

DENMARK 2027



LONG TERM FINANCIAL PLAN 2019-2034

19 November 2019 - Attachment 8.3.4

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WHAT IS A LONG TERM FINANCIAL PLAN?

A Long Term Financial Plan (LTFP) is a tool that Local Governments use to understand their broader financial position. The LTFP is not a binding document, rather a road map to deliver on community expectations.

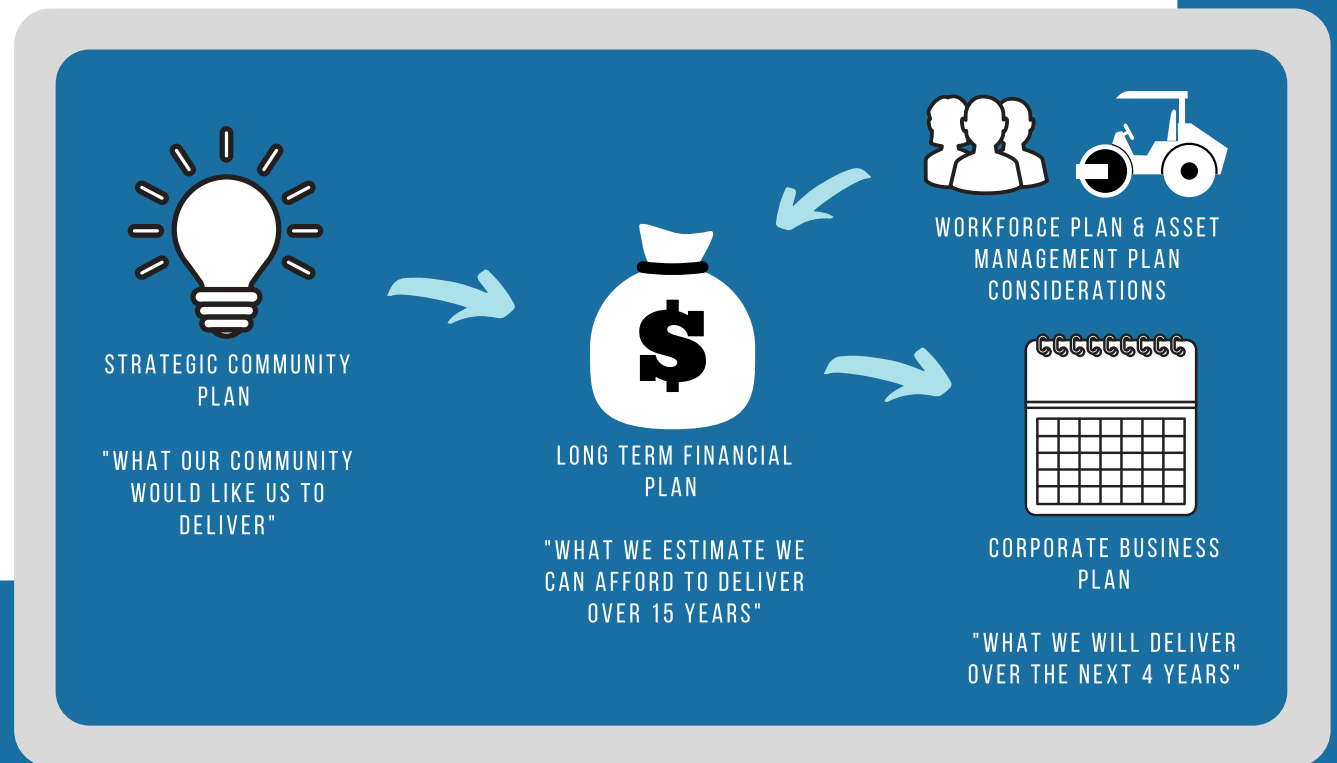
A LTFP provides a way for Local Governments and their communities to gain a better understanding of the financial impacts that different decisions may have on the long term sustainability of the organisation. A LTFP is used to monitor the Local Governments financial performance while balancing the short, medium and long term expectations of the community.

The LTFP comprises long term financial forecasting, which consists of projecting revenue (money coming in) and expenditure (money going out) over a long-term period. The LTFP does this by using assumptions about the economy, future spending, funding sources and other variables. A LTFP then aligns the organisation's financial capacity with the strategic priorities of the community.

Once a Local Government understands its financial capacity through forecasting, strategies can be developed to ensure the Local Government remains financially sustainable while planning for new or improved services.

The LTFP is also the point at which long-term community aspirations are tested against financial realities.

The Long Term Financial Plan is a requirement for all Local Governments in WA. Each year we are required to report on seven financial ratios as part of our Annual Report, with some of these ratios drawn from the LTFP. The results of these ratios form our Financial Health Indicator (FHI) score, which the Department of Local Government, Sport and Cultural Industries use to assess a Local Governments performance.



OUR LONG TERM FINANCIAL PLAN


Previously Local Governments operated on an annual basis. Decisions on projects, service levels, infrastructure expenditure and staffing were determined when setting the annual budget. The introduction of the Department of Local Government, Sport and Cultural Industries' Integrated Planning and Reporting Framework now requires all local governments in Western Australia to look beyond the annual budget process and consider decisions over a longer period.


Our LTFP is essentially 15 annual budgets put together and covers the period from 2020/21 to 2034/35. The LTFP is created using the information contained in our 2019/20 adopted budget. We call this year the 'base year' as it provides the starting point from which revenue and expenditure assumptions are based. Each year as we adopt a new budget, we will update the LTFP with more current figures, ensuring that we keep up to date with any changes as they occur.


Long term financial planning is a guide only, with the plan based on what we know now from a revenue and expenditure perspective. It's important to note that the LTFP is a dynamic document, with staff making changes regularly when new information comes to hand, e.g. if the Government introduces a new Superannuation Guarantee Rate, the plan will be updated to reflect this.


Each year the Council will adopt a new LTFP that will see the current year removed and a new year added so that the plan always covers 15 years.


OUR FINANCIAL GOALS

- 

Prioritise asset renewal works to ensure we are able to replace assets within one year of them reaching a condition rating of 4.5 (between poor and very poor condition)
- 

Keep employee costs consistently below 95% of rates revenue
- 

Calculate all ratios and achieve a consistent Financial Health Indicator score over the life of the plan
- 

Deliver projects that meet community needs and address our asset renewal requirements
- 

Maintain customer satisfaction levels with the services that we provide (via the Shire's MARKYT Community Scorecard), within the financial forecasts that we have created

WHAT ASSUMPTIONS HAVE WE MADE?

Every Long Term Financial Plan is formulated using several assumptions. When forecasting 15 years ahead, it is impossible to have certainty on many factors that are interdependent and highly sensitive to change.

The assumptions that we have made throughout the plan include:

We will keep a 'business as usual' approach - meaning that the existing service levels we deliver (i.e. how often we grade our roads, what community programs we provide) will be maintained.

We will create a balanced budget every year - meaning that our revenue (money coming in) will match our expenditure (money going out) every year.

Staff costs will increase by no more than 3% annually.

Our total rates revenue will increase by an average of 4% each year or savings will be identified to reduce this amount.

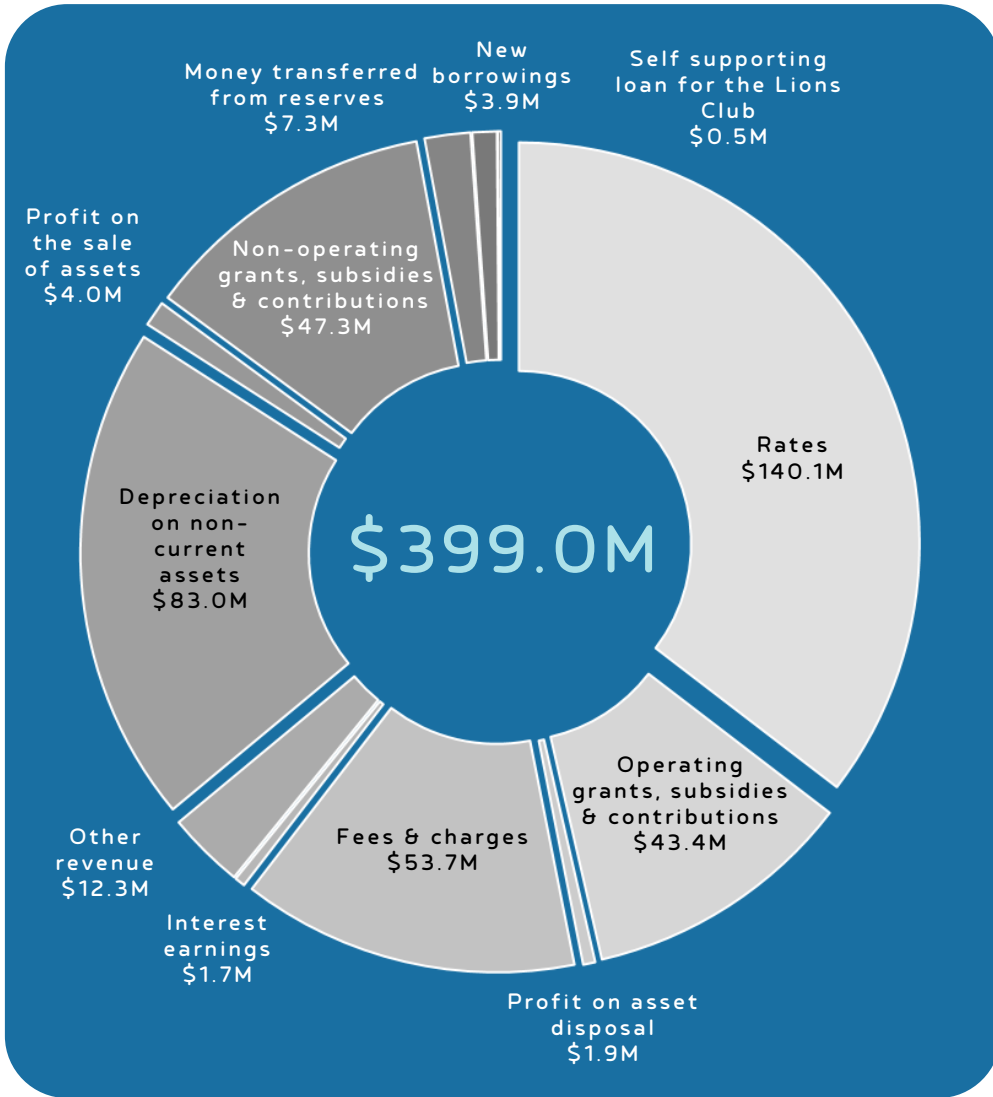
Our rate base will grow minimally over the LTFP. We have factored in 0% growth.

Staff levels will remain stable, with no additional FTE forecasted during the first four years of the plan.

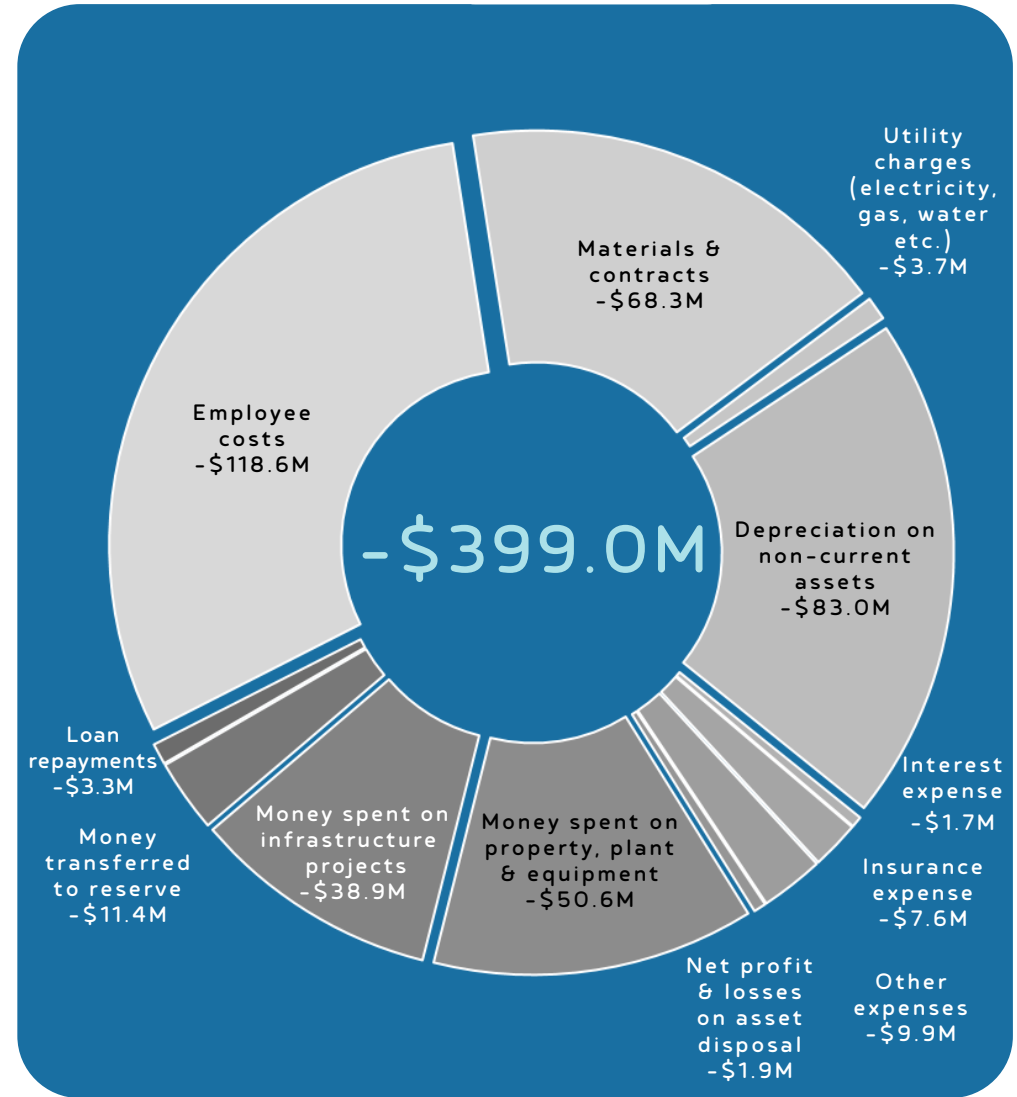
Inflation will be 2% annually. It is important to note that CPI does not provide a good reflection of Local Government costs, as the 'basket' of everyday goods that CPI uses is vastly different to the costs that Local Governments incur. CPI reflects pricing fluctuations on several items including food, tobacco, clothing and footwear, household appliances, medical services, holiday travel and education - which have little relevance to the operating costs of the Shire. A Local Government's 'basket' is more in line with construction costs, fuel, electricity, machinery and wages.



ESTIMATED MONEY COMING IN OVER 15 YEARS



ESTIMATED MONEY GOING OUT OVER 15 YEARS



Some figures within the plan have been rounded for simplicity and as such some totals or averages may not reflect the rounded figures. The original values are listed within the Plan in a Page on page 22.

* Note that depreciation is a non-cash item

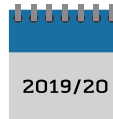
OUR MAJOR PROJECTS

Several new assets are planned to be constructed over the next 15 years in response to community needs and wants.

The exact timing of the construction of these projects is dependent on receiving grants and contributions to undertake this work. Should the funding not be obtained, it is likely that some of the projects will not go ahead.

We have selected a range of community projects that:

- Have been identified through our community consultation processes;
- Have a high renewal component and prioritise looking after what we already own;
- Have a very good chance of attracting external funding, e.g. some projects have a higher chance of attracting funding from a range of stakeholders, therefore, adding value to the Shire's cash contribution; and
- Could be partially funded by the sale of assets or loans.



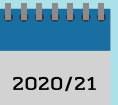
2019/20

Hardy Street Remediation Project

Shire officers are currently investigating the possible options for the remediation of Lot 3002 Hardy Street (former Shire Depot site).

Denmark Surf Club and Public Realm

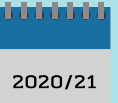
The demolition of the existing surfclub/toilets and the creation of a new surf club, carpark, access road and public realm.



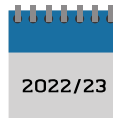
2020/21

Mountain Bike Trail(s)

Development of a new trail/trails with the location to be determined by GSCORE and the Shire.



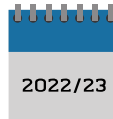
2020/21



2022/23

Berridge Park Redevelopment (including Youth Precinct and Skatepark)

Incorporates new toilets, a skate park, a youth precinct and upgrades to Hollings Road.



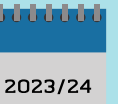
2022/23

Denmark High School Oval Facilities Upgrade

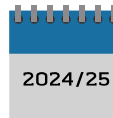
Includes lighting and change/toilet facilities at the High School Oval in conjunction with the Department of Education.

Denmark Recreation Centre Upgrade

Relocation of the gym, renewal of creche, front counter, flooring, roof, walls, storage and extra change facilities at McLean Oval



2023/24



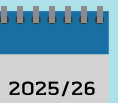
2024/25

Civic Centre and Library Upgrade

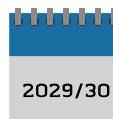
Major upgrade including extending the existing Library, new entry foyer, extended / refurbished stage and back of house area, new community use rooms and external civic square.

Shire Administration Building Refurbishment

Includes new roof, downpipes, gutters, paint, electrical, new foyer, storage and staff facilities.



2025/26



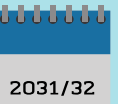
2029/30

Peaceful Bay Water Supply Upgrade

This project includes new tanks, pipes and pump infrastructure.

Denmark Aquatic Facility

In 2019/20 the Shire will update the capital and operating costs in the feasibility study based on current technology to see if this project can be brought forward or moved back.



2031/32

WHAT DO THESE PROJECTS COST AND HOW ARE THEY FUNDED?

The major projects contained within the LTFP are reliant on several funding sources, including grant funding, loans, use of reserves and the sale of land that the Shire currently owns. The Shire doesn't have complete control over these factors which means that even though a project is scheduled for delivery in a particular year, it may have to be brought forward, or moved back, depending on our ability to secure the funding. This will be updated in future plans as the situation becomes more apparent.

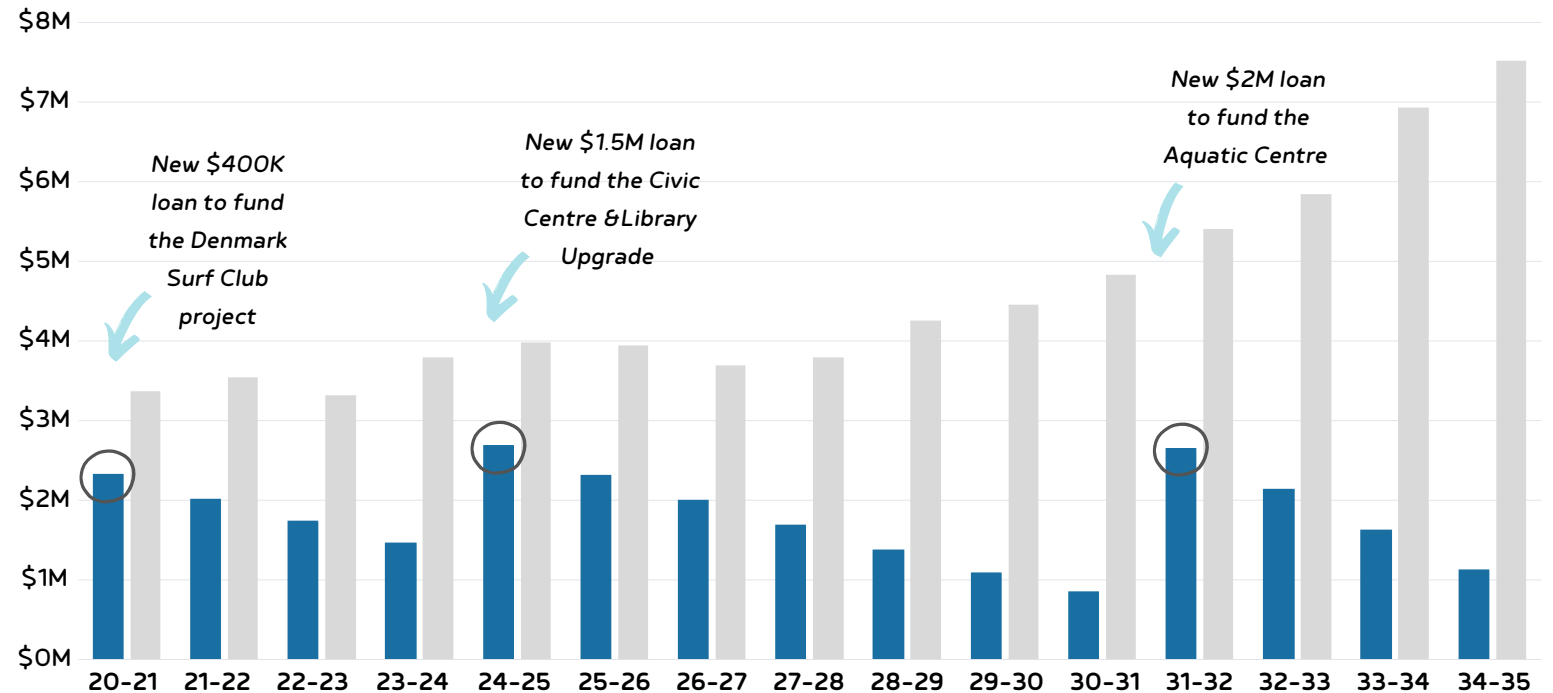
The estimates that we have used for the projects in later years are just that - estimates. As we get closer to project delivery, these figures are verified and costed to within 5% of the delivery cost. We're able to increase our certainty of the costs as we go through feasibility studies, business case, concept planning, and tender processes.

Major Project	Project Cost	State Funding	Federal Funding	Lotterywest	Club	Loan	Sale Proceeds	Reserve	CBP	Council	Total
Hardy Street Remediation	\$ 450,000						\$ 450,000				\$ 450,000
Denmark Surf Club and Public Realm	\$ 5,450,000	\$ 750,000	\$ 2,350,000	\$ 1,500,000	\$ 50,000	\$ 400,000		\$ 400,000			\$ 5,450,000
Mountain Bike Trail(s)	\$ 750,000	\$ 250,000		\$ 250,000					\$ 250,000		\$ 750,000
Berridge Park Redevelopment	\$ 2,000,000		\$ 1,000,000	\$ 500,000						\$ 500,000	\$ 2,000,000
DHS Oval Facilities Upgrade	\$ 250,000	\$ 100,000							\$ 150,000		\$ 250,000
Denmark Recreation Centre Upgrade	\$ 2,000,000	\$ 700,000	\$ 800,000				\$ 500,000				\$ 2,000,000
Civic Centre and Library Upgrade	\$ 4,600,000	\$ 2,000,000				\$ 1,500,000	\$ 600,000			\$ 500,000	\$ 4,600,000
Shire Administration Building Refurbishment	\$ 1,000,000						\$ 750,000			\$ 250,000	\$ 1,000,000
Peaceful Bay Water Supply Upgrade	\$ 250,000							\$ 100,000		\$ 150,000	\$ 250,000
Denmark Aquatic Facility	\$ 11,000,000	\$ 2,000,000	\$ 4,500,000	\$ 2,000,000		\$ 2,000,000				\$ 500,000	\$ 11,000,000
	\$ 27,750,000	\$ 5,800,000	\$ 8,650,000	\$ 4,250,000	\$ 50,000	\$ 3,900,000	\$ 2,300,000	\$ 500,000	\$ 400,000	\$ 1,900,000	\$ 27,750,000

WHAT ARE WE BORROWING AND WHAT ARE WE SAVING?

Over the 15 years the Shire will steadily increase the amount of savings we have put away across our reserves funds, rising from \$3.35M in 20-21 to \$7.51M in 34-35.

The Shire will also maintain low borrowing amounts across the life of the plan, starting with an opening loan balance of \$2.27M in 20-21 and ending with a closing balance of \$1.12M in 34-35.



Borrowings	20-21	21-22	22-23	23-24	24-25	25-26	26-27	27-28	28-29	29-30	30-31	31-32	32-33	33-34	34-35
Opening balance	\$2.27M	\$2.32M	\$2.01M	\$1.73M	\$1.46M	\$2.68M	\$2.31M	\$2.00M	\$1.68M	\$1.37M	\$1.08M	\$0.85M	\$2.65M	\$2.14M	\$1.63M
New loans raised	\$0.40M	\$0.00M	\$0.00M	\$0.00M	\$1.50M	\$0.00M	\$0.00M	\$0.00M	\$0.00M	\$0.00M	\$0.00M	\$2.00M	\$0.00M	\$0.00M	\$0.00M
Principal & interest repayment	-\$0.34M	-\$0.31M	-\$0.28M	-\$0.27M	-\$0.27M	-\$0.37M	-\$0.31M	-\$0.31M	-\$0.31M	-\$0.29M	-\$0.24M	-\$0.20M	-\$0.51M	-\$0.51M	-\$0.51M
Closing balance	\$2.32M	\$2.01M	\$1.73M	\$1.46M	\$2.68M	\$2.31M	\$2.00M	\$1.68M	\$1.37M	\$1.08M	\$0.85M	\$2.65M	\$2.14M	\$1.63M	\$1.12M

Reserves	20-21	21-22	22-23	23-24	24-25	25-26	26-27	27-28	28-29	29-30	30-31	31-32	32-33	33-34	34-35
Opening balance	\$3.35M	\$3.37M	\$3.55M	\$3.31M	\$3.80M	\$3.98M	\$3.94M	\$3.69M	\$3.79M	\$4.26M	\$4.45M	\$4.83M	\$5.41M	\$5.84M	\$6.93M
Transfer to reserve	\$0.86M	\$0.44M	\$0.38M	\$0.65M	\$0.66M	\$0.46M	\$0.66M	\$0.66M	\$0.66M	\$0.74M	\$0.89M	\$0.71M	\$0.93M	\$1.27M	\$1.50M
Reserve funds used	-\$0.84M	-\$0.26M	-\$0.61M	-\$0.17M	-\$0.48M	-\$0.50M	-\$0.90M	-\$0.56M	-\$0.19M	-\$0.54M	-\$0.52M	-\$0.13M	-\$0.49M	-\$0.18M	-\$0.92M
Closing balance	\$3.37M	\$3.55M	\$3.31M	\$3.80M	\$3.98M	\$3.94M	\$3.69M	\$3.79M	\$4.26M	\$4.45M	\$4.83M	\$5.41M	\$5.84M	\$6.93M	\$7.51M

SOME OF THE COMPLEX CHALLENGES WE FACE

Regional Road Group

The Shire of Denmark receives a significant amount of money annually through the Regional Road Group. The funding is allocated competitively based upon predetermined criteria. The Shire needs to ensure that applications made are preservation (renewal) focussed and well-aligned to the selection criteria to ensure ongoing funding success under this program. The failure to maintain funding levels under this program will impact the Shire's ability to pay for our workforce and achieve the desired expenditure levels required under the Asset Management Plan.

Ocean Beach Lime Pit

The Ocean Beach Lime Pit provides a valuable resource while also producing an income stream. The Shire produces 15,000 tonnes of high-grade agricultural lime sand annually and receives approximately \$100,000 in profit. At some point, the Shire will exhaust the deposit. The Shire must adapt and ensure that sufficient funds remain in the Lime Quarry Rehabilitation Reserve to cover the costs associated with remediation process post operations. Other factors that may impact this revenue stream include the development of a significant lime sand mine on the Nullaki Peninsula. This may affect lime sales.

Peaceful Bay Leases

The Shire of Denmark has control and management of reserve 24510, with the power to lease for periods not exceeding 21 years. The Shire's records suggest that 203 leases apply to the subject land, generating approximately \$315,000 in revenue each year. All of the leases were renewed in July 2010 and expire concurrently in 2031.

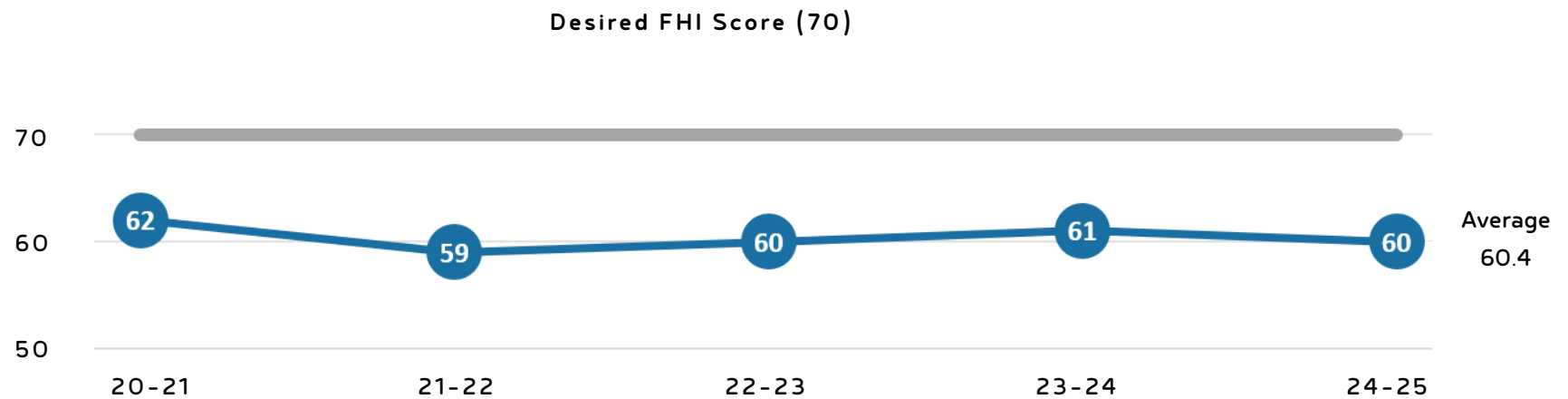
The Long Term Financial Plan assumes the income from Peaceful Bay will continue, and as such, we need to ensure that this revenue stream is maintained. Some suggestions include staggering the leases or offering new 21 year leases on property transfers similar to Windy Harbour in the Shire of Manjimup.

MEASURING OUR PERFORMANCE

The Local Government (Financial Management) Regulations 1996 requires all Local Governments in Western Australia to calculate seven key ratios. These ratios cover financial and asset management performance and form the basis of the Shire's Financial Health Indicator (FHI) score.

The ratio scores outlined over the following pages indicate that over the next fifteen years the Shire is on track to exceed the benchmark for two financial ratios, being the Own Source Coverage Ratio and Debt Service Coverage Ratio; meet the benchmark for two asset ratios, being the Asset Consumption Ratio and Asset Renewal Funding Ratio; and not meet one asset ratio and two financial ratios, being the Asset Sustainability Ratio, Current Ratio, and Operating Surplus Ratio.

Using these forecasts, we anticipate that our Financial Health Indicator for the next five years will be in the following range:



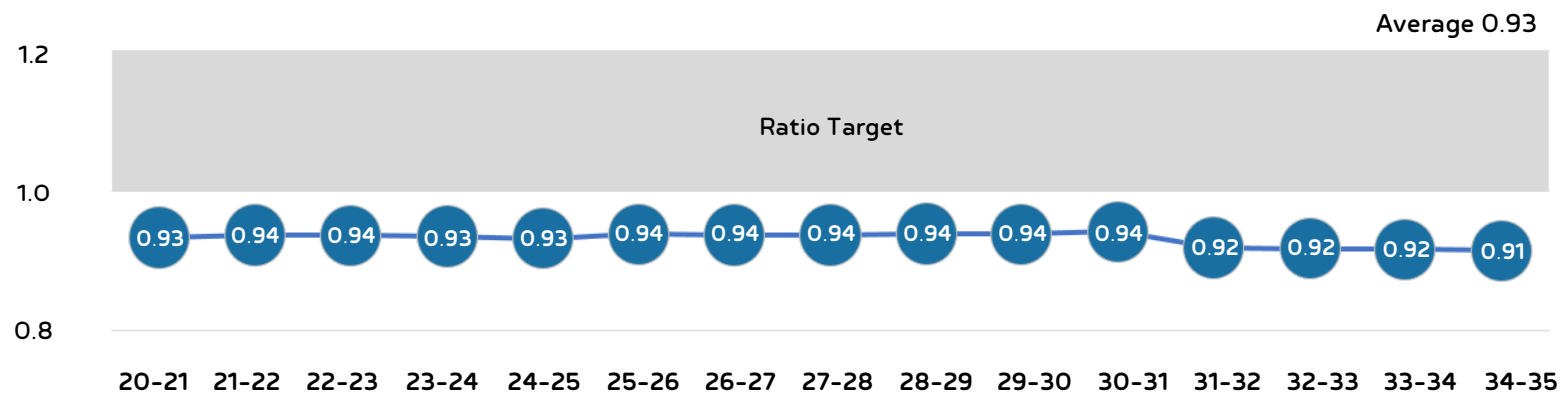
CURRENT RATIO

This ratio measures liquidity and our ability to meet our short term financial obligations from unrestricted current assets. The ratio target is between 1.0 and 1.2.

While we are slightly lower than the target benchmark, this not considered a threat to the Shire's long-term financial position as the current ratio is only a short-term liquidity measure.

Calculation

$$\frac{\text{Current assets less restricted assets}}{\text{Current liabilities less liabilities associated with restricted assets}}$$

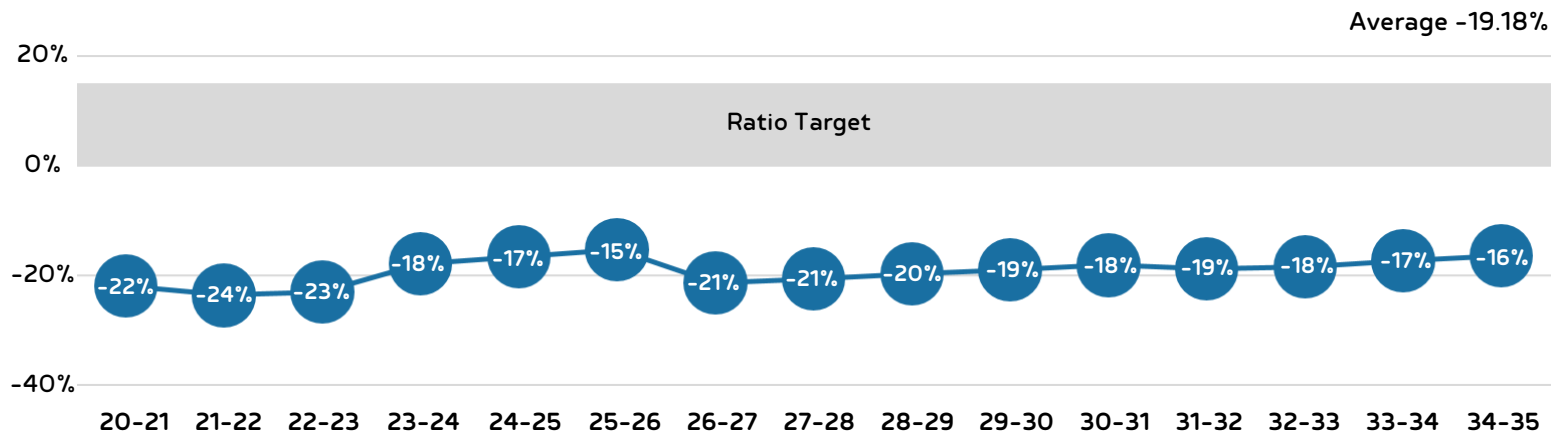


OPERATING SURPLUS RATIO

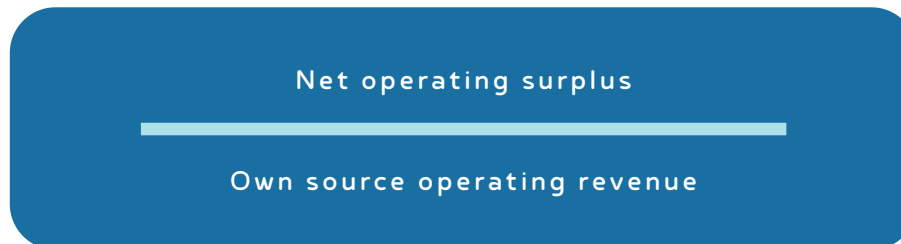
This ratio measures the extent to which revenue raised not only covers operational expenses, but also provides for capital funding. The ratio target is between 0% and 15%.

While improving over the fifteen years, our result does not meet the benchmark, which indicates that our Shire is reliant on grant funding to undertake capital projects. As the Shire receives grant funding for the renewal of assets, a negative ratio is not viewed as an adverse position for a Tier 3 Local Government.

While the ratio is below the target, this improves over the term of the plan, indicating an improving operating position.



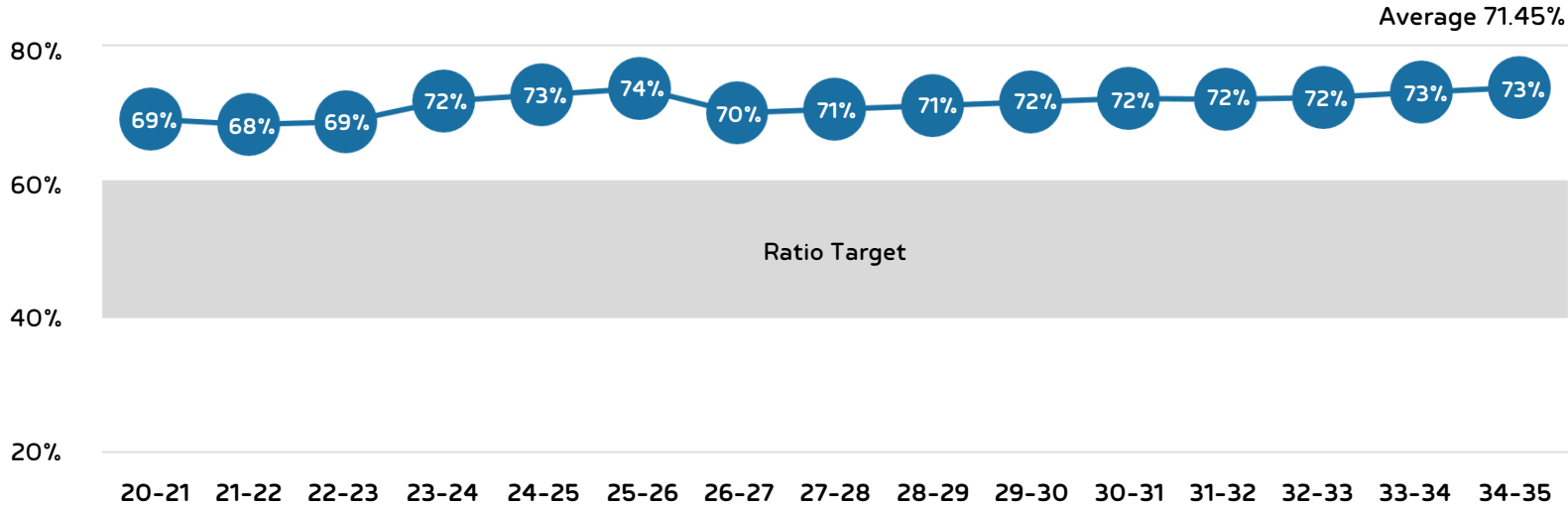
Calculation



OWN SOURCE COVERAGE RATIO

This ratio measures the extent to which can cover our costs through our own revenue efforts (rates, fees and charges etc.). The ratio target is between 40% and 60%.

Our results indicate that we exceed this benchmark, demonstrating the improving capacity of the Shire to operate in the event of a minor loss of external grants, and/or contributions.



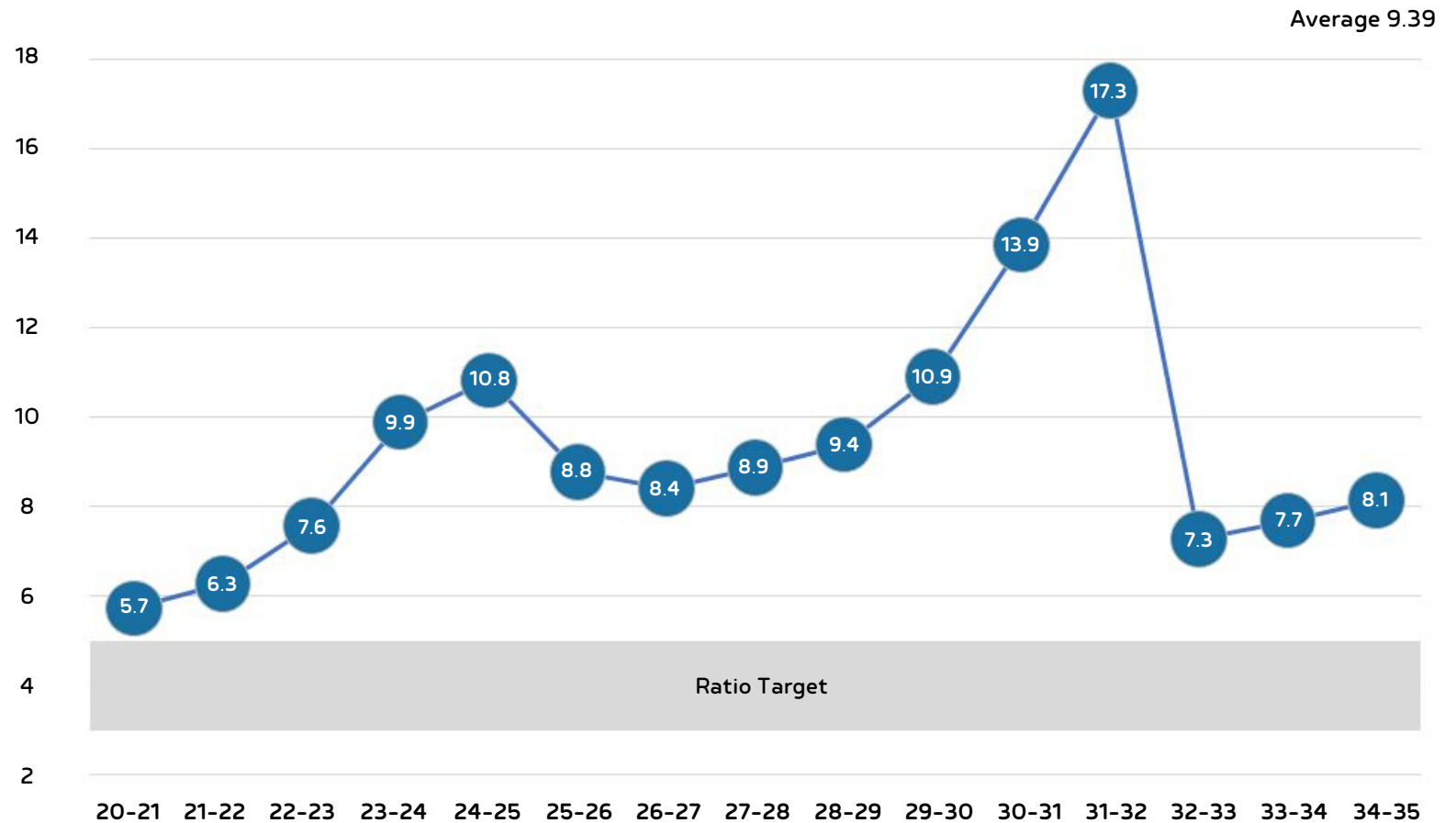
Calculation



DEBT SERVICE COVERAGE RATIO

This ratio measures the extent to which we can generate sufficient cash to cover our debt payments. The ratio target is 2.0 or higher.

Our results indicate that we exceed this benchmark due to our relatively low borrowing level over the fifteen years, indicating that we have the capacity to take out further loans should we need to.



Calculation

Annual operating result before interest and depreciation

Annual debt service payments (both principal and interest)

ASSET SUSTAINABILITY RATIO

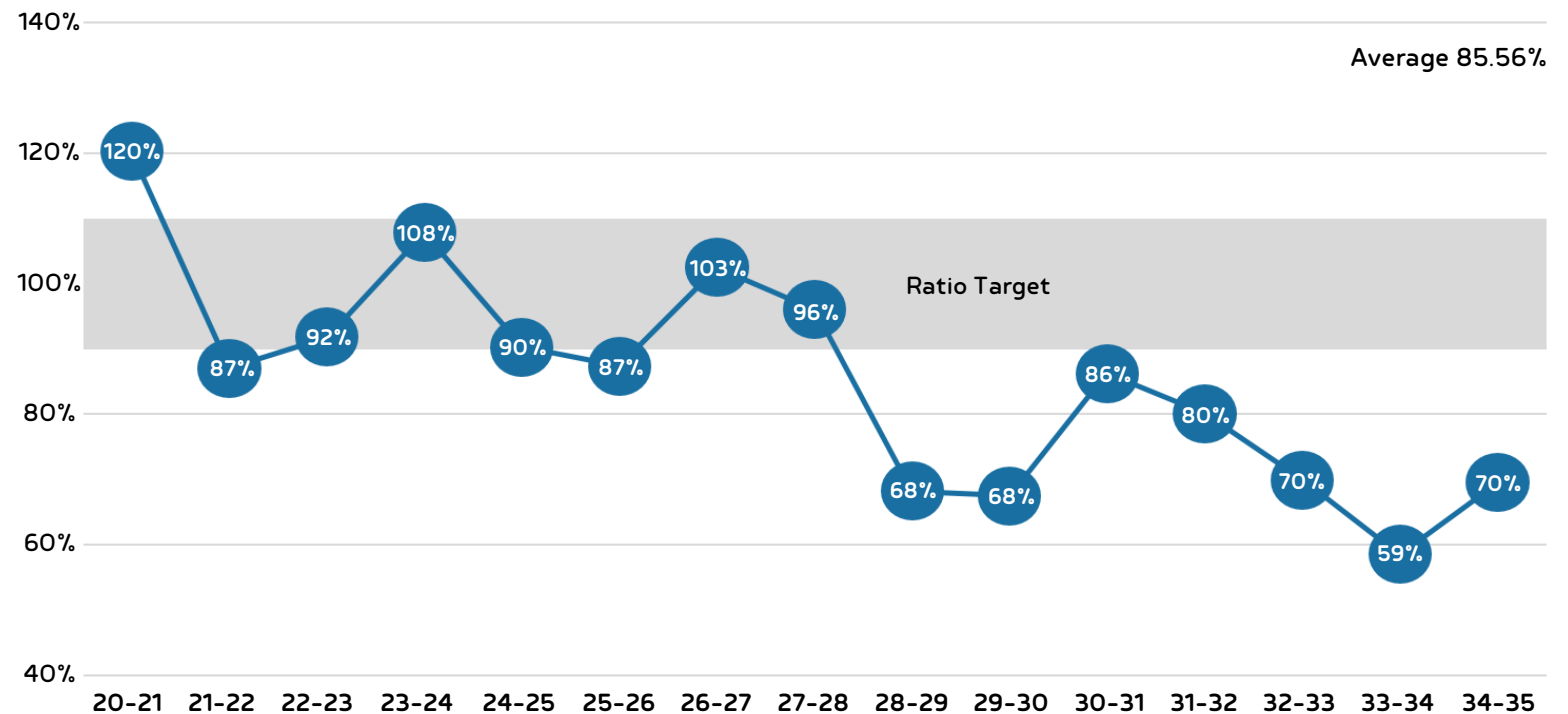
This ratio looks to the past and asks "Are our assets being replaced at the rate they are wearing out?" The ratio has a target band of between 90%-110%. A result lower than this indicates that we are deferring the renewal of our assets which is problematic as these deferral costs continue to accumulate, leaving a large bill for future generations. A result higher than this suggests we are spending more money on assets than we need to, by renewing them before they wear out.

Our results below indicate that we do not meet this benchmark on average over the fifteen years, due to a high depreciation value being attributed to our transport network. At present the depreciation rate is set at 2.5% for transport assets, indicating that roads, paths, drains etc., do not last longer than 40 years. We will be reviewing the useful lives of our assets.

Calculation

Asset renewal
expenditure

Asset depreciation



ASSET CONSUMPTION RATIO

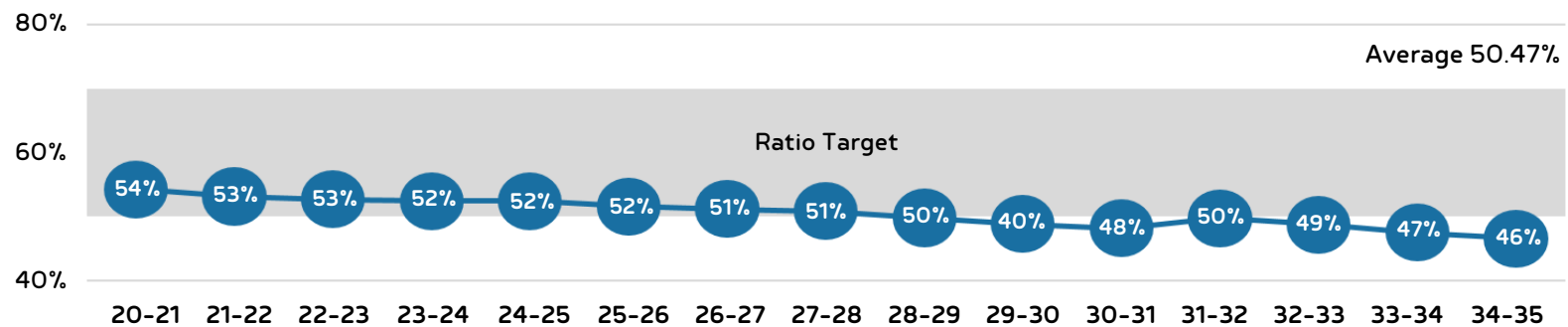
This ratio looks at the present and asks "What's the aged condition of our assets?" by comparing what our assets are currently worth against what they are worth as new. The ratio has a target band of between 50%-70%. A result lower than this indicates that overall our assets are relatively aged or may not have been maintained. A result higher than this means that the asset base is being kept in very good condition or is relatively new.

Our results below indicate that we meet this benchmark on average over the fifteen years, however, the ratio shows a decline over the life of the plan. This is due to a high depreciation value being attributed to our transport network. At present the depreciation rate is set at 2.5% for transport assets, indicating that roads, paths, drains etc., do not last longer than 40 years. We will be reviewing the useful lives of our assets.

Calculation

Depreciated replacement cost
(fair value) of depreciable
assets

Current replacement cost of
depreciable assets



ASSET RENEWAL FUNDING RATIO

This ratio looks to the future and asks “Is there sufficient funding for the renewal and replacement of our assets?”

The ratio has a target band of between 75%-95%, which means for every dollar that we need to spend, we have at least 75c-95c available in our Long Term Financial Plan (LTFP). A result less than this means we do not have enough money (e.g. a result of 40% means that for every dollar we need to spend, we only have 40c available). Accordingly, an outcome higher than this means we have surplus funds allocated which could be diverted to address other needs.

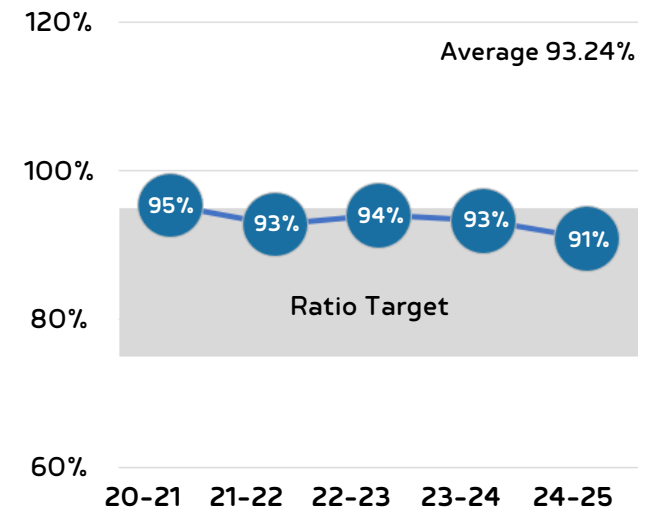
This ratio is calculated using Net Present Value (the value of future dollars) and due to the calculation, only five years can be estimated.

Our results indicate that we meet this benchmark on average over the five years, having 93c available for every dollar we need to spend.

Calculation

NPV of planned renewal
expenditure

NPV of asset management
plan projections



WHAT OTHER SCENARIOS HAVE WE LOOKED AT?

As part of our Long Term Financial Planning Process, we considered three different scenarios:

- Rate revenue increase of 4% each year the "base scenario";
- Rate revenue increase of 5% each year; and
- Rate revenue increase of 3% each year.

This plan is based upon a 4% rate revenue increase each year. This means that we will cover our financial obligations and deliver the major projects listed in this plan (as long as project costs do not significantly escalate and we can attract the grant funding, facilitate the sale of assets etc. required to make them happen).

The second scenario considers a 5% rate revenue increase each year. If we were to implement this scenario, we would have an extra \$13.1M over the fifteen years. This money could be used to reduce our renewal burden even quicker, increase the levels of service that we provide and/or fund additional assets that our community may desire.

The last scenario considers a 3% rate revenue increase each year and results in a \$11.6M deficit over the life of the plan. To achieve a 3% increase each year, \$11.6M would need to be found in savings, meaning that we would need to reduce the number of assets that we own, delay major projects and/or reduce the services that the Shire currently provide.

Moving forward, the community, Council and the Shire Administration have some difficult decisions to make.

Should we reduce the number of assets that we own and scale back some of the services that we provide?

Or should we commit to an average 4% rate revenue increase each year to continue to provide services and deliver the major projects outlined in this plan?

Estimated Surplus/Deficit at June 30 that is carried forward	20-21	21-22	22-23	23-24	24-25	25-26	26-27	27-28	28-29	29-30	30-31	31-32	32-33	33-34	34-35	Total
Base Scenario - 4%	\$0.00M	\$0.00M	\$0.00M	\$0.00M	\$0.00M	\$0.00M	\$0.00M	\$0.00M	\$0.00M	\$0.00M	\$0.00M	\$0.00M	\$0.00M	\$0.00M	\$0.00M	\$0.00M
Scenario 1 - 5%	\$0.07M	\$0.14M	\$0.22M	\$0.31M	\$0.41M	\$0.52M	\$0.64M	\$0.77M	\$0.91M	\$1.06M	\$1.23M	\$1.40M	\$1.60M	\$1.81M	\$2.04M	\$13.12M
Scenario 2 - 3%	-\$0.07M	-\$0.14M	-\$0.22M	-\$0.30M	-\$0.40M	-\$0.50M	-\$0.60M	-\$0.72M	-\$0.84M	-\$0.96M	-\$1.09M	-\$1.22M	-\$1.37M	-\$1.52M	-\$1.68M	-\$11.62M

WHERE TO FROM HERE?

The Shire has many financial goals that we are looking to achieve over the next 15 years. These goals include sound financial performance, improvements in asset management, maintaining existing service levels and delivering key community projects.

To do this, and without changing anything, we need to increase our rate income by an average of 4% each year over the life of the LTFP.

It is anticipated that increasing the rate income by an average of 4% may not be acceptable to the community, and therefore we would need to make some changes. It's important that any changes proposed occur with high levels of community engagement.

The Shire will undertake an efficiency review and will consider a range of options to reduce the rate revenue increase from 4% to a more acceptable level. The opportunities to reduce rates include;

1. Identifying further savings in the annual budget, e.g. taking advantage of technology advancements.
2. Reducing levels of service, e.g. rather than mowing Berridge Park once a week, mowing it every second week.
3. Disposal of assets, e.g. removing a toilet block could save the Shire \$25,000 per year.
4. Focus on our core business (roads, rates, rubbish), e.g. no longer providing services that are not our core business.

The above options have been listed in order from the lowest community impact to the most significant community impact. If a reduced rate increase is the desired community outcome, then our expectations around service delivery, and the number of assets that the Shire currently maintain, will need to change to accommodate the savings.



WHAT ARE THE KEY TAKE AWAY MESSAGES?

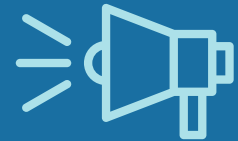


We are financially sustainable

Our Long Term Financial Plan, as modelled, shows that we have enough money coming in over the next 15 years to fund our expenses and the major projects we have identified.

Project timelines could change

Whilst we have included a number of big ticket projects during the plan, these are heavily reliant on securing external funding, selling land assets and having feasibility studies, concept plans and tenders come back within budget. If this doesn't occur projects will have to be rescoped (reduced) or delayed.



A modelled 4% increase throughout the plan does not mean that rate revenue will go up by 4% every year

Individual rate notices could be higher or lower each year, depending on a number of factors that go into calculating rates. The modelled 4% increase in total rates income throughout the plan could also change as there will be an opportunity for the Shire to find savings each year, by reducing the number of assets we own, delaying major projects or reducing the services we provide.

The LTFP is not a precise 15 year budget... and it's not meant to be.

It is a roadmap to a community conversation.



APPENDIX A

EXTRACTS FROM THE LONG TERM FINANCIAL PLAN
WORKING DOCUMENT

Shire of Denmark

Forecast Statement of Comprehensive Income - by Nature or Type

For the period 2020 - 2035
Draft Base Scenario - Version 4.3

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
Base	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Revenues																
Rates	6,725,471	6,994,491	7,274,270	7,565,242	7,867,851	8,182,565	8,509,867	8,850,263	9,204,273	9,572,443	9,955,341	10,353,555	10,767,698	11,198,406	11,646,341	12,112,196
Operating grants, subsidies and contributions	1,908,268	2,510,287	2,560,489	2,611,698	2,663,931	2,717,209	2,771,549	2,826,981	2,883,520	2,941,191	3,000,018	3,060,018	3,121,217	3,183,640	3,247,314	3,312,257
Fees and charges	3,043,766	3,104,641	3,166,733	3,230,067	3,294,668	3,360,558	3,427,768	3,496,325	3,566,252	3,637,576	3,710,332	3,784,541	3,860,232	3,937,437	4,016,190	4,096,516
Service charges	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest earnings	216,229	116,537	94,620	97,297	93,775	101,026	103,716	103,130	99,460	100,921	107,913	110,874	116,503	125,220	131,683	148,034
Other revenue	694,760	708,655	722,827	737,284	752,028	767,068	782,408	798,057	814,017	830,296	846,905	863,843	881,120	898,741	916,718	935,053
	12,588,494	13,434,611	13,818,939	14,241,588	14,672,253	15,128,426	15,595,308	16,074,756	16,567,522	17,082,427	17,620,509	18,172,831	18,746,770	19,343,444	19,958,246	20,604,056
Expenses																
Employee costs	(6,192,402)	(6,378,174)	(6,569,517)	(6,766,609)	(6,969,599)	(7,178,685)	(7,394,046)	(7,615,875)	(7,844,351)	(8,079,685)	(8,322,078)	(8,571,738)	(8,828,903)	(9,093,770)	(9,366,576)	(9,647,577)
Materials and contracts	(3,870,331)	(3,947,738)	(4,026,686)	(4,107,218)	(4,189,367)	(4,273,145)	(4,358,590)	(4,445,765)	(4,534,676)	(4,625,365)	(4,717,893)	(4,812,255)	(4,908,499)	(5,006,666)	(5,106,807)	(5,208,955)
Utility charges (electricity, gas, water etc.)	(207,335)	(211,482)	(215,708)	(220,020)	(224,418)	(228,905)	(233,482)	(238,152)	(242,914)	(247,770)	(252,729)	(257,781)	(262,932)	(268,187)	(273,554)	(279,026)
Depreciation on non-current assets	(4,469,600)	(4,284,884)	(4,531,871)	(4,681,310)	(4,866,246)	(5,029,026)	(5,177,086)	(5,325,995)	(5,475,506)	(5,610,601)	(5,792,736)	(5,945,603)	(6,331,754)	(6,488,887)	(6,641,116)	(6,812,516)
Interest expense	(123,010)	(99,161)	(103,093)	(93,086)	(84,522)	(75,691)	(141,259)	(131,029)	(121,254)	(110,920)	(99,993)	(91,661)	(85,404)	(177,951)	(162,284)	(145,859)
Insurance expense	(428,567)	(437,140)	(445,882)	(454,796)	(463,890)	(473,168)	(482,634)	(492,286)	(502,133)	(512,179)	(522,427)	(532,877)	(543,535)	(554,404)	(565,490)	(576,801)
Other expenditure	(563,095)	(574,357)	(585,849)	(597,571)	(609,518)	(621,706)	(634,135)	(646,817)	(659,756)	(672,951)	(686,417)	(700,153)	(714,160)	(728,447)	(743,021)	(757,886)
	(15,854,340)	(15,932,936)	(16,478,606)	(16,920,610)	(17,407,560)	(17,880,326)	(18,421,232)	(18,895,919)	(19,380,590)	(19,859,471)	(20,394,273)	(20,912,068)	(21,675,187)	(22,318,312)	(22,858,848)	(23,428,620)
	(3,265,846)	(2,498,325)	(2,659,667)	(2,679,022)	(2,735,307)	(2,751,900)	(2,825,924)	(2,821,163)	(2,813,068)	(2,777,044)	(2,773,764)	(2,739,237)	(2,928,417)	(2,974,868)	(2,900,602)	(2,824,564)
Non-operating grants, subsidies and contributions	2,715,774	6,994,987	1,322,187	3,289,810	3,672,905	3,545,332	1,503,067	2,475,328	2,824,725	1,637,531	1,499,896	2,300,156	11,287,531	1,644,751	1,563,760	1,690,839
Loss on Revaluation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Profit on disposal of assets	1,000	86,700	0	0	500,000	600,000	750,000	0	0	0	0	0	0	0	0	0
Loss on asset disposal	(175,900)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NET RESULT	(724,972)	4,583,362	(1,337,480)	610,788	1,437,598	1,393,432	(572,857)	(345,835)	11,657	(1,139,513)	(1,273,868)	(439,081)	8,359,114	(1,330,117)	(1,336,842)	(1,133,725)
Other Comprehensive Income	0	1,683,866	1,822,483	1,822,466	1,866,160	1,928,120	2,021,802	2,022,326	2,073,828	2,131,207	2,139,463	2,133,338	2,183,815	2,409,836	2,429,888	2,458,707
TOTAL COMPREHENSIVE INCOME	(724,972)	6,267,228	485,003	2,433,254	3,303,758	3,321,552	1,448,945	1,676,491	2,085,485	991,694	865,595	1,694,257	10,542,929	1,079,719	1,093,046	1,324,982

Shire of Denmark

Forecast Statement of Capital Funding - for the period 2020 - 2035

Draft Base Scenario - Version 4.3

Sum of Capital Project Value for Year		Year															Grand Total
Asset class	Project	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	
Buildings																	
	Building Renewal	150,000	237,052	50,000	303,950	50,000	300,000	419,313	545,343	517,630	600,000	600,000	600,000	600,000	600,000	600,000	6,173,288
	Denmark Surf Club Redevelopment	5,450,000															5,450,000
	Civic Centre / Library					4,600,000											4,600,000
	Admin Building						1,000,000										1,000,000
	Aquatic Facility												11,000,000				11,000,000
	Berridge Park - Skate Park, Toilets etc.			2,000,000													2,000,000
	DHS Oval facilities			250,000													250,000
	Mclean Park Facilities enhancement				2,000,000												2,000,000
	DFES Fire Sheds			300,000			300,000			300,000			300,000				1,200,000
Buildings Total		5,600,000	237,052	2,600,000	2,303,950	4,650,000	1,600,000	419,313	545,343	817,630	600,000	600,000	11,900,000	600,000	600,000	600,000	33,673,288
Furniture and Equipment																	
	Furniture and Equipment	50,000	50,000	50,000	100,000	50,000	50,000	50,000	50,000	50,000	100,000	100,000	100,000	100,000	100,000	100,000	1,100,000
Furniture and Equipment Total		50,000	50,000	50,000	100,000	50,000	50,000	50,000	50,000	50,000	100,000	100,000	100,000	100,000	100,000	100,000	1,100,000
Plant and Equipment																	
	Plant Replacement	1,310,369	585,253	852,840	699,873	928,531	931,054	2,604,414	1,789,885	494,768	491,255	1,703,265	245,119	1,100,633	455,220	1,302,801	15,495,280
	Street Lighting	20,400	20,808	21,224	21,649	22,082	22,523	22,974	23,433	23,902	24,283	24,716	25,150	25,583	25,583	25,583	349,893
Plant and Equipment Total		1,330,769	606,061	874,064	721,522	950,613	953,577	2,627,388	1,813,318	518,670	515,538	1,727,981	270,269	1,126,216	480,803	1,328,384	15,845,173
Bridges																	
	Pedestrian Bridge renewal	100,000	100,000	51,000	100,000	53,060	54,127	55,204	56,308	57,434	57,434	57,434	57,434	57,434	57,434	57,434	971,737
	MRD Bridge Improvement/Renewal				450,000				450,000				450,000				1,350,000
Bridges Total		100,000	100,000	51,000	550,000	53,060	54,127	55,204	506,308	57,434	57,434	57,434	507,434	57,434	57,434	57,434	2,321,737
Roads and paths																	
	Gravel Resheeting R2R	150,000	150,000	150,000	150,000	150,000	200,000	218,250	222,615	227,068	227,068	227,068	227,068	227,068	227,068	227,068	2,980,341
	MRWA - Roads 2030 Renewal	571,200	550,000	550,000	550,000	550,000	600,000	643,264	656,129	669,252	669,252	669,252	669,252	669,252	669,252	669,252	9,355,357
	Blackspot Projects	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	900,000
	Pathway Renewal	100,000	100,000	159,181	150,000	150,000	168,924	172,303	175,749	179,264	182,123	185,373	188,623	191,874	191,874	191,874	2,487,162
	Roads Upgrade			100,000	100,000		100,000	100,000	100,000	100,000	200,000	200,000	200,000	200,000	200,000	200,000	1,800,000
	Mountain Bike Trail	375,000	375,000														750,000
	Non 2030 Road Renewal	400,000	450,000	477,544	487,094	496,836	506,773	516,909	527,247	537,792	650,000	650,000	1,300,000	650,000	650,000	650,000	8,950,195
Roads and paths Total		1,656,200	1,685,000	1,496,725	1,497,094	1,406,836	1,635,697	1,710,726	1,741,740	1,773,376	1,988,443	1,991,693	2,644,943	1,998,194	1,998,194	1,998,194	27,223,055
Other																	
	Corporate Business Plan Projects	250,000	250,000	250,000	282,846	282,041	283,952	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	4,748,839
	Drainage	51,000	52,020	53,060	54,122	55,204	56,308	57,434	58,583	59,755	60,708	61,791	62,874	63,958	63,958	63,958	874,733
Other Total		301,000	302,020	303,060	336,968	337,245	340,260	407,434	408,583	409,755	410,708	411,791	412,874	413,958	413,958	413,958	5,623,572
Parks and reserves																	
	Parks and Gardens	100,000	150,000	132,846	200,000	153,165	150,000	250,000	255,000	260,100	300,000	300,000	300,000	300,000	300,000	300,000	3,451,111
	Peaceful Bay water system										250,000						250,000
Parks and reserves Total		100,000	150,000	132,846	200,000	153,165	150,000	250,000	255,000	260,100	550,000	300,000	300,000	300,000	300,000	300,000	3,701,111
Grand Total		9,137,969	3,130,133	5,507,695	5,709,534	7,600,919	4,783,661	5,520,065	5,320,292	3,886,965	4,222,123	5,188,899	16,135,520	4,595,802	3,950,389	4,797,970	89,487,936