	
Infrastructure - other	Picnic Shelter	40	
Infrastructure - other	Paving	30	
Infrastructure - other	Signage	15	
Infrastructure - other	Bins	15	
Infrastructure - other	Tree protection cages	25	
Infrastructure - other	Feature rock wall to entry	40	
Infrastructure - other	Bench seating	15	
Infrastructure - other	Shade shelter	15	
Infrastructure - other	Flagpoles	25	
Infrastructure - other	Rubbish bins	15	
Infrastructure - other	Information signs	15	
Infrastructure - other	Water Park	15	
Infrastructure - other	Fuel pit and bunding	40	
Infrastructure - other	Judges Tower	30	
Infrastructure - other	Cat / dog shelter	40	
Infrastructure - other	BBQ	10	



## Appendix B1 – Forecast Financial Statements

### Financial Statements

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

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

### Statements of Comprehensive Income

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

### Statement of Financial Position

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

### Statement of Changes in Equity

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

### Statement of Cashflows

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

### Statement of Funding

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

### Statement of Net Current Asset Composition

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

### Statement of Fixed Asset Movements

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

### Statement of Fixed Asset Funding

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

### Forecast Ratios

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

### Nature or Type

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

*Refer to Appendix B12 – Forecast Significant Accounting Policies*



## Appendix B1 – Forecast Financial Statements (Continued)

### Service Programs

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

Objectives	Services	Objectives	Services
Governance	Members of Council	Recreation and culture	Public halls, civic centre
	Governance – general		Swimming areas
General purpose funding	Rates		Other recreation and sport
	Other general purpose funding		Television and radio re-broadcasting
Law, order, public safety	Fire prevention		Libraries
	Animal control		Other culture
	Other law, order, public safety	Transport	Streets, roads, bridges, depots
Health	Maternal and infant health		- Construction (not capitalised)
	Preventative services		- Maintenance
	- Immunisation		Road plant purchase (if not capitalised)
	- Meat inspection		Parking facilities
	- Administration and inspection		Traffic control
	- Pest control		Aerodromes
	- Other		Water transport facilities
	Other health	Economic services	Rural services
Education and welfare	Pre-school		Tourism and area promotion
	Other education		Building control
	Care of families and children		Sale yards and markets
	Aged and disabled		Plant nursery
	- Senior citizens centres		Other economic services
	- Meals on wheels	Other property and services	Private works
Other welfare			Public works overheads
			Plant operation
Housing	Staff housing		Salaries and wages
	Other housing		Unclassified
Community amenities	Sanitation		Town Planning Schemes
	- Household refuse		
	- Other		
	Sewerage		
	Urban stormwater drainage		
	Protection of environment		
	Town planning and regional development		
	Other community amenities		

# Appendix B2 – Forecast Statement of Comprehensive Income by Nature or Type 2017-2032

	2013-14	2014-15	2015-16	Base	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32
Revenues	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Rates	1,003,452	1,006,956	981,003	899,729	1,044,238	1,070,845	1,097,103	1,124,530	1,152,644	1,181,461	1,210,997	1,241,272	1,272,305	1,304,113	1,336,714	1,370,132	1,404,385	1,439,495	1,475,483
Operating grants, subsidies and contributions	988,953	3,236,574	3,233,008	5,777,316	7,802,969	3,263,800	3,329,076	3,395,656	3,463,571	3,532,841	3,603,498	3,675,569	3,749,081	3,824,064	3,900,546	3,978,557	4,058,128	4,139,292	4,222,078
Fees and charges	268,157	189,076	211,318	189,255	193,041	196,901	200,838	204,853	208,947	213,126	217,390	221,738	226,172	230,698	235,311	240,016	244,818	249,713	254,709
Interest earnings	304,235	284,820	199,479	178,060	143,375	135,280	130,293	130,194	136,455	142,808	149,260	155,903	161,117	167,899	174,665	181,594	188,627	195,764	203,006
Other revenue	167,157	623,160	298,898	326,258	332,285	338,931	345,711	352,624	359,675	366,869	374,207	381,689	389,323	397,110	405,054	413,154	421,418	429,846	438,443
	2,731,954	5,340,586	4,947,706	7,370,618	9,515,902	5,005,257	5,103,021	5,207,857	5,321,292	5,437,105	5,555,352	5,676,071	5,797,998	5,923,824	6,052,290	6,183,453	6,317,376	6,454,110	6,593,719
Expenses																			
Employees costs	(819,763)	(1,044,753)	(1,093,454)	(526,756)	(1,151,435)	(1,174,459)	(1,197,941)	(1,221,901)	(1,246,339)	(1,271,265)	(1,296,692)	(1,322,623)	(1,349,075)	(1,376,066)	(1,403,589)	(1,431,662)	(1,460,294)	(1,489,509)	(1,519,301)
Materials and contracts	(784,131)	(1,332,226)	(3,627,975)	(1,998,970)	(8,308,704)	(1,742,874)	(1,777,722)	(1,813,270)	(1,849,591)	(1,886,520)	(1,924,262)	(1,962,738)	(2,001,992)	(2,042,046)	(2,082,892)	(2,124,541)	(2,167,035)	(2,210,375)	(2,254,595)
Utility charges (electricity, gas, water etc.)	(92,999)	(101,241)	(110,225)	(121,720)	(124,154)	(126,635)	(129,162)	(131,746)	(134,377)	(137,062)	(139,804)	(142,592)	(145,443)	(148,357)	(151,325)	(154,345)	(157,429)	(160,581)	(163,798)
Depreciation on non-current assets	(1,529,350)	(1,130,654)	(1,373,894)	(1,560,868)	(2,781,326)	(2,801,996)	(2,860,015)	(2,920,118)	(2,980,252)	(3,040,837)	(3,103,319)	(3,165,261)	(3,229,756)	(3,293,277)	(3,359,659)	(3,428,591)	(3,497,886)	(3,570,990)	(3,645,313)
Insurance expense	(124,709)	(125,857)	(121,899)	(97,773)	(98,968)	(100,948)	(102,967)	(105,025)	(107,128)	(109,271)	(111,458)	(113,687)	(115,962)	(118,281)	(120,646)	(123,062)	(125,523)	(128,033)	(130,597)
Other expenditure	(55,477)	(94,699)	(78,938)	(78,693)	(69,740)	(71,134)	(72,557)	(74,009)	(75,490)	(76,999)	(78,540)	(80,109)	(81,712)	(83,346)	(85,012)	(86,712)	(88,445)	(90,215)	(92,018)
	(3,405,349)	(3,223,424)	(6,405,385)	(4,184,780)	(12,534,327)	(6,018,046)	(6,140,364)	(6,266,069)	(6,393,117)	(6,521,954)	(6,654,075)	(6,787,010)	(6,923,940)	(7,061,373)	(7,203,103)	(7,348,913)	(7,496,712)	(7,649,703)	(7,903,622)
	(674,395)	1,511,162	(1,488,679)	3,185,898	(3,018,425)	(1,012,789)	(1,037,343)	(1,058,212)	(1,071,825)	(1,084,849)	(1,098,723)	(1,110,939)	(1,125,942)	(1,137,549)	(1,150,813)	(1,165,460)	(1,179,336)	(1,195,593)	(1,211,903)
Non-operating grants, subsidies and contributions	1,120,698	448,170	1,420,000	586,528	586,962	224,000	751,080	728,202	730,566	732,573	734,824	737,120	739,462	741,851	744,288	746,774	749,309	751,895	754,533
Loss on Revaluation	0	(34,423)	35,335	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Profit on disposal of assets	30,360	19,481	18,629	8,181	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loss on asset disposal	(560)	(86,759)	(93,556)	(56,444)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NET RESULT	476,103	1,857,651	(108,271)	3,724,103	(2,451,463)	(785,789)	(286,263)	(330,010)	(341,459)	(352,276)	(363,899)	(373,819)	(386,480)	(395,698)	(406,525)	(418,686)	(430,027)	(443,698)	(457,370)
Other Comprehensive Income	10,519,105	1,689,433	9,111	0	955,559	919,822	928,168	932,517	955,820	954,748	963,450	955,975	968,786	955,999	969,622	980,967	976,742	994,250	995,102
TOTAL COMPREHENSIVE INCOME	10,795,208	3,547,064	(99,160)	3,724,103	(1,475,904)	131,033	641,905	622,507	614,361	602,472	599,551	582,156	582,306	560,301	563,097	562,281	546,715	550,552	537,732

Refer to Appendix B12 – Forecast Significant Accounting Policies

Shire of Sandstone Draft Strategic Resource Plan 2017 - 2032



# Appendix B3 – Forecast Statement of Comprehensive Income by Program 2017-2032

	2013-14	2014-15	2015-16	Base	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32
Revenue	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Governance	300	0	0	0	136,544	139,958	143,457	147,043	150,719	154,487	158,249	162,008	165,766	170,525	174,788	179,158	183,637	188,228	192,934
General purpose funding	2,227,824	4,204,735	2,105,879	3,006,045	2,110,158	4,182,716	4,263,329	4,350,658	4,446,217	4,543,775	4,643,381	4,745,069	4,847,564	4,953,545	5,061,732	5,172,233	5,285,034	5,400,204	5,517,792
Law, order, public safety	13,342	14,202	8,575	11,370	11,598	11,830	12,067	12,308	12,554	12,805	13,061	13,322	13,589	13,861	14,138	14,420	14,707	15,001	15,301
Housing	(725)	28,343	7,615	5,000	5,100	5,202	5,306	5,412	5,520	5,630	5,743	5,858	5,975	6,095	6,217	6,341	6,468	6,597	6,729
Community amenities	9,207	12,348	20,325	14,750	15,045	15,345	15,652	15,964	16,283	16,608	16,940	17,279	17,624	17,978	18,337	18,704	19,078	19,459	19,849
Recreation and culture	5,437	12,203	11,476	10,705	10,919	11,137	11,359	11,586	11,817	12,054	12,295	12,541	12,792	13,048	13,309	13,575	13,847	14,124	14,406
Transport	162,024	519,305	1,673,042	3,809,623	6,703,150	105,213	107,317	109,463	111,653	113,886	116,163	118,487	120,857	123,274	125,740	128,255	130,820	133,437	136,106
Economic services	246,384	421,900	473,219	458,350	467,517	476,867	486,404	496,132	506,053	516,175	526,501	537,031	547,772	558,728	569,902	581,298	592,926	604,784	616,880
Other property and services	66,161	127,550	617,574	54,775	55,871	56,989	58,130	59,291	60,476	61,685	62,919	64,176	65,459	66,770	68,107	69,469	70,859	72,276	73,722
	2,731,954	5,340,586	4,917,705	7,370,618	9,515,902	5,005,257	5,103,021	5,207,857	5,321,292	5,437,105	5,555,352	5,676,071	5,797,998	5,923,824	6,052,290	6,183,453	6,317,376	6,454,110	6,593,719
Expenses Excluding Finance Costs																			
Governance	(196,519)	(165,836)	(180,610)	(288,750)	(294,525)	(300,414)	(306,421)	(312,550)	(318,802)	(325,177)	(331,682)	(338,316)	(345,083)	(351,986)	(359,026)	(366,209)	(373,533)	(381,006)	(388,626)
General purpose funding	(117,485)	(115,017)	(126,560)	(138,998)	(131,251)	(133,876)	(136,554)	(139,285)	(142,071)	(144,911)	(147,810)	(150,767)	(153,782)	(156,858)	(159,995)	(163,194)	(166,457)	(169,785)	(173,180)
Law, order, public safety	(62,235)	(63,862)	(83,845)	(65,817)	(71,230)	(71,550)	(74,006)	(75,493)	(77,010)	(78,551)	(80,128)	(81,728)	(83,366)	(85,031)	(86,731)	(88,469)	(90,241)	(92,056)	(93,904)
Health	(28,951)	(34,139)	(49,015)	(39,296)	(40,082)	(40,882)	(41,698)	(42,532)	(43,383)	(44,250)	(45,137)	(46,039)	(46,958)	(47,898)	(48,855)	(49,832)	(50,829)	(51,846)	(52,882)
Housing	(324,494)	(320,710)	(378,822)	(377,734)	(601,210)	(607,809)	(620,261)	(633,113)	(646,044)	(659,121)	(672,569)	(686,993)	(699,894)	(713,734)	(728,090)	(742,920)	(757,897)	(773,531)	(789,462)
Community amenities	(118,079)	(172,619)	(210,365)	(171,505)	(180,096)	(183,636)	(187,309)	(191,054)	(194,873)	(198,788)	(202,742)	(206,794)	(210,930)	(215,153)	(219,456)	(223,845)	(228,323)	(232,890)	(237,548)
Recreation and culture	(385,306)	(356,660)	(634,880)	(580,352)	(796,022)	(806,823)	(823,246)	(840,137)	(857,192)	(874,478)	(892,211)	(910,030)	(928,408)	(946,825)	(965,895)	(985,404)	(1,005,235)	(1,025,786)	(1,046,732)
Transport	(1,537,034)	(1,464,619)	(3,880,554)	(1,500,211)	(8,484,457)	(1,910,198)	(1,949,077)	(1,989,049)	(2,029,416)	(2,070,343)	(2,112,318)	(2,154,524)	(2,198,021)	(2,242,617)	(2,288,620)	(2,336,955)	(2,387,897)	(2,438,535)	(2,478,102)
Economic services	(630,856)	(839,918)	(908,479)	(913,627)	(991,868)	(1,010,221)	(1,030,511)	(1,051,246)	(1,072,343)	(1,093,830)	(1,115,780)	(1,138,089)	(1,160,902)	(1,184,074)	(1,207,779)	(1,232,009)	(1,256,683)	(1,281,948)	(1,307,715)
Other property and services	(5,390)	(296,044)	47,746	(108,490)	(943,626)	(951,637)	(971,281)	(991,610)	(1,011,980)	(1,032,525)	(1,053,698)	(1,074,730)	(1,096,596)	(1,118,197)	(1,140,716)	(1,164,076)	(1,187,617)	(1,212,320)	(1,237,471)
	(3,406,349)	(3,829,424)	(6,406,384)	(4,184,780)	(12,534,327)	(6,018,046)	(6,140,364)	(6,266,069)	(6,393,117)	(6,521,954)	(6,654,075)	(6,787,010)	(6,923,940)	(7,061,373)	(7,203,103)	(7,348,913)	(7,496,712)	(7,649,703)	(7,805,622)
Non Operating Grants, Subsidies and Contributions																			
Law, order, public safety	0	198,170	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Community amenities	0	0	0	0	93,962	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Recreation and culture	0	0	0	0	55,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Transport	678,884	250,000	1,420,000	586,528	438,000	224,000	726,080	728,202	730,366	732,573	734,824	737,120	739,462	741,851	744,288	746,774	749,309	751,895	754,533
Economic services	0	0	0	0	0	0	25,000	0	0	0	0	0	0	0	0	0	0	0	0
	1,120,698	448,170	1,420,000	586,528	586,962	224,000	751,080	728,202	730,366	732,573	734,824	737,120	739,462	741,851	744,288	746,774	749,309	751,895	754,533
Profit/(loss) on Disposal of Assets																			
Transport	29,800	(67,278)	(74,927)	(48,263)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	29,800	(67,278)	(74,927)	(48,263)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loss on Revaluation of Assets	0	(34,423)	35,335	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NET RESULT	476,103	1,857,651	(108,271)	3,724,103	(2,431,463)	(788,786)	(286,263)	(330,010)	(341,459)	(352,276)	(363,893)	(373,819)	(386,480)	(395,698)	(406,525)	(418,666)	(430,027)	(443,698)	(457,370)
Other Comprehensive Income	10,319,105	1,689,433	9,111	0	955,559	919,822	928,168	952,517	955,820	954,748	963,450	955,975	968,786	955,999	969,622	980,967	976,742	984,250	995,102
TOTAL COMPREHENSIVE INCOME	10,795,208	3,547,064	(99,160)	3,724,103	(1,475,904)	131,033	641,905	622,507	614,361	602,472	599,551	582,156	582,306	560,301	563,097	562,281	546,715	550,552	537,732

Refer to Appendix B12 – Forecast Significant Accounting Policies



## Appendix B4 – Forecast Statement of Financial Position 2017-2032

	2015	2016	Base	30 June 18	30 June 19	30 June 20	30 June 21	30 June 22	30 June 23	30 June 24	30 June 25	30 June 26	30 June 27	30 June 28	30 June 29	30 June 30	30 June 31	30 June 32
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>CURRENT ASSETS</b>																		
Unrestricted Cash and Equivalents	2,929,570	959,254	1,205,986	187,597	187,597	187,597	187,597	187,597	187,597	187,597	187,597	187,597	187,597	187,597	187,597	187,597	187,597	187,597
Restricted Cash and Cash Equivalent	5,054,559	5,595,164	5,019,017	5,487,674	5,165,140	5,158,619	5,575,999	5,999,640	6,429,694	6,866,080	7,220,133	7,668,436	8,123,461	8,585,312	9,054,092	9,529,905	10,012,855	10,169,047
Trade and Other Receivables	423,213	200,409	67,771	67,771	67,771	67,771	67,771	67,771	67,771	67,771	67,771	67,771	67,771	67,771	67,771	67,771	67,771	67,771
Inventories	165,340	133,424	133,424	133,424	133,424	133,424	133,424	133,424	133,424	133,424	133,424	133,424	133,424	133,424	133,424	133,424	133,424	133,424
<b>TOTAL CURRENT ASSETS</b>	<b>8,572,682</b>	<b>6,888,251</b>	<b>6,426,198</b>	<b>5,865,466</b>	<b>5,553,992</b>	<b>5,547,411</b>	<b>5,964,791</b>	<b>6,388,432</b>	<b>6,818,426</b>	<b>7,254,872</b>	<b>7,608,925</b>	<b>8,057,228</b>	<b>8,512,253</b>	<b>8,974,104</b>	<b>9,442,884</b>	<b>9,918,697</b>	<b>10,401,647</b>	<b>10,551,839</b>
<b>NON-CURRENT ASSETS</b>																		
Property Plant and Equipment	9,383,020	8,994,612	9,400,853	8,921,086	9,242,064	9,258,160	8,909,940	8,549,641	8,297,694	7,877,918	7,857,980	7,593,665	7,706,205	7,418,578	6,943,544	6,591,848	5,705,674	4,788,263
Infrastructure	31,858,961	33,380,972	38,497,976	38,041,571	38,184,160	38,816,490	39,369,937	39,920,856	40,345,281	40,928,162	41,176,203	41,634,521	41,567,257	41,956,130	42,524,655	42,947,263	43,901,039	45,205,990
<b>TOTAL NON-CURRENT ASSETS</b>	<b>41,244,981</b>	<b>42,375,584</b>	<b>47,898,829</b>	<b>46,962,657</b>	<b>47,426,224</b>	<b>48,074,650</b>	<b>48,279,777</b>	<b>48,470,497</b>	<b>48,642,975</b>	<b>48,806,080</b>	<b>49,034,183</b>	<b>49,168,186</b>	<b>49,273,462</b>	<b>49,374,708</b>	<b>49,468,209</b>	<b>49,539,111</b>	<b>49,606,713</b>	<b>49,594,253</b>
<b>TOTAL ASSETS</b>	<b>49,814,663</b>	<b>49,263,835</b>	<b>54,325,027</b>	<b>52,849,123</b>	<b>52,980,156</b>	<b>53,622,061</b>	<b>54,244,568</b>	<b>54,858,929</b>	<b>55,461,401</b>	<b>56,060,952</b>	<b>56,643,108</b>	<b>57,225,414</b>	<b>57,785,715</b>	<b>58,348,812</b>	<b>58,911,093</b>	<b>59,457,808</b>	<b>60,008,360</b>	<b>60,546,092</b>
<b>CURRENT LIABILITIES</b>																		
Trade and Other Payables	569,409	70,092	388,792	388,792	388,792	388,792	388,792	388,792	388,792	388,792	388,792	388,792	388,792	388,792	388,792	388,792	388,792	388,792
Provisions	43,211	66,060	66,060	66,060	66,060	66,060	66,060	66,060	66,060	66,060	66,060	66,060	66,060	66,060	66,060	66,060	66,060	66,060
<b>TOTAL CURRENT LIABILITIES</b>	<b>612,620</b>	<b>136,152</b>	<b>454,852</b>	<b>454,852</b>	<b>454,852</b>	<b>454,852</b>	<b>454,852</b>	<b>454,852</b>	<b>454,852</b>	<b>454,852</b>	<b>454,852</b>	<b>454,852</b>	<b>454,852</b>	<b>454,852</b>	<b>454,852</b>	<b>454,852</b>	<b>454,852</b>	<b>454,852</b>
<b>NON-CURRENT LIABILITIES</b>																		
Provisions	13,611	12,427	12,427	12,427	12,427	12,427	12,427	12,427	12,427	12,427	12,427	12,427	12,427	12,427	12,427	12,427	12,427	12,427
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>13,611</b>	<b>12,427</b>	<b>12,427</b>	<b>12,427</b>	<b>12,427</b>	<b>12,427</b>	<b>12,427</b>	<b>12,427</b>	<b>12,427</b>	<b>12,427</b>	<b>12,427</b>	<b>12,427</b>	<b>12,427</b>	<b>12,427</b>	<b>12,427</b>	<b>12,427</b>	<b>12,427</b>	<b>12,427</b>
<b>TOTAL LIABILITIES</b>	<b>626,231</b>	<b>148,579</b>	<b>467,279</b>	<b>467,279</b>	<b>467,279</b>	<b>467,279</b>	<b>467,279</b>	<b>467,279</b>	<b>467,279</b>	<b>467,279</b>	<b>467,279</b>	<b>467,279</b>	<b>467,279</b>	<b>467,279</b>	<b>467,279</b>	<b>467,279</b>	<b>467,279</b>	<b>467,279</b>
<b>NET ASSETS</b>	<b>49,188,432</b>	<b>49,115,256</b>	<b>53,857,748</b>	<b>52,381,844</b>	<b>52,512,877</b>	<b>53,154,782</b>	<b>53,777,289</b>	<b>54,391,650</b>	<b>54,994,122</b>	<b>55,593,673</b>	<b>56,175,829</b>	<b>56,758,135</b>	<b>57,318,436</b>	<b>57,881,533</b>	<b>58,443,814</b>	<b>58,990,529</b>	<b>59,541,081</b>	<b>60,078,813</b>
<b>EQUITY</b>																		
Retained Surplus	32,233,357	32,033,590	36,821,082	33,910,962	33,454,707	33,174,965	32,427,575	31,662,475	30,880,205	30,079,860	29,351,988	28,517,205	27,666,482	26,798,106	25,910,640	25,004,900	24,078,152	23,470,590
Reserves - Cash Backed	4,946,537	5,064,017	5,019,017	5,497,674	5,165,140	5,158,619	5,575,999	5,999,640	6,429,694	6,866,080	7,220,133	7,668,436	8,123,461	8,585,312	9,054,092	9,529,905	10,012,855	10,169,047
Asset Revaluation Surplus	12,006,538	12,017,649	12,017,649	12,973,208	13,893,030	14,821,198	15,773,715	16,729,535	17,684,283	18,647,733	19,603,708	20,572,494	21,528,493	22,498,115	23,479,082	24,455,824	25,450,074	26,443,176
<b>TOTAL EQUITY</b>	<b>49,188,432</b>	<b>49,115,256</b>	<b>53,857,748</b>	<b>52,381,844</b>	<b>52,512,877</b>	<b>53,154,782</b>	<b>53,777,289</b>	<b>54,391,650</b>	<b>54,994,122</b>	<b>55,593,673</b>	<b>56,175,829</b>	<b>56,758,135</b>	<b>57,318,436</b>	<b>57,881,533</b>	<b>58,443,814</b>	<b>58,990,529</b>	<b>59,541,081</b>	<b>60,078,813</b>

Refer to Appendix B12 – Forecast Significant Accounting Policies

# Appendix B5 – Forecast Statement of Changes in Equity 2017-2032

	2014	2015	2016	Base	30 June 18	30 June 19	30 June 20	30 June 21	30 June 22	30 June 23	30 June 24	30 June 25	30 June 26	30 June 27	30 June 28	30 June 29	30 June 30	30 June 31	30 June 32
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>RETAINED SURPLUS</b>																			
Opening Balance	28,498,045	28,974,148	32,259,341	33,051,979	36,821,082	33,910,962	33,454,707	33,174,965	32,427,575	31,662,475	30,880,205	30,079,860	29,351,988	28,517,205	27,666,482	26,798,106	25,910,640	25,004,800	24,078,152
Net Result	476,103	1,857,691	(108,271)	3,724,103	(2,431,463)	(788,789)	(286,263)	(330,010)	(341,459)	(352,276)	(363,899)	(373,819)	(386,480)	(395,698)	(406,525)	(418,686)	(430,027)	(443,698)	(457,370)
Amount transferred (to)/from Reserves		1,401,578	(117,480)	45,000	(478,657)	332,534	6,521	(417,380)	(423,641)	(429,994)	(436,446)	(354,053)	(448,303)	(455,025)	(461,851)	(468,780)	(475,813)	(482,950)	(490,192)
Closing Balance	28,974,148	32,233,357	32,033,590	36,821,082	33,910,962	33,454,707	33,174,965	32,427,575	31,662,475	30,880,205	30,079,860	29,351,988	28,517,205	27,666,482	26,798,106	25,910,640	25,004,800	24,078,152	23,470,590
<b>RESERVES - CASH/INVESTMENT BACKED</b>																			
Opening Balance	6,348,115	6,348,115	4,946,537	5,064,017	5,019,017	5,497,674	5,165,140	5,158,619	5,575,999	5,999,640	6,429,634	6,866,080	7,220,133	7,668,436	8,123,461	8,585,312	9,054,092	9,529,905	10,012,855
Amount transferred to/(from) Retained Surplus	0	(1,401,578)	117,480	(45,000)	478,657	(332,534)	(6,521)	417,380	423,641	429,994	436,446	354,053	448,303	455,025	461,851	468,780	475,813	482,950	490,192
Closing Balance	6,348,115	4,946,537	5,064,017	5,019,017	5,497,674	5,165,140	5,158,619	5,575,999	5,999,640	6,429,634	6,866,080	7,220,133	7,668,436	8,123,461	8,585,312	9,054,092	9,529,905	10,012,855	10,163,047
<b>ASSET REVALUATION SURPLUS</b>																			
Opening Balance	0	10,319,105	12,008,538	12,017,649	12,017,649	12,973,208	13,893,030	14,821,198	15,773,715	16,729,535	17,684,283	18,647,733	19,603,708	20,572,494	21,528,493	22,498,115	23,479,082	24,455,824	25,450,074
Total Other Comprehensive Income	0	1,689,483	9,111	0	955,559	919,822	928,168	952,517	955,820	954,748	963,450	955,975	968,786	955,999	969,622	980,967	976,742	994,250	995,102
Closing Balance	10,319,105	12,008,538	12,017,649	12,017,649	12,973,208	13,893,030	14,821,198	15,773,715	16,729,535	17,684,283	18,647,733	19,603,708	20,572,494	21,528,493	22,498,115	23,479,082	24,455,824	25,450,074	26,445,176
<b>TOTAL EQUITY</b>	45,641,368	49,188,432	49,115,256	53,857,748	52,381,844	52,512,877	53,154,782	53,777,289	54,391,650	54,994,122	55,593,673	56,175,829	56,758,135	57,318,436	57,881,533	58,443,814	58,990,529	59,541,081	60,078,813



# Appendix B6 – Forecast Statement of Cashflows 2017-2032

	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Cash Flows From Operating Activities</b>															
<b>Receipts</b>															
Rates	1,044,238	1,070,345	1,097,103	1,124,530	1,152,644	1,181,461	1,210,997	1,241,272	1,272,305	1,304,113	1,336,714	1,370,132	1,404,385	1,439,495	1,475,483
Operating grants, subsidies and contributions	7,802,963	3,263,800	3,329,076	3,395,656	3,463,571	3,532,841	3,603,498	3,675,569	3,749,081	3,824,064	3,900,546	3,978,557	4,058,128	4,139,292	4,222,078
Fees and charges	193,041	196,901	200,838	204,853	208,947	213,126	217,390	221,738	226,172	230,698	235,311	240,016	244,818	249,713	254,709
Interest earnings	143,375	135,280	130,283	130,194	136,455	142,808	149,260	155,803	161,117	167,899	174,665	181,594	188,627	195,764	203,006
Other revenue	332,285	339,931	345,711	352,624	359,675	366,869	374,207	381,689	389,223	397,110	405,054	413,154	421,418	429,846	438,443
	9,515,902	5,005,257	5,103,021	5,207,857	5,321,292	5,437,105	5,555,352	5,676,071	5,797,998	5,923,824	6,052,290	6,183,453	6,317,376	6,454,110	6,593,719
<b>Payments</b>															
Employee costs	(1,151,435)	(1,174,459)	(1,197,941)	(1,221,901)	(1,246,339)	(1,271,265)	(1,296,692)	(1,322,623)	(1,349,075)	(1,376,066)	(1,403,589)	(1,431,662)	(1,460,294)	(1,489,509)	(1,519,301)
Materials and contracts	(8,308,704)	(1,742,874)	(1,777,722)	(1,813,270)	(1,849,531)	(1,886,520)	(1,924,262)	(1,962,738)	(2,001,992)	(2,042,046)	(2,082,892)	(2,124,541)	(2,167,035)	(2,210,375)	(2,254,595)
Utility charges	(124,154)	(126,635)	(129,162)	(131,746)	(134,377)	(137,062)	(139,804)	(142,592)	(145,443)	(148,357)	(151,325)	(154,345)	(157,429)	(160,581)	(163,798)
Insurance expenses	(98,968)	(100,948)	(102,967)	(105,025)	(107,128)	(109,271)	(111,458)	(113,687)	(115,962)	(118,281)	(120,646)	(123,062)	(125,523)	(128,033)	(130,597)
Other expenditure	(69,740)	(71,134)	(72,557)	(74,009)	(75,490)	(76,999)	(78,540)	(80,109)	(81,712)	(83,346)	(85,012)	(86,712)	(88,445)	(90,215)	(92,018)
	(9,753,001)	(3,216,050)	(3,280,349)	(3,345,951)	(3,412,865)	(3,481,117)	(3,550,756)	(3,621,749)	(3,694,184)	(3,768,096)	(3,843,464)	(3,920,322)	(3,998,726)	(4,078,713)	(4,160,309)
<b>Net Cash Provided By (Used In) Operating Activities</b>	(237,099)	1,789,207	1,822,672	1,861,906	1,908,427	1,955,988	2,004,596	2,054,322	2,103,814	2,155,728	2,208,826	2,263,131	2,318,650	2,375,397	2,433,410
<b>Cash Flows from Investing Activities</b>															
Payments for purchase of property, plant & equipment	(321,450)	(1,460,794)	(1,211,901)	(676,567)	(736,642)	(1,001,622)	(760,061)	(1,316,943)	(927,894)	(1,723,408)	(1,170,350)	(727,708)	(1,056,056)	(275,753)	(325,233)
Payments for construction of infrastructure	(568,145)	(1,212,673)	(1,739,794)	(1,585,587)	(1,710,366)	(1,611,586)	(1,801,367)	(1,495,377)	(1,742,010)	(1,249,409)	(1,749,877)	(1,965,606)	(1,853,023)	(2,421,368)	(2,800,000)
Non-operating grants, subsidies and contributions	586,962	224,000	751,080	728,202	730,366	732,573	734,824	737,120	739,462	741,851	744,288	746,774	749,309	751,895	754,533
Proceeds from sale of plant & equipment	0	327,726	371,422	189,426	231,856	354,741	258,454	374,931	274,871	530,263	428,964	152,189	316,933	52,779	87,482
<b>Net Cash Provided By (Used In) Investing Activities</b>	(302,633)	(2,121,741)	(1,829,193)	(1,444,526)	(1,484,786)	(1,525,994)	(1,568,150)	(1,700,269)	(1,655,511)	(1,700,703)	(1,746,975)	(1,794,351)	(1,842,837)	(1,892,447)	(2,283,218)
<b>Cash Flows from Financing Activities</b>															
Net Cash Provided By (Used In) Financing Activities	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Net Increase (Decrease) in Cash Held</b>	(539,732)	(332,534)	(6,521)	417,380	423,641	429,994	436,446	354,053	448,303	455,025	461,851	468,780	475,813	482,950	150,192
<b>Cash at beginning of year</b>	6,225,003	5,685,271	5,352,737	5,346,216	5,763,596	6,187,237	6,617,231	7,053,677	7,407,730	7,856,033	8,311,058	8,772,909	9,241,689	9,717,502	10,200,452
<b>Cash and Cash Equivalents at the End of Year</b>	5,685,271	5,352,737	5,346,216	5,763,596	6,187,237	6,617,231	7,053,677	7,407,730	7,856,033	8,311,058	8,772,909	9,241,689	9,717,502	10,200,452	10,350,644
<b>Reconciliation of Net Cash Provided By Operating Activities to Net Result</b>															
Net Result	(2,431,463)	(788,789)	(286,263)	(330,010)	(341,459)	(352,276)	(363,899)	(373,819)	(386,480)	(395,698)	(406,525)	(418,686)	(430,027)	(443,698)	(457,370)
Depreciation	2,781,326	2,801,996	2,860,015	2,920,118	2,980,252	3,040,837	3,103,319	3,165,261	3,229,756	3,293,277	3,359,639	3,428,591	3,497,986	3,570,990	3,645,313
Grants/Contributions for the development of assets	(586,962)	(224,000)	(751,080)	(728,202)	(730,366)	(732,573)	(734,824)	(737,120)	(739,462)	(741,851)	(744,288)	(746,774)	(749,309)	(751,895)	(754,533)
<b>Net Cash from Operating Activities</b>	(237,099)	1,789,207	1,822,672	1,861,906	1,908,427	1,955,988	2,004,596	2,054,322	2,103,814	2,155,728	2,208,826	2,263,131	2,318,650	2,375,397	2,433,410



# Appendix B7 – Forecast Statement of Funding 2017-2032

	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>FUNDING FROM OPERATIONAL ACTIVITIES</b>															
<b>Revenues</b>															
Rates	1,044,238	1,070,945	1,097,103	1,124,530	1,152,644	1,181,461	1,210,997	1,241,272	1,272,305	1,304,113	1,335,714	1,370,132	1,404,385	1,439,495	1,475,483
Operating grants, subsidies and contributions	7,802,963	3,263,800	3,329,076	3,395,656	3,463,571	3,532,841	3,603,498	3,675,569	3,749,081	3,824,064	3,900,546	3,978,557	4,058,128	4,139,292	4,222,078
Fees and charges	193,041	196,901	200,838	204,853	208,947	213,126	217,390	221,738	226,172	230,698	235,311	240,016	244,818	249,713	254,709
Interest earnings	143,375	135,280	130,293	130,194	136,455	142,808	149,260	155,803	161,117	167,839	174,665	181,594	188,627	195,764	203,006
Other revenue	332,285	338,931	345,711	352,624	359,675	366,869	374,207	381,689	389,323	397,110	405,054	413,154	421,418	429,846	438,443
	9,515,902	5,005,257	5,103,021	5,207,857	5,321,292	5,437,105	5,555,352	5,676,071	5,797,998	5,923,824	6,052,290	6,183,453	6,317,376	6,454,110	6,593,719
<b>Expenses</b>															
Employee costs	(1,151,495)	(1,174,459)	(1,197,941)	(1,221,901)	(1,246,359)	(1,271,265)	(1,296,692)	(1,322,623)	(1,349,075)	(1,376,066)	(1,403,589)	(1,431,662)	(1,460,294)	(1,489,509)	(1,519,301)
Materials and contracts	(8,308,704)	(1,742,874)	(1,777,722)	(1,813,270)	(1,849,531)	(1,886,520)	(1,924,262)	(1,962,738)	(2,001,992)	(2,042,046)	(2,082,892)	(2,124,541)	(2,167,035)	(2,210,375)	(2,254,595)
Utility charges (electricity, gas, water etc.)	(124,154)	(126,635)	(129,162)	(131,746)	(134,377)	(137,062)	(139,804)	(142,592)	(145,443)	(148,357)	(151,325)	(154,345)	(157,429)	(160,581)	(163,798)
Depreciation on non-current assets	(2,781,326)	(2,801,996)	(2,860,015)	(2,920,118)	(2,980,252)	(3,040,837)	(3,103,319)	(3,165,261)	(3,229,756)	(3,293,277)	(3,359,639)	(3,428,591)	(3,497,886)	(3,570,990)	(3,645,313)
Insurance expense	(98,968)	(100,948)	(102,967)	(105,025)	(107,128)	(109,271)	(111,458)	(113,687)	(115,962)	(118,281)	(120,646)	(123,062)	(125,523)	(128,033)	(130,597)
Other expenditure	(69,740)	(71,134)	(72,557)	(74,009)	(75,490)	(76,999)	(78,540)	(80,109)	(81,712)	(83,346)	(85,012)	(86,712)	(88,445)	(90,215)	(92,018)
	(12,534,327)	(6,018,046)	(6,140,364)	(6,266,069)	(6,393,117)	(6,521,954)	(6,654,075)	(6,787,010)	(6,923,940)	(7,061,375)	(7,203,103)	(7,349,913)	(7,496,712)	(7,649,703)	(7,805,622)
<b>Funding Position Adjustments</b>	(3,018,425)	(1,012,789)	(1,057,343)	(1,058,212)	(1,071,825)	(1,084,849)	(1,098,723)	(1,110,939)	(1,125,942)	(1,137,549)	(1,150,813)	(1,165,460)	(1,179,336)	(1,195,593)	(1,211,903)
Depreciation on non-current assets	2,781,326	2,801,996	2,860,015	2,920,118	2,980,252	3,040,837	3,103,319	3,165,261	3,229,756	3,293,277	3,359,639	3,428,591	3,497,886	3,570,990	3,645,313
<b>Net Funding From Operational Activities</b>	(237,099)	1,789,207	1,822,672	1,861,906	1,908,427	1,955,988	2,004,596	2,054,322	2,103,814	2,155,728	2,208,826	2,263,131	2,318,650	2,375,397	2,433,410
<b>FUNDING FROM CAPITAL ACTIVITIES</b>															
<b>Inflows</b>															
Proceeds on disposal	0	327,726	371,422	189,426	231,856	354,741	258,454	374,931	274,871	550,263	428,864	152,189	316,933	52,779	87,482
Non-operating grants, subsidies and contributions	586,962	224,000	751,080	728,202	730,366	732,573	734,824	737,120	739,462	741,851	744,288	746,774	749,309	751,895	754,533
<b>Outflows</b>															
Purchase of property plant and equipment	(321,450)	(1,460,794)	(1,211,901)	(676,567)	(736,642)	(1,001,622)	(760,061)	(1,316,943)	(927,834)	(1,723,408)	(1,170,350)	(727,708)	(1,056,056)	(275,753)	(325,233)
Purchase of infrastructure	(568,145)	(1,212,673)	(1,739,794)	(1,685,587)	(1,710,366)	(1,611,686)	(1,801,367)	(1,495,377)	(1,742,010)	(1,249,409)	(1,749,877)	(1,965,606)	(1,853,023)	(2,421,368)	(2,900,000)
<b>Net Funding From Capital Activities</b>	(302,633)	(2,124,741)	(1,829,193)	(1,444,526)	(1,484,786)	(1,525,994)	(1,568,150)	(1,700,269)	(1,655,511)	(1,700,703)	(1,745,975)	(1,794,351)	(1,842,837)	(1,892,447)	(2,283,218)
<b>FUNDING FROM FINANCING ACTIVITIES</b>															
<b>Inflows</b>															
Transfer from reserves	0	755,000	424,000	0	0	0	0	90,000	0	0	0	0	0	0	0
<b>Outflows</b>															
Transfer to reserves	(478,657)	(422,466)	(417,479)	(417,380)	(423,641)	(429,894)	(436,446)	(444,053)	(448,303)	(455,025)	(461,851)	(468,780)	(475,813)	(482,950)	(150,192)
<b>Net Funding From Financing Activities</b>	(478,657)	332,534	6,521	(417,380)	(423,641)	(429,894)	(436,446)	(444,053)	(448,303)	(455,025)	(461,851)	(468,780)	(475,813)	(482,950)	(150,192)
Estimated Surplus/Deficit July 1 B/Fwd	1,018,389	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

## Appendix B7 – Forecast Statement of Funding 2017-2032 (Continued)

	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>COMPOSITION OF CLOSING POSITION</b>															
<b>CURRENT ASSETS</b>															
Unrestricted Cash and Equivalents	187,597	187,597	187,597	187,597	187,597	187,597	187,597	187,597	187,597	187,597	187,597	187,597	187,597	187,597	187,597
Restricted Cash and Cash Equivalent	5,497,674	5,165,140	5,158,619	5,575,999	5,999,640	6,429,634	6,866,080	7,220,133	7,668,436	8,123,461	8,585,312	9,054,092	9,529,905	10,012,855	10,163,047
Trade and Other Receivables	67,771	67,771	67,771	67,771	67,771	67,771	67,771	67,771	67,771	67,771	67,771	67,771	67,771	67,771	67,771
Inventories	133,424	133,424	133,424	133,424	133,424	133,424	133,424	133,424	133,424	133,424	133,424	133,424	133,424	133,424	133,424
<b>CURRENT LIABILITIES</b>															
Trade and Other Payables	(388,792)	(388,792)	(388,792)	(388,792)	(388,792)	(388,792)	(388,792)	(388,792)	(388,792)	(388,792)	(388,792)	(388,792)	(388,792)	(388,792)	(388,792)
Reserves	(5,497,674)	(5,165,140)	(5,158,619)	(5,575,999)	(5,999,640)	(6,429,634)	(6,866,080)	(7,220,133)	(7,668,436)	(8,123,461)	(8,585,312)	(9,054,092)	(9,529,905)	(10,012,855)	(10,163,047)
Estimated Surplus/Deficit June 30 C/Fwd	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL CURRENT ASSETS</b>	5,886,466	5,553,932	5,547,411	5,964,791	6,388,432	6,818,426	7,254,872	7,608,925	8,057,228	8,512,253	8,974,104	9,442,884	9,918,697	10,401,647	10,551,839
<b>TOTAL CURRENT LIABILITIES</b>	(454,852)	(454,852)	(454,852)	(454,852)	(454,852)	(454,852)	(454,852)	(454,852)	(454,852)	(454,852)	(454,852)	(454,852)	(454,852)	(454,852)	(454,852)
Reserves	(5,497,674)	(5,165,140)	(5,158,619)	(5,575,999)	(5,999,640)	(6,429,634)	(6,866,080)	(7,220,133)	(7,668,436)	(8,123,461)	(8,585,312)	(9,054,092)	(9,529,905)	(10,012,855)	(10,163,047)
Add: Leave Reserve	66,060	66,060	66,060	66,060	66,060	66,060	66,060	66,060	66,060	66,060	66,060	66,060	66,060	66,060	66,060
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

## Appendix B8 – Forecast Statement of Net Current Asset Composition 2017-2032

	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Estimated Surplus/Deficit July 1 B/Fwd	1,018,389	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>CURRENT ASSETS</b>															
Unrestricted Cash and Equivalents	187,597	187,597	187,597	187,597	187,597	187,597	187,597	187,597	187,597	187,597	187,597	187,597	187,597	187,597	187,597
Restricted Cash and Cash Equivalent	5,497,674	5,165,140	5,158,619	5,575,999	5,999,640	6,429,634	6,866,080	7,220,133	7,668,436	8,123,461	8,585,312	9,054,092	9,529,905	10,012,855	10,163,047
Trade and Other Receivables	67,771	67,771	67,771	67,771	67,771	67,771	67,771	67,771	67,771	67,771	67,771	67,771	67,771	67,771	67,771
Inventories	133,424	133,424	133,424	133,424	133,424	133,424	133,424	133,424	133,424	133,424	133,424	133,424	133,424	133,424	133,424
<b>CURRENT LIABILITIES</b>															
Trade and Other Payables	(388,792)	(388,792)	(388,792)	(388,792)	(388,792)	(388,792)	(388,792)	(388,792)	(388,792)	(388,792)	(388,792)	(388,792)	(388,792)	(388,792)	(388,792)
Reserves	(5,497,674)	(5,165,140)	(5,158,619)	(5,575,999)	(5,999,640)	(6,429,634)	(6,866,080)	(7,220,133)	(7,668,436)	(8,123,461)	(8,585,312)	(9,054,092)	(9,529,905)	(10,012,855)	(10,163,047)
Estimated Surplus/Deficit June 30 C/Fwd	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0



# Appendix B9 – Forecast Statement of Fixed Asset Movements 2017-2032

	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>CAPITAL WORKS - INFRASTRUCTURE</b>															
Infrastructure - roads	498,000	1,162,673	1,629,794	1,645,587	1,570,366	1,571,686	1,751,367	797,120	1,702,010	841,619	1,709,877	1,925,606	1,803,029	2,381,368	2,760,000
Infrastructure - footpaths	0	0	0	0	0	0	0	0	0	0	0	0	9,994	0	0
Infrastructure - other	70,145	50,000	110,000	40,000	40,000	40,000	40,000	698,257	40,000	407,790	40,000	40,000	40,000	40,000	40,000
<b>Total Capital Works - Infrastructure</b>	<b>568,145</b>	<b>1,212,673</b>	<b>1,739,794</b>	<b>1,685,587</b>	<b>1,710,366</b>	<b>1,611,686</b>	<b>1,801,367</b>	<b>1,495,377</b>	<b>1,742,010</b>	<b>1,249,409</b>	<b>1,749,877</b>	<b>1,965,606</b>	<b>1,853,023</b>	<b>2,421,368</b>	<b>2,800,000</b>
<b>Represented by:</b>															
Additions - Expansion, Upgrades and New	20,000	10,000	70,000	0	0	0	0	0	0	0	0	0	0	0	0
Additions - Renewal	548,145	1,202,673	1,669,794	1,685,587	1,710,366	1,611,686	1,801,367	1,495,377	1,742,010	1,249,409	1,749,877	1,965,606	1,853,023	2,421,368	2,800,000
<b>Total Capital Works - Infrastructure</b>	<b>568,145</b>	<b>1,212,673</b>	<b>1,739,794</b>	<b>1,685,587</b>	<b>1,710,366</b>	<b>1,611,686</b>	<b>1,801,367</b>	<b>1,495,377</b>	<b>1,742,010</b>	<b>1,249,409</b>	<b>1,749,877</b>	<b>1,965,606</b>	<b>1,853,023</b>	<b>2,421,368</b>	<b>2,800,000</b>
<b>Asset Movement Reconciliation</b>															
Total Capital Works Infrastructure	568,145	1,212,673	1,739,794	1,685,587	1,710,366	1,611,686	1,801,367	1,495,377	1,742,010	1,249,409	1,749,877	1,965,606	1,853,023	2,421,368	2,800,000
Depreciation Infrastructure	(1,794,510)	(1,830,916)	(1,871,148)	(1,908,571)	(1,946,742)	(1,985,678)	(2,025,391)	(2,065,899)	(2,107,217)	(2,149,362)	(2,192,348)	(2,236,195)	(2,280,919)	(2,326,538)	(2,373,069)
Revaluation of Infrastructure assets (Inflation)	759,960	760,832	763,684	776,331	787,395	798,417	806,905	818,563	823,525	832,689	831,344	839,124	850,494	858,946	878,020
<b>Net Movement in Infrastructure Assets</b>	<b>(456,405)</b>	<b>142,589</b>	<b>632,330</b>	<b>553,347</b>	<b>551,019</b>	<b>424,425</b>	<b>582,881</b>	<b>248,041</b>	<b>458,318</b>	<b>(67,264)</b>	<b>388,873</b>	<b>568,535</b>	<b>422,598</b>	<b>953,776</b>	<b>1,304,951</b>
<b>CAPITAL WORKS - PROPERTY, PLANT AND EQUIPMENT</b>															
Buildings	321,450	430,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
Furniture and Equipment	0	6,000	6,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000
Plant and Equipment	0	1,024,794	1,055,901	519,567	579,642	844,622	603,061	1,159,943	770,834	1,566,408	1,013,350	570,708	899,056	118,753	168,233
<b>Total Capital Works Property, Plant and Equipment</b>	<b>321,450</b>	<b>1,460,794</b>	<b>1,211,901</b>	<b>676,567</b>	<b>736,642</b>	<b>1,001,622</b>	<b>760,061</b>	<b>1,316,943</b>	<b>927,834</b>	<b>1,723,408</b>	<b>1,170,350</b>	<b>727,708</b>	<b>1,056,056</b>	<b>275,753</b>	<b>325,233</b>
<b>Represented by:</b>															
Additions - Expansion, Upgrades and New	55,000	250,000	0	0	0	0	0	0	0	0	0	0	0	0	0
Additions - Renewal	266,450	1,210,794	1,211,901	676,567	736,642	1,001,622	760,061	1,316,943	927,834	1,723,408	1,170,350	727,708	1,056,056	275,753	325,233
<b>Total Capital Works Property, Plant and Equipment</b>	<b>321,450</b>	<b>1,460,794</b>	<b>1,211,901</b>	<b>676,567</b>	<b>736,642</b>	<b>1,001,622</b>	<b>760,061</b>	<b>1,316,943</b>	<b>927,834</b>	<b>1,723,408</b>	<b>1,170,350</b>	<b>727,708</b>	<b>1,056,056</b>	<b>275,753</b>	<b>325,233</b>
<b>Asset Movement Reconciliation</b>															
Total Capital Works Property, Plant and Equipment	321,450	1,460,794	1,211,901	676,567	736,642	1,001,622	760,061	1,316,943	927,834	1,723,408	1,170,350	727,708	1,056,056	275,753	325,233
Depreciation Property, Plant and Equipment	(986,816)	(971,080)	(988,867)	(1,011,547)	(1,033,510)	(1,055,159)	(1,077,928)	(1,099,362)	(1,122,539)	(1,145,915)	(1,167,291)	(1,192,396)	(1,217,067)	(1,244,452)	(1,272,244)
Net Book Value of disposed/Written Off assets	0	(327,726)	(371,422)	(189,426)	(231,856)	(354,741)	(258,454)	(374,931)	(274,871)	(530,263)	(428,964)	(152,189)	(316,933)	(52,779)	(87,482)
Revaluation of Property, Plant and Equipment (Inflation)	185,599	158,990	154,484	176,186	168,425	156,931	156,545	137,412	145,261	123,310	138,278	141,843	126,248	135,304	117,082
<b>Net Movement in Property, Plant and Equipment</b>	<b>(479,767)</b>	<b>320,978</b>	<b>16,096</b>	<b>(348,220)</b>	<b>(360,299)</b>	<b>(251,947)</b>	<b>(419,776)</b>	<b>(19,938)</b>	<b>(324,315)</b>	<b>172,540</b>	<b>(287,627)</b>	<b>(475,034)</b>	<b>(351,696)</b>	<b>(886,174)</b>	<b>(917,411)</b>
<b>CAPITAL WORKS - TOTALS</b>															
<b>Capital Works</b>															
Total Capital Works Infrastructure	568,145	1,212,673	1,739,794	1,685,587	1,710,366	1,611,686	1,801,367	1,495,377	1,742,010	1,249,409	1,749,877	1,965,606	1,853,023	2,421,368	2,800,000
Total Capital Works Property, Plant and Equipment	321,450	1,460,794	1,211,901	676,567	736,642	1,001,622	760,061	1,316,943	927,834	1,723,408	1,170,350	727,708	1,056,056	275,753	325,233
<b>Total Capital Works</b>	<b>889,595</b>	<b>2,673,467</b>	<b>2,951,695</b>	<b>2,362,154</b>	<b>2,447,008</b>	<b>2,613,308</b>	<b>2,561,428</b>	<b>2,812,320</b>	<b>2,669,844</b>	<b>2,972,817</b>	<b>2,920,227</b>	<b>2,693,314</b>	<b>2,909,079</b>	<b>2,697,121</b>	<b>3,125,233</b>
<b>Fixed Asset Movement</b>															
Net Movement in Infrastructure Assets	(456,405)	142,589	632,330	553,347	551,019	424,425	582,881	248,041	458,318	(67,264)	388,873	568,535	422,598	953,776	1,304,951
Net Movement in Property, Plant and Equipment	(479,767)	320,978	16,096	(348,220)	(360,299)	(251,947)	(419,776)	(19,938)	(324,315)	172,540	(287,627)	(475,034)	(351,696)	(886,174)	(917,411)
<b>Net Movement in Fixed Assets</b>	<b>(936,172)</b>	<b>463,567</b>	<b>648,426</b>	<b>205,127</b>	<b>190,720</b>	<b>172,478</b>	<b>163,105</b>	<b>228,103</b>	<b>134,003</b>	<b>105,276</b>	<b>101,246</b>	<b>93,501</b>	<b>70,902</b>	<b>67,602</b>	<b>387,540</b>

Refer to Appendix B12 – Forecast Significant Accounting Policies

# Appendix B10 – Forecast Statement of Capital Funding 2017-2032

	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32
<b>Capital Expenditure</b>															
Infrastructure - roads	488,000	1,162,673	1,629,794	1,645,587	1,670,366	1,571,686	1,761,367	797,120	1,702,010	841,619	1,709,877	1,925,606	1,803,029	2,381,368	2,760,000
Infrastructure - footpaths	0	0	0	0	0	0	0	0	0	0	0	0	9,994	0	0
Infrastructure - other	70,145	50,000	110,000	40,000	40,000	40,000	40,000	698,257	40,000	407,790	40,000	40,000	40,000	40,000	40,000
Buildings	321,450	430,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
Furniture and Equipment	0	6,000	6,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000
Plant and Equipment	0	1,024,794	1,055,901	519,567	579,642	844,622	603,061	1,159,943	770,834	1,566,408	1,013,350	570,708	899,056	118,753	168,233
<b>Total - Capital Expenditure</b>	<b>889,595</b>	<b>2,673,467</b>	<b>2,951,695</b>	<b>2,362,154</b>	<b>2,447,008</b>	<b>2,613,308</b>	<b>2,561,428</b>	<b>2,812,320</b>	<b>2,669,844</b>	<b>2,972,817</b>	<b>2,930,227</b>	<b>2,699,314</b>	<b>2,909,079</b>	<b>2,697,121</b>	<b>3,125,233</b>
<b>Funded By:</b>															
<b>Capital Grants &amp; Contributions</b>															
Infrastructure - roads	438,000	224,000	725,080	728,202	730,366	732,573	734,824	737,120	739,462	741,851	744,288	746,774	749,309	751,895	754,533
Infrastructure - other	0	0	25,000	0	0	0	0	0	0	0	0	0	0	0	0
Buildings	148,952	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total - Capital Grants &amp; Contributions</b>	<b>586,952</b>	<b>224,000</b>	<b>751,080</b>	<b>728,202</b>	<b>730,366</b>	<b>732,573</b>	<b>734,824</b>	<b>737,120</b>	<b>739,462</b>	<b>741,851</b>	<b>744,288</b>	<b>746,774</b>	<b>749,309</b>	<b>751,895</b>	<b>754,533</b>
<b>Own Source Funding</b>															
Infrastructure - roads	60,000	938,673	909,714	917,385	940,000	839,113	1,026,543	60,000	962,548	99,768	965,589	1,178,832	1,053,720	1,629,473	2,005,467
Infrastructure - footpaths	0	0	0	0	0	0	0	0	0	0	0	0	9,994	0	0
Infrastructure - other	70,145	50,000	85,000	40,000	40,000	40,000	40,000	698,257	40,000	407,790	40,000	40,000	40,000	40,000	40,000
Buildings	172,488	430,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
Furniture and Equipment	0	6,000	6,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000
Plant and Equipment	0	697,068	684,479	330,141	347,786	489,881	344,607	785,012	495,963	1,036,145	584,386	418,519	582,123	65,974	80,751
<b>Total - Own Source Funding</b>	<b>302,633</b>	<b>2,121,741</b>	<b>1,829,193</b>	<b>1,444,526</b>	<b>1,484,786</b>	<b>1,525,994</b>	<b>1,568,150</b>	<b>1,700,269</b>	<b>1,655,511</b>	<b>1,700,703</b>	<b>1,746,975</b>	<b>1,794,351</b>	<b>1,842,837</b>	<b>1,892,447</b>	<b>2,283,218</b>
<b>Borrowings</b>															
<b>Total - Borrowings</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Other (Disposals &amp; C/Fwd)</b>															
Plant and Equipment	0	327,726	371,422	189,426	231,856	354,741	258,454	374,931	274,871	530,263	428,964	152,189	316,933	52,779	87,482
<b>Total - Other (Disposals &amp; C/Fwd)</b>	<b>0</b>	<b>327,726</b>	<b>371,422</b>	<b>189,426</b>	<b>231,856</b>	<b>354,741</b>	<b>258,454</b>	<b>374,931</b>	<b>274,871</b>	<b>530,263</b>	<b>428,964</b>	<b>152,189</b>	<b>316,933</b>	<b>52,779</b>	<b>87,482</b>
<b>Total Capital Funding</b>	<b>889,595</b>	<b>2,673,467</b>	<b>2,951,695</b>	<b>2,362,154</b>	<b>2,447,008</b>	<b>2,613,308</b>	<b>2,561,428</b>	<b>2,812,320</b>	<b>2,669,844</b>	<b>2,972,817</b>	<b>2,930,227</b>	<b>2,699,314</b>	<b>2,909,079</b>	<b>2,697,121</b>	<b>3,125,233</b>

## Appendix B11 – Forecast Ratios 2017-2032

Target Range		Average	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32
LIQUIDITY RATIOS																	
Current Ratio	> 1.00 > 1.20	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
OPERATING RATIOS																	
Operating Surplus Ratio	> 1.00% > 15.00%	(63.21%)	(176.21%)	(58.16%)	(58.48%)	(58.39%)	(57.70%)	(56.97%)	(56.29%)	(55.53%)	(54.95%)	(54.18%)	(53.48%)	(52.86%)	(52.20%)	(51.65%)	(51.10%)
Own Source Revenue Coverage Ratio	> 40.00% > 60.00%	28.50%	13.67%	28.94%	28.89%	28.92%	29.06%	29.20%	29.33%	29.48%	29.59%	29.74%	29.87%	30.00%	30.14%	30.26%	30.38%
BORROWINGS RATIOS																	
Debt Service Cover Ratio	> 3 > 5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
FIXED ASSET RATIOS																	
Asset Sustainability Ratio	> 90.00% > 110.00%	81.29%	29.29%	86.13%	100.76%	80.89%	82.11%	85.94%	82.54%	88.85%	82.66%	90.27%	86.92%	78.55%	83.16%	75.53%	85.73%
Asset Consumption Ratio	> 50.00% > 60.00%	60.31%	67.56%	66.48%	65.91%	64.77%	63.64%	62.51%	61.39%	60.38%	59.26%	58.15%	57.04%	55.95%	54.85%	53.76%	53.04%
Asset Renewal Funding Ratio	> 75.00% > 95.00%	94.64%	95.05%	100.14%	100.96%	89.20%	87.87%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A



## Appendix B12 – Required Asset Renewals 2017-2032

Asset Class	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Buildings	0	14,072	0	0	673,489	59,755	0	616,292	0	0	198,940	0	3,156,398	0	0	4,718,946
Furniture and Equipment	58,803	59,979	61,179	62,403	63,651	64,924	66,222	67,547	68,898	70,276	71,681	73,115	74,577	76,068	77,590	1,016,912
Plant and Equipment	14,566	1,351,977	578,017	629,326	353,052	226,290	363,215	543,767	962,640	211,373	322,133	1,292,312	651,823	1,137,259	155,810	8,799,560
Infrastructure - Roads	3,865,519	1,192,251	1,491,526	2,303,362	1,585,847	615,988	1,644,497	874,180	1,374,539	1,403,978	4,712,044	1,339,515	1,826,398	2,801,662	1,878,431	28,909,737
Infrastructure - Footpaths	0	0	0	0	0	0	0	0	0	0	00	0	9,994	0	0	9,994
Infrastructure - Other	25,469	55,205	0	102,030	0	93,732	100,747	860,122	0	591,000	0	67,293	122,474	63,148	0	2,081,220
Total	3,964,357	2,673,484	2,130,722	3,097,121	2,676,039	1,060,689	2,174,681	2,961,908	2,406,077	2,276,627	5,304,798	2,772,235	5,841,664	4,078,137	2,111,831	45,530,369

## Appendix B13 – Planned Asset Renewals 2017-2032

Asset Class	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Buildings	321,450	430,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	2,701,450
Furniture and Equipment	0	6,000	6,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	96,000
Plant and Equipment	0	1,024,794	1,055,901	519,567	579,642	844,622	603,061	1,159,943	770,834	1,566,408	1,013,350	570,708	899,056	113,753	168,233	10,894,872
Infrastructure – Roads	498,000	1,162,673	1,629,794	1,645,587	1,670,366	1,571,686	1,761,367	797,120	1,702,010	841,619	1,709,877	1,925,606	1,803,029	2,381,368	2,760,000	23,860,102
Infrastructure – Footpaths	0	0	0	0	0	0	0	0	0	0	0	0	9,994	0	0	9,994
Infrastructure – Other	70,145	50,000	110,000	40,000	40,000	40,000	40,000	698,257	40,000	407,790	40,000	40,000	40,000	40,000	40,000	1,736,192
<b>Total</b>	<b>889,595</b>	<b>2,673,467</b>	<b>2,951,695</b>	<b>2,362,154</b>	<b>2,447,008</b>	<b>2,613,308</b>	<b>2,561,428</b>	<b>2,812,320</b>	<b>2,669,844</b>	<b>2,972,817</b>	<b>2,920,227</b>	<b>2,693,314</b>	<b>2,909,079</b>	<b>2,897,121</b>	<b>3,125,233</b>	<b>39,298,610</b>

# Appendix B14 –Asset Renewal Funding Surplus (Deficit) 2017-2032

Asset Class	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	Total
Buildings	\$ 321,450	\$ 415,928	\$ 150,000	\$ 150,000	\$ (523,489)	\$ 90,245	\$ 150,000	\$ (466,292)	\$ 150,000	\$ 150,000	\$ (48,940)	\$ 150,000	\$ (3,006,398)	\$ 150,000	\$ 150,000	\$ (2,017,496)
Furniture and Equipment	(58,803)	(53,979)	(55,179)	(55,403)	(56,651)	(57,924)	(59,222)	(60,547)	(61,898)	(63,276)	(64,681)	(66,115)	(67,577)	(69,068)	(70,590)	(920,912)
Plant and Equipment	(14,566)	(327,183)	477,884	(109,759)	226,590	618,332	239,846	616,176	(191,806)	1,355,035	691,217	(721,604)	247,233	(1,018,506)	12,423	2,101,312
Infrastructure - Roads	(3,367,519)	(29,578)	138,268	(657,775)	84,519	955,698	116,870	(77,060)	327,471	(562,359)	(3,002,167)	586,091	(23,369)	(420,294)	881,569	(5,049,695)
Infrastructure - Other	44,676	(5,205)	110,000	(62,030)	40,000	(53,732)	(60,747)	(161,865)	40,000	(183,210)	40,000	(27,293)	(82,474)	(23,148)	40,000	(345,028)
Total	(3,074,762)	(17)	820,973	(734,967)	(229,031)	1,552,519	386,747	(149,588)	263,767	696,190	(2,384,571)	(78,921)	(2,932,585)	(1,381,016)	1,019,402	(6,231,759)

Refer to Appendix B12 – Forecast Significant Accounting Policies

Shire of Sandstone Draft Strategic Resource Plan 2017 - 2032



## Appendix B15 – Forecast Significant Accounting Policies

### Basis of Preparation

The Long Term Financial Plan (the Plan) comprises general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities), Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, the Local Government Act 1995 and accompanying regulations. Material accounting policies which have been adopted in the preparation of the Plan are presented below and have been consistently applied unless stated otherwise.

Except for cash flow and rate setting information, the Plan has also been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

### Critical Accounting Estimates

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

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

### The Local Government Reporting Entity

All funds through which the 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.

#### (a) 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.

#### (b) Rounding Off Figures

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

#### (c) Comparative Figures

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

#### (d) 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.

## Appendix B15 – Forecast Significant Accounting Policies (Continued)

### (e) Rates, Grants, Donations and Other Contributions

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

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

### (f) 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.

### (g) Superannuation

The Council contributes to a number of superannuation funds on behalf of employees.

All funds to which the Council contributes are defined contribution plans.

### (h) 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.

### (i) Trade and Other Receivables

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

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

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

### (j) Inventories

#### *General*

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

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

#### *Land held for resale*

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

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

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



## Appendix B15 – Forecast Significant Accounting Policies (Continued)

### (k) Fixed Assets

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

#### *Revaluation*

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

#### *Land under roads*

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

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

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

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

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

#### *Depreciation*

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

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

Asset Class	Effective average depreciation rate
Buildings	1.31%
Furniture and Equipment	10.00%
Plant and Equipment	7.70%
Roads	0.78%
Footpaths	2.12%
Drainage	0.69%
Bridges	1.00%
Infrastructure	2.00%



## Appendix B15 – Forecast Significant Accounting Policies (Continued)

### (k) Fixed Assets (Continued)

#### *Depreciation (Continued)*

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

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

### (l) Fair Value of Assets and Liabilities

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

Fair value is the price that Council would receive to sell the asset or would have to pay to transfer a liability, in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset. The fair values of assets that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset (i.e. the market with the greatest volume and level of activity for the asset or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

#### *Fair Value Hierarchy*

AASB 13 requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurement into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

##### *Level 1*

Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

##### *Level 2*

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

##### *Level 3*

Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

## Appendix B15 – Forecast Significant Accounting Policies (Continued)

### (l) Fair Value of Assets and Liabilities (Continued)

#### **Valuation Techniques**

The Council selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Council are consistent with one or more of the following valuation approaches:

#### *Market approach*

Valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.

#### *Income approach*

Valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.

#### *Cost approach*

Valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Council gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability and considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

The mandatory measurement framework imposed by the Local Government (Financial Management) Regulations requires, as a minimum, all assets to be revalued at least every 3 years. Asset revaluations have been modelled to occur annually within the Plan.

### (m) Financial Instruments

#### **Initial Recognition and Measurement**

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Council commits itself to either the purchase or sale of the asset (ie trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

#### **Classification and Subsequent Measurement**

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest rate method, or cost.

Amortised cost is calculated as:

- (a) the amount in which the financial asset or financial liability is measured at initial recognition;
- (b) less principal repayments and any reduction for impairment; and
- (c) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest rate method.



## Appendix B15 – Forecast Significant Accounting Policies (Continued)

### (m) Financial Instruments (Continued)

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

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

Financial assets are classified as “fair value through profit or loss” when they are held for trading for the purpose of short-term profit taking. Assets in this category are classified as current assets. Such assets are subsequently measured at fair value with changes in carrying amount being included in profit or loss.

#### (ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss.

Loans and receivables are included in current assets where they are expected to mature within 12 months after the end of the reporting period.

#### (iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed maturities and fixed or determinable payments that the Shire’s management has the positive intention and ability to hold to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss.

Held-to-maturity investments are included in current assets where they are expected to mature within 12 months after the end of the reporting period. All other investments are classified as non-current.

#### (iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with changes in such fair value (i.e. gains or losses) recognised in other comprehensive income (except for impairment losses). When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are included in current assets, where they are expected to be sold within 12 months after the end of the reporting period. All other available for sale financial assets are classified as non-current.

#### (v) Financial liabilities

Non-derivative financial liabilities (excl. financial guarantees) are subsequently measured at amortised cost. Gains or losses are recognised in the profit or loss.



## Appendix B15 – Forecast Significant Accounting Policies (Continued)

### (m) Financial Instruments (Continued)

#### *Impairment*

A financial asset is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a “loss event”) having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

#### *Derecognition*

Financial assets are derecognised where the contractual rights for receipt of cash flows expire or the asset is transferred to another party, whereby the Shire no longer has any significant continual involvement in the risks and benefits associated with the asset.

Financial liabilities are derecognised where the related obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of the consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

### (n) Impairment of Assets

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

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

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

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

At the time of the preparation of the Plan, it is not possible to estimate the amount of impairment losses (if any) as at 30 June 2018.

In any event, an impairment loss is a non-cash transaction and consequently, has no impact on the Plan.

## Appendix B15 – Forecast Significant Accounting Policies (Continued)

### (o) 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.

### (p) Employee Benefits

#### ***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 sick 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 sick leave are recognised as a part of current trade and other payables in the statement of financial position. The Shire's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

#### ***Other Long-Term Employee Benefits***

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other 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 or 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 re-measurements 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.

### (q) 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.

### (r) 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.



## Appendix B15 – Forecast Significant Accounting Policies (Continued)

### (s) Leases

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

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

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

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

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

### (t) Investment in Associates

An associate is an entity over which the Shire has significant influence. Significant influence is the power to participate in the financial operating policy decisions of that entity but is not control or joint control of those policies. Investments in associates are accounted for in the financial statements by applying the equity method of accounting, whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the Shire's share of net assets of the associate. In addition, the Shire's share of the profit or loss of the associate is included in the Shire's profit or loss.

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

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

When the Shire's share of losses in an associate equals or exceeds its interest in the associate, the Shire discontinues recognising its share of further losses unless it has incurred legal or constructive obligations or made payments on behalf of the associate. When the associate subsequently makes profits, the Shire will resume recognising its share of the profits once its share of the profits equals the share of the losses not recognised.

### (u) Interests in Joint Arrangements

Joint arrangements represent the contractual sharing of control between parties in a business venture where unanimous decisions about relevant activities are required.

Separate joint venture entities providing joint venturers with an interest to net assets are classified as a joint venture and accounted for using the equity method. Refer to note 1(n) for a description of the equity method of accounting.

Joint venture operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement. The Shire's interests in the assets, liabilities, revenue and expenses of joint operations are included in the respective line items of the financial statements.



## Appendix B15 – Forecast Significant Accounting Policies (Continued)

### (v) Current and Non-Current Classification

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the 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 even if not expected to be realised in the next 12 months except for land held for sale where it is held as non-current based on the 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.

## Appendix C1 – Glossary (Continued)

### 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

### 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 Council, for example parks and playgrounds, footpaths, properties and bridges, libraries, etc.

### Operations Expenditure

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

### Pavement Management System

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

### Recoverable Amount

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



## Appendix C1 – Glossary (Continued)

### 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).

## Appendix C1 – Glossary (Continued)

### Specific Maintenance

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

### Sub-Component

Smaller individual parts that make up a component part.

### Useful Life

May be expressed as either:

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

## Other Matters

### Preparation

This Plan was prepared for the Shire of Sandstone by Moore Stephens.

### Reliance

This Plan has been prepared for the exclusive use of the Shire of Sandstone 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 Stephens'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 Sandstone. 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 Sandstone.

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

### Disclaimer

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### Document Management

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Date: 14 September 2017









SHIRE OF SANDSTONE  
SERVE THE PEOPLE

# SHIRE OF SANDSTONE



# DRAFT WORKFORCE PLAN 2017



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Date: 26 July 2017

## 1.0 Executive Summary

The Shire is pleased to present the Shire of Sandstone Draft Workforce Plan 2017. The Plan assists the Shire respond to its workforce challenges in a strategic way as we work with the community to build a sustainable future and a capable workforce.

The Shire's Strategic Community Plan and Corporate Business Plan outline the communities vision, aspirations and objectives, and 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 faces a range of workforce challenges and opportunities with a diverse mix of demographics in a unique workplace, due to our remote location and relatively small population base.

We have a significant group of mature employees over 55 years of age whose knowledge, experience and expertise is critical to our capacity to service the community. Overall, the Shire seeks to maximise employment opportunities for local residents whilst meeting the needs of employees at the various stages of their careers and life.

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

*Harry Hawkins*  
*Chief Executive Officer*

## 2.0 Integrated Planning Framework

### 2.1 What is Workforce Planning?

Workforce planning is a process of analysis and planning to make sure the Shire has the right people in the right place at the right time to meet the objectives of the 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.

### 2.2 Key Principles of Workforce Planning

- Building workforce strategies that are aligned and add value to the Shire's strategic direction and values;
- Ensuring the workforce planning process is integrated into the Shire's Integrated Planning Process;
- Actively involve managers, employees and other stakeholders in developing, communicating and implementing the workforce strategies;
- Utilising a risk management approach to workforce planning and identifying areas that are 'Mission Critical';
- 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.

### 2.3 Integration with the Integrated Planning and Reporting Framework

Workforce planning responds to the requirements within the Integrated Planning and Reporting Framework applicable to all local governments in Western Australia. The four elements of the framework are:

- Strategic Community Planning;
- Corporate Business Planning;
- Budgeting; and
- Reporting.

The Shire has a Strategic Community Plan and Corporate Business Plan in place. These plans are informed and supported by a Strategic Resource Plan (incorporating long term financial planning and asset management planning) along with this Workforce Plan.



## 3.0 Shire of Sandstone Analysis

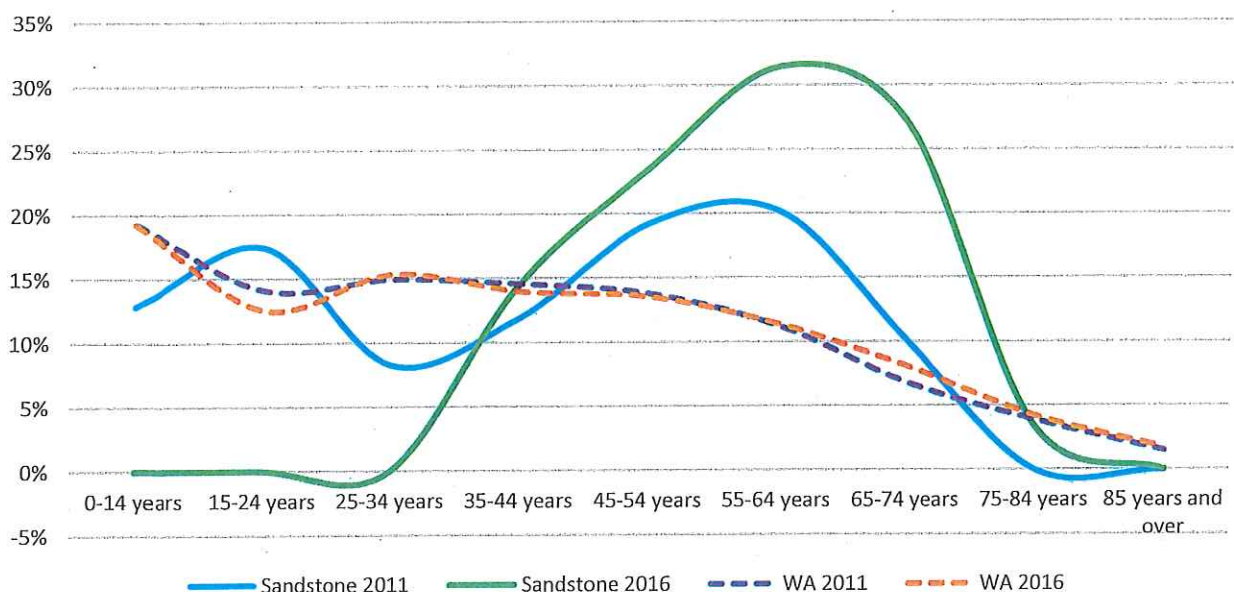
### 3.1 Sandstone Demographics

Sandstone is a rural community located in the heart of the spectacular Murchison District, 742 km north-east of Perth in Western Australia. The Shire of Sandstone covers 32,605 square kilometres, with a population on the night of the 2016 census of 89<sup>1</sup>.

Gold mining is the principal economic driver in the district, along with large pastoral stations. The townsite of Sandstone provides essential services and infrastructure to the community and visitors, and currently is home to a nursing post, tea rooms, post office, Shire administration office, visitor information centre, hotel, onsite accommodation and caravan park.

When comparing the Shire's demographic to Western Australia (reflected by the dotted orange and purple lines), the Shire has a lower proportion of residents in the 0-44 year old age bracket. The 2016 census indicated there are no residents under 35 years, and no education facilities are operating within the district. The percentage of the resident population from 45 to 84 years is noticeably higher than the State average with the percentage over 55 increasing from 2011 to 2015 by 28%.

### 3.2 Population Distribution



<sup>1</sup> Australian Bureau of Statistics, Sandstone (S) (LGA57630) 2016 Census of Population and Housing, viewed 12 July 2017

## 3.0 Shire of Sandstone Analysis (continued)

### 3.3 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:

#### Socio Demographic Trends

- A diverse workforce, each with their own needs, aspirations and expectations;
- High percentage of 55 to 64 year olds within the Shire; and
- Expectation of a high-level work/life balance relevant to other remote locations.

#### Competition

- Local talent and skill shortages; and
- Demand for mining workforce competing for talent.

#### Economic

- Global and national economic uncertainty resulting in a reducing availability of external grants and contributions.

#### Political

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

#### 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;
- Communications remain challenging with limited internet speed and reliable telecommunication service. This restricts the 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 computing, etc. could be of particular importance and application in the future should communications to the district improve.

#### Industry

- There is a heavy reliance on external funding to support the operation of the Shire; and
- Significant cost shifting from federal governments to the local level without the associated resources.

#### Customers

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

## 3.0 Shire of Sandstone Analysis (continued)

### 3.3 The External Labour Market

The following analysis of external labour market demand indicates that the Shire can expect difficulties in attracting and retaining staff in key occupations. This is 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 upon the Occupations in High and Medium Demand research, based on industry critical occupations and areas of high growth forecasts in the WA State Priorities Occupation List 2016 produced by the Department of Training & Workforce Development.

Some of the specific positions that are regarded as being in high demand include:

- Chief Executive;
- Environmental health officers;
- Works manager; and
- Finance / accountants.

It is noted, the external market is somewhat volatile due to changing economic conditions in the mining, manufacturing and construction industries.

The two business streams used to classify jobs throughout this Plan are based upon the Shire of Sandstone current organisational structure. These classifications are:

- Development, Corporate and Executive Services; and
- Infrastructure Services.



## 3.0 Shire of Sandstone Analysis (continued)

### 3.4 The Shire's internal operating environment

#### Service Delivery

The Shire provides a number of services to the community. These services are listed below according to the area of responsibility.

#### Development, Corporate and Executive Services

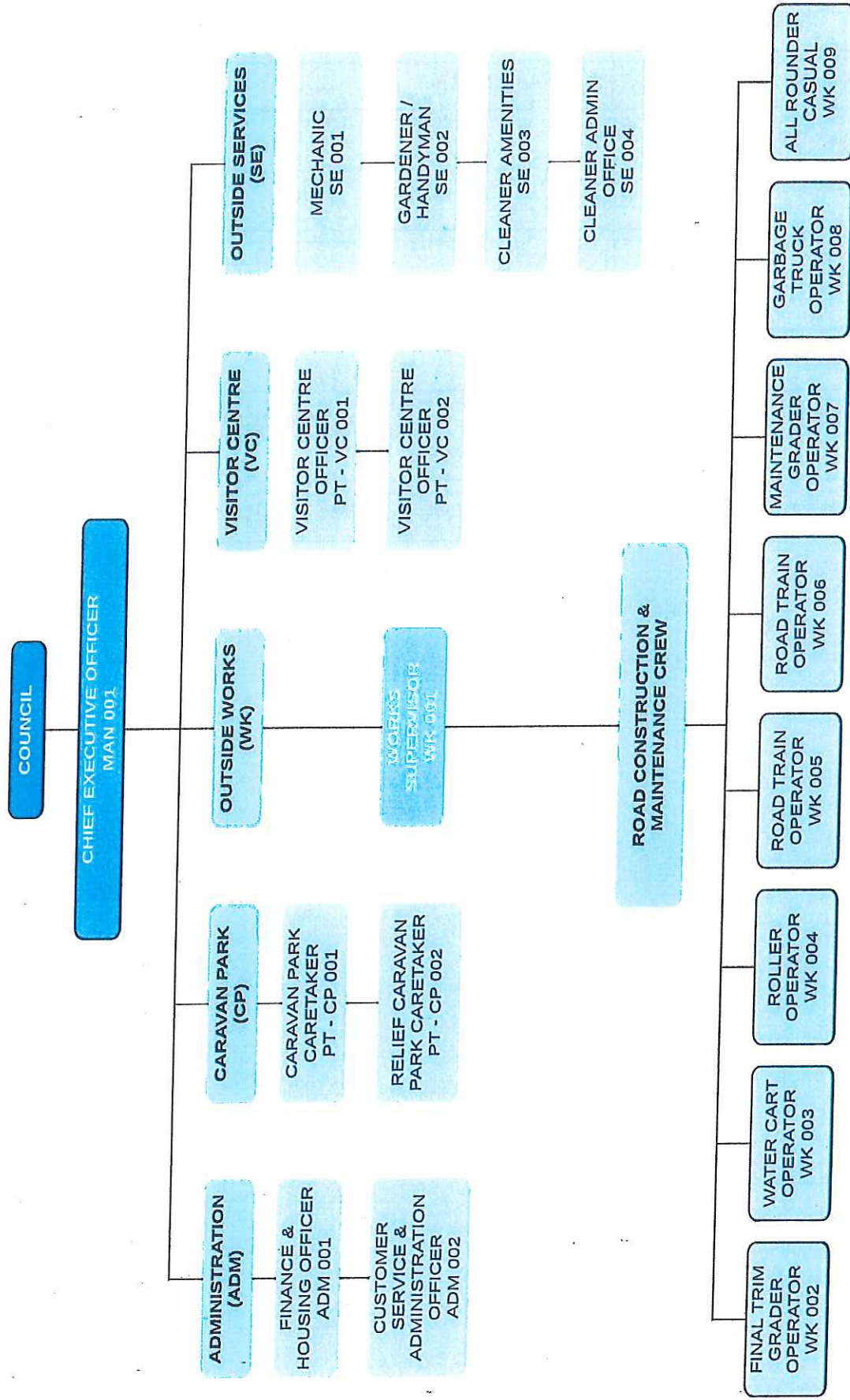
- Co-ordination of Council activities and functions;
- Co-ordination of management functions;
- Liaison with Government and Ministerial offices;
- Business/economic development;
- Statutory compliance;
- Executive support to Council;
- Special projects;
- Health administration | inspection services;
- Building | planning services;
- Information and tourism services;
- Financial administration;
- Corporate and strategic planning;
- Human resources and occupational health and safety;
- Information and communication;
- Community development;
- Library and information services;
- Procurement;
- Asset management;
- Sport and recreation;
- Caravan park;
- Support for volunteers; and
- Festival | event support.

#### Infrastructure Services

- Waste management;
- Parks | gardens | reserves;
- Roads/streets;
- Cleaning;
- Emergency services;
- Ranger services;
- Airport facilities;
- Cemetery; and
- Council buildings maintenance | heritage assets.

### 3.0 Shire of Sandstone Analysis (continued)

#### 3.5 Current Organisation Structure



## 3.0 Shire of Sandstone Analysis (continued)

### 3.6 Workforce Profile

Information	As at 30 June 2017
Number of employees	21 <sup>2</sup>
FTE	14.76
Gender	57% female 43% male
Total annual wages	\$1.3m
Employment type	There is a range of full time, permanent part time, fixed term contract and casual staff employed.
Awards and Agreements	Local Government Industry Award 2010
Age profile	The average age of current employees is 58 years
Years of Service	The average length of service is 1.5 years

<sup>2</sup> Shire of Sandstone – Synergy Soft data at 12 July 2017



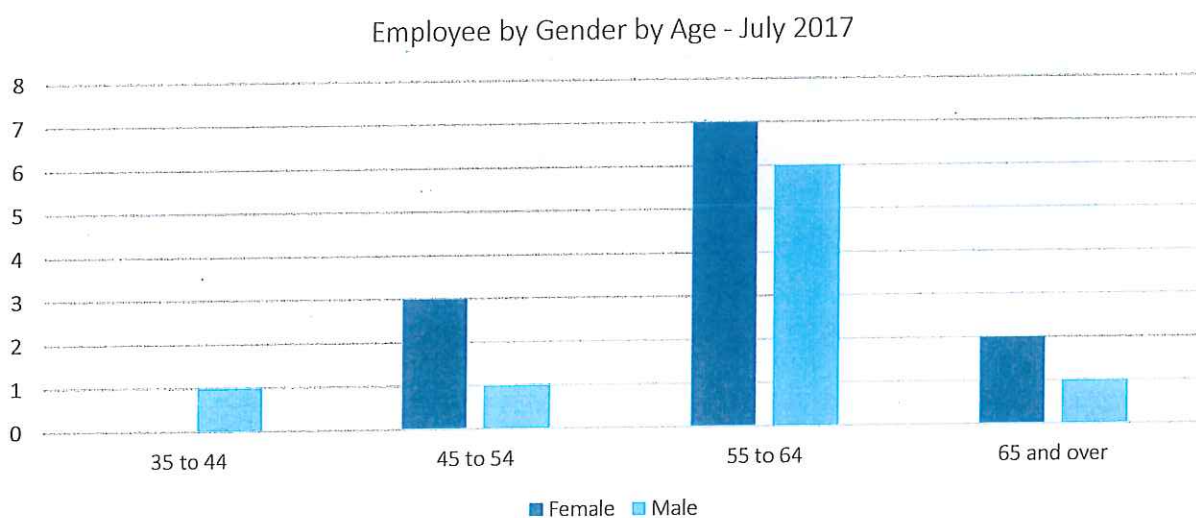
## 3.0 Shire of Sandstone Analysis (continued)

### 3.7 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.

#### Gender of Total Organisation

The workforce gender composition at July 2017, was 43% male and 57% female. As indicated above this composition includes full time, part time and casual staff.



#### Age Distribution

A large proportion (76%) of employees are over 55 years of age. This highlights 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.).

The largest demographic of both male and female employees is in the 55 to 64 age bracket, with a priority being to ensure they remain actively engaged and supported. Strategies to encourage retention of these employees include providing challenging work and support career development.

Attracting and retaining younger employees is an important challenge as this demographic are often a source of innovation as well as providing a pool of future talent. Customised and innovative ways to attract and retain younger workers may need to be considered (e.g. graduate opportunities, traineeships, etc.).

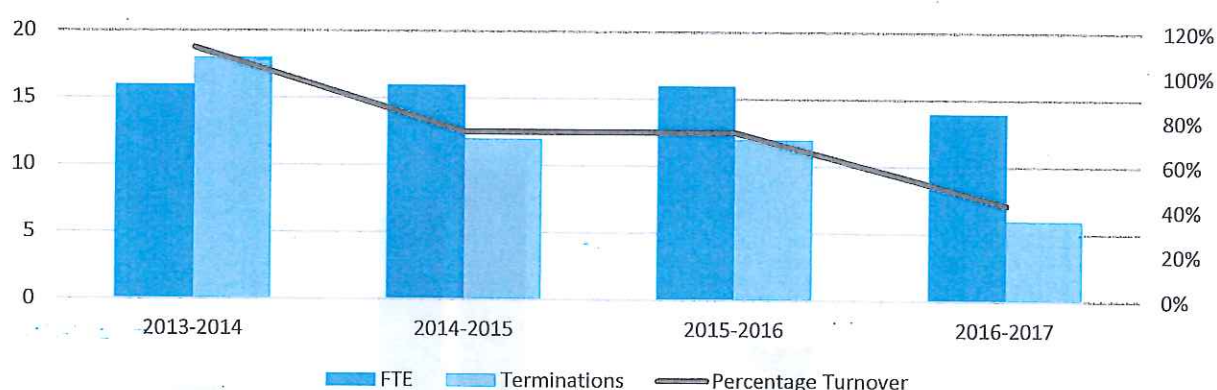
## 3.0 Shire of Sandstone Analysis (continued)

### 3.8 Workforce Demographics (continued)

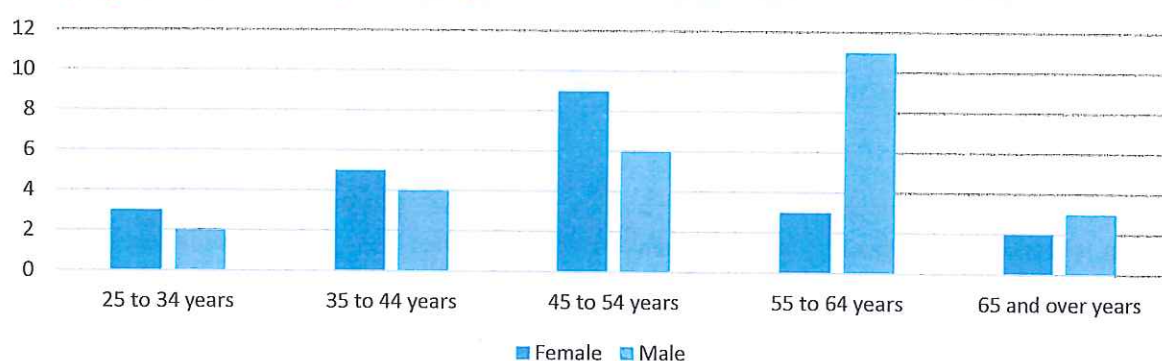
#### Termination Rates

Below are graphs showing the exit rates for the Shire of Sandstone by age and lengths of service for the period 2013/14 to 2016/17. 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 77%, this includes fixed term contract and casual employees.

#### Turnover Rate 2013/14 to 2016/17



#### Exits by Age and Gender 2013/14 to 2016/17

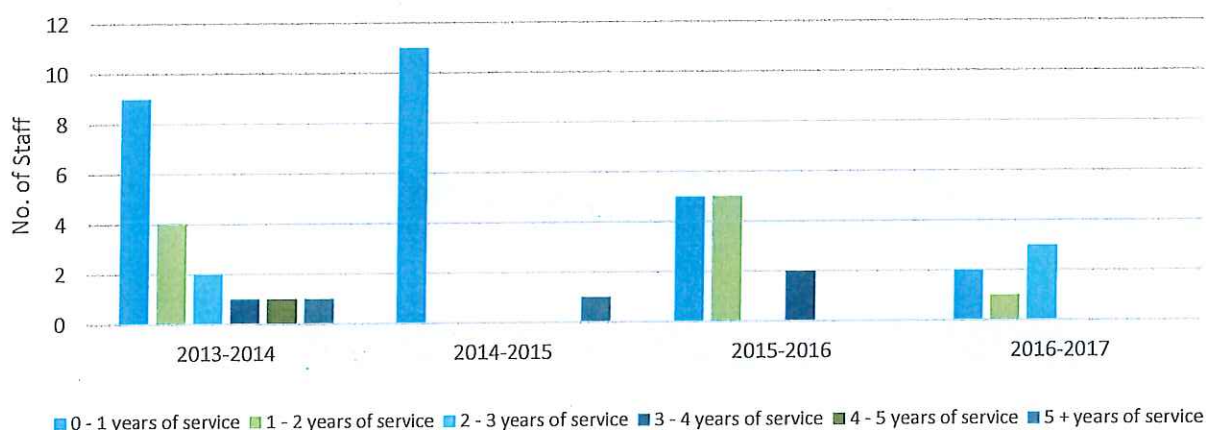


The above figures include casual staff however the turnover rate is still sufficiently high to be an issue of concern and prompt investigation. Possible reasons for high turnover the organisation may influence include issues with selection; supervision and a lack of ongoing employee engagement. In smaller remote locations turnover can also be influenced by the career decisions of the employee's life partners who may move locations.

## 3.0 Shire of Sandstone Analysis (continued)

### Termination Rates by Years of Service 2013/14 to 2016/17

In the 4 year graph identified below there has been some fluctuations in the numbers of staff exiting relative to their years of service. There is however a consistent theme of a significant number of terminations in the 0-1 year group which needs to be further investigated as to the possible reasons. Generic reasons for early exits may include poor initial selection, insufficient induction and orientation, as well as poor initial supervision and support. Strategies to address these issues usually involve more rigorous selection techniques, improved supervision and induction.





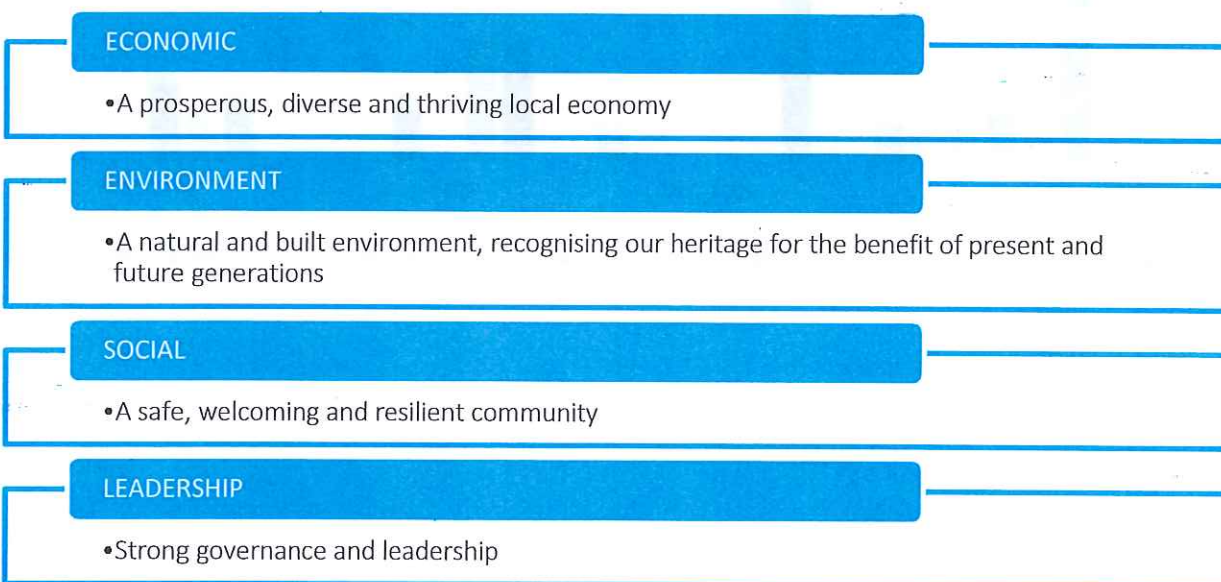
## 4.0 Strategic Community Plan Workforce Implications

### 4.1 Strategic Community Plan and Corporate Business Plan

During 2017 the Shire reviewed and updated its ten-year Strategic Community Plan (SCP). As an integral part of this review process, the community were consulted and the feedback from this has been used to clarify community expectations and guide the strategies detailed in the updated SCP. A summary of the next four years' priorities from the SCP have been incorporated into the Corporate Business Plan (CBP).

The Workforce Plan is part of a broader integrated planning framework aimed to achieve the vision as identified in the Strategic Community Plan of: 'A welcoming and friendly community recognising our rich heritage and embracing economic opportunity, whilst nurturing our natural and built environment'.

This Plan is being driven by four key objectives:



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

### 4.2 Key Risk Areas

An analysis of the current workforce identified seven relevant risks areas. These risks have been assessed using the risk based approach as set out in Appendix 1. 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 following table with the last column being cross referenced to the primary mitigation strategies set out in Section 4 of the Plan.

## 4.0 Strategic Community Plan Workforce Implications (continued)

### 4.3 Workforce Risk Assessment

Risk Issues	Likelihood	Strategic Consequences	Operational Consequences	Combined Consequences	Risk Category <sup>3</sup>	Cross Ref: Section 4.7 Workforce Strategies and Objectives
Knowledge loss due to staff turnover	Likely	Minor	Major	Major	High	1.3.1   4.1.1   4.2.1
Physical and financial constraints limit staff numbers	Likely	Minor	Major	Major	High	2.5.1
Sudden unplanned loss of key staff	Possible	Major	Major	Major	Moderate	3.1.1   4.1.1   4.2.1
Organisational capacity insufficient to meet future needs	Possible	Major	Major	Major	Moderate	3.1.1
High staff turnover due to organisational cultural issues	Possible	Major	Major	Major	Moderate	2.1.1   2.2.1   2.3.1   2.3.2   2.4.1
Selection, recruitment and training costs increase	Possible	Insignificant	Minor	Minor	Moderate	1.1.1   1.3.1
Operational procedures not followed due to lack of staff training	Unlikely	Minor	Major	Major	Low	1.3.1   1.4.1

<sup>3</sup> Appendix 1 – Risk Assessment Methodology

## 4.0 Strategic Community Plan Workforce Implications (continued)

### 4.4 Workforce Supply Demand Analysis

#### Corporate Services

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 strengthening governance practices; and
- Providing strong integrated planning and reporting outcomes and operational advice to the Elected Members and the executive; and

#### Community Services

Community services are predicted to remain at the current level of demand for services.

#### Visitor Centre

The visitor centre is a prime source of providing information to the community and visitors, continuation of high demand for the services is expected as the Shire is focussing on increasing tourism and attracting visitor to the district.

#### Infrastructure Services

Infrastructure services are stable, with required resource capacity forecast to be adequately maintained.

#### Waste Operations

Waste operations are undertaken by the Shire, no significant anticipated increase or decrease in staffing levels is envisaged to support services delivery.

#### Economic / Tourism Development

The Shire has defined economic development, with particular focus on tourism as one of its priority business areas and this is reflected in the Strategic Community Plan.

#### Multi-Purpose Facilities

Further development of multi-purpose facilities to maximise usage is expected, however there are no changes anticipated in staffing requirements.

#### Ranger Services

Demand for ranger services has been predicted to remain stable.

#### Executive Services

The staffing resource remains relatively unchanged over the term of the Plan, with no forecast increases or decreases.



## 4.0 Strategic Community Plan Workforce Implications (continued)

### 4.5 Future Workforce Needs

#### Workforce Profile

Seventy six percent of the workforce is over 55 years of age. Whilst this figure is high, it is in line with the resident demographic for the district, however still represents a significant knowledge leakage risk when mature workers exit or retire.

Relevant workforce strategies to consider include establishing systems to capture and retain corporate knowledge and also the establishment of flexible work arrangements to retain older workers.

There are currently no employees under 35 years, this may limit the Shire's future replacement workforce pool. Young staff bring a different perspectives and fresh ideas. Workforce strategies to consider include providing interesting and challenging work, mentoring and accelerated development.

The 35 to 44 and 45 to 54 year old age groups represent twenty two percent of the workforce and offer a good source of long term talent. However, if there is a significantly turnover of staff in this age group, retention issues associated with this group may need to be addressed. Workforces strategies to be considered include more flexible work arrangements, mid-career development for employees who may have plateaued, and providing interesting and challenging assignments.

#### Turnover

The staff turnover rate has an average for the period 2013/14 to 2016/17 of 77% which does includes fixed term contracted and casual employees ending, with 24% of the current workforce employed by the Shire for five years or more.

#### Strategic Shifts

There has been a significant shift over the recent 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 experienced by the Shire.

## 4.0 Strategic Community Plan Workforce Implications (continued)

### 4.5 Future Workforce Needs (continued)

#### 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 review and update of processes for greater efficiency, automating, considering alternative delivery models and collaborative approaches. This will have significant implications for the Chief Executive Officer, as this position 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 structures.

#### Succession Management

Some succession gaps are evident and a formal systematic succession management process is not currently active. Permanent on the job training and skills development of staff is required to cover the succession of senior operational staff. The remote location means limited succession planning is possible for the senior roles.

## 4.0 Strategic Community Plan Workforce Implications (continued)

### 4.6 Performance Outcomes and Measures

The following diagram identifies our strategic objectives and how the Shire intends to determine the effectiveness of the actions.

#### Workforce Plan Performance Measurement





## 4.0 Strategic Community Plan Workforce Implications (continued)

### 4.7 Workforce Strategies and Objectives

Four key strategic objectives have been identified to drive the core strategies of the Workforce Plan, these are in the tables following:

#### **Strategic Objective: 1. Attracting and selecting the right local people**

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

Strategic Outcomes	Strategic Actions	Action Outcomes	Projects
1.1 Recruitment strategies that meet the needs and expectations of the organisation	1.1.1 Continue the current recruitment strategies and policies, and examine for opportunities to improve	Effective and appropriate recruitment	1.1.1.1 Continue current recruitment strategies and policies and examine for opportunities to improve
1.2 Marketing the Shire as an employer of choice	1.2.1 Identify and market the benefits of working for the Shire of Sandstone	Documented review with identified improvements	1.2.1.1 Identify the full list of financial and non-financial rewards and benefits offered to employees
1.3 A sound induction and orientation process	1.3.1 Review the current induction and orientation process	Documented review with identified improvements	1.3.1.1 Implement improvements identified in the review process
1.4 Continue to employ 'best candidate' through selection outcomes	1.4.1 Continue to ensure selection process ensures people with the right skills sets are selected for the future needs and growth of the Shire	Documented review with identified improvements	1.4.1.1 Identify areas for improvement and modify the selection process

## 4.0 Strategic Community Plan Workforce Implications (continued)

### 4.7 Workforce strategies and objectives (continued)

#### Strategic Objective: 2. Retaining and engaging our valued workforce

Building and retaining an engaged workforce, committed and connected to our Shire and community.

Strategic Outcomes	Strategic Actions	Action Outcomes	Projects
2.1 Improved skills in day to day leadership	2.1.1. Ensure leadership staff continuously provide sufficient job role clarity, work direction, work load management, feedback on performance and support	Opportunities for training in leadership and management	2.1.1.1 Identify relevant training events in accordance with a training needs analysis. Cross Ref 3.2
2.2 Senior staff meetings	2.2.1 Continue a range of senior staff meetings	Regular senior staff meetings undertaken	2.2.1.1 Ensure regular meetings of senior staff undertaken
2.3 Improved communication with the workforce	2.3.1 Continually identify ways of improving working conditions and a safe working environment for our staff 2.3.2 Foster a value of openness across and between all levels of the Shire workforce	A formal process to engage with the workforce Identify and implement the key communication issues	2.3.1.1 Regular communication with workforce 2.3.2.1 Regular communication with workforce
2.4 Establish and communicate a set of core values	2.4.1 Establish a core set of Shire values around improvement, teamwork, customer service, and valuing employees	Documented set of core workforce values	2.4.1.1 Conduct a workshop to establish a set of core values and establish a means of communicating these values to the workforce on a regular basis
2.5 Up to date use of remote location incentives as part of a retention strategy	2.5.1 As part of retaining our valued workforce regularly review opportunities for staff benefits and allowances	Documented review of benefits and allowances	2.5.1.1 Review the level and opportunities for benefits and allowances on an annual basis



## 4.0 Strategic Community Plan Workforce Implications (continued)

### 4.7 Workforce strategies and objectives (continued)

#### Strategic Objective: 3. Building a flexible, innovative and capable workforce

Building a flexible, innovative and skilled workforce, committed to continual improvement.

Strategic Outcomes	Strategic Actions	Action Outcomes	Projects
3.1 Develop a workforce strategy	3.1.1 Conduct a comprehensive educational and skills audit (including the recognition of higher learning) with all staff	A review and assessment of key competencies needed now and in the future to meet the Shire's objectives	3.1.1.1 Undertake an organisational competency analysis, with assistance from external consultants if required
	3.1.2 Undertake a comprehensive training needs analysis and develop an affordable and collaborative training and development plan	A documented training needs analysis and training plan	3.1.2.1 Prepare a training needs assessment and schedule
		Undertake a training needs analysis, inclusive of, but not limited to, leadership and mentor training	3.1.2.2 Establish a process for maintaining the currency of training needs through changes to the induction and performance review processes. Monitor and review progress
	3.1.3 Conduct ongoing comprehensive reviews of all job descriptions to ensure they provide sufficient flexibility to work across areas and are aligned to emerging needs	Job descriptions reviewed on a regular basis	3.1.3.1 Job description reviews conducted as part of the induction and performance review process



## 4.0 Strategic Community Plan Workforce Implications (continued)

### 4.7 Workforce strategies and objectives (continued)

#### Strategic Objective: 4. A strategic workforce

Ensuring the strategic capability and capacity to position the Shire to meet its strategic objectives through sound workforce analysis, planning and leadership.

Strategic Outcomes	Strategic Actions	Action Outcomes	Project
4.1 Knowledge management	4.1.1 Maintain systems to capture and retain organisational knowledge	Documented policies and processes to capture and retain organisational knowledge	4.1.1.1. Maintain and update policies and procedures manual, maintain and enforce the records management processes
4.2 Improved recognition of critical positions and critical position management	4.2.1 Establish a succession/cover program for positions nominated as critical	A risk management plan for critical positions, with a focus on retention	4.2.1.1 Establish a risk management plan for all critical positions. <ul style="list-style-type: none"> <li>- Identify critical positions;</li> <li>- Assess level of risk;</li> <li>- Identify a pool of potential emergency internal/external replacements; and</li> <li>- Prepare individualised development plan</li> </ul>

## 4.0 Strategic Community Plan Workforce Implications (continued)

### 4.8 Key performance indicators

Key performance indicators are listed below.

Strategic Workforce Objective	Workforce Outcomes	Assessment	Ratio or Measure
Attracting and selecting the right people	Recruitment	Effectiveness of recruitment processes	Cost of recruitment divided by number of positions filled during the year
	Staff turnover	The percentage of employee initiated separation rate	Average time taken to fill a position across the organisation (days)
Retaining and engaging our valued workforce	Employee leave	Accrued leave liability	Gross number of staff resignations divided by total staff
			Number of employees with accrued annual leave exceeding 150 hours
			Value of accrued annual leave
			Value of accrued long service leave
Building a flexible, innovative and capable workforce	Sick leave	The number of workplace absences due to health-related reasons	Value of pro-rata long service leave
	Training and development	The average level of investment in training	Number of sick day absences divided by number of available working days
	Occupational Health and Safety	Frequency and cost of lost time due to injuries	Training expense divided by number of FTE employees
	Data collection	A measurement of the progress toward the collection and maintenance of data and systems to support decision making	Total hours lost due to injury divided by number of work hours available
A strategic workforce			Current policies and procedures manual
			Documented risk management plan

## 5.0 Monitoring

### 5.1 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.

### 5.2 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.

### 5.3 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 Resourcing Plan will need to be reviewed annually and its financial impact included in the Corporate Business Plan and Annual Budget.



## Appendix 1 Risk Assessment Methodology

### 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 fairly 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

	Score	Consequence			
		Insignificant	Minor	Moderate	Major
Almost Certain	5	1	2	3	4
Likely	4	Moderate	High	High	Extreme/Exceptional
Possible	3	Moderate	Moderate	High	High
Unlikely	2	Low	Moderate	Moderate	High
Rare	1	Low	Low	Moderate	High
		Very Low	Low	Low	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 1 Risk Assessment Methodology (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.
	Loss of assets.	>15% of asset value.	5%-15% of asset value.	2%-5% of asset value.	< 2 of asset value.	Insignificant.
Financial	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.



## Appendix 1 Risk Assessment Methodology (continued)

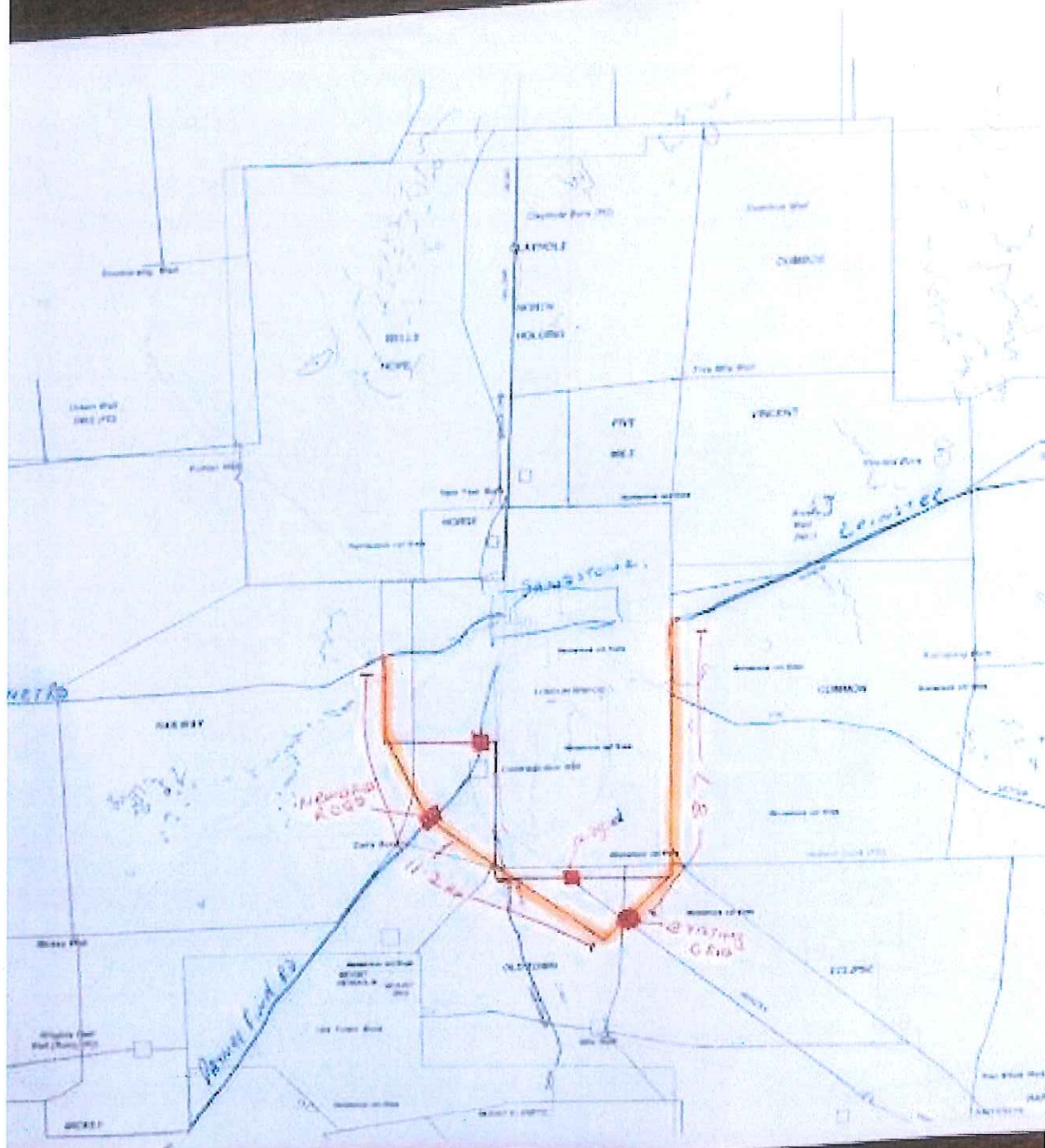
Area Impacted	Consequence					
	Impact	Catastrophic	Major	Moderate	Minor	Insignificant
Performance	Ability to achieve key objectives.	Unable to achieve.	Major impact.	Moderate impact.	Minor impact.	Negligible impact.
	Improvement on the delivery of key strategic objectives.	Exceptional improvement.	Major 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.







10. 1-6













10.2.1



**SHIRE OF SANDSTONE  
MONTHLY FINANCIAL REPORT  
For the Period Ended 31 December 2017**

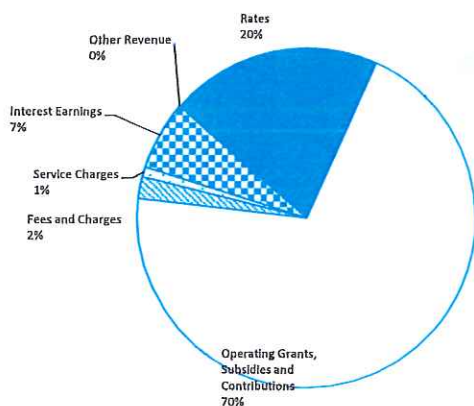
LOCAL GOVERNMENT ACT 1995  
LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996

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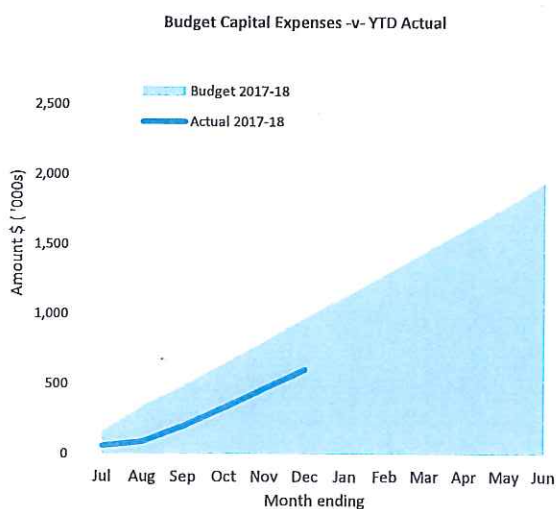
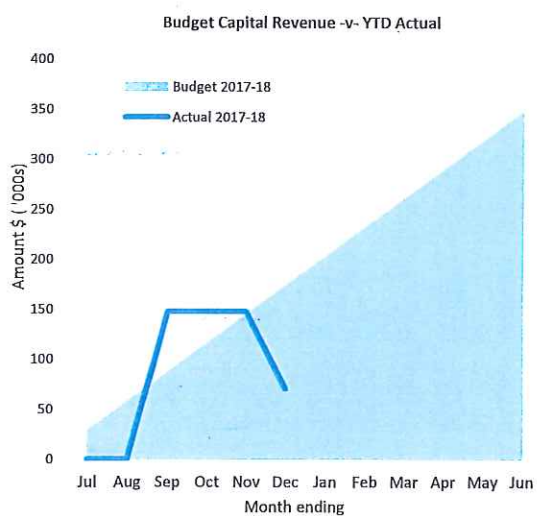
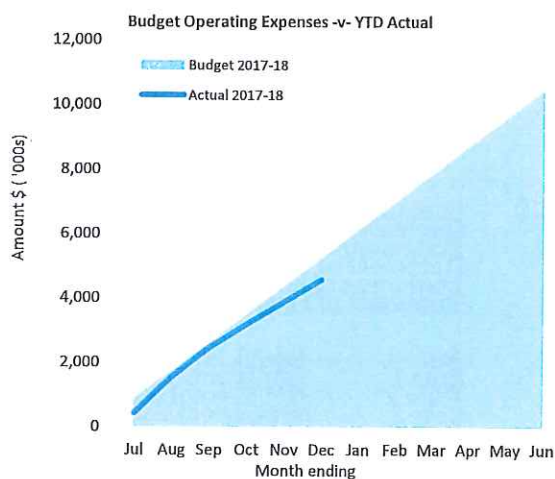
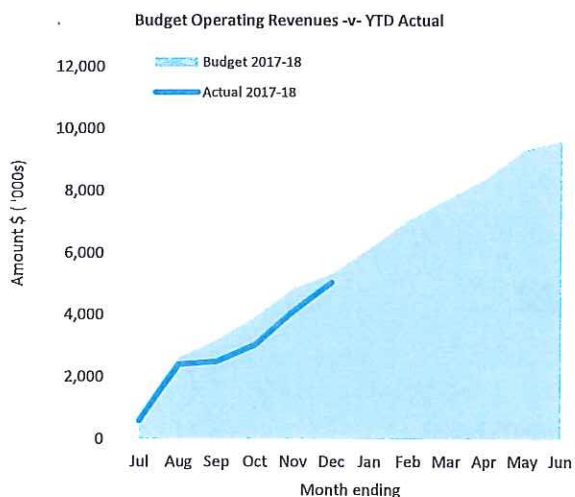
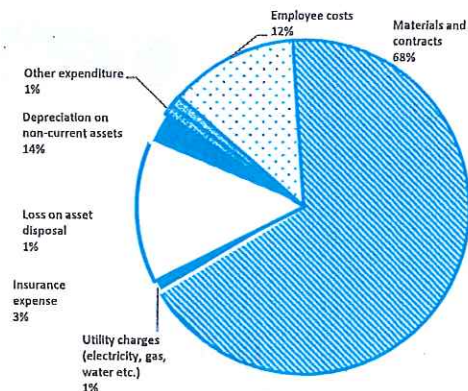
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**Shire of Sandstone**  
**Information Summary**  
**For the Period Ended 31 December 2017**

**Operating Revenue**



**Operating Expenditure**



This information is to be read in conjunction with the accompanying Financial Statements and Notes.

SHIRE OF SANDSTONE  
STATEMENT OF FINANCIAL ACTIVITY  
Statutory Reporting Program  
For the Period Ended 31 December 2017

	Note	Adopted Annual Budget	YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)	Var. % (b)-(a)/(a)	Var.
		\$	\$	\$	\$	%	
Opening Funding Surplus(Deficit)	2	680,620	680,620	686,228	5,608	1%	
<b>Revenue from operating activities</b>							
General Purpose Funding - Rates		1,043,253	1,032,634	1,018,177	(14,457)	(1.4%)	
General Purpose Funding - Other		1,156,576	583,597	499,663	(83,934)	(14%)	▼
Law, Order, Public Safety		11,699	5,850	5,786	(64)	(1%)	
Housing		5,145	2,573	0	(2,573)	(100%)	
Community amenities		15,178	7,589	9,670	2,081	27%	
Recreation and Culture		10,726	5,363	250	(5,113)	(95%)	
Transport		6,743,734	3,371,867	3,078,413	(293,454)	(9%)	
Economic Services		555,594	277,797	398,958	121,161	44%	▲
Other Property and Services		56,364	28,182	21,296	(6,886)	(24%)	
		9,598,269	5,315,452	5,032,214	(283,238)		
<b>Expenditure from operating activities</b>							
Governance		(213,032)	(106,516)	(84,988)	21,528	20%	▼
General Purpose Funding		(121,748)	(60,874)	(54,784)	6,090	10%	
Law, Order, Public Safety		(137,759)	(68,880)	(50,926)	17,953	26%	▼
Health		(37,624)	(18,812)	(16,359)	2,453	13%	
Housing		(361,368)	(180,684)	(85,868)	94,816	52%	▼
Community Amenities		(154,313)	(77,156)	(73,903)	3,253	4%	
Recreation and Culture		(533,534)	(266,767)	(247,050)	19,717	7%	
Transport		(7,815,377)	(3,907,688)	(3,218,984)	688,705	18%	▼
Economic Services		(928,541)	(457,067)	(533,927)	(76,860)	(17%)	▲
Other Property and Services		(159,780)	(82,094)	(196,784)	(114,690)	(140%)	▲
		(10,463,076)	(5,226,539)	(4,563,574)	662,965		
<b>Operating activities excluded from budget</b>							
Add back Depreciation		1,401,333	700,666	627,618	(73,048)	(10%)	▼
Adjust (Profit)/Loss on Disposal		0	0	47,680	47,680	100%	▲
<b>Amount attributable to operating activities</b>		536,525	789,579	1,143,938	354,359		
<b>Investing activities</b>							
Grants, Subsidies and Contributions		347,870	173,935	69,818	(104,117)	(60%)	▼
Proceeds from Disposal of Assets	3	0	0	77,273	77,273	100%	▲
Land and Buildings	3	(387,870)	(193,937)	(58,498)	135,440	70%	▼
Plant and Equipment	3	0	0	(79,206)	(79,206)	100%	▲
Infrastructure - Roads	3	(1,318,052)	(659,026)	(431,811)	227,215	34%	▼
Parks & Ovals	3	(235,000)	(117,500)	(29,981)	87,519	74%	▼
<b>Amount attributable to investing activities</b>		(1,598,197)	(799,101)	(452,404)	373,541		
<b>Financing activities</b>							
Transfer from Reserves	7	482,000	40,167	0	(40,167)	(100%)	▼
Transfer to Reserves	7	(100,948)	(8,412)	(47,219)	(38,807)	(461%)	▲
<b>Amount attributable to financing activities</b>		381,052	31,754	(47,219)	(78,974)		
<b>Closing Funding Surplus(Deficit)</b>	2	0	702,853	1,330,543			

▲ ▼ Indicates a variance between Year to Date (YTD) Budget and YTD Actual data as per the adopted materiality threshold.

Refer to the attached Explanation of Material Variances Statement for an explanation of the reasons for the variance.

This statement is to be read in conjunction with the accompanying financial statements and notes.



**SHIRE OF SANDSTONE**  
**STATEMENT OF FINANCIAL ACTIVITY**  
**By Nature or Type**  
**For the Period Ended 31 December 2017**

	Note	Adopted Annual Budget	YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)
		\$	\$	\$	\$
Opening Funding Surplus(Deficit)	2	680,620	680,620	686,228	5,608
<b>Revenue from operating activities</b>					
Rates		1,043,253	1,032,634	1,018,177	(14,457)
Operating grants, subsidies and contributions		7,780,157	3,890,079	3,531,447	(358,632)
Fees and charges		207,226	103,613	104,418	804
Interest earnings		142,598	71,299	47,623	(23,676)
Other revenue		425,034	217,827	330,549	112,722
Profit on disposal of assets		0	0	0	0
		9,598,268	5,315,452	5,032,214	(283,238)
<b>Expenditure from operating activities</b>					
Employee costs		(993,253)	(496,626)	(566,942)	(70,316)
Materials and contracts		(7,726,543)	(3,858,272)	(3,081,754)	776,517
Utility charges (electricity, gas, water etc.)		(118,569)	(59,285)	(54,561)	4,724
Depreciation on non-current assets		(1,401,333)	(700,666)	(627,618)	73,048
Insurance expense		(140,214)	(70,107)	(138,306)	(68,199)
Other expenditure		(83,164)	(41,583)	(46,712)	(5,129)
Loss on asset disposal		0	0	(47,680)	(47,680)
		(10,463,076)	(5,226,539)	(4,563,574)	662,965
<b>Operating activities excluded from budget</b>					
Add back Depreciation		1,401,333	700,666	627,618	(73,048)
Add back (Profit)/Loss on Asset Disposal		0	0	47,680	47,680
<b>Amount attributable to operating activities</b>		536,525	789,579	1,143,938	354,359
<b>Investing activities</b>					
Non-operating grants, subsidies and contributions		347,870	173,935	69,818	(104,117)
Proceeds from Disposal of Assets	3	0	0	77,273	77,273
Land and Buildings	3	(387,870)	(193,937)	(58,498)	135,440
Plant and Equipment	3	0	0	(79,206)	(79,206)
Infrastructure - Roads	3	(1,318,052)	(659,026)	(431,811)	227,215
Infrastructure - Other	3	(5,145)	(2,573)	0	2,573
Parks & Ovals	3	(235,000)	(117,500)	(29,981)	87,519
<b>Amount attributable to investing activities</b>		(1,598,197)	(799,101)	(452,404)	373,541
<b>Financing activities</b>					
Transfer from Reserves	7	482,000	40,167	0	(40,167)
Transfer to Reserves	7	(100,948)	(8,412)	(47,219)	(38,807)
<b>Amount attributable to financing activities</b>		381,052	31,754	(47,219)	(78,974)
<b>Closing Funding Surplus(Deficit)</b>	2	0	702,853	1,330,543	

This statement is to be read in conjunction with the accompanying financial statements and notes.

**SHIRE OF SANDSTONE**  
**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY**  
**For the Period Ended 31 December 2017**

**1. SIGNIFICANT ACCOUNTING POLICIES**

**(a) Basis of Accounting**

This statement comprises a special purpose financial report which has been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities), Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, the Local Government Act 1995 and accompanying regulations. Material accounting policies which have been adopted in the preparation of this statement are presented below and have been consistently applied unless stated otherwise. Except for cash flow and rate setting information, the report has also been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

**Critical Accounting Estimates**

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances; the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

**(b) The Local Government Reporting Entity**

All Funds through which the Council controls resources to carry on its functions have been included in this statement. 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 statement, but a separate statement of those monies appears at Note 11.

**(c) Rounding Off Figures**

All figures shown in this statement are rounded to the nearest dollar.

**(d) Rates, Grants, Donations and Other Contributions**

Rates, grants, donations and other contributions are recognised as revenues when the local government obtains control over the assets comprising the contributions. Control over assets acquired from rates is obtained at the commencement of the rating period or, where earlier, upon receipt of the rates.

**(e) Goods and Services Tax**

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.

**(f) Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks and 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. Bank overdrafts are reported as short term borrowings in current liabilities in the statement of financial position.

**(g) Trade and Other Receivables**

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

Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets. Collectability of trade and other receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. An allowance for doubtful debts is raised when there is objective evidence that they will not be collectible.

**(h) Inventories**

**General**

Inventories are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

**Land Held for Resale**

Land held 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 intentions to release for sale.

**(i) Fixed Assets**

All assets are initially recognised at cost. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the local government includes the cost of all materials used in the construction, direct labour on the project and an appropriate proportion of variable and fixed overhead. Certain asset classes may be revalued on a regular basis such that the carrying values are not materially different from fair value. Assets carried at fair value are to be revalued with sufficient regularity to ensure the carrying amount does not differ materially from that determined using fair value at reporting date.

**(j) Depreciation of Non-Current Assets**

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



**SHIRE OF SANDSTONE**  
**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY**  
**For the Period Ended 31 December 2017**

**Note 1 (j) (Continued)**

Depreciation is recognised on a straight-line basis, using rates which are reviewed each reporting period. Major depreciation rates and periods are:

Asset	Years
Buildings	30 to 50 years
Furniture and Equipment	4 to 10 years
Plant and Equipment	5 to 15 years
Sealed roads and streets	
formation	not depreciated
pavement	50 years
seal	
- bituminous seals	20 years
- asphalt surfaces	25 years
Gravel Roads	
formation	not depreciated
pavement	50 years
gravel sheet	12 years
Formed roads	
Formation	not depreciated
pavement	50 years
Footpaths - slab	40 years

**(k) Trade and Other Payables**

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

**(l) Employee Benefits**

The provisions for employee benefits relates to amounts expected to be paid for long service leave, annual leave, wages and salaries and are calculated as follows:

**(i) Wages, Salaries, Annual Leave and Long Service Leave (Short-term Benefits)**

The provision for employees' benefits to wages, salaries, annual leave and long service leave expected to be settled within 12 months represents the amount the Shire has a present obligation to pay resulting from employees services provided to balance date. The provision has been calculated at nominal amounts based on remuneration rates the Shire expects to pay and includes related on-costs.

**(ii) Annual Leave and Long Service Leave (Long-term Benefits)**

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the project unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match as closely as possible, the estimated future cash outflows. Where the Shire does not have the unconditional right to defer settlement beyond 12 months, the liability is recognised as a current liability.

**(m) Interest-bearing Loans and Borrowings**

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest-bearing

loans and borrowings are subsequently measured at amortised cost using the effective interest method. Fees paid on the establishment of loan facilities that are yield related are included as part of the carrying amount of the loans and borrowings.

Borrowings are classified as current liabilities unless the Council has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

**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.

**(n) Provisions**

Provisions are recognised when: The council has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one of item included in the same class of obligations may be small.

**(o) Current and Non-Current Classification**

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

**(p) Nature or Type Classifications**

**Rates**

All rates levied under the Local Government Act 1995. Includes general, differential, specific area rates, minimum rates, interim rates, back rates, ex-gratia rates, less discounts offered. Exclude administration fees, interest on instalments, interest on arrears and service charges.

**Operating Grants, Subsidies and Contributions**

Refer to all amounts received as grants, subsidies and contributions that are not non-operating grants.

**Non-Operating Grants, Subsidies and Contributions**

Amounts received specifically for the acquisition, construction of new or the upgrading of noncurrent assets paid to a local government, irrespective of whether these amounts are received as capital grants, subsidies, contributions or donations.

**Profit on Asset Disposal**

Profit on the disposal of assets including gains on the disposal of long term investments.

Losses are disclosed under the expenditure classifications.



**SHIRE OF SANDSTONE**  
**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY**  
**For the Period Ended 31 December 2017**

**Note 1 (p) (Continued)**

**Fees and Charges**

Revenues (other than service charges) from the use of facilities and charges made for local government services, sewerage rates, rentals, hire charges, fee for service, photocopying charges, licences, sale of goods or information, fines, penalties and administration fees. Local governments may wish to disclose more detail such as rubbish collection fees, rental of property, fines and penalties, other fees and charges.

**Service Charges**

Service charges imposed under Division 6 of Part 6 of the Local Government Act 1995. Regulation 54 of the Local Government (Financial Management) Regulations 1996 identifies the These are television and radio broadcasting, underground electricity and neighbourhood surveillance services. Exclude rubbish removal charges. Interest and other items of a similar nature received from bank and investment accounts, interest on rate instalments, interest on rate arrears and interest on debtors.

**Interest Earnings**

Interest and other items of a similar nature received from bank and investment accounts, interest on rate instalments, interest on rate arrears and interest on debtors.

**Other Revenue / Income**

Other revenue, which can not be classified under the above headings, includes dividends, discounts, rebates etc.

**Employee Costs**

All costs associate with the employment of person such as salaries, wages, allowances, benefits such as vehicle and housing, superannuation, employment expenses, removal expenses, relocation expenses, worker's compensation insurance, training costs, conferences, safety expenses, medical examinations, fringe benefit tax, etc.

**Materials and Contracts**

All expenditures on materials, supplies and contracts not classified under other headings. These include supply of goods and materials, legal expenses, consultancy, maintenance agreements, communication expenses, advertising expenses, membership, periodicals, publications, hire expenses, rental, leases, postage and freight etc. Local governments may wish to disclose more detail such as contract services, consultancy, information technology, rental or lease expenditures.

**Utilities (Gas, Electricity, Water, etc.)**

Expenditures made to the respective agencies for the provision of power, gas or water. Exclude expenditures incurred for the reinstatement of roadwork on behalf of these agencies.

**Insurance**

All insurance other than worker's compensation and health benefit insurance included as a cost of employment.

**Loss on asset disposal**

Loss on the disposal of fixed assets.

**Depreciation on non-current assets**

Depreciation expense raised on all classes of assets.

**Interest expenses**

Interest and other costs of finance paid, including costs of finance for loan debentures, overdraft accommodation and refinancing expenses.

**Other expenditure**

Statutory fees, taxes, provision for bad debts, member's fees or levies including WA Fire Brigade Levy and State taxes. Donations and subsidies made to community groups.

**(r) Program Classifications (Function/Activity)**

**Governance**

Includes the activities of members of council and the administrative support available to the council for the provision of governance of the district. Other costs relate to the task of assisting elected members and ratepayers on matters which do not concern specific council services.

**General Purpose Funding**

Rates, general purpose government grants and interest revenue.

**Law, Order, Public Safety**

Supervision and enforcement of various local laws relating to fire prevention, animal control and other aspects of public safety including emergency services.

**Health**

Inspection of food outlets and their control, provision of meat inspection services, noise control and waste disposal compliance.

**Education and Welfare**

Maintenance of child minding centre, playgroup centre, senior citizen centre and aged care centre. Provision and maintenance of home and community care programs and youth services.

**Housing**

Provision and maintenance of elderly residents housing.

**Community Amenities**

Rubbish collection services, operation of rubbish disposal sites, litter control, construction and maintenance of urban storm water drains, protection of the environment and administration of town planning schemes, cemetery and public conveniences.

**Recreation and Culture**

Maintenance of public halls, civic centres, aquatic centre, beaches, recreation centres and various sporting facilities. Provision and maintenance of parks, gardens and playgrounds. Operation of library, museum and other cultural facilities.

**Transport**

Construction and maintenance of roads, streets, footpaths, depots, cycle ways, parking facilities and traffic control. Cleaning of streets and maintenance of street trees, street lighting etc.

**Economic Services**

Tourism and area promotion including the maintenance and operation of a caravan park. Provision of rural services including weed control, vermin control and standpipes. Building Control.

**Other Property and Services**

Private works operation, plant repair and operation costs and engineering operation costs.

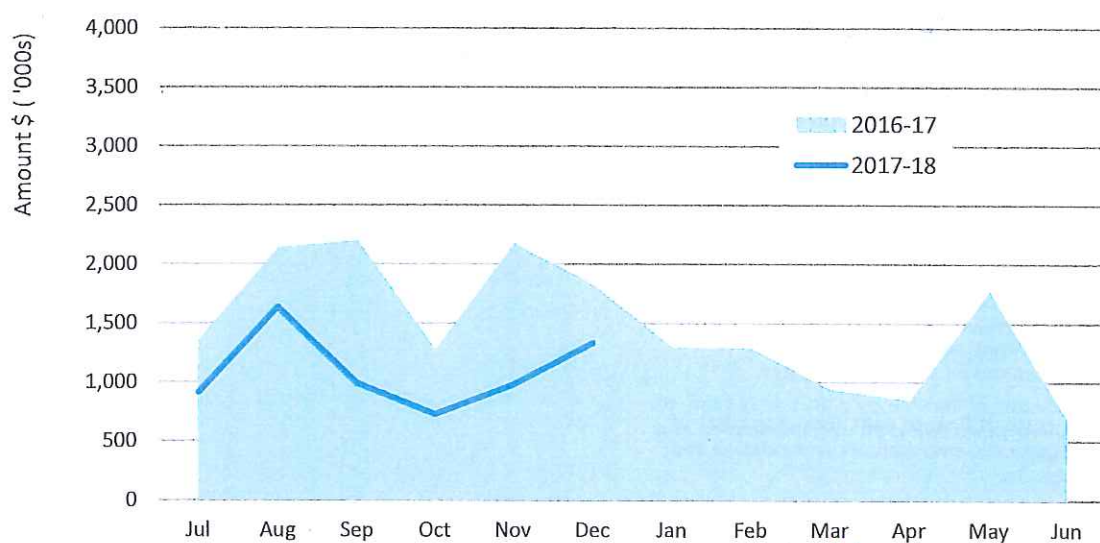
**SHIRE OF SANDSTONE**  
**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY**  
**For the Period Ended 31 December 2017**

**NOTE 2. NET CURRENT ASSETS**

Net Current Assets	Note	30 June 2017	YTD 31 Dec 2016	YTD 31 Dec 2017
		\$	\$	\$
<b>Current Assets</b>				
Cash Municipal	4	478,792	1,230,194	815,990
Cash Reserves	4	5,253,256	4,720,269	5,300,475
Receivables - Rates	5	166,248	402,911	338,980
Receivables -Other	5	386,802	301,408	(13,072)
Provision for Doubtful Debts		(44,000)	(43,708)	(44,000)
Inventories		258,759	322,988	258,091
		6,499,856	6,934,062	6,656,465
<b>Less: Current Liabilities</b>				
Payables	6	(411,521)	(106,730)	(600)
Payables - Other	6	(148,851)	(285,193)	(24,846)
Provisions		(98,247)	(66,060)	(98,247)
<b>Less: Cash Reserves</b>	7	(5,253,256)	(4,720,269)	(5,300,475)
Add: Current liabilities not expected to be cleared at end of year		98,247	66,060	98,247
<b>Net Current Funding Position *</b>		<b>686,228</b>	<b>1,821,870</b>	<b>1,330,543</b>

\* Positive=Surplus (Negative=Deficit)

**Liquidity Over the Year**

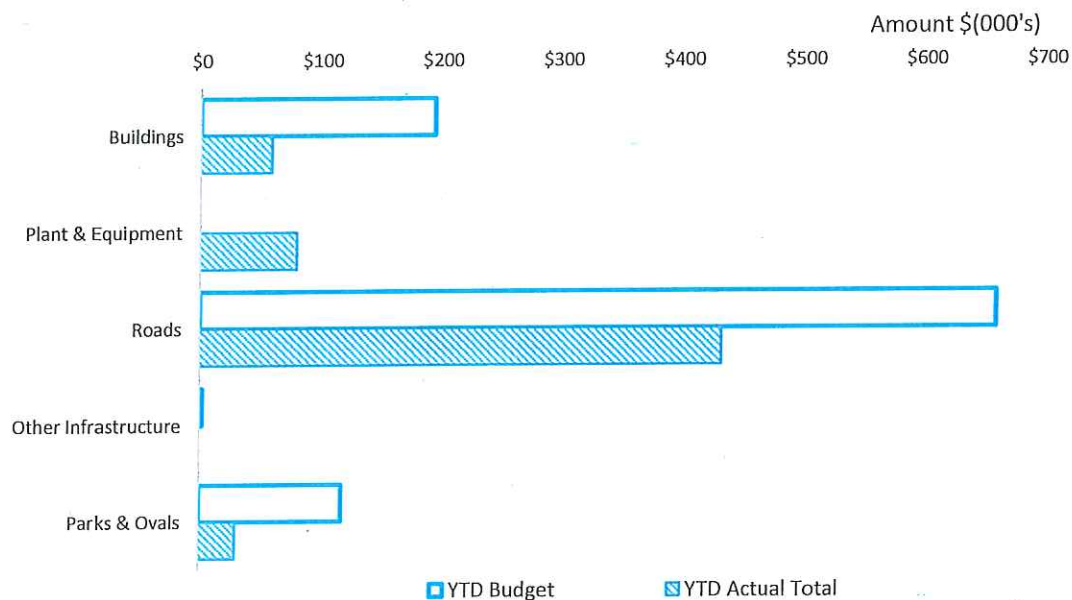


**SHIRE OF SANDSTONE**  
**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY**  
For the Period Ended 31 December 2017

**NOTE 3. CAPITAL - ACQUISITIONS AND FUNDING**

Summary Capital Acquisitions	Note	YTD New/ Upgrade Exp	YTD Actual Renewal Exp	Adopted annual Budget	YTD Budget (d)	YTD Actual Total (c) = (a)+(b)	Variance (d) - (c)
				\$	\$	\$	\$
Buildings		(263)	(58,235)	(387,870)	(193,937)	(58,498)	(135,440)
Plant & Equipment		0	(79,206)	0	0	(79,206)	79,206
Roads		0	(431,811)	(1,318,052)	(659,026)	(431,811)	(227,215)
Other Infrastructure		0	0	(5,145)	(2,573)	0	(2,573)
Parks & Ovals		0	(29,981)	(235,000)	(117,500)	(29,981)	(87,519)
<b>Capital Expenditure Totals</b>		<b>(263)</b>	<b>(599,232)</b>	<b>(1,946,067)</b>	<b>(973,036)</b>	<b>(599,495)</b>	<b>(373,541)</b>
<b>Capital Acquisitions Funded By</b>							
Capital Grants and Contributions				829,870	414,935	69,818	
Other (Disposals & C/Fwd)				0	0	77,273	
Council Contribution - Cash Backed Reserves							
Building Reserve				50,000	0	0	
Council Contribution - Operations				1,066,197	558,101	452,404	
<b>Capital Funding Total</b>				<b>1,946,067</b>	<b>973,036</b>	<b>599,495</b>	

**Capital Expenditure Program YTD**





**SHIRE OF SANDSTONE**  
**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY**  
For the Period Ended 31 December 2017

**NOTE 3. CAPITAL ACQUISITIONS**

	Account	YTD New/ Upgrade Exp	YTD Actual Renewal Exp	Adopted Annual Budget	YTD Budget	YTD Actual	Variance (Under)/ Over
<b>Capital Acquisitions</b>		\$	\$	\$	\$	\$	
<b>Buildings</b>							
Land & Buildings - Staff Housing	09142	0	29,535	272,000	136,002	29,535	(106,467)
Purchase Land & Buildings	11103	0	0	30,870	15,435	0	(15,435)
Old State Gold Battery Capital Expenditure	11650	0	28,700	35,000	17,500	28,700	11,200
Civic Centre Development - Building	11700	263	0	0	0	263	263
Purchases - Land and Buildings	13211	0	0	50,000	25,000	0	(25,000)
<b>Buildings Total</b>		263	58,235	387,870	193,937	58,498	(135,440)
<b>Plant &amp; Equipment</b>							
Purchase Plant & Equipment - Road Plant	12302	0	79,206	0	0	79,206	79,206
<b>Purchases</b>							
<b>Plant &amp; Equipment Total</b>		0	79,206	0	0	79,206	79,206
<b>Roads</b>							
Roads Construction Council	12101	0	412,544	1,030,052	515,026	412,544	(102,482)
MRWA Project Construction	12103	0	0	288,000	144,000	0	(144,000)
Roads to Recovery Construction	12104	0	19,266	0	0	19,266	19,266
<b>Roads Total</b>		0	431,811	1,318,052	659,026	431,811	(227,215)
<b>Other Infrastructure</b>							
Cemetery - Capital Expenses	10703	0	0	5,145	2,573	0	(2,573)
<b>Other Infrastructure Total</b>		0	0	5,145	2,573	0	(2,573)
<b>Parks &amp; Ovals</b>							
Capital - Parks & Ovals	11310	0	0	235,000	117,500	0	(117,500)
Progress Memorial Park - Capital Expenditure	11311	0	29,981	0	0	29,981	29,981
<b>Parks &amp; Ovals Total</b>		0	29,981	235,000	117,500	29,981	(87,519)
<b>Grand Total</b>		263	599,232	1,946,067	973,036	599,495	(373,541)

### NOTE 3. CAPITAL DISPOSALS

No disposals budgeted in 2017/18 year

**SHIRE OF SANDSTONE**  
**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY**  
For the Period Ended 31 December 2017

**NOTE 4. CASH AND INVESTMENTS**

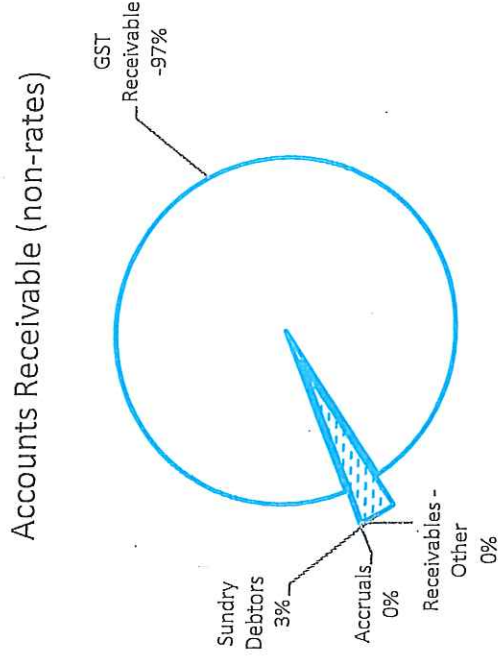
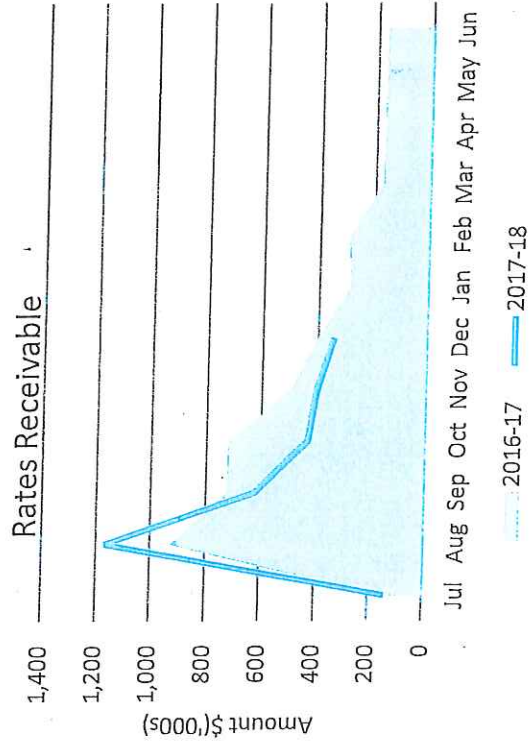
Bank Accounts	Municipal	Reserves	Trust	Investments	Total Amount	Institution	Interest Rate	Maturity Date
	\$	\$	\$	\$	\$			
(a) Cash Deposits								
Cash on Hand	4,450				4,450		n/a	
BankWest Muni Cheque Account	478,179				478,179	BankWest	n/a	
Trust			5,938		5,938	BankWest	n/a	
(b) Term Deposits								
Municipal Investment Accounts	333,361				333,361			
	307,078					BankWest	2.00%	Jan 2018
	26,284					BankWest	variable	ongoing
(c) Term Deposits								
Deal No: 4639273		5,300,475			5,300,475	BankWest	2.50%	Jan 2018
Gold Term Deposit 012-092-4433		588,893				BankWest	2.60%	May 2018
Deal No: 4639268		1,153,103				BankWest	2.60%	Apr 2018
Deal No: 4658175		745,349				BankWest	2.50%	May 2018
Deal No: 4658177		75,149				BankWest	2.50%	May 2018
Deal No: 4639270		211,783				BankWest	2.50%	May 2018
Deal No: 4658178		1,168,333				BankWest	2.50%	Apr 2018
Deal No: 4658167		58,895				BankWest	2.00%	May 2018
Deal No: 4605808		277,711				BankWest	2.50%	Mar 2018
Deal No: 4627353		100,000				Bankwest	2.50%	May 2018
		921,260				Bankwest	2.35%	Feb 2018
<b>Total</b>	<b>815,990</b>	<b>5,300,475</b>	<b>5,938</b>	<b>0</b>	<b>6,122,404</b>			



SHIRE OF SANDSTONE  
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY  
For the Period Ended 31 December 2017

**NOTE 5. RECEIVABLES**

Receivables - Rates and Other Rates Receivable	YTD 31 Dec 2017	30 June 2017	Receivables - General	Credit	Current	30 Days	60 Days	90+Days	Total
	\$	\$		\$	\$	\$	\$	\$	\$
Opening Arrears Previous Years	166,248	185,720	Receivables - General	0	0	465	0	0	465
Levied this year	1,018,177	974,423	Balances per Trial Balance						
Other Rate Charges	8,790	8,290	Sundry Debtors						
Less Collections to date	(845,445)	(995,153)	Receivables - Other						465
Equals Current Outstanding	<b>338,980</b>	<b>166,248</b>	Accruals						0
			GST Receivable						0
<b>Net Rates Collectable</b>	<b>338,980</b>	<b>166,248</b>	<b>Total Receivables General Outstanding</b>						<b>(13,537)</b>
% Collected	71%	86%	Amounts shown above include GST (where applicable)						<b>(13,072)</b>



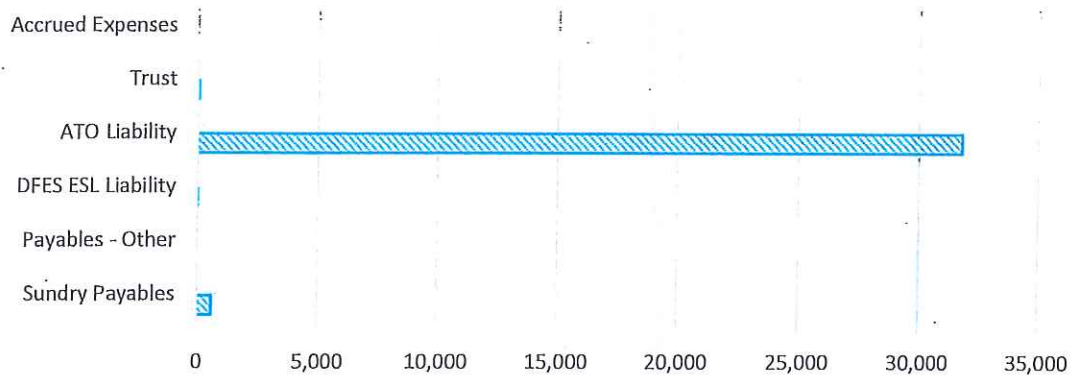
SHIRE OF SANDSTONE  
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY  
For the Period Ended 31 December 2017

**NOTE 6. PAYABLES**

Payables	Credit	Current	30 Days	60 Days	90+Days	Total
	\$	\$	\$	\$	\$	\$
Payables - General	0	600	0	0	0	600
<b>Balances per Trial Balance</b>						
Sundry Payables						600
Payables - Other						
DFES ESL Liability						(6,978)
ATO Liability						31,813
Trust						11
Accrued Expenses						0
<b>Total Payables - Other</b>						<b>24,846</b>
<b>Total Payables</b>						<b>25,446</b>

Amounts shown above include GST (where applicable)

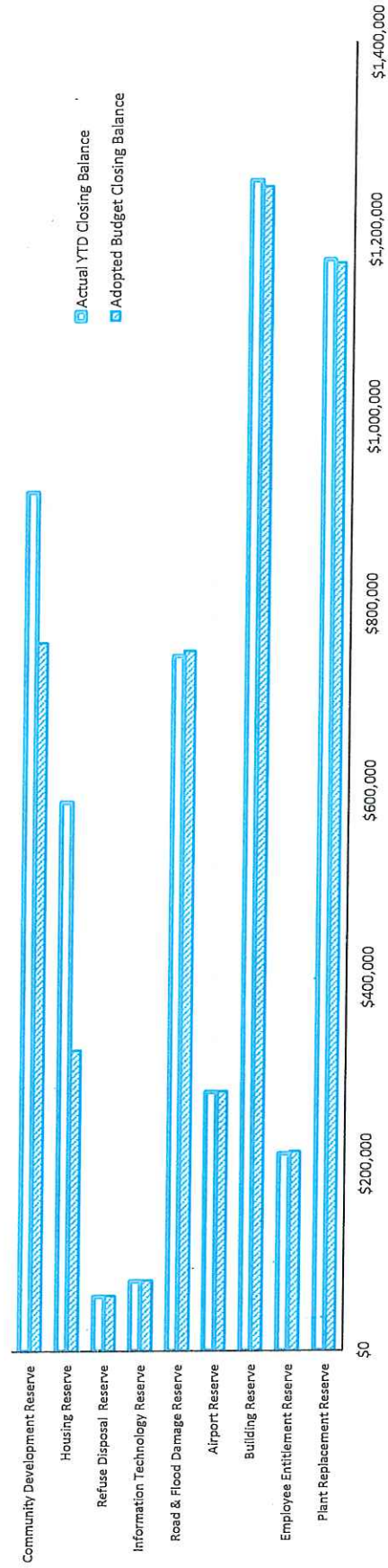
Payables



SHIRE OF SANDSTONE  
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY  
For the Period Ended 31 December 2017

**NOTE 7. CASH BACKED RESERVES**

Reserves	Opening Balance	Adopted Budget Interest Earned	Actual Interest Earned	Adopted Budget Transfers In (+)	Actual Transfers In (+)	Adopted Budget Transfers Out (-)	Actual Transfers Out (-)	Transfer out Reference	Adopted Budget Closing Balance	Actual YTD Closing Balance
	\$	\$	\$	\$	\$	\$	\$		\$	\$
Plant Replacement Reserve	1,156,376	8,047	11,957	0	0	0	0		1,164,423	1,168,333
Employee Entitlement Reserve	209,204	4,791	2,579	0	0	0	0		213,995	211,783
Building Reserve	1,253,103	43,311	0	0	0	(50,000)	0		1,246,414	1,253,103
Airport Reserve	274,532	3,997	3,179	0	0	0	0		278,529	277,711
Road & Flood Damage Reserve	736,701	14,008	8,649	0	0	0	0		750,709	745,349
Information Technology Reserve	74,233	1,700	915	0	0	0	0		75,933	75,149
Refuse Disposal Reserve	58,177	1,332	717	0	0	0	0		59,509	58,895
Housing Reserve	581,438	13,315	7,455	0	0	(272,000)	0		322,753	588,893
Community Development Reserve	909,491	10,447	11,768	0	0	(160,000)	0		759,938	921,260
	5,253,256	100,948	47,219	0	0	(482,000)	0		4,872,204	5,300,475





## NOTE 8. RATING INFORMATION

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Please refer to Compilation Report

**SHIRE OF SANDSTONE**  
**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY**  
**For the Period Ended 31 December 2017**

**NOTE 9. INFORMATION ON BORROWINGS**

**(a) Debenture Repayments**

The Shire does not have any borrowings.

**(b) New Debentures**

There were no new debentures as at the reporting date.

**(c) Unspent Debentures**

The Shire had no unspent debenture funds as at the reporting date.

**(d) Overdraft**

The does not currently have an overdraft facility .

SHIRE OF SANDSTONE  
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY  
For the Period Ended 31 December 2017

NOTE 10. GRANTS AND CONTRIBUTIONS

Grant Provider	Type	Opening Balance (a)	Adopted Budget Operating	YTD Budget Capital	YTD Budget	Annual Budget (d)	Post Variations (e)	Expected (d)+(e)	YTD Actual Revenue	YTD Actual (Expended) (c)	Unspent Tied Grants (a)+(b)+(c)
			\$	\$	\$	\$	\$	\$	\$	\$	\$
General Purpose Funding											
Grants Commission - General	Operating	0	780,424		390,212	780,424		780,424	348,152	(348,152)	0
Grants Commission - Roads	Operating	0	237,965		118,983	237,965		237,965	103,118	(103,118)	0
Law, Order and Public Safety											
FESA Grant - Operating Bush Fire Brigade	Operating	0	8,777		4,389	8,777		8,777	2398	-2398	0
Recreation and Culture											
Grant - Regional Grant Scheme	Operating	0	10,000		5,000	10,000		10,000	0	0	0
Income Relating to Public Hall	Non-Operating	0		75,000	37,500	75,000		75,000	0	0	0
Income Relating to Other Recreation & Sport	Non-Operating	0		30,870	15,435	30,870		30,870	0	0	0
Transport											
Grant - MRWA Direct	Operating	0	100,406		50,203	100,406		100,406	103,918	(103,918)	0
Grant - WANDRA Flood Damage	Operating - Tied	0	6,642,585		3,321,293	6,642,585		6,642,585	2,973,861	(2,973,861)	0
Grant - MRWA Specific	Non-operating	0		192,000	96,000	192,000		192,000	69818	(69,818)	0
Economic Services											
Income Relating to Tourism & Area Protection	Non-Operating	0		50,000	25,000	50,000		50,000	0	0	0
TOTALS		0	7,780,157	347,870	4,064,014	8,128,027	0	8,128,027	3,601,265	(3,601,265)	0
SUMMARY											
Operating	Operating Grants, Subsidies and Contributions	0	1,137,572	0	568,786	1,137,572	0	1,137,572	557,586	(557,586)	0
Operating - Tied	Tied - Operating Grants, Subsidies and Contributions	0	6,642,585	0	3,321,293	6,642,585	0	6,642,585	2,973,861	(2,973,861)	0
Non-operating	Non-operating Grants, Subsidies and Contributions	0	0	347,870	173,935	347,870	0	347,870	69,818	(69,818)	0
TOTALS		0	7,780,157	347,870	4,064,014	8,128,027	0	8,128,027	3,601,265	(3,601,265)	0



SHIRE OF SANDSTONE  
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY  
For the Period Ended 31 December 2017

**NOTE 11. BUDGET AMENDMENTS**

Amendments to original budget since budget adoption. Surplus/(Deficit)

COA	Description	Council Resolution	Classification	No Change - (Non Cash Items) Adjust.	Increase in Available Cash	Decrease in Available Cash	Adopted Budget Running Balance
				\$	\$	\$	\$
	Opening Carried Forward Surplus (Deficit)						0
							0
	Adopted Budget Cash Position as per Council Resolution			0	0	0	0

SHIRE OF SANDSTONE  
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY  
For the Period Ended 31 December 2017

**NOTE 12. TRUST FUND**

Funds held at balance date over which the Shire has no control and which are not included in this statement are as follows:

Description	Opening Balance 1 Jul 17	Amount Received	Amount Paid	Closing Balance 31 Dec 17
	\$	\$	\$	\$
Housing Bonds	6,276		(900)	5,376
BRB Building Levy	(57)			(57)
Nominations	0	80	(80)	0
Department of Transport Licensing	588	14,416	(14,416)	588
BCITF Training Levy	57	57	(57)	57
Election Deposits	0	320	(320)	0
	6,864	14,873	(15,773)	5,964

\*Out of balance by \$15.00. Please refer to Account 1210990 TRUST Suspense









# **SHIRE OF SANDSTONE** **MONTHLY FINANCIAL REPORT** **For the Period Ended 31 January 2018**

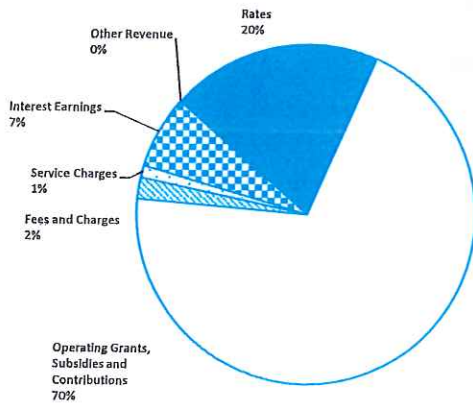
LOCAL GOVERNMENT ACT 1995  
 LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996

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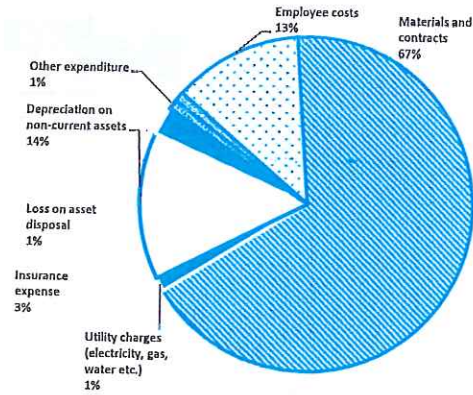
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Shire of Sandstone  
Information Summary  
For the Period Ended 31 January 2018

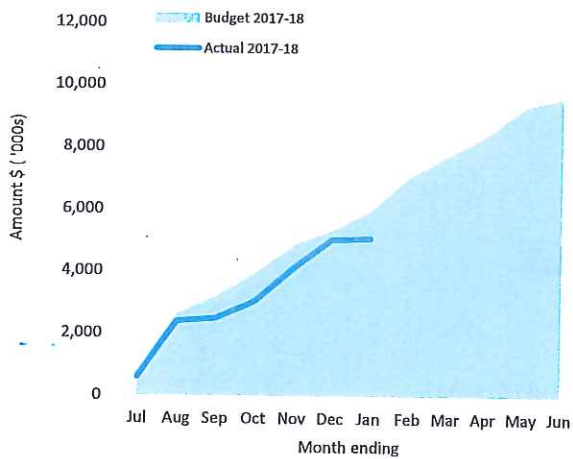
Operating Revenue



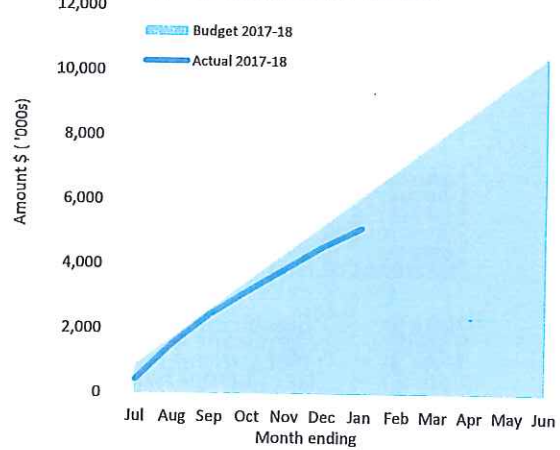
Operating Expenditure



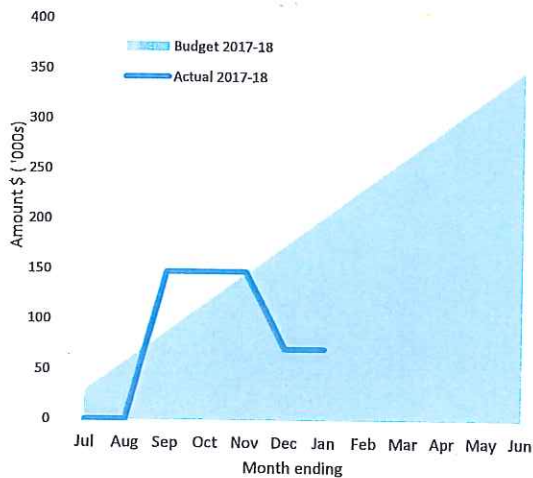
Budget Operating Revenues -v- YTD Actual



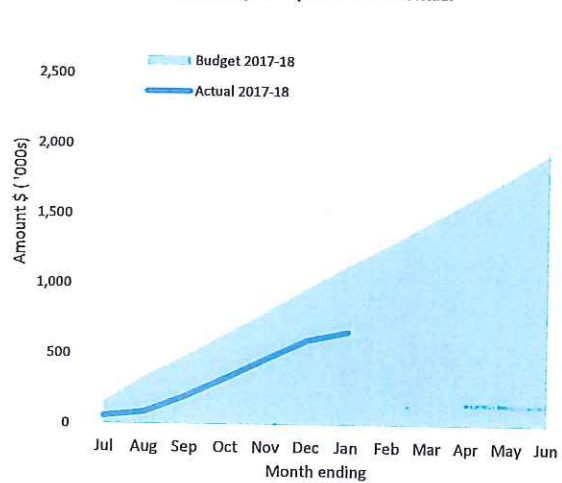
Budget Operating Expenses -v- YTD Actual



Budget Capital Revenue -v- YTD Actual



Budget Capital Expenses -v- YTD Actual



This information is to be read in conjunction with the accompanying Financial Statements and Notes.



**SHIRE OF SANDSTONE**  
**STATEMENT OF FINANCIAL ACTIVITY**  
**Statutory Reporting Program**  
**For the Period Ended 31 January 2018**

	Note	Adopted Annual Budget	YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)	Var. % (b)-(a)/(a)	Var.
		\$	\$	\$	\$	%	
Opening Funding Surplus(Deficit)	2	680,620	680,620	686,228	5,608	1%	
<b>Revenue from operating activities</b>							
General Purpose Funding - Rates		1,043,253	1,032,634	1,019,586	(13,049)	(1.3%)	
General Purpose Funding - Other		1,156,576	595,998	508,430	(87,567)	(15%)	▼
Law, Order, Public Safety		11,699	6,824	8,184	1,359	20%	
Housing		5,145	3,001	0	(3,001)	(100%)	
Community amenities		15,178	8,854	5,712	(3,141)	(35%)	
Recreation and Culture		10,726	6,257	250	(6,007)	(96%)	
Transport		6,743,734	3,933,845	3,078,433	(855,412)	(22%)	▼
Economic Services		555,594	324,097	422,220	98,123	30%	▲
Other Property and Services		56,364	32,879	24,899	(7,980)	(24%)	
		9,598,269	5,944,389	5,067,714	(876,675)		
<b>Expenditure from operating activities</b>							
Governance		(213,032)	(124,269)	(148,225)	(23,957)	(19%)	▲
General Purpose Funding		(121,748)	(71,020)	(54,367)	16,652	23%	▼
Law, Order, Public Safety		(137,759)	(80,360)	(64,508)	15,851	20%	▼
Health		(37,624)	(21,947)	(16,280)	5,667	26%	
Housing		(361,368)	(210,798)	(100,724)	110,073	52%	▼
Community Amenities		(154,313)	(90,016)	(82,687)	7,328	8%	
Recreation and Culture		(533,534)	(311,228)	(290,612)	20,617	7%	
Transport		(7,815,377)	(4,558,979)	(3,522,158)	1,036,820	23%	▼
Economic Services		(928,541)	(533,245)	(581,792)	(48,546)	(9%)	
Other Property and Services		(159,780)	(95,777)	(270,872)	(175,095)	(183%)	▲
		(10,463,076)	(6,097,638)	(5,132,226)	965,412		
<b>Operating activities excluded from budget</b>							
Add back Depreciation		1,401,333	817,444	733,360	(84,084)	(10%)	▼
Adjust (Profit)/Loss on Disposal		0	0	47,680	47,680	100%	▲
<b>Amount attributable to operating activities</b>		536,525	664,195	716,528	52,333		
<b>Investing activities</b>							
Grants, Subsidies and Contributions		347,870	202,924	69,818	(133,106)	(66%)	▼
Proceeds from Disposal of Assets	3	0	0	77,273	77,273	100%	▲
Land and Buildings	3	(387,870)	(226,260)	(58,235)	168,025	74%	▼
Plant and Equipment	3	0	0	(79,206)	(79,206)	100%	▲
Infrastructure - Roads	3	(1,318,052)	(768,864)	(489,910)	278,954	36%	▼
Parks & Ovals	3	(235,000)	(137,083)	(29,981)	107,103	78%	▼
<b>Amount attributable to investing activities</b>		(1,598,197)	(932,284)	(510,240)	477,877		
<b>Financing activities</b>							
Transfer from Reserves	7	482,000	40,167	0	(40,167)	(100%)	▼
Transfer to Reserves	7	(100,948)	(8,412)	(52,060)	(43,647)	(519%)	▲
<b>Amount attributable to financing activities</b>		381,052	31,754	(52,060)	(83,814)		
<b>Closing Funding Surplus(Deficit)</b>	2	0	444,285	840,456			

▲ ▼ Indicates a variance between Year to Date (YTD) Budget and YTD Actual data as per the adopted materiality threshold.

Refer to the attached Explanation of Material Variances Statement for an explanation of the reasons for the variance.

This statement is to be read in conjunction with the accompanying financial statements and notes.

**SHIRE OF SANDSTONE**  
**STATEMENT OF FINANCIAL ACTIVITY**  
**By Nature or Type**  
**For the Period Ended 31 January 2018**

	Note	Adopted Annual Budget	YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)
		\$	\$	\$	\$
<b>Opening Funding Surplus(Deficit)</b>	2	680,620	680,620	686,228	5,608
<b>Revenue from operating activities</b>					
Rates		1,043,253	1,032,634	1,019,586	(13,049)
Operating grants, subsidies and contributions		7,780,157	4,453,559	3,536,195	(917,365)
Fees and charges		207,226	120,882	103,822	(17,060)
Interest earnings		168,838	98,489	58,064	(40,425)
Other revenue		398,794	238,824	350,048	111,223
Profit on disposal of assets		0	0	0	0
		9,598,268	5,944,389	5,067,714	(876,675)
<b>Expenditure from operating activities</b>					
Employee costs		(995,377)	(580,636)	(638,036)	(57,400)
Materials and contracts		(7,724,419)	(4,500,087)	(3,454,025)	1,046,062
Utility charges (electricity, gas, water etc.)		(118,569)	(69,166)	(70,415)	(1,249)
Depreciation on non-current assets		(1,401,333)	(817,444)	(733,360)	84,084
Insurance expense		(142,338)	(83,031)	(139,452)	(56,421)
Other expenditure		(81,040)	(47,274)	(49,258)	(1,983)
Loss on asset disposal		0	0	(47,680)	(47,680)
		(10,463,076)	(6,097,638)	(5,132,226)	965,412
<b>Operating activities excluded from budget</b>					
Add back Depreciation		1,401,333	817,444	733,360	(84,084)
Add back (Profit)/Loss on Asset Disposal		0	0	47,680	47,680
<b>Amount attributable to operating activities</b>		536,525	664,195	716,528	52,333
<b>Investing activities</b>					
Non-operating grants, subsidies and contributions		347,870	202,924	69,818	(133,106)
Proceeds from Disposal of Assets	3	0	0	77,273	77,273
Land and Buildings	3	(387,870)	(226,260)	(58,235)	168,025
Plant and Equipment	3	0	0	(79,206)	(79,206)
Infrastructure - Roads	3	(1,318,052)	(768,864)	(489,910)	278,954
Infrastructure - Other	3	(5,145)	(3,001)	0	3,001
Parks & Ovals	3	(235,000)	(137,083)	(29,981)	107,103
<b>Amount attributable to investing activities</b>		(1,598,197)	(932,284)	(510,240)	477,877
<b>Financing activities</b>					
Transfer from Reserves	7	482,000	40,167	0	(40,167)
Transfer to Reserves	7	(100,948)	(8,412)	(52,060)	(43,647)
<b>Amount attributable to financing activities</b>		381,052	31,754	(52,060)	(83,814)
<b>Closing Funding Surplus(Deficit)</b>	2	0	444,285	840,456	

This statement is to be read in conjunction with the accompanying financial statements and notes.

**SHIRE OF SANDSTONE**  
**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY**  
**For the Period Ended 31 January 2018**

**1. SIGNIFICANT ACCOUNTING POLICIES**

**(a) Basis of Accounting**

This statement comprises a special purpose financial report which has been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities), Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, the Local Government Act 1995 and accompanying regulations. Material accounting policies which have been adopted in the preparation of this statement are presented below and have been consistently applied unless stated otherwise. Except for cash flow and rate setting information, the report has also been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

**Critical Accounting Estimates**

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances; the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

**(b) The Local Government Reporting Entity**

All Funds through which the Council controls resources to carry on its functions have been included in this statement. 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 statement, but a separate statement of those monies appears at Note 11.

**(c) Rounding Off Figures**

All figures shown in this statement are rounded to the nearest dollar.

**(d) Rates, Grants, Donations and Other Contributions**

Rates, grants, donations and other contributions are recognised as revenues when the local government obtains control over the assets comprising the contributions. Control over assets acquired from rates is obtained at the commencement of the rating period or, where earlier, upon receipt of the rates.

**(e) Goods and Services Tax**

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.

**(f) Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks and 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. Bank overdrafts are reported as short term borrowings in current liabilities in the statement of financial position.

**(g) Trade and Other Receivables**

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

Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets. Collectability of trade and other receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. An allowance for doubtful debts is raised when there is objective evidence that they will not be collectible.

**(h) Inventories**

**General**

Inventories are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

**Land Held for Resale**

Land held 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 intentions to release for sale.

**(i) Fixed Assets**

All assets are initially recognised at cost. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the local government includes the cost of all materials used in the construction, direct labour on the project and an appropriate proportion of variable and fixed overhead. Certain asset classes may be revalued on a regular basis such that the carrying values are not materially different from fair value. Assets carried at fair value are to be revalued with sufficient regularity to ensure the carrying amount does not differ materially from that determined using fair value at reporting date.

**(j) Depreciation of Non-Current Assets**

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



**SHIRE OF SANDSTONE**  
**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY**  
**For the Period Ended 31 January 2018**

**Note 1 (j) (Continued)**

Depreciation is recognised on a straight-line basis, using rates which are reviewed each reporting period. Major depreciation rates and periods are:

Asset	Years
Buildings	30 to 50 years
Furniture and Equipment	4 to 10 years
Plant and Equipment	5 to 15 years
Sealed roads and streets	
formation	not depreciated
pavement	50 years
seal	
- bituminous seals	20 years
- asphalt surfaces	25 years
Gravel Roads	
formation	not depreciated
pavement	50 years
gravel sheet	12 years
Formed roads	
Formation	not depreciated
pavement	50 years
Footpaths - slab	40 years

**(k) Trade and Other Payables**

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

**(l) Employee Benefits**

The provisions for employee benefits relates to amounts expected to be paid for long service leave, annual leave, wages and salaries and are calculated as follows:

**(i) Wages, Salaries, Annual Leave and Long Service Leave (Short-term Benefits)**

The provision for employees' benefits to wages, salaries, annual leave and long service leave expected to be settled within 12 months represents the amount the Shire has a present obligation to pay resulting from employees services provided to balance date. The provision has been calculated at nominal amounts based on remuneration rates the Shire expects to pay and includes related on-costs.

**(ii) Annual Leave and Long Service Leave (Long-term Benefits)**

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the project unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match as closely as possible, the estimated future cash outflows. Where the Shire does not have the unconditional right to defer settlement beyond 12 months, the liability is recognised as a current liability.

**(m) Interest-bearing Loans and Borrowings**

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest-bearing

loans and borrowings are subsequently measured at amortised cost using the effective interest method. Fees paid on the establishment of loan facilities that are yield related are included as part of the carrying amount of the loans and borrowings.

Borrowings are classified as current liabilities unless the Council has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

**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.

**(n) Provisions**

Provisions are recognised when: The council has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one of item included in the same class of obligations may be small.

**(o) Current and Non-Current Classification**

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

**(p) Nature or Type Classifications**

**Rates**

All rates levied under the Local Government Act 1995. Includes general, differential, specific area rates, minimum rates, interim rates, back rates, ex-gratia rates, less discounts offered. Exclude administration fees, interest on instalments, interest on arrears and service charges.

**Operating Grants, Subsidies and Contributions**

Refer to all amounts received as grants, subsidies and contributions that are not non-operating grants.

**Non-Operating Grants, Subsidies and Contributions**

Amounts received specifically for the acquisition, construction of new or the upgrading of noncurrent assets paid to a local government, irrespective of whether these amounts are received as capital grants, subsidies, contributions or donations.

**Profit on Asset Disposal**

Profit on the disposal of assets including gains on the disposal of long term investments.

Losses are disclosed under the expenditure classifications.

**SHIRE OF SANDSTONE**  
**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY**  
**For the Period Ended 31 January 2018**

**Note 1 (p) (Continued)**

**Fees and Charges**

Revenues (other than service charges) from the use of facilities and charges made for local government services, sewerage rates, rentals, hire charges, fee for service, photocopying charges, licences, sale of goods or information, fines, penalties and administration fees. Local governments may wish to disclose more detail such as rubbish collection fees, rental of property, fines and penalties, other fees and charges.

**Service Charges**

Service charges imposed under Division 6 of Part 6 of the Local Government Act 1995. Regulation 54 of the Local Government (Financial Management) Regulations 1996 identifies the These are television and radio broadcasting, underground electricity and neighbourhood surveillance services. Exclude rubbish removal charges. Interest and other items of a similar nature received from bank and investment accounts, interest on rate instalments, interest on rate arrears and interest on debtors.

**Interest Earnings**

Interest and other items of a similar nature received from bank and investment accounts, interest on rate instalments, interest on rate arrears and interest on debtors.

**Other Revenue / Income**

Other revenue, which can not be classified under the above headings, includes dividends, discounts, rebates etc.

**Employee Costs**

All costs associate with the employment of person such as salaries, wages, allowances, benefits such as vehicle and housing, superannuation, employment expenses, removal expenses, relocation expenses, worker's compensation insurance, training costs, conferences, safety expenses, medical examinations, fringe benefit tax, etc.

**Materials and Contracts**

All expenditures on materials, supplies and contracts not classified under other headings. These include supply of goods and materials, legal expenses, consultancy, maintenance agreements, communication expenses, advertising expenses, membership, periodicals, publications, hire expenses, rental, leases, postage and freight etc. Local governments may wish to disclose more detail such as contract services, consultancy, information technology, rental or lease expenditures.

**Utilities (Gas, Electricity, Water, etc.)**

Expenditures made to the respective agencies for the provision of power, gas or water. Exclude expenditures incurred for the reinstatement of roadwork on behalf of these agencies.

**Insurance**

All insurance other than worker's compensation and health benefit insurance included as a cost of employment.

**Loss on asset disposal**

Loss on the disposal of fixed assets.

**Depreciation on non-current assets**

Depreciation expense raised on all classes of assets.

**Interest expenses**

Interest and other costs of finance paid, including costs of finance for loan debentures, overdraft accommodation and refinancing expenses.

**Other expenditure**

Statutory fees, taxes, provision for bad debts, member's fees or levies including WA Fire Brigade Levy and State taxes. Donations and subsidies made to community groups.

**(r) Program Classifications (Function/Activity)**

**Governance**

Includes the activities of members of council and the administrative support available to the council for the provision of governance of the district. Other costs relate to the task of assisting elected members and ratepayers on matters which do not concern specific council services.

**General Purpose Funding**

Rates, general purpose government grants and interest revenue.

**Law, Order, Public Safety**

Supervision and enforcement of various local laws relating to fire prevention, animal control and other aspects of public safety including emergency services.

**Health**

Inspection of food outlets and their control, provision of meat inspection services, noise control and waste disposal compliance.

**Education and Welfare**

Maintenance of child minding centre, playgroup centre, senior citizen centre and aged care centre. Provision and maintenance of home and community care programs and youth services.

**Housing**

Provision and maintenance of elderly residents housing.

**Community Amenities**

Rubbish collection services, operation of rubbish disposal sites, litter control, construction and maintenance of urban storm water drains, protection of the environment and administration of town planning schemes, cemetery and public conveniences.

**Recreation and Culture**

Maintenance of public halls, civic centres, aquatic centre, beaches, recreation centres and various sporting facilities. Provision and maintenance of parks, gardens and playgrounds. Operation of library, museum and other cultural facilities.

**Transport**

Construction and maintenance of roads, streets, footpaths, depots, cycle ways, parking facilities and traffic control. Cleaning of streets and maintenance of street trees, street lighting etc.

**Economic Services**

Tourism and area promotion including the maintenance and operation of a caravan park. Provision of rural services including weed control, vermin control and standpipes. Building Control.

**Other Property and Services**

Private works operation, plant repair and operation costs and engineering operation costs.

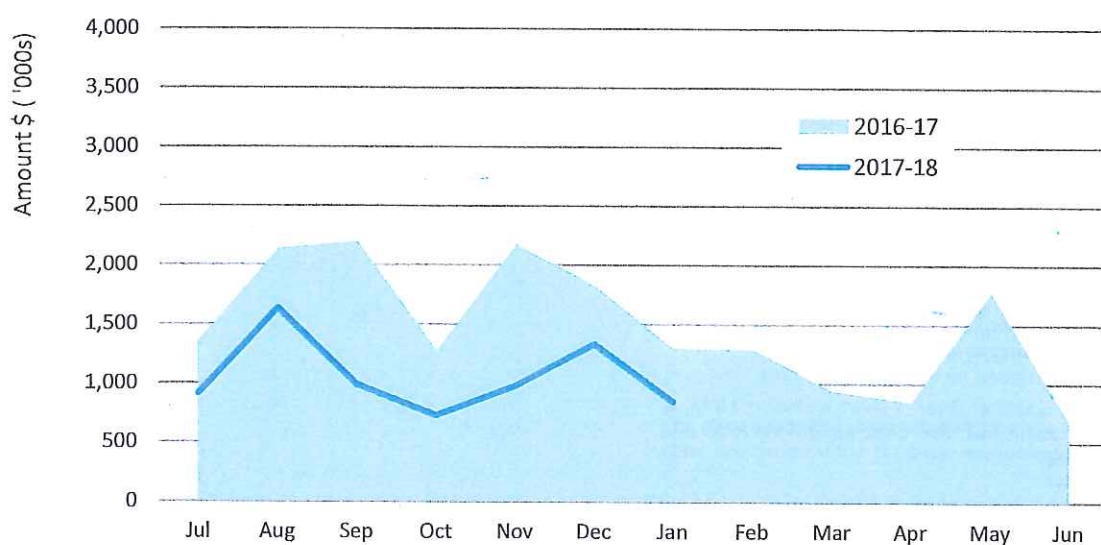
**SHIRE OF SANDSTONE**  
**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY**  
For the Period Ended 31 January 2018

**NOTE 2. NET CURRENT ASSETS**

Net Current Assets	Note	30 June 2017	YTD 31 Jan 2017	YTD 31 Jan 2018
		\$	\$	\$
<b>Current Assets</b>				
Cash Municipal	4	478,792	1,392,681	457,632
Cash Reserves	4	5,253,256	4,741,562	5,305,315
Receivables - Rates	5	166,248	282,734	337,344
Receivables -Other	5	386,802	224,201	(26,810)
Provision for Doubtful Debts		(44,000)	(43,708)	(44,000)
Inventories		258,759	328,902	243,158
		6,499,856	6,926,372	6,272,640
<b>Less: Current Liabilities</b>				
Payables	6	(411,521)	(693,078)	(125,320)
Payables - Other	6	(148,851)	(201,475)	(1,549)
Provisions		(98,247)	(66,060)	(98,247)
<b>Less: Cash Reserves</b>	7	(5,253,256)	(4,741,562)	(5,305,315)
<b>Add: Current liabilities not expected to be cleared at end of year</b>		98,247	66,060	98,247
<b>Net Current Funding Position *</b>		<b>686,228</b>	<b>1,290,257</b>	<b>840,456</b>

\* Positive=Surplus (Negative=Deficit)

**Liquidity Over the Year**



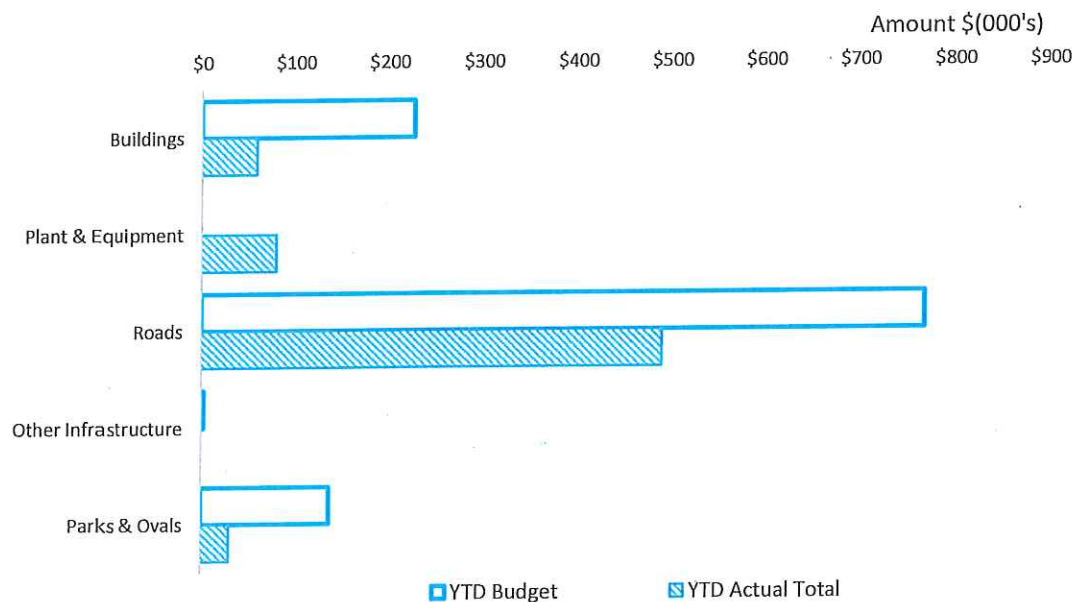


**SHIRE OF SANDSTONE**  
**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY**  
For the Period Ended 31 January 2018

**NOTE 3. CAPITAL - ACQUISITIONS AND FUNDING**

Summary Capital Acquisitions	Note	YTD New/ Upgrade Exp	YTD Actual Renewal Exp	Adopted annual Budget	YTD Budget (d)	YTD Actual Total (c) = (a)+(b)	Variance (d) - (c)
				\$	\$	\$	\$
Buildings		0	(58,235)	(387,870)	(226,260)	(58,235)	(168,025)
Plant & Equipment		0	(79,206)	0	0	(79,206)	79,206
Roads		0	(489,910)	(1,318,052)	(768,864)	(489,910)	(278,954)
Other Infrastructure		0	0	(5,145)	(3,001)	0	(3,001)
Parks & Ovals		0	(29,981)	(235,000)	(137,083)	(29,981)	(107,103)
<b>Capital Expenditure Totals</b>		<b>0</b>	<b>(657,331)</b>	<b>(1,946,067)</b>	<b>(1,135,208)</b>	<b>(657,331)</b>	<b>(477,877)</b>
<b>Capital Acquisitions Funded By</b>							
Capital Grants and Contributions				829,870	484,091	69,818	
Other (Disposals & C/Fwd)				0	0	77,273	
Council Contribution - Cash Backed Reserves							
Building Reserve				50,000	0	0	
Council Contribution - Operations				1,066,197	651,117	510,240	
<b>Capital Funding Total</b>				<b>1,946,067</b>	<b>1,135,208</b>	<b>657,331</b>	

**Capital Expenditure Program YTD**



**SHIRE OF SANDSTONE**  
**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY**  
For the Period Ended 31 January 2018

**NOTE 3. CAPITAL ACQUISITIONS**

	Account	YTD New/ Upgrade Exp	YTD Actual Renewal Exp	Adopted Annual Budget	YTD Budget	YTD Actual	Variance (Under)/ Over
Capital Acquisitions		\$	\$	\$	\$	\$	
<b>Buildings</b>							
Land & Buildings - Staff Housing	09142	0	29,535	272,000	158,669	29,535	(129,134)
Purchase Land & Buildings	11103	0	0	30,870	18,008	0	(18,008)
Old State Gold Battery Capital Expenditure	11650	0	28,700	35,000	20,417	28,700	8,283
Civic Centre Development - Building	11700	0	0	0	0	0	0
Purchases - Land and Buildings	13211	0	0	50,000	29,167	0	(29,167)
<b>Buildings Total</b>		0	58,235	387,870	226,260	58,235	(168,025)
<b>Plant &amp; Equipment</b>							
Purchase Plant & Equipment - Road Plant	12302	0	79,206	0	0	79,206	79,206
<b>Plant &amp; Equipment Total</b>		0	79,206	0	0	79,206	79,206
<b>Roads</b>							
Roads Construction Council	12101	0	470,643	1,030,052	600,864	470,643	(130,220)
MRWA Project Construction	12103	0	0	288,000	168,000	0	(168,000)
Roads to Recovery Construction	12104	0	19,266	0	0	19,266	19,266
<b>Roads Total</b>		0	489,910	1,318,052	768,864	489,910	(278,954)
<b>Other Infrastructure</b>							
Cemetery - Capital Expenses	10703	0	0	5,145	3,001	0	(3,001)
<b>Other Infrastructure Total</b>		0	0	5,145	3,001	0	(3,001)
<b>Parks &amp; Ovals</b>							
Capital - Parks & Ovals	11310	0	0	235,000	137,083	0	(137,083)
Progress Memorial Park - Capital Expenditure	11311	0	29,981	0	0	29,981	29,981
<b>Parks &amp; Ovals Total</b>		0	29,981	235,000	137,083	29,981	(107,103)
<b>Grand Total</b>		0	657,331	1,946,067	1,135,208	657,331	(477,877)

SHIRE OF SANDSTONE  
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY  
For the Period Ended 31 January 2018

NOTE 3. CAPITAL DISPOSALS

Asset Number	Asset Description	YTD Actual				Adopted Budget			
		Net Book Value	Proceeds	Profit	(Loss)	Net Book Value	Proceeds	Profit	(Loss)
		\$	\$	\$	\$		\$	\$	\$
PC004	Kenworth Prime Mover	95,778	77,273	0	(18,505)	0	0	0	0
E0089	Bore Boss Unit	29,175	0	0	(29,175)				
No disposals budgeted in 2017/18 year		124,953	77,273	0	(47,680)	0	0	0	0



**SHIRE OF SANDSTONE**  
**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY**  
For the Period Ended 31 January 2018

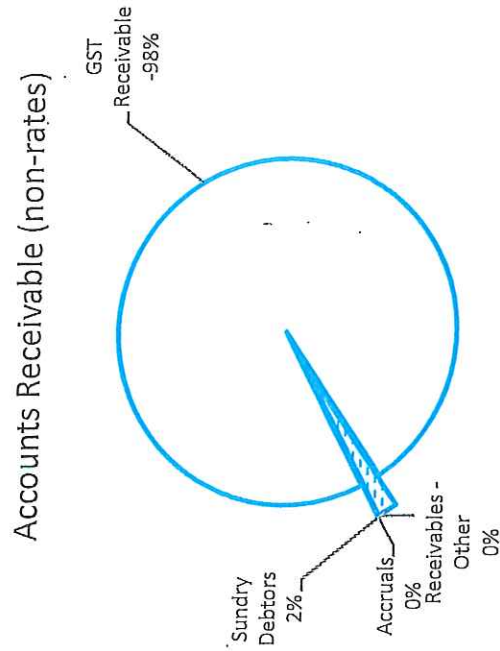
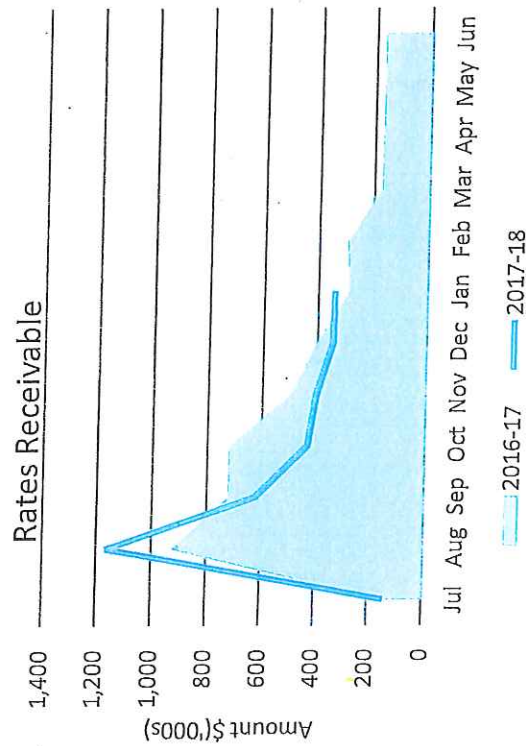
**NOTE 4. CASH AND INVESTMENTS**

Bank Accounts	Municipal	Reserves	Trust	Investments	Total Amount	Institution	Interest Rate	Maturity Date
(a) Cash Deposits								
Cash on Hand	4,450				4,450		n/a	
BankWest Muni Cheque Account	15,724				15,724	BankWest	n/a	
Trust			5,938		5,938	BankWest	n/a	
(b) Term Deposits								
Municipal Investment Accounts	437,458				437,458	BankWest	variable	ongoing
(c) Term Deposits		5,305,315			5,305,315			
Deal No: 4679470		593,733				BankWest	2.25%	Apr 2018
Gold Term Deposit 012-092-4433		1,153,103				BankWest	2.60%	May 2018
Deal No: 4639268		745,349				BankWest	2.60%	Apr 2018
Deal No: 4658175		75,149				BankWest	2.50%	May 2018
Deal No: 4658177		211,783				BankWest	2.50%	May 2018
Deal No: 4639270		1,168,333				BankWest	2.50%	Apr 2018
Deal No: 4658178		58,895				BankWest	2.00%	May 2018
Deal No: 4658167		277,711				BankWest	2.50%	Mar 2018
Deal No: 4605808		100,000				BankWest	2.50%	May 2018
Deal No: 4627353		921,260				BankWest	2.35%	Feb 2018
<b>Total</b>	<b>457,632</b>	<b>5,305,315</b>	<b>5,938</b>	<b>0</b>	<b>5,768,886</b>			

SHIRE OF SANDSTONE  
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY  
For the Period Ended 31 January 2018

**NOTE 5. RECEIVABLES**

Receivables - Rates and Other Rates Receivable	YTD 31 Jan 2018	30 June 2017	Receivables - General	Credit	Current	30 Days	60 Days	90+Days	Total
	\$	\$		\$	\$	\$	\$	\$	\$
Opening Arrears Previous Years	166,248	185,720	Receivables - General						
Levied this year	1,019,586	974,423	Balances per Trial Balance	0	55	0	465	0	520
Other Rate Charges	8,790	8,290	Sundry Debtors						
Less Collections to date	(848,490)	(995,153)	Receivables - Other						520
Equals Current Outstanding	<b>337,344</b>	<b>166,248</b>	Accruals						0
			GST Receivable						0
<b>Net Rates Collectable</b>	<b>337,344</b>	<b>166,248</b>	<b>Total Receivables General Outstanding</b>						<b>(27,330)</b>
% Collected	72%	86%	Amounts shown above include GST (where applicable)						<b>(26,810)</b>



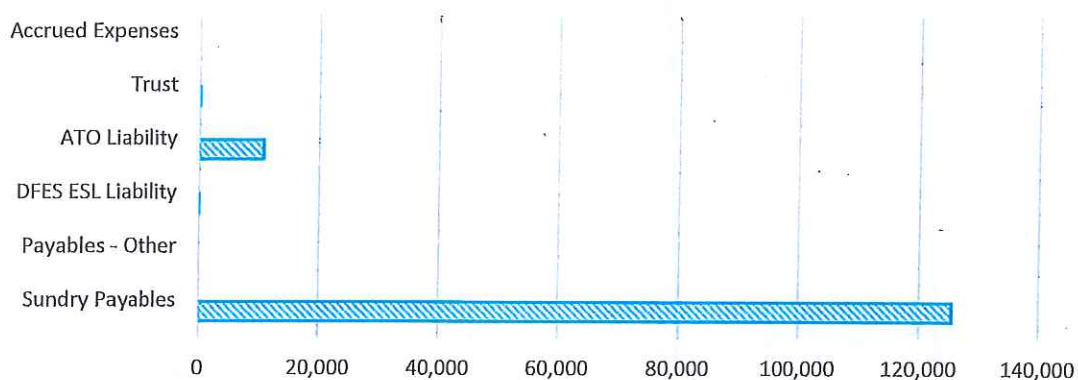
SHIRE OF SANDSTONE  
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY  
For the Period Ended 31 January 2018

**NOTE 6. PAYABLES**

Payables	Credit	Current	30 Days	60 Days	90+Days	Total
	\$	\$	\$	\$	\$	\$
Payables - General	(474)	70,808	54,426	560	0	125,320
<b>Balances per Trial Balance</b>						
Sundry Payables						125,320
<b>Payables - Other</b>						
DFES ESL Liability						(6,978)
ATO Liability						10,716
Trust						11
Accrued Expenses						0
<b>Total Payables - Other</b>						1,549
<b>Total Payables</b>						<b>126,868</b>

Amounts shown above include GST (where applicable)

Payables

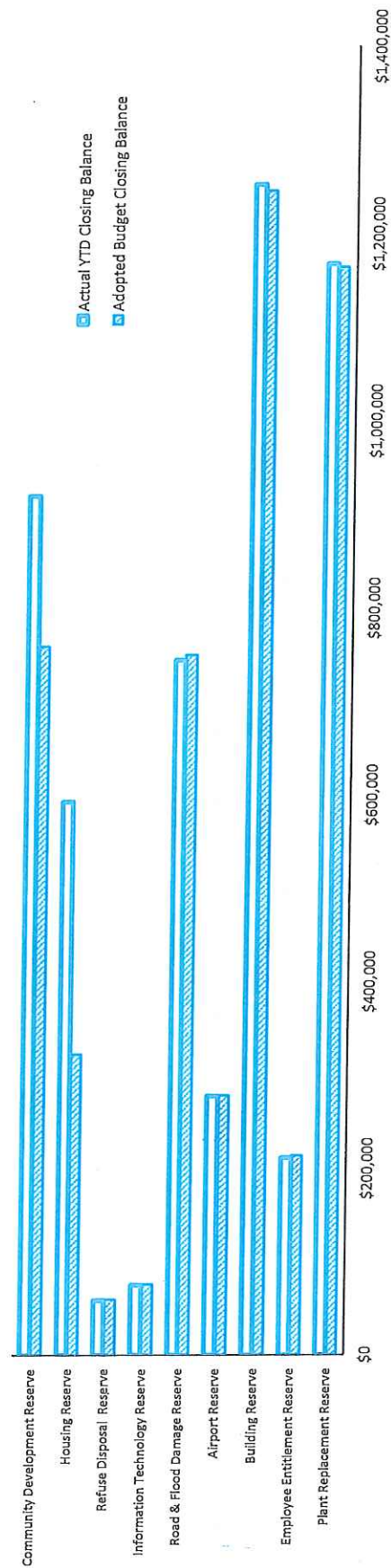




SHIRE OF SANDSTONE  
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY  
For the Period Ended 31 January 2018

**NOTE 7. CASH BACKED RESERVES**

Reserves	Opening Balance	Adopted Budget Interest Earned	Actual Interest Earned	Adopted Budget Transfers In (+)	Actual Transfers In (+)	Adopted Budget Transfers Out (-)	Actual Transfers Out (-)	Transfer out/ Reference	Adopted Budget Closing Balance	Actual YTD Closing Balance
	\$	\$	\$	\$	\$	\$	\$		\$	\$
Plant Replacement Reserve	1,156,376	8,047	11,957	0	0	0	0		1,164,423	1,168,333
Employee Entitlement Reserve	209,204	4,791	2,579	0	0	0	0		213,995	211,783
Building Reserve	1,253,103	43,311	0	0	0	(50,000)	0		1,246,414	1,253,103
Airport Reserve	274,532	3,997	3,179	0	0	0	0		278,529	277,711
Road & Flood Damage Reserve	736,701	14,008	8,649	0	0	0	0		750,709	745,349
Information Technology Reserve	74,233	1,700	915	0	0	0	0		75,933	75,149
Refuse Disposal Reserve	58,177	1,332	717	0	0	0	0		59,509	58,895
Housing Reserve	581,438	13,315	12,295	0	0	(272,000)	0		322,753	593,733
Community Development Reserve	909,491	10,447	11,768	0	0	(160,000)	0		759,938	921,260
	5,253,256	100,948	52,060	0	0	(482,000)	0		4,872,204	5,305,315



SHIRE OF SANDSTONE  
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY  
For the Period Ended 31 January 2018

**NOTE 8. RATING INFORMATION**

RATE	Rate in \$	Number of Properties	Rateable Value	YTD Actual				Adopted Budget			
				Rate Revenue	Interim Rates	Back Rates	Total Revenue	Rate Revenue	Interim Rate	Back Rate	Total Revenue
General Rate	\$		\$	\$	\$	\$	\$	\$	\$	\$	\$
GRV Townsite	0.0629	65	244,586	14,329	0	0	14,329	14,859	0	0	14,859
Transient Workforce Accom	0.3558	4	72,020	25,622	0	0	25,622	25,622	0	0	25,622
UV Rural	0.5823	27	700,188	40,770	0	0	40,770	40,770	0	0	40,770
Mining	0.2572	150	3,582,304	918,157	18,252	13	936,423	921,397	25,000	0	946,397
Sub-Totals		246	4,599,098	998,879	18,252	13	1,017,145	1,002,648	25,000	0	1,027,648
Minimum Payment	Minimum \$										
GRV Townsite	200	31	17,998	6,200	0	0	6,200	5,800	0	0	5,800
UV Rural	315	8	7,917	2,520	0	0	2,520	2,205	0	0	2,205
Mining	315	39	26,240	12,285		0	12,285	12,600	0	0	12,600
Sub-Totals		78	52,155	21,005	0	0	21,005	20,605	0	0	20,605
Discounts on Rates		324	4,651,253	1,019,884	18,252	13	1,038,150	1,023,253	25,000	0	1,048,253
							(18,564)				(5,000)
Amount from general rates							1,019,586				1,043,253
Rates Written off							(541)				(10,619)
Total Rates							1,019,045				1,032,634

**SHIRE OF SANDSTONE**  
**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY**  
**For the Period Ended 31 January 2018**

**NOTE 9. INFORMATION ON BORROWINGS**

**(a) Debenture Repayments**

The Shire does not have any borrowings.

**(b) New Debentures**

There were no new debentures as at the reporting date.

**(c) Unspent Debentures**

The Shire had no unspent debenture funds as at the reporting date.

**(d) Overdraft**

The does not currently have an overdraft facility .



SHIRE OF SANDSTONE  
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY  
For the Period Ended 31 January 2018

NOTE 10. GRANTS AND CONTRIBUTIONS

Grant Provider	Type	Opening Balance (a)	Adopted Budget	YTD Budget	Annual Budget (d)	Post Variations (e)	Expected (d)+(e)	YTD Actual Revenue	YTD Actual (Expended) (c)	Unspent Tied Grants (a)+(b)+(c)
			Operating	Capital						
			\$	\$	\$	\$	\$	\$	\$	\$
General Purpose Funding										
Grants Commission - General	Operating	0	780,424	390,212	780,424		780,424	348,152	(348,152)	0
Grants Commission - Roads	Operating	0	237,965	118,983	237,965		237,965	103,118	(103,118)	0
Law, Order and Public Safety										
FESA Grant - Operating Bush Fire Brigade	Operating	0	8,777	5,120	8,777		8,777	4796	-4796	0
Recreation and Culture										
Grant - Regional Grant Scheme	Operating	0	10,000	5,833	10,000		10,000	0	0	0
Income Relating to Public Hall	Non-Operating	0		43,750	75,000		75,000	0	0	0
Income Relating to Other Recreation & Sport	Non-Operating	0		30,870	30,870		30,870	0	0	0
Transport										
Grant - MRWA Direct	Operating	0	100,406	58,570	100,406		100,406	103,918	(103,918)	0
Grant - WANDRA Flood Damage	Operating - Tied	0	6,642,585	3,874,841	6,642,585		6,642,585	2,973,861	(2,973,861)	0
Grant - MRWA Specific	Non-Operating	0		192,000	192,000		192,000	69818	(69,818)	0
Economic Services										
Income Relating to Tourism & Area Protection	Non-Operating	0		50,000	50,000		50,000	0	0	0
TOTALS		0	7,780,157	347,870	8,128,027	0	8,128,027	3,603,663	(3,603,663)	0
SUMMARY										
Operating	Operating Grants, Subsidies and Contributions	0	1,137,572	0	1,137,572		1,137,572	559,984	(559,984)	0
Operating - Tied	Tied - Operating Grants, Subsidies and Contributions	0	6,642,585	3,874,841	6,642,585		6,642,585	2,973,861	(2,973,861)	0
Non-Operating	Non-Operating Grants, Subsidies and Contributions	0	0	347,870	347,870		347,870	69,818	(69,818)	0
TOTALS		0	7,780,157	347,870	8,128,027	0	8,128,027	3,603,663	(3,603,663)	0

SHIRE OF SANDSTONE  
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY  
For the Period Ended 31 January 2018

**NOTE 11. BUDGET AMENDMENTS**

Amendments to original budget since budget adoption. Surplus/(Deficit)

COA	Description	Council Resolution	Classification	No Change - (Non Cash Items) Adjust.	Increase in Available Cash	Decrease in Available Cash	Adopted Budget Running Balance
				\$	\$	\$	\$
	Opening Carried Forward Surplus (Deficit)						0
							0
	Adopted Budget Cash Position as per Council Resolution			0	0	0	0

**SHIRE OF SANDSTONE**  
**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY**  
**For the Period Ended 31 January 2018**

**NOTE 12. TRUST FUND**

Funds held at balance date over which the Shire has no control and which are not included in this statement are as follows:

Description	Opening Balance 1 Jul 17	Amount Received	Amount Paid	Closing Balance 31 Jan 18
	\$	\$	\$	\$
Housing Bonds	6,276	14	(940)	5,350
BRB Building Levy	(57)			(57)
Nominations	0	80	(80)	0
Department of Transport Licensing	588	14,760	(14,760)	588
BCITF Training Levy	57	57	(57)	57
Election Deposits	0	320	(320)	0
	6,864	15,231	(16,157)	5,938



**SHIRE OF SANDSTONE**  
**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY**  
For the Period Ended 31 January 2018

**NOTE 13. EXPLANATION OF MATERIAL VARIANCES**

Details and explanations of the material variances reflected on the Statement of Financial Activity are provided below as required by Local Government (Financial Management) Regulation 34(1) (d). ▲▼ Indicates a variance between Year to Date (YTD) Budget and YTD Actual data as per the adopted materiality threshold of \$10,000 or 10%.

Reporting Program	Variance	Variance	Var.	Timing/ Permanent	Explanation of Variance
<b>Revenue from operating activities</b>	\$	%			
General Purpose Funding - Other	(87,567)	(15%)	▼	Permanent	Reduction in FAGS Grant and Interest on investments
Transport	(855,412)	(22%)	▼	Timing	Road works budgeted not yet started plus Flood Damage
Economic Services	98,123	30%	▲	Permanent	Higher Diesel fuel sales
<b>Expenditure from operating activities</b>					
Governance	(23,957)	(19%)	▲	Timing	Over allocation of administration costs to be reviewed
General Purpose Funding	16,652	23%	▼	Timing	Under allocation of administration and no debt collection costs incurred
Law, Order, Public Safety	15,851	20%	▼	Timing	Admin Allocation to be reviewed
Housing	110,073	52%	▼	Timing	Depreciation under charged
Transport	1,036,820	23%	▼	Timing	Flood Damage expenditure under budget
Other Property and Services	(175,095)	(183%)	▲	Timing	Overhead allocations to be reviewed
<b>Operating activities excluded from budget</b>					
Add back Depreciation	(84,084)	(10%)	▼		
Adjust (Profit)/Loss on Disposal	47,680	100%	▲	Permanent	Loss on disposal of kenworth truck and stolen bore boss
Grants, Subsidies and Contributions	(133,106)	(66%)	▼	Timing	Grant Income under budget
Proceeds from Disposal of Assets	77,273	100%	▲	Permanent	Sale of Kenworth Truck
Land and Buildings	168,025	74%	▼	Timing	Timing of purchases doesn't match budget
Plant and Equipment	(79,206)	100%	▲	Permanent	Purchase of new Bore Boss
Infrastructure - Roads	278,954	36%	▼	Timing	Roadworks not yet completed
Infrastructure - Other	107,103	78%	▼	Timing	Budget on parks not yet spent
<b>Financing activities</b>					
Transfer from Reserves	(40,167)	(100%)	▼	Timing	transfers from reserves not yet done
Transfer to Reserves	(43,647)	(519%)	▲	Timing	transfers to reserves not yet done

**SHIRE OF SANDSTONE**  
**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY**  
**For the Period Ended 31 January 2018**

**NOTE 13. EXPLANATION OF MATERIAL VARIANCES**

Details and explanations of the material variances reflected on the Statement of Financial Activity are provided below as required by Local Government (Financial Management) Regulation 34(1) (d). ▲▼ Indicates a variance between Year to Date (YTD) Budget and YTD Actual data as per the adopted materiality threshold of \$10,000 or 10%.

Reporting Program	Variance	Variance	Var.	Timing/ Permanent	Explanation of Variance
<b>Further Comments</b>					
Note 2 - Net Current Assets					
Note 3 - Capital					
Note 4 - Cash					
Note 5 - Receivables					
Note 6 - Payables					
Note 7 - Reserves					
Note 8 - Rates					
Note 9 - Borrowings					
Note 10 - Grants					
Note 11 - Budget Amendments					
Note 12 - Trust					







Date: 29/01/2018  
Time: 4:36:53PM

Shire of Sandstone

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Invoice / EFT	Date	Name	Invoice Description	Bank Code	INV Amount	Amount
FT5926	11/12/2017	McMahon Burnett Transport	Freight from The Rigging & Safety Shed, Coolgardie Tyres, Jason Signs	7		1,628.47
FT5927	11/12/2017	Motorpass Wright Express Australia Pty Ltd - WEX	Fuel cards for November	7		666.34
FT5928	11/12/2017	Marketforce	Advertise call for nominations for extra ordinary election in the West Australian - 75 lines	7		525.30
FT5929	11/12/2017	Moore Stephens	Compilation of statement of financial activity for October 2017. Review and lodge BAS October 17	7		3,489.20
FT5930	11/12/2017	Alltrack WA Pty Ltd	Supply of equipment & labour for flood damage repair from 14/11/2017 - 26/11/2017.	7		273,776.25
FT5931	11/12/2017	Pro Earth Civil	Supply of supervisor for flood damage repairs 13/11/2017 - 26/11/2017	7		25,618.34
FT5932	11/12/2017	Red Earth Marketing	Gascoyne Murchison Outback Pathways	7		190.04
FT5933	11/12/2017	Nutech Signs and Print	Stickers - No Speeding, Idle Engine, Pre-starts daily, No Smoking, Turn Off Isolator Switch.	7		260.70
FT5934	11/12/2017	Coolgardie Tyre Service	Rims, tyres, o rings.	7		5,863.00
FT5935	11/12/2017	Bio Diverse Solutions	Review vegetation classification and OBRM	7		3,850.00
FT5936	11/12/2017	Toll Ipec Pty Ltd	Freight from Geraldton Mowers, Guardian Print, APS rewinds	7		241.50
FT5937	11/12/2017	Geraldton Mower & Repair Specialists	2 x catcher bags for Toro ride on mower	7		212.00
FT5938	11/12/2017	Department of Fire & Emergency Services	2017/18 ESL Qtr 2 Emergency Services Levy and Option B agreement arrangements	7		3,202.00
FT5939	11/12/2017	WINC Australia Pty Ltd - Staples	Metered charges for Lanier copier, 20/10/2017 - 20/11/2017	7		795.41
FT5940	11/12/2017	Bunnings Building Supplies	Shelving unit 5 shelf 1830 x 1500 x 410mm Blk x 4	7		1,310.08
FT5941	11/12/2017	Canine Control	Ranger services, additional visit, coordination of the Murdoch Vet Program, including sterilisations, pet health checks, vaccinations and microchipping.	7		1,884.96

Date: 29/01/2018  
Time: 4:36:53PM

Shire of Sandstone

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Cheque /EFT No	Date	Name	Invoice Description	Bank Code	INV Amount	Amount
EFT5942	11/12/2017	Midwest Fire Protection Service	Six monthly service of Fire Extinguishers	7		2,218.98
EFT5943	11/12/2017	National Hotel Sandstone	Accommodation and meals for Murdoch University Veterinary program - 9 people	7		3,303.40
EFT5944	11/12/2017	Refuel Australia - Geraldton Fuel - Caltex	Diesel & ULP for resale, Diesel for depot,	7		90,914.39
EFT5945	11/12/2017	Jason Signmakers	500 x parkpost flexible plastic guide posts delineated, 2 x extrusion plates	7		6,490.00
EFT5946	11/12/2017	PCS - Perfect Computer Solutions Pty Ltd	Monthly fee for daily monitoring, management and resolution of disaster recovery options November	7		85.00
EFT5947	11/12/2017	Ocean Centre Hotel	Accommodation and breakfast for Beth Walton - LG Act Review workshop	7		400.00
EFT5948	11/12/2017	IT Vision Australia Pty Ltd	BPMS Services - Rates, Payroll & Finance processing Nov 2017	7		6,633.00
EFT5949	11/12/2017	Australias Golden Outback	Shire editorial in 2018 Australia's Golden Outback Holiday Planner	7		1,675.00
EFT5950	11/12/2017	Sigma Chemicals	Squeeze tube for AP1/3, 25 Photometer TOT alphaphot (10)	7		177.04
EFT5951	11/12/2017	Guardian Print & Graphics	10 Receipt/Invoice books	7		295.00
EFT5952	11/12/2017	Pest-a-kill WA	Six monthly pest maintenance	7		4,649.70
EFT5953	11/12/2017	St John Ambulance Western Australia Ltd	8 x first aid kits	7		734.96
EFT5954	11/12/2017	AIT Specialists Pty Ltd	Preparation of Fuel Tax Credits for November 2017	7		516.12
EFT5955	11/12/2017	Acma	Broadcasting/retransmission outpost licenses x 6	7		264.00
EFT5956	11/12/2017	Mt Magnet Post and Lotteries	Reimbursement of cash component for PPE12/12/2017	7		1,200.00
EFT5957	11/12/2017	Murchison Hardware	Water, rags, spray bottles, fiberglass charcoal.	7		377.15
EFT5958	11/12/2017	Department of Human Services -Payroll Deduction	Payroll deductions	7		600.00



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Time: 4:36:53PM

Cheque / EFT No	Date	Name	Invoice Description	Bank Code	INV Amount	Amount
EFT5959	19/12/2017	LGIS Property	Property insurance	7		17,976.56
EFT5960	19/12/2017	Roadstone West P/L t/as Greenfield Technical Services	Provision of Engineering services, 2016 Flood damage construction	7		12,798.50
EFT5961	19/12/2017	Kepaume P/L	Mechanical work 9 days, 28/11/2017 - 8/12/2017 incl.	7		5,775.00
EFT5962	19/12/2017	Mooreview Plants & Trees	Plants for nursery	7		545.85
EFT5963	19/12/2017	Lang Baker	Goods sold on commission at Visitor Centre	7		170.00
EFT5964	19/12/2017	National Hotel Sandstone	Christmas Gift vouchers 7 x \$50	7		350.00
EFT5965	19/12/2017	Shmick Auto Electrics	Repair air conditioner for CAT roller	7		1,492.74
EFT5966	19/12/2017	BOC Limited	Container service, Oxygen indust G size, Dissolved Acetylene G size, Argoshield Universal - industrial	7		93.82
EFT5967	19/12/2017	Lgis Workcare / Public Liability	Workcare instalment 2	7		23,071.51
EFT5968	19/12/2017	Kleenheat Gas	11 x 8.5kg gas bottles, 18 x 45kg Gas bottles, yearly rental on CVPark bottles	7		3,500.13
EFT5969	19/12/2017	Landgate - Midland	Rural UV's chargeable schedule R2017/2	7		223.40
EFT5970	19/12/2017	Komatsu Australia Pty Ltd	1 x pack cutting edges for grader	7		924.00
EFT5971	19/12/2017	Australia Post	Postage November 2017	7		22.61
EFT5972	19/12/2017	Bore Boss Pty Ltd	Balance for Bore Boss BBR300S VIN #6K9PLANT1HN249040 as per quote	7		60,988.62
EFT5973	19/12/2017	Mt Magnet Meat Supply	Meat for Christmas BBQ	7		379.00
EFT5974	19/12/2017	Department of Human Services -Payroll Deduction	Payroll deductions	7		600.00
EFT5975	20/12/2017	Rangeview Asset Pty Ltd	Clear sides of the road and push 18000 sqm of gravel.	7		30,690.00

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Time: 4:36:53PM

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Cheque/EFT No	Date	Name	Invoice Description	Bank Code	INV Amount	Amount
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REPORT TOTALS

Bank Code	Bank Name	TOTAL
7	BankWest Muni Account	603,649.07
TOTAL		603,649.07

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Date: 29/01/2018  
Time: 4:34:44PM

Shire of Sandstone

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Cheque /EFT No	Date	Name	Invoice Description	Bank Code	INV Amount	Amount
105184	11/12/2017	Department Of Transport	12 months registration for S742	7		25.10
105185	11/12/2017	Horizon Power	Street lighting 1/11/2017 - 30/11/2017	7		610.76
105186	11/12/2017	Telstra Corporation Ltd	Telephone usage charges to 10 Nov 2017, service & equipment to 10 Dec 2017.	7		1,702.61
105187	21/12/2017	Telstra Corporation Ltd	Satellite Phone Account	7		334.86

REPORT TOTALS

Bank Code	Bank Name	TOTAL
7	BankWest Muni Account	2,673.33
TOTAL		2,673.33





Date: 29/01/2018  
Time: 4:38:14PM

Shire of Sandstone

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Cheque/EFT		Name	Invoice Description	Bank Code	INV	
No	Date				Amount	Amount
205057	06/12/2017	Department Of Transport	INT 29856-29857	2		1,087.95
205058	20/12/2017	Department Of Transport	INT 29858 -25859	2		150.60

REPORT TOTALS

Bank Code	Bank Name	TOTAL
2	Trust Bank	1,238.55
TOTAL		1,238.55





22. A

**CREDITOR 20725**

	\$2,556.31
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Date	Supplier	Accounts	Account Description		Amount
8/11/2017	Shire of Sandstone	PC016	Registration renewal S781	\$0.00	\$ 12.10
8/11/2017	Shire of Sandstone	PC016	Registration renewal S781	\$1.18	\$ 13.00
8/11/2017	Outdoor Cameras Australia	PC015A	Camera	\$36.55	\$ 402.00
8/11/2017	Outdoor Cameras Australia	PM004A	Camera	\$36.55	\$ 402.00
10/11/2017	Shire of Sandstone	13638	Cash fuel sale	\$0.00	\$ 30.00
10/11/2017	Shire of Sandstone	13638	Cash fuel sale	\$0.00	\$ 50.00
10/11/2017	Shire of Sandstone	13638	Cash fuel sale	\$0.00	\$ 50.00
10/11/2017	Shire of Sandstone	13638	Cash fuel sale	\$0.00	\$ 70.00
22/11/2017	A.P.S. Rewinds & Sales	PC009B	Supply 2 new coupling elements	\$7.00	\$ 77.00
				\$ 81.27	\$1,106.10

		\$301.05	\$1,106.10
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1301000	Municipal Cash at Bank GEN
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Authorised By CEO:



OUTSTANDING Rates Report

OUTSTANDING RATES REPORT  
31/12/2017

Total Rates Outstanding	\$ 338,979.93
<b>Comprising:</b>	
Rates (Current & Arrears)	\$ 332,714.85
Rates (Pensioners)	\$ 343.06
Rufuse collection	\$ 2,283.27
ESL	\$ 3,638.75
TOTAL	\$ 338,979.93
Outstanding Rates 31 December 2016	\$402,910.91











Date: 08/02/2018  
Time: 8:53:28AM

Shire of Sandstone

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10-2.2A

Cheque/EFT No	Date	Name	Invoice Description	Bank Code	INV Amount	Amount
EFT5976	05/01/2018	Alltrack WA Pty Ltd	Supply of equipment & labour for flood damage repair from 27/11/17 - 3/12/17 inclusive	7		145,029.50
EFT5977	05/01/2018	Jays Electrical Service	Hours for December 2017 electrical @ \$100 per hour, maintenance @ \$75 per hour	7		5,186.50
EFT5978	05/01/2018	Mt Magnet Post and Lotteries	Re-imbursement of Cash Component PPE 9/1/18	7		1,700.00
EFT5979	05/01/2018	Department of Human Services -Payroll Deduction	Payroll deductions	7		600.00
EFT5980	12/01/2018	Alltrack WA Pty Ltd	Supply of Labour & equipment for flood damage repair 12/12/17 - 17/12/17	7		106,521.25
EFT5981	12/01/2018	Jane Walker	Reimburse use of own car Sandstone - Geraldton return to pick up plants	7		693.00
EFT5982	12/01/2018	Pro Earth Civil	Supply of supervisor for flood damage repairs 11/12/2017 - 17/12/2017 inclusive of demobilisation Supply of Supervisor flood damage repairs 11/12/17 - 17/12/17 inclusive of demobilisation from Sandstone	7		14,132.58
EFT5983	12/01/2018	Refuel Australia - Geraldton Fuel - Caltex	Diesel and ULP for resale, Diesel for Depot	7		27,299.40
EFT5984	12/01/2018	Margaret Duhig	Meat and Groceries for Australia Day 2018	7		109.39
EFT5985	19/01/2018	Redfish Technologies Pty Ltd	SLA and Services visit for CCTV	7		4,290.00
EFT5986	19/01/2018	Roadstone West P/L t/as Greenfield Technical Services	Provision of professional services - 2016 flood damage construction	7		7,029.00
EFT5987	19/01/2018	Kepaume P/L	Hours worked 11/12/17 - 19/12/17 47 hours in total including backhoe hire	7		3,927.00
EFT5988	19/01/2018	Sheffield Metal Fabrication	Fox trap with rear bait door	7		440.00
EFT5989	19/01/2018	JPB Contractors	Mechanical work on water tanker	7		1,773.75
EFT5990	19/01/2018	Mt Magnet Post and Lotteries	Reimbursement of cash component for PPE 23/1/18	7		1,700.00

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Shire of Sandstone

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Cheque /EFT No	Date	Name	Invoice Description	Bank Code	INV Amount	Amount
EFT5991	19/01/2018	Department of Human Services -Payroll Deduction	Payroll deductions	7		600.00

REPORT TOTALS

Bank Code	Bank Name	TOTAL
7	BankWest Muni Account	321,031.37
TOTAL		321,031.37

Date: 08/02/2018  
Time: 8:52:39AM

Shire of Sandstone

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10.2.2B

Cheque /EFT No	Date	Name	Invoice Description	Bank Code	INV Amount	Amount
105188	05/01/2018	Telstra Corporation Ltd	Telephone usage charges to 10th Dec 2017, Service and equipment charges to 10th Jan 2018	7		1,750.10
105189	05/01/2018	Water Corporation	Caravan Park st 21 Irvine Street Lot 500	7		4,987.21
105190	08/01/2018	Horizon Power	Street lighting 1/1/17 - 31/12/17	7		631.12
105191	24/01/2018	Central West Resources Pty Ltd	Rates refund for assessment A1527 LOT E57/00818 E57/00818	7		1,158.28
105192	29/01/2018	Shire of Sandstone - Petty Cash	Petty cash purchases from 4/11/2017 - 10/1/2018	7		473.85
105194	19/01/2018	Horizon Power	Unit1/Lot 500 Irvine Street CVP	7		3,502.90
105195	19/01/2018	Telstra Corporation Ltd	Satellite phone account	7		281.83

REPORT TOTALS

Bank Code	Bank Name	TOTAL
7	Bank West Muni Account	12,785.29
TOTAL		12,785.29





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Shire of Sandstone

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10.2.2c

Cheque /EFT No	Date	Name	Invoice Description	Bank Code	INV Amount	Amount
205059	12/01/2018	Department Of Transport	INT 29860	2		344.50
205060	30/01/2018	Sandstone Operations Pty Ltd	REFUND OF BOND FOR HIRE OF COMMUNITY BUS	2		500.00

REPORT TOTALS

Bank Code	Bank Name	TOTAL
2	Trust Bank	844.50
TOTAL		844.50





Shire of Sandstone Business Credit Card Reconciliation - January 2018

10.2.20

Business Credit Card - CEO Harry Hawkins  
CREDITOR 20725

Date	Supplier	GL Accounts	Item Description	GST	Amount
8/12/2017	Bunnings Geraldton	14200	Christmas gift vouchers for staff	\$0.00	\$ 250.00
8/12/2017	Bunnings Geraldton	14523	Christmas gift vouchers for staff	\$0.00	\$ 50.00
8/12/2017	Bunnings Geraldton	13200	Christmas gift vouchers for staff	\$0.00	\$ 100.00
8/12/2017	Bunnings Geraldton	13400	Christmas gift vouchers for staff	\$0.00	\$ 100.00
8/12/2017	Coles Geraldton	14523	Christmas gift vouchers for staff	\$0.00	\$ 50.00
18/12/2017	Murchison Oasis Roadhouse	14505	Accommodation Harry Hawkins	\$7.73	\$ 85.00
19/12/2018	Murchison Oasis Roadhouse	14505	Food Harry Hawkins	\$1.82	\$ 20.00
4/01/2018	Seek Limited	14523	Advertisement for Mechanic	\$39.50	\$ 434.50
				\$ 49.05	\$1,089.50
					\$1,089.50

Business Credit Card - Works Supervisor Danny Humphries

Date	Supplier	Accounts	Account Description	Amount
14/12/2017	Shire of Sandstone	PC015A	Permit for Bore Boss	\$0.00 \$ 29.05
18/12/2017	Red Chilli Rivervale	14505	Meal for Danny Humphries	\$4.36 \$ 48.00
18/12/2017	Flag Motor Lodge Rivervale	14505	Accommodation for Danny Humphries	\$12.27 \$ 135.00
				\$ 16.63 \$ 212.05
				\$65.68 \$ 212.05
				\$1,301.55

Total Credit Card Purchases

Authorised by Shire President: \_\_\_\_\_

Authorised By CEO: \_\_\_\_\_



Alice Atkinson Caravan Park

(A/c 1134010)

10.2.2E

	Current Year							
	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2017/18 YTD
Jul	\$13,148.90	\$14,185.00	\$16,395.00	\$21,930.19	\$32,654.00	\$24,435.55	\$22,536.91	\$22,536.91
Aug	\$13,854.18	\$14,281.00	\$16,260.00	\$22,489.10	\$18,679.57	\$22,676.78	\$17,235.90	\$39,772.81
Sep	\$12,267.14	\$12,480.00	\$16,157.00	\$15,325.47	\$13,046.20	\$18,496.61	\$16,588.18	\$56,360.99
Oct	\$7,439.97	\$6,518.17	\$7,457.00	\$7,707.52	\$5,653.00	\$11,461.64	\$9,411.81	\$65,772.80
Nov	\$2,679.80	\$2,574.00	\$2,201.00	\$3,224.55	\$3,508.27	\$4,323.23	\$4,633.83	\$70,406.63
Dec	\$2,722.46	\$1,184.00	\$2,343.00	\$2,392.74	\$2,672.00	\$1,236.92	\$3,036.34	\$73,442.97
Jan	\$1,008.51	\$1,414.00	\$3,059.00	\$1,520.92	\$3,263.00	\$1,634.42	\$3,043.18	\$76,486.15
Feb	\$2,000.36	\$1,687.00	\$2,449.00	\$3,515.47	\$3,297.00	\$3,066.37		\$76,486.15
Mar	\$3,822.00	\$4,474.57	\$6,139.46	\$6,141.39	\$5,952.00	\$4,913.24		\$76,486.15
Apr	\$8,252.00	\$7,131.00	\$10,522.00	\$12,376.00	\$15,063.17	\$13,257.30		\$76,486.15
May	\$9,795.00	\$21,728.00	\$19,512.00	\$16,026.83	\$23,453.90	\$14,765.26		\$76,486.15
Jun	\$11,393.00	\$13,939.00	\$9,776.00	\$21,345.00	\$26,212.65	\$16,198.18		\$76,486.15

<b>TOTALS</b>	<b>\$88,383.32</b>	<b>\$101,595.74</b>	<b>\$112,270.46</b>	<b>\$133,995.18</b>	<b>\$153,454.76</b>	<b>\$136,465.50</b>	
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Fuel Income - Council ULP & Diesel Bowzers

(A/cs 13610 & 13620)

10.2.2F

	Receipts					Current Year			Current Year	
	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2017/18 YTD		
Jul		\$41,263.96	\$50,940.00	\$39,075.10	\$60,551.45			\$60,551.45		
Aug		\$37,407.46	\$38,632.96	\$44,613.64	\$61,955.12			\$122,506.57		
Sep		\$25,910.32	\$23,186.43	\$47,618.57	\$76,240.49			\$198,747.06		
Oct		\$18,971.46	\$20,692.00	\$32,569.00	\$41,844.12			\$240,591.18		
Nov		\$11,392.14	\$15,434.05	\$24,804.85	\$54,568.74			\$295,159.92		
Dec		\$10,397.28	\$16,511.00	\$21,542.96	\$33,328.07			\$328,487.99		
Jan		\$6,037.49	\$8,748.00	\$19,604.18	\$19,899.18			\$348,387.17		
Feb	\$10,108.63	\$8,228.65	\$9,674.00	\$14,865.81				\$348,387.17		
Mar	\$12,914.00	\$9,058.38	\$16,670.00	\$19,912.57				\$348,387.17		
Apr	\$21,643.00	\$24,081.02	\$23,719.17	\$32,477.99				\$348,387.17		
May	\$29,191.00	\$32,577.22	\$32,980.86	\$49,949.19				\$348,387.17		
Jun	\$16,579.00	\$31,479.00	\$34,996.72	\$47,983.40				\$348,387.17		
<b>TOTALS</b>	<b>\$90,435.63</b>	<b>\$256,804.38</b>	<b>\$292,185.19</b>	<b>\$395,017.26</b>	<b>\$348,387.17</b>	<b>\$0.00</b>				





OUTSTANDING Rates Report

OUTSTANDING RATES REPORT  
31/01/2018

Total Rates Outstanding	\$ 337,344.11
<b>Comprising:</b>	
Rates (Current & Arrears)	\$ 331,905.35
Rates (Pensioners)	\$ 313.02
Rufuse collection	\$ 1,818.01
ESL	\$ 3,307.73
TOTAL	\$ 337,344.11
Outstanding Rates 31 January 2017	\$282,734.43









10-2-3



**SHIRE OF SANDSTONE  
BUDGET REVIEW  
For the Period Ended 31 December 2017**

LOCAL GOVERNMENT ACT 1995  
LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996

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**SHIRE OF SANDSTONE**  
**STATEMENT OF BUDGET REVIEW**  
**Statutory Reporting Program**  
**For the Period Ended 31 December 2017**

	Note	Budget V Actual		Predicted			Material Variance
		Adopted Annual Budget (a)	YTD Actual (b)	Variance Permanent (c)	Variance Timing (d)	Year End (a)+(c)+(d)	
<b>Operating Revenues</b>		\$	\$	\$	\$	\$	
Governance		0	0	0	0	0	
General Purpose Funding - Rates		1,043,253	1,018,177	(5,374)	0	1,037,879	
General Purpose Funding - Other		1,156,576	499,663	(123,627)	0	1,032,949	▼
Law, Order, Public Safety		11,699	5,786	517	0	12,216	
Health		5,145	0	0	0	5,145	
Education and Welfare		0	0	0	0	0	
Housing		0	0	(5,145)	0	(5,145)	
Community amenities		15,178	9,670	1,824	0	17,002	
Recreation and Culture		10,726	250	0	0	10,726	
Transport		6,743,734	3,078,413	3,512	0	6,747,246	
Economic Services		555,594	398,958	47,000	0	602,594	▲
Other Property and Services		56,364	21,296	47,169	0	103,533	
<b>Total Operating Revenue</b>		<b>9,598,269</b>	<b>5,032,213</b>	<b>(34,124)</b>	<b>0</b>	<b>9,564,145</b>	
<b>Operating Expense</b>							
Governance		(213,032)	(84,988)	25,657	0	(187,375)	▼
General Purpose Funding		(121,748)	(54,784)	8,000	0	(113,748)	
Law, Order, Public Safety		(137,759)	(50,926)	(19,762)	0	(157,521)	▲
Health		(37,624)	(16,359)	(2,804)	0	(40,428)	
Education and Welfare		0	0	0	0	0	
Housing		(361,368)	(85,868)	(10,817)	0	(372,185)	
Community Amenities		(154,313)	(73,903)	(37,555)	0	(191,868)	▲
Recreation and Culture		(533,534)	(247,050)	(15,811)	0	(549,345)	
Transport		(7,815,377)	(3,218,984)	(108,507)	0	(7,923,884)	
Economic Services		(928,541)	(533,927)	(43,234)	0	(971,775)	
Other Property and Services		(159,781)	(196,784)	96,515	15,000	(48,266)	▼
<b>Total Operating Expenditure</b>		<b>(10,463,077)</b>	<b>(4,563,574)</b>	<b>(108,318)</b>	<b>15,000</b>	<b>(10,556,395)</b>	
<b>Funding Balance Adjustments</b>							
Add back Depreciation		1,401,333	627,618	13,000	0	1,414,333	
Adjust (Profit)/Loss on Disposal		0	47,680	0	0	0	
Adjust Provisions and Accruals		0	(0)	0	0	0	
<b>Net Cash from Operations</b>		<b>536,525</b>	<b>1,143,938</b>	<b>(129,442)</b>	<b>15,000</b>	<b>422,083</b>	
<b>Capital Revenues</b>							
Grants, Subsidies and Contributions		347,870	69,818	277,143	(75,000)	550,013	▲
Proceeds from Disposal of Assets		0	77,273	0	0	0	
<b>Total Capital Revenues</b>		<b>347,870</b>	<b>147,091</b>	<b>277,143</b>	<b>(75,000)</b>	<b>550,013</b>	
<b>Capital Expenses</b>							
Land and Buildings		(387,870)	(58,498)	(143,700)	0	(531,570)	▲
Plant and Equipment		0	(79,206)	(79,206)	0	(79,206)	
Infrastructure - Roads		(1,318,052)	(431,811)	(19,266)	0	(1,337,318)	
Infrastructure - Parks & Ovals		(5,145)	0	0	0	(5,145)	
Infrastructure - Other		(235,000)	(29,981)	(60,000)	0	(295,000)	▲
<b>Total Capital Expenditure</b>		<b>(1,946,067)</b>	<b>(599,495)</b>	<b>(302,172)</b>	<b>0</b>	<b>(2,248,239)</b>	
<b>Net Cash from Capital Activities</b>		<b>(1,598,197)</b>	<b>(452,403)</b>	<b>(25,029)</b>	<b>(75,000)</b>	<b>(1,698,226)</b>	
<b>Financing</b>							
Transfer from Reserves		482,000	0	150,000	0	632,000	▲
Transfer to Reserves		(100,948)	(47,219)	(19,483)	0	(120,431)	
<b>Net Cash from Financing Activities</b>		<b>381,052</b>	<b>(47,219)</b>	<b>130,517</b>	<b>0</b>	<b>511,569</b>	
<b>Net Operations, Capital Financing</b>		<b>(680,620)</b>	<b>644,315</b>	<b>(23,954)</b>	<b>(60,000)</b>	<b>(764,575)</b>	
<b>Opening Funding Surplus(Deficit)</b>		<b>680,620</b>	<b>686,228</b>	<b>5,608</b>		<b>686,228</b>	
<b>Closing Funding Surplus(Deficit)</b>		<b>(0)</b>	<b>1,330,543</b>	<b>(18,346)</b>	<b>(60,000)</b>	<b>(78,346)</b>	

▲ ▼ Indicates a variance between Original Budget and Amended Budget data as per the adopted materiality threshold.  
Refer to the attached Explanation of Material Variances Statement for an explanation of the reasons for the variance.  
This statement is to be read in conjunction with the accompanying financial statements and notes.

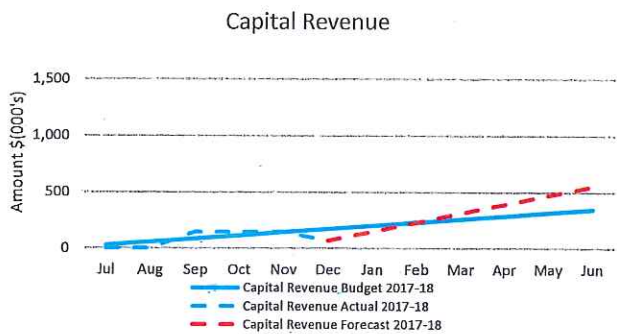
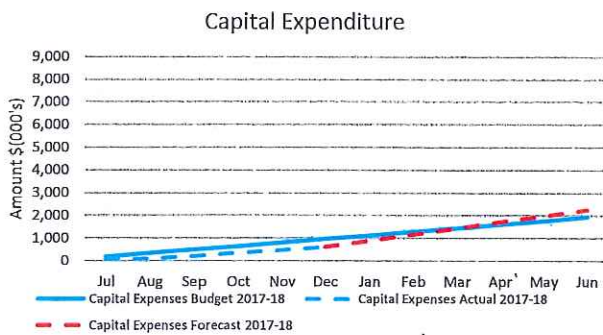
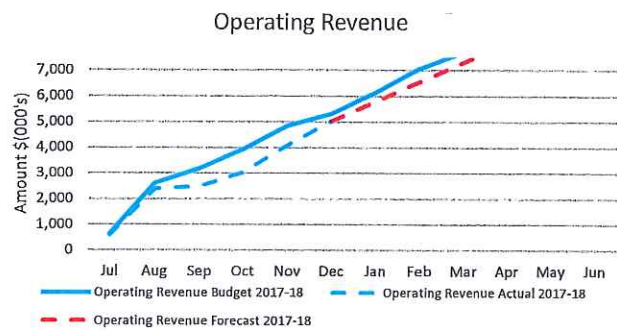
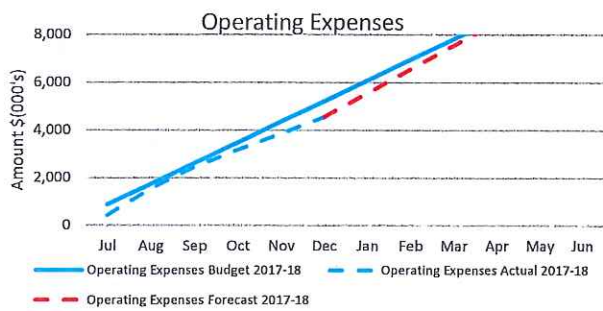


**SHIRE OF SANDSTONE**  
**STATEMENT OF BUDGET REVIEW**  
**By Nature or Type**  
**For the Period Ended 31 December 2017**

	Note	Budget V Actual		Predicted		
		Adopted Annual Budget	YTD Actual (b)	Variance Permanent (c)	Variance Timing (d)	Year End (a)+(c)+(d)
<b>Operating Revenues</b>		\$	\$	\$	\$	\$
Rates		1,032,634	1,018,177	(5,374)	0	1,027,260
Operating grants, subsidies and contributions		7,780,157	3,531,447	(112,337)	0	7,667,820
Fees and charges		207,226	104,418	(9)	0	207,217
Interest earnings		142,598	46,536	(6,000)	0	136,598
Other revenue		435,653	331,636	89,596	0	525,249
<b>Total Operating Revenue</b>		<b>9,598,269</b>	<b>5,032,213</b>	<b>(34,124)</b>	<b>0</b>	<b>9,564,145</b>
<b>Operating Expense</b>						
Employee costs		(993,253)	(566,942)	1,169	0	(992,084)
Materials and contracts		(7,726,543)	(3,081,754)	(72,627)	15,000	(7,784,170)
Utility charges (electricity, gas, water etc.)		(118,569)	(54,561)	(6,664)	0	(125,233)
Depreciation on non-current assets		(1,401,333)	(627,618)	(13,000)	0	(1,414,333)
Insurance expense		(140,212)	(138,306)	(8,696)	0	(148,908)
Other expenditure		(83,166)	(46,712)	(8,500)	0	(91,666)
Loss on asset disposal		0	(47,680)	0	0	0
<b>Total Operating Expenditure</b>		<b>(10,463,076)</b>	<b>(4,563,574)</b>	<b>(108,318)</b>	<b>15,000</b>	<b>(10,556,394)</b>
<b>Funding Balance Adjustments</b>						
Add back Depreciation		1,401,333	627,618	13,000	0	1,414,333
Add back (Profit)/Loss on Asset Disposal		0	47,680	0	0	0
<b>Net Cash from Operations</b>		<b>536,525</b>	<b>1,143,938</b>	<b>(129,442)</b>	<b>15,000</b>	<b>422,083</b>
<b>Capital Revenues</b>						
Non-operating grants, subsidies and contributions		347,870	69,818	277,143	(75,000)	550,013
Proceeds from Disposal of Assets	3	0	77,273	0	0	0
<b>Total Capital Revenues</b>		<b>347,870</b>	<b>147,091</b>	<b>277,143</b>	<b>(75,000)</b>	<b>550,013</b>
<b>Capital Expenses</b>						
Land and Buildings	3	(387,870)	(58,498)	(143,700)	0	(531,570)
Plant and Equipment	3	0	(79,206)	(79,206)	0	(79,206)
Infrastructure - Roads	3	(1,318,052)	(431,811)	(19,266)	0	(1,337,318)
Infrastructure - Other	3	(5,145)	0	0	0	(5,145)
Infrastructure - Parks & Ovals	3	(235,000)	(29,981)	(60,000)	0	(295,000)
<b>Total Capital Expenditure</b>		<b>(1,946,067)</b>	<b>(599,495)</b>	<b>(302,172)</b>	<b>0</b>	<b>(2,248,239)</b>
<b>Net Cash from Capital Activities</b>		<b>(1,598,197)</b>	<b>(452,403)</b>	<b>(25,029)</b>	<b>(75,000)</b>	<b>(1,698,226)</b>
<b>Financing</b>						
Transfer from Reserves	7	482,000	0	150,000	0	632,000
Transfer to Reserves	7	(100,948)	(47,219)	(19,483)	0	(120,431)
<b>Net Cash from Financing Activities</b>		<b>381,052</b>	<b>(47,219)</b>	<b>130,517</b>	<b>0</b>	<b>511,569</b>
<b>Opening Funding Surplus(Deficit)</b>	2	<b>680,620</b>	<b>644,315</b>	<b>(23,954)</b>	<b>(60,000)</b>	<b>(764,574)</b>
<b>Closing Funding Surplus(Deficit)</b>	2	<b>0</b>	<b>1,330,543</b>	<b>(18,346)</b>	<b>(60,000)</b>	<b>(78,346)</b>

This statement is to be read in conjunction with the accompanying financial statements and notes.

**SHIRE OF SANDSTONE**  
**SUMMARY GRAPHS - BUDGET REVIEW**  
**For the Period Ended 31 December 2017**



This information is to be read in conjunction with the accompanying financial statements and notes.

**SHIRE OF SANDSTONE**  
**NOTES TO BUDGET REVIEW**  
**For the Period Ended 31 December 2017**

**1. SIGNIFICANT ACCOUNTING POLICIES**

**(a) Basis of Accounting**

This statement comprises a special purpose financial report which has been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities), Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, the Local Government Act 1995 and accompanying regulations. Material accounting policies which have been adopted in the preparation of this statement are presented below and have been consistently applied unless stated otherwise. Except for cash flow and rate setting information, the report has also been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

**Critical Accounting Estimates**

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances; the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

**(b) The Local Government Reporting Entity**

All Funds through which the Council controls resources to carry on its functions have been included in this statement. 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 statement, but a separate statement of those monies appears at Note 11.

**(c) Rounding Off Figures**

All figures shown in this statement are rounded to the nearest dollar.

**(d) Rates, Grants, Donations and Other Contributions**

Rates, grants, donations and other contributions are recognised as revenues when the local government obtains control over the assets comprising the contributions. Control over assets acquired from rates is obtained at the commencement of the rating period or, where earlier, upon receipt of the rates.

**(e) Goods and Services Tax**

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.

**(f) Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks and 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. Bank overdrafts are reported as short term borrowings in current liabilities in the statement of financial position.

**(g) Trade and Other Receivables**

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

Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets. Collectability of trade and other receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. An allowance for doubtful debts is raised when there is objective evidence that they will not be collectible.

**(h) Inventories**

**General**

Inventories are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

**Land Held for Resale**

Land held 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 intentions to release for sale.

**(i) Fixed Assets**

All assets are initially recognised at cost. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the local government includes the cost of all materials used in the construction, direct labour on the project and an appropriate proportion of variable and fixed overhead. Certain asset classes may be revalued on a regular basis such that the carrying values are not materially different from fair value. Assets carried at fair value are to be revalued with sufficient regularity to ensure the carrying amount does not differ materially from that determined using fair value at reporting date.

**(j) Depreciation of Non-Current Assets**

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



**SHIRE OF SANDSTONE**  
**NOTES TO BUDGET REVIEW**  
**For the Period Ended 31 December 2017**

**Note 1 (j) (Continued)**

Depreciation is recognised on a straight-line basis, using rates which are reviewed each reporting period. Major depreciation rates and periods are:

Asset	Years
Buildings	30 to 50 years
Furniture and Equipment	4 to 10 years
Plant and Equipment	5 to 15 years
Sealed roads and streets	
formation	not depreciated
pavement	50 years
seal	
- bituminous seals	20 years
- asphalt surfaces	25 years
Gravel Roads	
formation	not depreciated
pavement	50 years
gravel sheet	12 years
Formed roads	
Formation	not depreciated
pavement	50 years
Footpaths - slab	40 years

**(k) Trade and Other Payables**

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

**(l) Employee Benefits**

The provisions for employee benefits relates to amounts expected to be paid for long service leave, annual leave, wages and salaries and are calculated as follows:

**(i) Wages, Salaries, Annual Leave and Long Service Leave (Short-term Benefits)**

The provision for employees' benefits to wages, salaries, annual leave and long service leave expected to be settled within 12 months represents the amount the Shire has a present obligation to pay resulting from employees services provided to balance date. The provision has been calculated at nominal amounts based on remuneration rates the Shire expects to pay and includes related on-costs.

**(ii) Annual Leave and Long Service Leave (Long-term Benefits)**

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the project unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match as closely as possible, the estimated future cash outflows. Where the Shire does not have the unconditional right to defer settlement beyond 12 months, the liability is recognised as a current liability.

**(m) Interest-bearing Loans and Borrowings**

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest-bearing

loans and borrowings are subsequently measured at amortised cost using the effective interest method. Fees paid on the establishment of loan facilities that are yield related are included as part of the carrying amount of the loans and borrowings.

Borrowings are classified as current liabilities unless the Council has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

**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.

**(n) Provisions**

Provisions are recognised when: The council has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one of item included in the same class of obligations may be small.

**(o) Current and Non-Current Classification**

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

**(p) Nature or Type Classifications**  
**Rates**

All rates levied under the Local Government Act 1995. Includes general, differential, specific area rates, minimum rates, interim rates, back rates, ex-gratia rates, less discounts offered. Exclude administration fees, interest on instalments, interest on arrears and service charges.

**Operating Grants, Subsidies and Contributions**

Refer to all amounts received as grants, subsidies and contributions that are not non-operating grants.

**Non-Operating Grants, Subsidies and Contributions**

Amounts received specifically for the acquisition, construction of new or the upgrading of noncurrent assets paid to a local government, irrespective of whether these amounts are received as capital grants, subsidies, contributions or donations.

**Profit on Asset Disposal**

Profit on the disposal of assets including gains on the disposal of long term investments.

Losses are disclosed under the expenditure classifications.

**SHIRE OF SANDSTONE**  
**NOTES TO BUDGET REVIEW**  
**For the Period Ended 31 December 2017**

**Note 1 (p) (Continued)**

**Fees and Charges**

Revenues (other than service charges) from the use of facilities and charges made for local government services, sewerage rates, rentals, hire charges, fee for service, photocopying charges, licences, sale of goods or information, fines, penalties and administration fees. Local governments may wish to disclose more detail such as rubbish collection fees, rental of property, fines and penalties, other fees and charges.

**Service Charges**

Service charges imposed under Division 6 of Part 6 of the Local Government Act 1995. Regulation 54 of the Local Government (Financial Management) Regulations 1996 identifies the These are television and radio broadcasting, underground electricity and neighbourhood surveillance services. Exclude rubbish removal charges. Interest and other items of a similar nature received from bank and investment accounts, interest on rate instalments, interest on rate arrears and interest on debtors.

**Interest Earnings**

Interest and other items of a similar nature received from bank and investment accounts, interest on rate instalments, interest on rate arrears and interest on debtors.

**Other Revenue / Income**

Other revenue, which can not be classified under the above headings, includes dividends, discounts, rebates etc.

**Employee Costs**

All costs associate with the employment of person such as salaries, wages, allowances, benefits such as vehicle and housing, superannuation, employment expenses, removal expenses, relocation expenses, worker's compensation insurance, training costs, conferences, safety expenses, medical examinations, fringe benefit tax, etc.

**Materials and Contracts**

All expenditures on materials, supplies and contracts not classified under other headings. These include supply of goods and materials, legal expenses, consultancy, maintenance agreements, communication expenses, advertising expenses, membership, periodicals, publications, hire expenses, rental, leases, postage and freight etc. Local governments may wish to disclose more detail such as contract services, consultancy, information technology, rental or lease expenditures.

**Utilities (Gas, Electricity, Water, etc.)**

Expenditures made to the respective agencies for the provision of power, gas or water. Exclude expenditures incurred for the reinstatement of roadwork on behalf of these agencies.

**Insurance**

All insurance other than worker's compensation and health benefit insurance included as a cost of employment.

**Loss on asset disposal**

Loss on the disposal of fixed assets.

**Depreciation on non-current assets**

Depreciation expense raised on all classes of assets.

**Interest expenses**

Interest and other costs of finance paid, including costs of finance for loan debentures, overdraft accommodation and refinancing expenses.

**Other expenditure**

Statutory fees, taxes, provision for bad debts, member's fees or levies including WA Fire Brigade Levy and State taxes. Donations and subsidies made to community groups.

**(r) Program Classifications (Function/Activity)**

**Governance**

Includes the activities of members of council and the administrative support available to the council for the provision of governance of the district. Other costs relate to the task of assisting elected members and ratepayers on matters which do not concern specific council services.

**General Purpose Funding**

Rates, general purpose government grants and interest revenue.

**Law, Order, Public Safety**

Supervision and enforcement of various local laws relating to fire prevention, animal control and other aspects of public safety including emergency services.

**Health**

Inspection of food outlets and their control, provision of meat inspection services, noise control and waste disposal compliance.

**Education and Welfare**

Maintenance of child minding centre, playgroup centre, senior citizen centre and aged care centre. Provision and maintenance of home and community care programs and youth services.

**Housing**

Provision and maintenance of elderly residents housing.

**Community Amenities**

Rubbish collection services, operation of rubbish disposal sites, litter control, construction and maintenance of urban storm water drains, protection of the environment and administration of town planning schemes, cemetery and public conveniences.

**Recreation and Culture**

Maintenance of public halls, civic centres, aquatic centre, beaches, recreation centres and various sporting facilities. Provision and maintenance of parks, gardens and playgrounds. Operation of library, museum and other cultural facilities.

**Transport**

Construction and maintenance of roads, streets, footpaths, depots, cycle ways, parking facilities and traffic control. Cleaning of streets and maintenance of street trees, street lighting etc.

**Economic Services**

Tourism and area promotion including the maintenance and operation of a caravan park. Provision of rural services including weed control, vermin control and standpipes. Building Control.

**Other Property and Services**

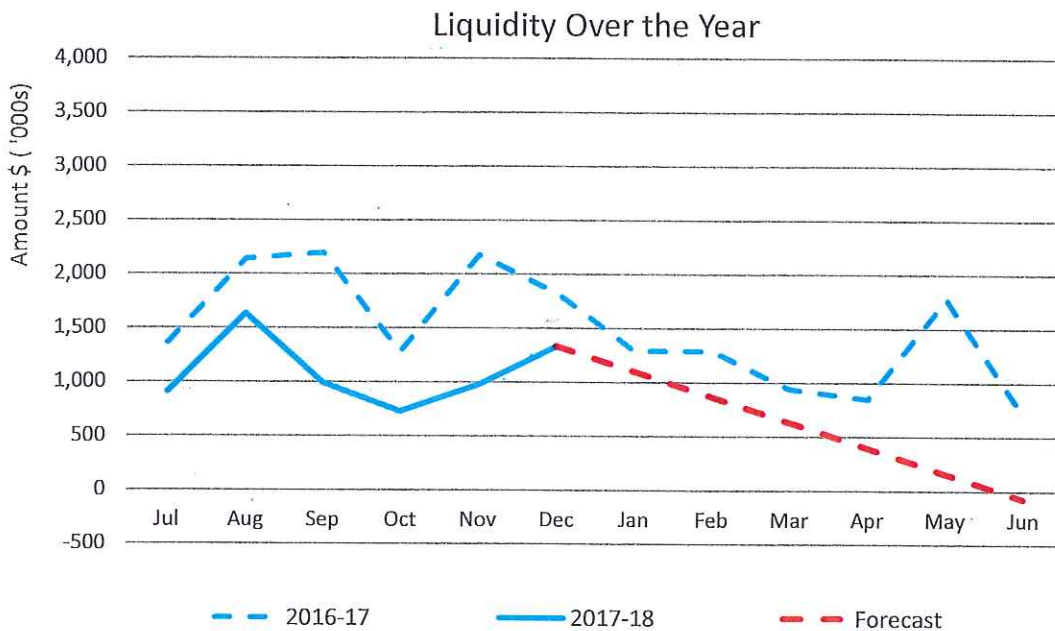
Private works operation, plant repair and operation costs and engineering operation costs.

**SHIRE OF SANDSTONE**  
**NOTES TO BUDGET REVIEW**  
For the Period Ended 31 December 2017

**NOTE 2. NET CURRENT ASSETS**

	Actual Opening Surplus 30 June 2017	Budgeted Opening Surplus 1 July 2017	Variance	Actual Surplus as at 31 Dec 2017	Forecast Deficit as at 30 June 2018
Net Current Assets	\$	\$		\$	\$
<b>Current Assets</b>					
Cash Municipal	478,792	578,507	(99,715)	815,990	15,654
Cash Reserves	5,253,256	5,253,256	(0)	5,300,475	5,300,475
Receivables - Rates	166,248	164,990	1,258	338,980	300,000
Receivables -Other	386,802	347,898	38,904	(13,072)	100,000
Provision for Doubtful Debts	(44,000)	(43,708)	(292)	(44,000)	(44,000)
Inventories	258,759	174,925	83,834	258,091	175,000
	6,499,856	6,475,868		6,656,464	5,847,129
<b>Less: Current Liabilities</b>					
Payables	(411,521)	(406,023)	(5,498)	(600)	(600,000)
Payables - Other	(148,851)	(135,969)	(12,882)	(24,846)	(25,000)
Provisions	(98,247)	(66,060)	(32,187)	(98,247)	(98,247)
Less: Cash Reserves	(5,253,256)	(5,253,256)	0	(5,300,475)	(5,300,475)
Add: Current liabilities not expected to be cleared at end of year	98,247	66,060	32,187	98,247	98,247
<b>Net Current Funding Position *</b>	<b>686,228</b>	<b>680,620</b>	<b>5,608</b>	<b>1,330,543</b>	<b>(78,346)</b>

\* Positive=Surplus (Negative=Deficit)





SHIRE OF SANDSTONE  
NOTES TO BUDGET REVIEW  
For the Period Ended 31 December 2017

**NOTE 3. PREDICTED MATERIAL VARIANCES**

Details and explanations of the material variances reflected on the Statement of Budget Review are provided below as required by Local Government (Financial Management) Regulation 34(1) (d). ▲ ▼ Indicates a variance between Original Budget and Proposed Budget as per the adopted materiality threshold of 10%.

Reporting Program	Variance	Variance	Var.	Timing/ Permanent	Explanation of Variance
Operating Revenues	\$	%			
General Purpose Funding - Other	(123,627)	(11%)	▼		
Economic Services	47,000	83%	▲		
Operating Expense					
Governance	25,657	(12%)	▼		
Law, Order, Public Safety	(19,762)	14%	▲		
Community Amenities	(37,555)	24%	▲		
Other Property and Services	111,515	(70%)	▼		
Funding Balance Adjustments					
Grants, Subsidies and Contributions	202,143	58%	▲		
Capital Expenses					
Land and Buildings	(143,700)	37%	▲		
Infrastructure - Roads	(19,266)	1%			
Infrastructure - Other	(60,000)	26%	▲		
Financing					
Transfer from Reserves	150,000	31%	▲		

**Further Comments**

Note 2 - Net Current Assets

Note 3 - Capital

Note 4 - Cash

Note 5 - Receivables

Note 6 - Payables

Note 7 - Reserves

Note 8 - Rates

Note 9 - Borrowings

Note 10 - Grants

Note 11 - Budget Amendments

Note 12 - Trust



SHIRE OF SANDSTONE  
NOTES TO BUDGET REVIEW  
For the Period Ended 31 December 2017

**NOTE 4. PROPOSED BUDGET AMENDMENTS**

COA	IE	Description	Classification	Budgeted Surplus / (Deficit)	Non Cash Adjustment	Increase in Available Cash	Decrease in Available Cash	Amended Budget Running Balance	Comments
				\$		\$	\$	\$	
		Original Budgeted Surplus (Deficit)		0				0	
		Adjustment to Opening Surplus							
13620	170	Sales Diesel Fuel	Operating Revenue			5,608		5,608	
09118	156	Instalment Administration Fee	Operating Revenue			50000		55,608	
03202	156	Dog Registration Fees	Operating Revenue			722		56,330	
10801	156	Community Bus Fees	Operating Revenue			326		56,656	
03207	160	Interest Received - Municipal Funds	Operating Revenue			260		56,916	
12320	131	Proceeds on Disposal of Asset - Transport	Operating Revenue				(11,000)	45,916	
12213	110	Grant - MRWA Direct	Operating Revenue			77,273		123,189	
14716	113	Insurance - Refunds	Operating Revenue			3,512		126,701	
03116	100	Back Rates Levied	Operating Revenue			2,350		129,051	
03201	111	Grants Commission Grant General	Operating Revenue			190		129,241	
03119	171	Rates Legal Fees Reimbursed	Operating Revenue				(84,120)	45,121	
03112	100	Discount Allowed	Operating Revenue				(2,500)	42,621	
03202	111	Grants Commission Grant Roads	Operating Revenue				(13,564)	29,057	
14701	156	Income Relating to Unclassified	Operating Revenue				(31,729)	(2,672)	
03115	100	Rates Written-off	Operating Revenue			119		(2,553)	
10301	156	Income Relating to Sewerage	Operating Revenue			8,000		5,447	
10104	156	Domestic Collection (Additional)	Operating Revenue			1,500		6,947	
12321	132	Realisation on Disposal of Asset - Transport	Operating Revenue			64		7,011	
13601	156	Income Relating to Other Economic Services	Operating Revenue				(77,273)	(70,262)	
03114	160	Penalty Interest Raised on Rates	Operating Revenue			5,000	(3,000)	(73,262)	
05400	113	Emergency Services Admin Grant	Operating Revenue			191		(68,262)	
09135	113	Power Rebates	Operating Revenue				(5,145)	(68,071)	
	181	Road to Recovery	Operating Revenue					(73,216)	
04118	521	Strategic Planning Development Expenses	Operating Expenses			277,143		203,927	
11307	500	Maintenance - Parks and Reserves	Operating Expenses			20,000		223,927	
14306	900	Internal Repair Wages	Operating Expenses			20,000		243,927	
11502	570	Other Expenses	Operating Expenses			60,000		303,927	
09103	570	Other Expenses	Operating Expenses			15		303,942	
09107	570	Mtce Staff House - 3 Hack Street (Lot 47)	Operating Expenses				(30)	303,912	
05404	570	Maintenance of Fire Truck	Operating Expenses				(36)	303,876	
09104	540	Mtce Staff House - 8 Griffith St (Lot 37)	Operating Expenses				(406)	303,470	
12204	570	Maintenance - Depot	Operating Expenses				(600)	302,870	
13632	540	Fuel Pump Utilities	Operating Expenses				(600)	302,270	
11104	500	Maintenance - Public Hall	Operating Expenses				(700)	301,570	
							(1,800)	299,770	

SHIRE OF SANDSTONE  
NOTES TO BUDGET REVIEW  
For the Period Ended 31 December 2017

**NOTE 4. PROPOSED BUDGET AMENDMENTS**

COA	IE	Description	Classification	Budgeted Surplus / (Deficit)	Non Cash Adjustment	Increase in Available Cash	Decrease in Available Cash	Amended Budget Running Balance	Comments
				\$		\$	\$	\$	
12225	520	Town Street Maintenance	Operating Expenses					296,770	
12204	520	Maintenance - Depot	Operating Expenses				(3,000)	281,770	
05303	570	Other Expenses	Operating Expenses				(15,000)	264,603	
13625	520	Diesel Cost of Sales	Operating Expenses				(17,167)	219,603	
14501	570	Administration Office Maintenance	Operating Expenses				(45,000)	215,103	
12208	520	Unscheduled Maintenance	Operating Expenses				(4,500)	290,103	
14516	521	Freight Charges	Operating Expenses			75,000		300,103	
14208	520	Expendable Stores Expense	Operating Expenses			10,000		306,103	
13205	500	Cleaning - Tourist Information Centre	Operating Expenses			6,000		311,103	
05303	520	Other Expenses	Operating Expenses			5,000		311,083	
05303	521	Other Expenses	Operating Expenses				(20)	310,793	
14520	500	Cleaning - Shire Offices	Operating Expenses			5,000	(290)	315,793	
03102	521	Valuation Expenses and Title Searches Expense	Operating Expenses			3,000		318,793	
12605	500	Cleaning - Aerodromes	Operating Expenses			3,000		321,793	
04102	520	Council Election Expenses	Operating Expenses			1,029		322,822	
04102	500	Council Election Expenses	Operating Expenses			1,000		323,822	
11304	570	Maintenance - Recreation Centre	Operating Expenses			403		324,225	
05409	570	Insurances	Operating Expenses			121		324,346	
09102	570	Mtce Staff House - 2A Griffith St (Lot 40A)	Operating Expenses				(24)	324,322	
14302	570	Insurance - Plant	Operating Expenses				(28)	324,294	
09107	520	Mtce Staff House - 3 Hack Street (Lot 47)	Operating Expenses				(1,000)	323,294	
11604	520	Maintenance - Historic Buildings	Operating Expenses				(1,000)	322,294	
12203	520	Rural Road Maintenance	Operating Expenses				(75,000)	247,294	
11612	570	Building Maintenance - Old School Building	Operating Expenses				(1,898)	245,396	
05404	520	Maintenance of Fire Truck	Operating Expenses				(2,000)	243,396	
13400	570	Caravan Park - Other Expenses	Operating Expenses				(2,973)	240,423	
03211	580	Bank Fees and Charges	Operating Expenses				(3,000)	237,423	
11702	570	Maintenance - Civic Centre (Admin Building)	Operating Expenses				(3,399)	234,024	
11607	550	Depreciation Historic Buildings	Operating Expenses					234,024	
14505	580	Travel & Accommodation	Operating Expenses				(7,500)	226,524	
12204	500	Maintenance - Depot	Operating Expenses				(30,000)	196,524	
14206	521	Medical Examination Costs	Operating Expenses			6,000		202,524	
04100	580	Members Travelling Expenses paid	Operating Expenses			2,000		204,524	
09115	570	Mtce Svcd Appt - 2 Payne St (Lot 120)	Operating Expenses				(25)	204,499	
14200	901	Expenses Relating to Public Works Overheads	Operating Expenses			10,000		214,499	
04107	570	Members Insurance	Operating Expenses			1,628		216,127	

## SHIRE OF SANDSTONE

## NOTES TO BUDGET REVIEW

For the Period Ended 31 December 2017

## NOTE 4. PROPOSED BUDGET AMENDMENTS

COA	IE	Description	Classification	Budgeted Surplus / (Deficit)	Non Cash Adjustment	Increase in Available Cash	Decrease in Available Cash	Amended Budget Running Balance	Comments
				\$		\$	\$	\$	
12604	500	Airport Maintenance	Operating Expenses			2,000		218,127	
09104	570	Mtce Staff House - 8 Griffith St (Lot 37)	Operating Expenses				(32)	218,095	
13631	521	Fuel Pump Repairs and Maintenance	Operating Expenses				(6,000)	212,095	
14502	570	Workers Compensation Premiums- Administration	Operating Expenses			22,672		234,767	
09102	540	Mtce Staff House - 2A Griffith St (Lot 40A)	Operating Expenses				(2,714)	232,053	
10500	520	Expenses Relating to Protection Of Environment	Operating Expenses			10,000		242,053	
10704	500	Maintenance - Public Conveniences	Operating Expenses			5,000		247,053	
14506	521	Legal Expenses	Operating Expenses			5,000		252,053	
13200	570	Expenses Relating to Tourism & Area Promotion	Operating Expenses			1,439		253,492	
09109	570	Mtce Staff House - 29 Hack St (Lot 536)	Operating Expenses				(37)	253,455	
11604	570	Maintenance - Historic Buildings	Operating Expenses			365		253,820	
09111	570	Mtce Staff House - 31 Hack St (Lot 535)	Operating Expenses			340		254,160	
10704	570	Maintenance - Public Conveniences	Operating Expenses			57		254,217	
11405	570	Other Expenses	Operating Expenses			31		254,248	
09113	570	Mtce Staff House - Lot 530 Irvine St (Caravan Park)	Operating Expenses				(35)	254,213	
09112	570	Mtce Staff House - 34-36 Hack St (Lot 55/56)	Operating Expenses				(52)	254,161	
12401	520	Private Works Expense	Operating Expenses				(225)	253,936	
07703	570	Other Expenses	Operating Expenses				(304)	253,632	
10500	500	Expenses Relating to Protection Of Environment	Operating Expenses				(465)	253,167	
09105	521	Mtce Staff House - 12 Griffith Street (Lot 35)	Operating Expenses				(628)	252,539	
10704	540	Maintenance - Public Conveniences	Operating Expenses				(1,000)	251,539	
10300	520	Expenses Relating to Sewerage	Operating Expenses				(1,100)	250,439	
10300	500	Expenses Relating to Sewerage	Operating Expenses				(1,254)	249,185	
09106	521	Mtce Staff House - 21 Griffith St (Lot 164)	Operating Expenses				(2,000)	247,185	
07403	521	Environmental Health Officer	Operating Expenses				(2,500)	244,685	
09116	570	New House 2013/14 Regional CLG	Operating Expenses				(2,588)	242,097	
11400	552	Depreciation Relating to Television and Rebroadcasting	Non Cash Item	(7,000)				242,097	
10200	500	Expenses Relating to Sanitation - Other	Operating Expenses				(7,074)	235,023	
10203	500	Refuse Collection - Public	Operating Expenses				(7,500)	227,523	
14200	570	Expenses Relating to Public Works Overheads	Operating Expenses				(10,000)	217,523	
11405	521	Other Expenses	Operating Expenses				(15,000)	202,523	
12206	500	Traffic Signs Maintenance	Operating Expenses				(15,000)	187,523	
10103	500	Tip Maintenance Costs	Operating Expenses				(16,275)	171,248	
10103	520	Tip Maintenance Costs	Operating Expenses				(17,944)	153,304	
13207	521	Tourism Development	Operating Expenses			10,000		163,304	
09104	521	Mtce Staff House - 8 Griffith St (Lot 37)	Operating Expenses				(500)	162,804	



SHIRE OF SANDSTONE  
NOTES TO BUDGET REVIEW  
For the Period Ended 31 December 2017

**NOTE 4. PROPOSED BUDGET AMENDMENTS**

COA	IE	Description	Classification	Budgeted Surplus / (Deficit)	Non Cash Adjustment	Increase in Available Cash	Decrease in Available Cash	Amended Budget Running Balance	Comments
				\$		\$	\$	\$	
12233	521	Flood Damages Easter 16/17	Operating Expenses				(49,449)	113,355	
09105	570	Mtce Staff House - 12 Griffith Street (Lot 35)	Operating Expenses				(32)	113,323	
09114	570	Mtce Staff House - 1 Mingah (Lot 425)	Operating Expenses				(38)	113,285	
09130	500	30 Hack Street (Lot 527)	Operating Expenses				(100)	113,185	
09123	500	28 Griffith Street (Lot 408)	Operating Expenses				(130)	113,055	
09114	542	Mtce Staff House - 1 Mingah (Lot 425)	Operating Expenses				(150)	112,905	
09109	570	Mtce Staff House - 29 Hack St (Lot 536)	Operating Expenses				(406)	112,499	
13200	520	Expenses Relating to Tourism & Area Promotion	Operating Expenses				(5,000)	107,499	
11104	570	Maintenance - Public Hall	Operating Expenses		3,972			111,471	
12401	500	Private Works Expense	Operating Expenses				(233)	111,238	
11612	521	Building Maintenance - Old School Building	Operating Expenses				(1,000)	110,238	
11702	500	Maintenance - Civic Centre (Admin Building)	Operating Expenses				(2,000)	108,238	
14212	500	Training - Infrastructure Overheads	Operating Expenses				(8,000)	100,238	
11604	540	Maintenance - Historic Buildings	Operating Expenses				(1,500)	98,738	
03103	521	Debt Collections Costs	Operating Expenses					103,738	
14523	570	Other Expenses Relating to Administration	Capital Expenses		5,000		4,871	108,609	
14941		Airport Reserve - Transfer to Reserve	Capital Expenses				(1,446)	107,163	
14942		Building Reserve - Transfer to Reserve	Capital Expenses			13,907		121,070	
14945		Computer Hardware and Software Reserve - Transfer to Reserve	Capital Expenses				(141)	120,929	
14946		Employee Entitlements Reserve - Transfer to Reserve	Capital Expenses				(399)	120,530	
14948		Plant Reserve - Transfer to Reserve	Capital Expenses				(18,474)	102,056	
14949		Refuse Disposal Reserve - Transfer to Reserve	Capital Expenses				(311)	101,745	
14950		Road and Flood Damage Reserve - Transfer to Reserve	Capital Expenses				(3,932)	97,813	
14951		Housing Reserve - Transfer to Reserve	Capital Expenses				(3,820)	93,993	
14952		Community Development Projects Reserve - Transfer to Reserve	Capital Expenses				(4,867)	89,126	
14911		Housing Reserve - Transfer from Reserve	Capital Revenue			150,000		239,126	
09142		Land & Buildings - Staff Housing	Capital Expenses				(150,000)	89,126	
11311		Progress Memorial Park - Capital Expenditure	Capital Expenses				(60,000)	29,126	
11650		Old State Gold Battery Capital Expenditure	Capital Expenses					35,426	
12104		Roads to Recovery Construction	Capital Expenses			6,300	(321,308)	(285,882)	
12302		Purchase Plant & Equipment - Road Plant Purchases	Capital Expenses				(79,206)	(365,088)	
14508	521	Computer Software and Support	Operating Expenses					(350,088)	
11301	181	Income Relating to Other Recreation & Sport	Capital Revenue			15,000	(75,000)	(425,088)	
12101	520	Roads Construction Council	Capital Expenses			302,042		(123,046)	
14712	170	Refund / Overpayments / Reimbursements	Operating Revenue			44,700		(78,346)	
						1,259,279	(1,337,625)	(78,346)	



SHIRE OF SANDSTONE  
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY  
For the Period Ended 31 December 2017

**NOTE 5. CAPITAL ACQUISITIONS**

Capital Acquisitions	Account	YTD New/ Upgrade Exp	YTD Actual Renewal Exp	Adopted Annual Budget	Adopted YTD Budget	YTD Actual	Permanent Variance	Timing Variance	Proposed Amended Budget
		\$	\$	\$	\$	\$	\$	\$	\$
<b>Buildings</b>									
Land & Buildings - Staff Housing	09142	29,535	0	272,000	136,002	29,535	150,000		422,000
Purchase Land & Buildings	11103	0	0	30,870	15,435	0			30,870
Old State Gold Battery Capital Expenditure	11650	0	28,700	35,000	17,500	28,700	(6,300)		28,700
Historic Buildings Upgrade	11651	0	0	0	0	0			0
Civic Centre Development - Building	11700	263	0	0	0	263			0
Caravan Park Upgrade	13410	0	0	0	0	0			0
Purchases - Land and Buildings	13211	0	0	50,000	25,000	0			50,000
<b>Buildings Total</b>		<b>29,798</b>	<b>28,700</b>	<b>387,870</b>	<b>193,937</b>	<b>58,498</b>	<b>143,700</b>		<b>531,570</b>
<b>Furniture &amp; Equipment</b>									
Purchase Furniture & Equipment	11603	0	0	0	0	0			0
<b>Furniture &amp; Equipment Total</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>			<b>0</b>
<b>Plant &amp; Equipment</b>									
Purchase Plant & Equipment - Road Plant Purchases	12302	0	79,206	0	0	79,206	79,206		79,206
Purchase Plant & Equipment	13210	0	0	0	0	0			0
<b>Plant &amp; Equipment Total</b>		<b>0</b>	<b>79,206</b>	<b>0</b>	<b>0</b>	<b>79,206</b>	<b>79,206</b>		<b>79,206</b>
<b>Roads</b>									
Roads Construction Council	12101	0	412,544	1,030,052	515,026	412,544	(302,042)		728,010
MRWA Project Construction	12103	0	0	288,000	144,000	0			288,000
Roads to Recovery Construction	12104	0	19,266	0	0	19,266	321,308		321,308
<b>Roads Total</b>		<b>0</b>	<b>431,811</b>	<b>1,318,052</b>	<b>659,026</b>	<b>431,811</b>	<b>19,266</b>		<b>1,337,318</b>

SHIRE OF SANDSTONE  
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY  
For the Period Ended 31 December 2017

**NOTE 5. CAPITAL ACQUISITIONS**

Capital Acquisitions	Account	YTD New/ Upgrade Exp	YTD Actual Renewal Exp	Adopted Annual Budget	Adopted YTD Budget	YTD Actual	Permanent Variance	Timing Variance	Proposed Amended Budget
		\$	\$	\$	\$			\$	\$
<b>Other Infrastructure</b>									
Cemetery - Capital Expenses	10703	0	0	5,145	2,573	0	0		5,145
<b>Other Infrastructure Total</b>		0	0	5,145	2,573	0	0		5,145
<b>Parks &amp; Ovals</b>									
Capital - Parks & Ovals	11310	0	0	235,000	117,500	0	0		235,000
Progress Memorial Park - Capital Expenditure	11311	0	0	0	0	29,981	60,000		60,000
<b>Parks &amp; Ovals Total</b>		0	0	235,000	117,500	29,981	60,000		295,000
<b>Grand Total</b>		29,798	539,717	1,946,067	973,036	599,495	302,172		2,248,239

