



**SHIRE OF  
TRAYNING**

*Rock Solid*



# **LONG TERM FINANCIAL PLAN**

**2021/22 to 2031/32**

**Adopted December 2021**

**Resolution**

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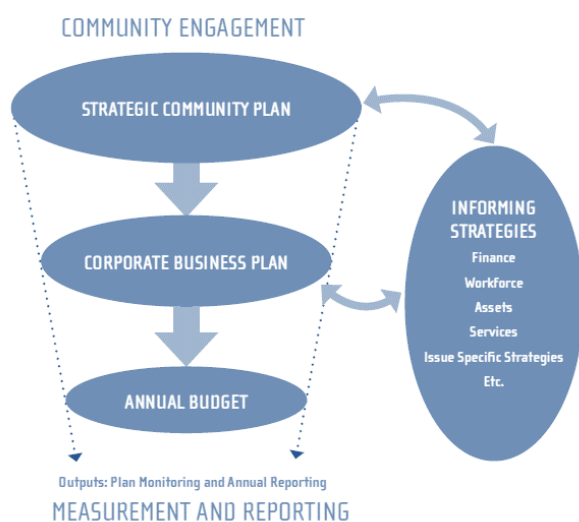
# 1 Introduction

Long term financial planning is a key element of the Integrated Planning and Reporting Framework. It enables the Shire to set priorities, based on its resourcing capabilities, for the delivery of short, medium and long term community priorities.

The Long Term Financial Plan is a ten year rolling plan that informs the Corporate Business Plan to activate Strategic Community Plan priorities. From these planning processes, Annual Budgets that are aligned with strategic objectives can be developed.

This Plan indicates the Shire's long term financial sustainability, allows early identification of financial issues and their longer term impacts, shows the linkages between specific plans and strategies, and enhances the transparency and accountability of the Council to the community.

The following figure illustrates how the Long Term Financial Plan informs the Integrated Planning and Reporting Framework.



The Strategic Community Plan sets out the vision, aspirations and objectives for the community over the next 10 years. It is the principal strategy and planning document. This means that it governs all of the work that the Shire undertakes, either through direct service delivery, partnership arrangements or advocacy on behalf of the community. The clear direction set by the Council ensures asset and service provision is focused to meet the requirements of the community, now and into the future.

## Shire of Trayning Vision Statement

The Shire of Trayning is an active, safe and vibrant community that works together with honesty and is respectful of the values of all. We are committed to a progressive, diverse and profitable community that supports healthy lifestyles sustained by good social values. Our natural assets are valued, protected and enhanced for future generations.

## Shire of Trayning Values

A sense of community, a feeling of safety and low crime levels, good sporting facilities, good road networks, the natural environment, present medical services, and a spirit of volunteerism.

## Shire of Trayning Mission Statement

To excel at providing fair, efficient and effective services and facilities which enhance the quality of life for all residents.

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## **Shire of Trayning Reporting Programs**

### **GOVERNANCE**

Administration and operation of facilities and services to members of Council. Other costs relate to the tasks 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 of various local laws, fire prevention, emergency services and animals.

### **HEALTH**

Food quality control, pest control, immunisation services and community health service inspection.

### **EDUCATION AND WELFARE**

Operation of Home and Community Care services, assistance to playgroups and other voluntary services.

### **HOUSING**

Maintenance of staff and rental housing.

### **COMMUNITY AMENITIES**

Refuse collection services, operation of refuse sites, maintenance of cemeteries, septic tank inspection and pump out services, storm water drainage maintenance and regional development.

### **RECREATION AND CULTURE**

Maintenance of halls, community centres, aquatic centre, recreation facilities and reserves, operation of library, TV retransmission and preparation of Shire history.

### **TRANSPORT**

Construction and maintenance of streets and roads, cleaning and lighting of streets, depot maintenance, airstrip maintenance and vehicle licensing services.

### **ECONOMIC SERVICES**

Regulation and provision of tourism, area promotion, building control, noxious weeds, vermin control and economic services.

### **OTHER PROPERTY & SERVICES**

Private works operations, plant repairs and operation costs.

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## Service Levels

It is proposed that existing service levels will be maintained for all operational areas in formulating this plan. However, the Corporate Business Plan does include the review of a number of service areas which has yet to occur which may impact on future versions of the long term financial plan, eg ranger services, cemeteries, public halls, recreational precinct, library, road works, police licencing and resource sharing.

## Asset Management

The Shire has developed a strategic approach to asset management and prepared an asset management plan based on the total life cycle of assets. The Asset Management Plan will assist the Council in predicting infrastructure consumption and asset renewal needs, and identify the cost required to renew or preserve the asset (renewal gap). The Asset Management Plan identified the following buildings which are in poor or very poor condition for which renewal has not been included at this time:

- Trayning Town Hall
- Kununoppin Town Hall
- Trayning Church
- Trayning Playgroup Building
- Kununoppin Community Centre
- Trayning Rec Ground – Ablution Block
- Kununoppin Sports Ground - Pavilion
- Kununoppin Sports Ground - Change Rooms
- Trayning Recreation Ground - Pavilion
- Yelbeni Golf Club - Ablution Block

The replacement cost of these buildings (\$4M) far exceeds the funds proposed to be retained in the Building Reserve at the end of the long term financial plan (\$1.3M) so serious consideration needs to be given as to their retention/renewal in future versions of the Asset Management Plan.

Asset acquisitions and capital works projects included in the Long Term Financial Plan are funded from rate revenue, specific cash reserves and government grants.

## 2 Long Term Financial Forecasts

### 2.1 Informing Strategies and Price indicators

This plan has been prepared to support the strategic planning process for the Shire. The plan addresses the operating and capital needs placed on the Shire over the next 10 years.

The plan will be reviewed every 12 months to reflect the prevailing economic conditions and changing community needs placed on the Shire. In compiling this long term plan, consideration has been given to the economic drivers that will influence the future cost of providing facilities and services. The values disclosed in this plan therefore represent estimated future prices and costs.

This long-term strategic financial plan is set against economic uncertainty. The plan addresses operating and capital renewal of the period 2021/22 and concluding in 2031/32. The changing economic circumstances have meant that projections for growth and therefore community demand as facilities and services are subject to how the Australian and State economies recover from the current position.

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This plan represents a financial solution to meeting the competing demands of services and facilities to the community. There are numerous ways that will enable the Shire to achieve its objectives. This plan balances the funding needs of renewal and new infrastructure assts, existing services against rating expectations, reasonable fees, debt leverage and the use of accumulated funds held in reserve accounts.

At the time of preparing this plan, the Western Australian Local Government Association forecast the following increases in key local government costs over the next three years:

<b>Component</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>
Employee costs	2.25	2.25	2.5
Materials & contracts	4.2	2.8	1.3
Utilities	1.4	1.4	1.4
Insurance	3.1	3.0	2.9
Other Costs	1.9	2.0	2.0

## **Informing Plans and Policies**

To assist in the implementation and activation of the Shire's Strategic Community Plan this financial plan considers the Shire's current and future financial resources capacity. The Corporate Business Plan will assist in the realisation of our community's vision and aspirations in the medium term. It details the actions, services, operations and projects the Shire will deliver within a 4 year period, the resources available and associated costs. Other critical informing strategies associated with this plan are the Asset Management and Workforce Plans.

The Long Term Financial Plan will guide the Shire's financial management in a responsible and sustainable manner. The Shire's financial sustainability is fostered by maintaining adequate financial reserves to meet long term needs, seeking alternative funding sources and partnerships from the community and other levels of government. The Shire will continue to explore funding innovations as a means to improve services and infrastructure.

## **Financial Strategies and Principles**

The following assumptions have been applied in formulating the financial strategies underpinning the Long Term Financial Plan. These include:

- Continuous improvement in the financial capacity and sustainability of the Shire through –
  - Strengthening results to ensure financial sustainability
  - Prudent use of debt
  - Accumulate funds to meet the cash flow demands for asset renewal etc
- The maintenance of a fair and equitable rating structure
- Maintaining or improving service level standards
- Maintaining/Increasing funding for asset maintenance and renewal

## Key Income/Expenditure Increase Assumptions

Type	2021/22	2022/23	2023/24	2024 onwards
Rates	1.4%	2.8%	2.5%	2.5% (CPI + 1%)
Operating Grants	1.4%	2.8%	1.3%	1.5% (CPI)
Materials & Contracts	1.4%	2.8%	1.3%	1.5% (CPI)
Employee Costs	2.5%	2.25%	2.5%	2.5% (CPI + 1%)
Utilities	Varied	1.4%	1.4%	1.4%
Insurance	1.4%	3.0%	2.9%	1.5% (CPI)
CPI	1.4%	2.8%	1.3%	1.5%

## 2.2 Summary of Financial Plan

### Rate Setting Statement

This statement summarises the operating, capital, debt and reserves transactions. It utilises the same reporting procedures required formulating the Shire's annual budget under the Local Government Act 1995. The plan identifies the funds necessary to balance the budget in each financial year.

The Rate Setting Statement for the Shire has been prepared in two formats; by program and by nature/type.

**Rate Setting Statement by Program** - identifies the cost of goods and services provided and the extent to which those costs are recovered from revenues. Programs are defined by Regulation under the Local Government Act 1995.

**Rate Setting Statement by Nature/type** - identifies the inputs by nature of the revenue or expense. Descriptions are defined by Regulation under the Local Government Act 1995.

The Rates Setting Statement is prepared on an accrual basis. This process recognises income as it is earned and expenses as they are incurred. In addition it makes adjustments for unearned income, credit sales, re-payments, accrued expenses and non-cash provisions (ie depreciation and leave entitlements). This method provides a more accurate reflection of the transactions which actually occurred during the accounting period, and is a better reflection of the actual business activities undertaken by the Shire.

## 2.2.1 Rate Setting Statement

### Rates Setting Statement - By Nature & Type

	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030	2030/2031	2031/2032
<b>OPERATING ACTIVITIES</b>											
Net current assets at start of financial year - surplus/(deficit)	1,383,141	-	0	-	0	-	0	-	0	-	0
<b>Revenue from operating activities (excluding rates)</b>											
Operating grants, subsidies and contributions	969,141	1,746,483	1,769,039	1,795,405	1,822,166	1,849,328	1,876,897	1,904,881	1,933,284	1,962,113	1,991,374
Fees and charges	190,976	202,636	207,207	212,105	217,036	222,001	229,778	237,670	240,682	248,738	251,915
Interest earnings	15,155	12,296	11,809	12,092	14,530	16,631	14,257	15,871	19,885	17,115	21,059
Other revenue	32,058	32,844	33,219	33,657	34,102	34,553	35,012	35,477	35,949	36,428	36,915
Profit on asset disposals	38,500	-	-	-	-	-	-	-	-	-	-
	1,245,830	1,994,259	2,021,275	2,053,258	2,087,833	2,122,514	2,155,943	2,193,899	2,229,799	2,264,394	2,301,263
<b>Expenditure from operating activities</b>											
Employee costs	(821,039)	(861,084)	(880,146)	(892,166)	(905,039)	(911,141)	(921,935)	(944,156)	(957,598)	(970,172)	(978,040)
Materials & contracts	(1,184,496)	(1,117,859)	(1,108,755)	(1,117,677)	(1,135,705)	(1,164,857)	(1,188,138)	(1,172,587)	(1,192,336)	(1,207,493)	(1,249,060)
Utility charges	(119,747)	(117,538)	(119,135)	(120,754)	(122,395)	(124,060)	(125,748)	(127,459)	(129,195)	(130,954)	(132,738)
Depreciation on non-current assets	(1,026,689)	(1,157,991)	(1,264,450)	(1,340,632)	(1,410,154)	(1,488,451)	(1,587,565)	(1,651,540)	(1,734,406)	(1,826,769)	(1,898,046)
Interest expenses	(18,172)	(16,469)	(14,715)	(12,910)	(10,642)	(9,011)	(8,096)	(7,156)	(6,191)	(5,285)	(4,613)
Insurance expenses	(115,403)	(118,796)	(121,660)	(123,479)	(125,326)	(127,199)	(129,102)	(131,033)	(132,992)	(134,981)	(137,000)
Other expenditure	(91,912)	(83,114)	(96,028)	(85,097)	(98,183)	(87,284)	(100,402)	(89,537)	(102,689)	(91,858)	(105,044)
Loss on asset disposals	(22,800)	(13,600)	(13,600)	(13,600)	(13,600)	(13,600)	(13,600)	(13,600)	(13,600)	(13,600)	(13,600)
	(3,400,258)	(3,486,452)	(3,618,488)	(3,706,316)	(3,821,043)	(3,925,604)	(4,074,585)	(4,137,069)	(4,269,008)	(4,381,112)	(4,518,141)
Non-cash amounts excluded from operating activities											
Less: Profit on asset disposals	(38,500)	0	0	0	0	0	0	0	0	0	0
Less: Movement in employee liabilities associated with restricted cash	233	242	248	254	261	268	275	282	289	297	305
Add: Loss on disposal of assets	22,800	13,600	13,600	13,600	13,600	13,600	13,600	13,600	13,600	13,600	13,600
Add: Depreciation on assets	1,026,689	1,157,991	1,264,450	1,340,632	1,410,154	1,488,451	1,587,565	1,651,540	1,734,406	1,826,769	1,898,046
<b>Amount attributable to operating activities</b>	<b>239,935</b>	<b>(320,360)</b>	<b>(318,915)</b>	<b>(298,572)</b>	<b>(309,195)</b>	<b>(300,771)</b>	<b>(317,203)</b>	<b>(277,748)</b>	<b>(290,913)</b>	<b>(276,053)</b>	<b>(304,928)</b>
<b>INVESTING ACTIVITIES</b>											
Non-operating grants, subsidies and contributions	1,691,681	1,393,292	634,301	632,302	642,300	634,301	630,226	488,846	634,886	628,406	550,910
Purchase property, plant and equipment	(2,008,600)	(614,495)	(435,102)	(401,481)	(645,824)	(1,053,879)	(688,264)	(246,051)	(1,279,356)	(567,625)	(689,714)
Purchase and construction of infrastructure	(1,568,731)	(1,753,823)	(1,158,783)	(1,024,370)	(1,015,781)	(995,103)	(947,336)	(1,088,506)	(1,057,613)	(1,016,188)	(963,577)
Proceeds from disposal of assets	247,000	106,500	133,000	118,000	245,000	190,000	120,000	90,000	340,000	90,200	265,000
Proceeds from self supporting loans	4,815	4,994	5,180	2,662	0	0	0	0	0	0	0
<b>Amount attributable to investing activities</b>	<b>(1,633,835)</b>	<b>(863,532)</b>	<b>(821,404)</b>	<b>(672,887)</b>	<b>(774,305)</b>	<b>(1,224,681)</b>	<b>(885,374)</b>	<b>(755,711)</b>	<b>(1,362,083)</b>	<b>(865,207)</b>	<b>(837,381)</b>
<b>FINANCING ACTIVITIES</b>											
Repayment of borrowings	(62,802)	(64,505)	(66,259)	(65,352)	(44,879)	(37,932)	(38,846)	(39,787)	(40,753)	(19,947)	(20,619)
Principal elements of finance lease payments	(2,038)	0	0	0	0	0	0	0	0	0	0
Transfers to cash backed reserves (restricted assets)	(57,538)	(54,157)	(61,964)	(236,502)	(265,843)	(49,688)	(178,129)	(331,894)	(52,867)	(314,886)	(549,135)
Transfers from cash backed reserves (restricted assets)	337,160	90,421	26,204	0	89,160	275,470	48,596	0	306,436	0	199,160
<b>Amount attributable to financing activities</b>	<b>214,782</b>	<b>(28,241)</b>	<b>(102,019)</b>	<b>(301,854)</b>	<b>(221,562)</b>	<b>187,850</b>	<b>(168,379)</b>	<b>(371,681)</b>	<b>212,816</b>	<b>(334,833)</b>	<b>(370,594)</b>
Estimated amount to be raised from general rates	1,179,118	1,212,133	1,242,338	1,273,313	1,305,061	1,337,602	1,370,955	1,405,140	1,440,179	1,476,093	1,512,902
Net current assets at end of financial year - surplus/(deficit)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	0	(0)	(0)	(0)



## Rates Setting Statement - By Program

	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030	2030/2031	2031/2032
<b>OPERATING ACTIVITIES</b>											
Net current assets at start of financial year - surplus/(deficit)	1,383,141	(0)	(0)	(0)	(0)	(0)	(0)	(0)	0	(0)	(0)
<b>Revenue from operating activities (excluding rates)</b>											
Governance	26,159	19,441	19,575	19,732	19,892	20,054	20,218	20,385	20,554	20,726	20,900
General purpose funding	578,714	1,140,382	1,154,754	1,172,381	1,192,475	1,212,245	1,227,805	1,247,622	1,270,112	1,286,095	1,309,074
Law, order, public safety	6,328	6,385	6,412	6,444	6,476	6,508	6,541	6,575	6,609	6,644	6,679
Health	86,659	88,084	88,765	89,560	90,367	91,186	92,018	92,862	93,719	94,588	95,471
Education and welfare	507	521	528	536	544	552	560	569	577	586	595
Housing	68,419	70,335	71,249	72,318	73,403	74,504	80,621	81,830	83,058	89,304	90,643
Community amenities	54,263	58,129	61,301	64,564	67,836	71,117	72,184	73,267	74,366	75,481	76,613
Recreation and culture	6,533	6,513	6,404	6,300	6,142	6,234	6,328	6,423	6,519	6,617	6,716
Transport	375,022	558,431	565,691	574,176	582,789	591,531	600,404	609,410	618,551	627,829	637,246
Economic services	8,251	13,468	13,637	13,834	14,034	14,237	14,443	19,652	19,939	20,231	20,527
Other property and services	34,975	32,569	32,959	33,414	33,876	34,346	34,822	35,305	35,796	36,294	36,799
	1,245,830	1,994,259	2,021,275	2,053,258	2,087,833	2,122,514	2,155,943	2,193,899	2,229,799	2,264,394	2,301,263
<b>Expenditure from operating activities</b>											
Governance	(456,066)	(422,497)	(439,462)	(430,610)	(454,473)	(451,768)	(477,948)	(461,331)	(486,800)	(479,459)	(512,171)
General purpose funding	(66,544)	(64,760)	(64,807)	(65,991)	(67,159)	(69,349)	(70,813)	(70,803)	(72,067)	(73,656)	(76,025)
Law, order, public safety	(60,852)	(80,731)	(80,912)	(81,925)	(82,930)	(84,672)	(87,574)	(87,738)	(88,819)	(90,142)	(92,025)
Health	(152,626)	(155,251)	(156,625)	(158,467)	(160,328)	(162,453)	(164,433)	(166,092)	(168,074)	(170,158)	(172,451)
Education and welfare	(83,463)	(82,394)	(82,527)	(84,149)	(84,970)	(86,428)	(87,438)	(87,535)	(88,425)	(89,520)	(91,100)
Housing	(106,945)	(109,399)	(110,247)	(111,919)	(116,001)	(123,526)	(134,907)	(135,856)	(140,634)	(153,792)	(158,607)
Community amenities	(275,624)	(278,920)	(290,835)	(296,881)	(303,029)	(307,427)	(311,617)	(314,756)	(323,875)	(328,001)	(332,753)
Recreation and culture	(573,461)	(580,213)	(607,521)	(612,836)	(619,976)	(626,383)	(632,754)	(636,199)	(657,174)	(662,842)	(670,146)
Transport	(1,513,734)	(1,602,155)	(1,675,945)	(1,753,549)	(1,822,307)	(1,902,302)	(1,984,408)	(2,053,827)	(2,118,962)	(2,197,847)	(2,275,005)
Economic services	(108,267)	(107,563)	(107,045)	(107,379)	(107,209)	(108,537)	(119,872)	(120,123)	(121,314)	(132,765)	(134,821)
Other property and services	(2,676)	(2,569)	(2,562)	(2,611)	(2,660)	(2,758)	(2,821)	(2,810)	(2,862)	(2,930)	(3,037)
	(3,400,258)	(3,486,452)	(3,618,488)	(3,706,316)	(3,821,043)	(3,925,604)	(4,074,585)	(4,137,069)	(4,269,008)	(4,381,112)	(4,518,141)
<b>Non-cash amounts excluded from operating activities</b>											
Less: Profit on asset disposals	(38,500)	0	0	0	0	0	0	0	0	0	0
Less: Movement in employee liabilities associated with restricted cash	233	242	248	254	261	268	275	282	289	297	305
Add: Loss on disposal of assets	22,800	13,600	13,600	13,600	13,600	13,600	13,600	13,600	13,600	13,600	13,600
Add: Depreciation on assets	1,026,689	1,157,991	1,264,450	1,340,632	1,410,154	1,488,451	1,587,565	1,651,540	1,734,406	1,826,769	1,898,046
<b>Amount attributable to operating activities</b>	239,935	(320,360)	(318,915)	(298,572)	(309,195)	(300,771)	(317,203)	(277,748)	(290,913)	(276,053)	(304,928)

## Rates Setting Statement - By Program Continued

	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030	2030/2031	2031/2032
<b>INVESTING ACTIVITIES</b>											
Non-operating grants, subsidies and contributions	1,691,681	1,393,292	634,301	632,302	642,300	634,301	630,226	488,846	634,886	628,406	550,910
Governance	50,000	0	0	0	0	0	0	0	0	0	0
General purpose funding	0	0	0	0	0	0	0	0	0	0	0
Law, order, public safety	776,335	0	0	0	0	0	0	0	0	0	0
Health	10,206	10,206	10,206	10,206	10,206	10,206	10,206	10,206	10,206	10,206	10,206
Education and welfare	0	0	0	0	0	0	0	0	0	0	0
Housing	0	0	0	0	0	0	0	0	0	0	0
Community amenities	0	376,992	0	0	0	0	0	0	0	0	0
Recreation and culture	90,000	390,000	0	0	0	0	0	0	0	0	0
Transport	765,140	616,094	624,095	622,096	632,094	624,095	620,020	478,640	624,680	618,200	540,704
Economic services	0	0	0	0	0	0	0	0	0	0	0
Other property and services	0	0	0	0	0	0	0	0	0	0	0
Purchase property, plant and equipment	(2,008,600)	(614,495)	(435,102)	(401,481)	(645,824)	(1,053,879)	(688,264)	(246,051)	(1,279,356)	(567,625)	(689,714)
Purchase and constructure of infrastructure	(1,568,731)	(1,753,823)	(1,158,783)	(1,024,370)	(1,015,781)	(995,103)	(947,336)	(1,088,506)	(1,057,613)	(1,016,188)	(963,577)
Proceeds from disposal of assets	247,000	106,500	133,000	118,000	245,000	190,000	120,000	90,000	340,000	90,200	265,000
Proceeds from self supporting loans	4,815	4,994	5,180	2,662	0	0	0	0	0	0	0
<b>Amount attributable to investing activities</b>	<b>(1,633,835)</b>	<b>(863,532)</b>	<b>(821,404)</b>	<b>(672,887)</b>	<b>(774,305)</b>	<b>(1,224,681)</b>	<b>(885,374)</b>	<b>(755,711)</b>	<b>(1,362,083)</b>	<b>(865,207)</b>	<b>(837,381)</b>
<b>FINANCING ACTIVITIES</b>											
Repayment of borrowings	(62,802)	(64,505)	(66,259)	(65,352)	(44,879)	(37,932)	(38,846)	(39,787)	(40,753)	(19,947)	(20,619)
Principal elements of finance lease	(2,038)										
Transfers to cash backed reserves (restricted assets)	(57,538)	(54,157)	(61,964)	(236,502)	(265,843)	(49,688)	(178,129)	(331,894)	(52,867)	(314,886)	(549,135)
Transfers from cash backed reserves (restricted assets)	337,160	90,421	26,204	0	89,160	275,470	48,596	0	306,436	0	199,160
<b>Amount attributable to financing activities</b>	<b>214,782</b>	<b>(28,241)</b>	<b>(102,019)</b>	<b>(301,854)</b>	<b>(221,562)</b>	<b>187,850</b>	<b>(168,379)</b>	<b>(371,681)</b>	<b>212,816</b>	<b>(334,833)</b>	<b>(370,594)</b>
<b>Estimated amount to be raised from general rates</b>	<b>1,179,118</b>	<b>1,212,133</b>	<b>1,242,338</b>	<b>1,273,313</b>	<b>1,305,061</b>	<b>1,337,602</b>	<b>1,370,955</b>	<b>1,405,140</b>	<b>1,440,179</b>	<b>1,476,093</b>	<b>1,512,902</b>
<b>Net current assets at end of financial year - surplus/(deficit)</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>

## 2.2.2 Key Performance Indicators/Ratios

	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030	2030/2031	2031/2032
<b>OPERATING SURPLUS RATIO</b>											
Operating Revenue	2,424,948	3,206,392	3,263,613	3,326,571	3,392,894	3,460,116	3,526,898	3,599,039	3,669,979	3,740,486	3,814,166
Less Operating Exp including interest & deprecn	- 3,400,258	- 3,486,452	- 3,618,488	- 3,706,316	- 3,821,043	- 3,925,604	- 4,074,585	- 4,137,069	- 4,269,008	- 4,381,112	- 4,518,141
= Net Operating Surplus	- 975,310	- 280,060	- 354,875	- 379,745	- 428,148	- 465,488	- 547,687	- 538,029	- 599,029	- 640,625	- 703,975
Divided by Own Source Revenue (Excl Grants)	1,455,807	1,459,909	1,494,573	1,531,167	1,570,729	1,610,788	1,650,001	1,694,158	1,736,695	1,778,374	1,822,792
<b>Ratio target (+ve) Between 0% and 15%</b>	<b>-67%</b>	<b>-19%</b>	<b>-24%</b>	<b>-25%</b>	<b>-27%</b>	<b>-29%</b>	<b>-33%</b>	<b>-32%</b>	<b>-34%</b>	<b>-36%</b>	<b>-39%</b>
<b>OWN SOURCE REVENUE COVERAGE RATIO</b>											
Own source operating revenue	1,455,807	1,459,909	1,494,573	1,531,167	1,570,729	1,610,788	1,650,001	1,694,158	1,736,695	1,778,374	1,822,792
Divided by total expenses	3,400,258	3,486,452	3,618,488	3,706,316	3,821,043	3,925,604	4,074,585	4,137,069	4,269,008	4,381,112	4,518,141
<b>Ratio target &gt; or = to 40%</b>	<b>43%</b>	<b>42%</b>	<b>41%</b>	<b>41%</b>	<b>41%</b>	<b>41%</b>	<b>40%</b>	<b>41%</b>	<b>41%</b>	<b>41%</b>	<b>40%</b>
<b>DEBT SERVICE COVERAGE RATIO</b>											
Operating Surplus before Interest & Depreciation											
= Operating Revenue	2,424,948	3,206,392	3,263,613	3,326,571	3,392,894	3,460,116	3,526,898	3,599,039	3,669,979	3,740,486	3,814,166
Less Operating Expenses	- 3,400,258	- 3,486,452	- 3,618,488	- 3,706,316	- 3,821,043	- 3,925,604	- 4,074,585	- 4,137,069	- 4,269,008	- 4,381,112	- 4,518,141
Except Interest Expense and Depreciation	1,044,861	1,174,460	1,279,165	1,353,542	1,420,796	1,497,462	1,595,661	1,658,696	1,740,597	1,832,054	1,902,659
= OSBID	69,551	894,400	924,290	973,797	992,647	1,031,974	1,047,974	1,120,667	1,141,568	1,191,428	1,198,683
Divided by Principal and Interest	80,974	80,974	80,974	78,262	55,521	46,943	46,942	46,943	46,944	25,232	25,232
<b>Ratio target &gt; or = 2</b>	<b>0.86</b>	<b>11.05</b>	<b>11.41</b>	<b>12.44</b>	<b>17.88</b>	<b>21.98</b>	<b>22.32</b>	<b>23.87</b>	<b>24.32</b>	<b>47.22</b>	<b>47.51</b>
<b>ASSET SUSTAINABILITY RATIO</b>											
Capital Renewal Expenditure	2,319,069	1,667,327	1,161,885	995,850	1,321,606	1,316,982	907,675	1,148,012	1,554,384	857,708	1,404,682
Divided by Depreciation Expense	1,026,689	1,157,991	1,264,450	1,340,632	1,410,154	1,488,451	1,587,565	1,651,540	1,734,406	1,826,769	1,898,046
<b>Ratio Target 90% to 100%</b>	<b>226%</b>	<b>144%</b>	<b>92%</b>	<b>74%</b>	<b>94%</b>	<b>88%</b>	<b>57%</b>	<b>70%</b>	<b>90%</b>	<b>47%</b>	<b>74%</b>
<b>ASSET RENEWAL FUNDING RATIO</b>											
Planned Renewal Expenditure		1,667,327	1,161,885	995,850	1,321,606	1,316,982	907,675	1,148,012	1,554,384	857,708	1,404,682
Asset Management Plan Projections		1,603,064	1,350,844	1,296,310	1,323,745	1,373,722	1,233,141	1,174,296	1,355,779	1,188,594	1,010,718
<b>Ratio target 95% to 105%</b>		<b>104%</b>	<b>86%</b>	<b>77%</b>	<b>100%</b>	<b>96%</b>	<b>74%</b>	<b>98%</b>	<b>115%</b>	<b>72%</b>	<b>139%</b>

## 2.2.3 Capital Projects

Job No	GL	Description	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030	2030/2031	2031/2032
<b>Buildings</b>													
BC92	4092541	HOUSE LOT 60 GLASS ST						7,810				11,063	
BC47	4142540	HOUSE LOT 90 RAILWAY ST					12,408			8,759			
BC90	4092541	HOUSE 10 CORONATION ST						10,933			7,718		
	4074541	HOUSE CNR LEAKE & HUGHES STS			11,944								
BC83	4092541	HOUSE 46 CORONATION ST			10,412								
BC58	4092541	HOUSE 44 CORONATION ST		8,820				42,568	8,881				
BC62	4092541	LOT 11 WILSON STREET - KUNUNOPPIN	7,300				7,718			10,933			
BC01	4042540	ADMIN OFFICE, LIBRARY & COUNCIL CHAMBERS CNR RAILWAY & T	60,000	180,016		30,177							
BC34	4111544	YELBENI MUSEUM WYALKATCHEM-TRAYNING RD				1,005	708						
	4124690	SHED AIRPORT KAHL RD OFF NUNGARIN-WYALKATCHEM RD			710		857			4,110			
	4121540	DEPOT SHED WORKS DEPOT CNR RAILWAY & ADAMS ST						120,000					
	4051003	EMERGENCY SERVICES SHED ADAM ST							67,200				
BC30	4092542	COMMUNITY HOUSING SINGLE UNIT 21 GLASS ST	5,000		10,180								
BC91	4105502	PUBLIC TOILET INFORMATION BAY RESERVE OFF MAIN RD	4,000			2,513	2,144	8,204		10,274		1,774	
BC36	4132540	CARAVAN PARK KELLERBERRIN/BENCUBBIN RD					2,681		400,000	1,892		400,000	
	4111550	DISABLED ACCESS TOILET COMMUNITY CENTRE HUGHES ST DRUMMUSTER SHED CNR GENT & NUNGARIN-WYALKATCHEM RDS					670			39,000			
BC21	4112002	Trayning Aquatic and Recreation Centre (Building)	17,900	13,499									
	4102540	WASTE OILY FACILITY CNR GENT & NUNGARIN-WYALKATCHEM RDS								2,400			
BC46	4142540	DUPLEX UNIT A LOT 139 FELGATE PDE			4,916			3,470		20,097			
BC43	4142540	DUPLEX UNIT B LOT 139 FELGATE PDE						7,827					
		ABLUTION BLOCK INFORMATION AREA RESERVE OFF WILSON ST						4,001	8,002				
BC06	4113540	NINGHAM FITNESS CENTRE KELLERBERRIN/BENCUBBIN RD							9,195				
BC84	4111547	DON MASON COMMUNITY CENTRE LOT 8 RAILWAY ST	16,000	-		62,195	10,426	39,906				8,628	
	4111544	GAZEBO YELBENI MUSEUM WYALKATCHEM-TRAYNING RD								3,600			
	4113549	CHANGEROOM & STORE RECREATION GROUND NUNGARIN-WYALKATCHEM RD		65,000									
	4113547	REFRESHMENT BOOTH SHED RECREATION GROUND SUTHERLAND ST			20,800								
	4113547	CHEMICAL SHED RECREATION GROUND SUTHERLAND ST			8,880								
	4082540	STORAGE BAYS (5) - MENS SHED RECREATION GROUND SUTHERLAND ST				31,680							
	4113539	KIOSK TENNIS COURTS SUTHERLAND ST		40,000									
		<i>LRCIP Funding</i>		40,000									
	4113547	STORAGE SHED GOLF COURSE KELLERBERRIN/BENCUBBIN RD				15,600							
	4121540	SIGNAGE & GARDENS SHED WORKS DEPOT CNR RAILWAY & ADAMS ST					57,600						
	4113548	BOWLS CLUB RECREATION GROUND SUTHERLAND ST				18,038							25,554
	4092542	INDEPENDENT LIVING UNITS - KUNUNOPPIN				4,113	16,452		5,826	5,826	17,478		
	4092542	Construct House						400,000			450,000		
<b>Total Building Capex</b>			<b>1,151,440</b>	<b>307,335</b>	<b>67,842</b>	<b>165,321</b>	<b>111,664</b>	<b>644,719</b>	<b>499,104</b>	<b>106,891</b>	<b>475,196</b>	<b>421,465</b>	<b>25,554</b>
<b>Total Capital Grants</b>			<b>876,335</b>	<b>40,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Furniture &amp; Equipment</b>													
	4042560	SYNERGYSOFT IMPLEMENTATION - ACCOUNTING SOFTWARE	42,000	40,000	40,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
<b>Total Furniture &amp; Equipment</b>			<b>63,000</b>	<b>40,000</b>	<b>40,000</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>

Job No	GL	Description	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030	2030/2031	2031/2032
<b>Plant &amp; Equipment</b>													
		4123615 Cat Cs563E Road Roller	160,000								170,000		
		5123730 Trade In	25,000								60,000		
		4123615 Volvo L70E F-End Loader With 2.2m3 Bucket - KTY4070						315,000					315,000
		5123730 Trade In						120,000					120,000
		4123615 SM3 Truck Mitsubishi Tip Truck KTY82			150,000								
		5123730 Trade In			9,000								
		4123615 2015 ENFORCER FD25T-AT-YMA ROUGH TERRAIN FORKLIFT						30,000					
		5123730 Trade In						5,000					
		4123615 2015 MUSTANG 2044 SKID STEER LOADER				45,000							
		5123730 Trade In				8,000							
		4123615 2008 DAF FAD CF85-460 8 X 4 12 SPEED AUTOMATED TIPPER							270,000				
		5123730 Trade In							100,000				
		4123615 KOMATSU GRADER GD555-5	340,000								350,000		
		5123730 Trade In	90,000								120,000		
		4123615 2004 JOHN DEER TRACTOR WITH SLASHER AND FRAME		140,000									
		5123730 Trade In		15,000									
		4123604 2014 Ford XL Ranger Dual Cab 3.2 Ltr Turbo Diesel Manual Utilitiy -	40,000										
		5123730 Trade In	12,000										
		4123615 2015 Coastmac Cargo Tiltbed 4m x 2.1m Tandem Trailer		8,000									
		5123730 Trade In		1,500									
		4113460 TORO GROUNDMASTER 360-D 2WD WITH GM720 72 SD DECK				30,000							
		5113460 Trade In				15,000							
		4113460 JD X350R RIDE-ON MOWER			8,100								
		5113460 Trade In			4,000								
		4123615 SEMITRL - 1 AXLE TRAILER				22,000							
		5123730				5,000							
		Swimming Plant & Equipment - Aqua Vac											
		4042566 CEO Prado Wagon	59,580	59,580	59,580	59,580	59,580	59,580	59,580	59,580	59,580	59,580	59,580
		5042730 Trade In	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000
		ST QASHQAI 01KTY											
		5123730 Trade In											
		4074701 Dr Prado Wagon	59,580	59,580	59,580	59,580	59,580	59,580	59,580	59,580	59,580	59,580	59,580
		5042732 Trade In	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000
		4142570 Works Supervisor Dual Cab Hilux	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
		5142570 Trade In	30,000		30,000		30,000		30,000		30,000		30,000
		4123615 Excavator JCB 8035 ZTS									95,000		
		5123730 Trade In									40,000		
		4123615 BOMAG BW27RH MULTI TYRED ROLLER											160,000
		5123730 Trade In											25,000
		4123615 Boxtop 8x5 tandem tipping trailer										7,000	
		5123730 Trade In										200	
		4123615 New - Sundry Items of Plant	85,000										
<b>Total Capital Expenditure - Plant &amp; Equipment</b>			<b>794,160</b>	<b>267,160</b>	<b>327,260</b>	<b>216,160</b>	<b>514,160</b>	<b>389,160</b>	<b>169,160</b>	<b>119,160</b>	<b>784,160</b>	<b>126,160</b>	<b>644,160</b>
<b>Total Proceeds - Plant &amp; Equipment</b>			<b>247,000</b>	<b>106,500</b>	<b>133,000</b>	<b>118,000</b>	<b>245,000</b>	<b>190,000</b>	<b>120,000</b>	<b>90,000</b>	<b>340,000</b>	<b>90,200</b>	<b>265,000</b>

Job No	GL	Description	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030	2030/2031	2031/2032
<b>Infrastructure Roads</b>													
Council Funded													
RCC003		Adam Street										11,275	3,837
RCC005		Mandiga Trayning Road								61,831	84,480		
RCC006		Bencubbin Kununoppin Road								1,392			
RCC007		Doodlakine Kununoppin Road			3,520			91,520					
RCC011		Coronation Street										10,022	16,147
RCC012		Yelbeni South East Road		67,112		22,959	71,862			13,877	54,245		
RCC013		Minniberrri Road				1,096							
RCC013		Thompson Road											5,011
RCC014		Gale Road											92,748
RCC015		Couper Street											9,818
RCC016		Stapleton Road				1,001							
RCC017		Mary Street											14,681
RCC018		Railway Street										1,523	26,992
RCC020		Riley Road				1,044							
RCC021		McAndrew Road				887							
RCC022		Lairds Road				1,540							
RCC024		Mulcahy Road									10,945		
RCC026		Scadden Street										7,521	
RCC028		Purdy Road							92,707	10,310			
RCC032		Huandanning Road				20,020							
RCC033		Letchford Road				1,523							
RCC041		Appleyard Road Kununoppin	149,088		38,498								
RCC046		Wilson Street	55,155			16,139					25,813		
RCC071		Jubilee Street										6,786	
RCC074		Riley Street										2,110	15,486
RCC080		Glass Street	18,250								809	22,381	
RCC081		Lamond Street										8,143	3,028
RCC091		King Street										61,438	
RCC095		Barnes Road			60,060						2,567		
RCC097		Unnamed Road									2,153		
<b>Roads to Recovery</b>													
RTR007		Doodlakine Kununoppin Road				164,480			135,360	227,760	125,520		
RTR010		Gents Road	255,678									102,960	
RTR013		Gabbin Trayning Road											335,272
RTR014		Gale Road	121,150										
RTR015		Kellerberrin Yelbeni Road		208,700	196,816		217,856	102,336					
RTR017		Sherzinger Road		189,981	189,981	147,272	147,272	243,311	159,409	194,399	194,399		
RTR032		Huandanning Road										219,816	
<i>Roads to Recovery Grant Funds</i>			<i>292,095</i>	<i>292,095</i>	<i>292,095</i>	<i>292,095</i>	<i>292,095</i>	<i>292,095</i>	<i>292,095</i>	<i>292,095</i>	<i>292,095</i>	<i>292,095</i>	<i>292,095</i>

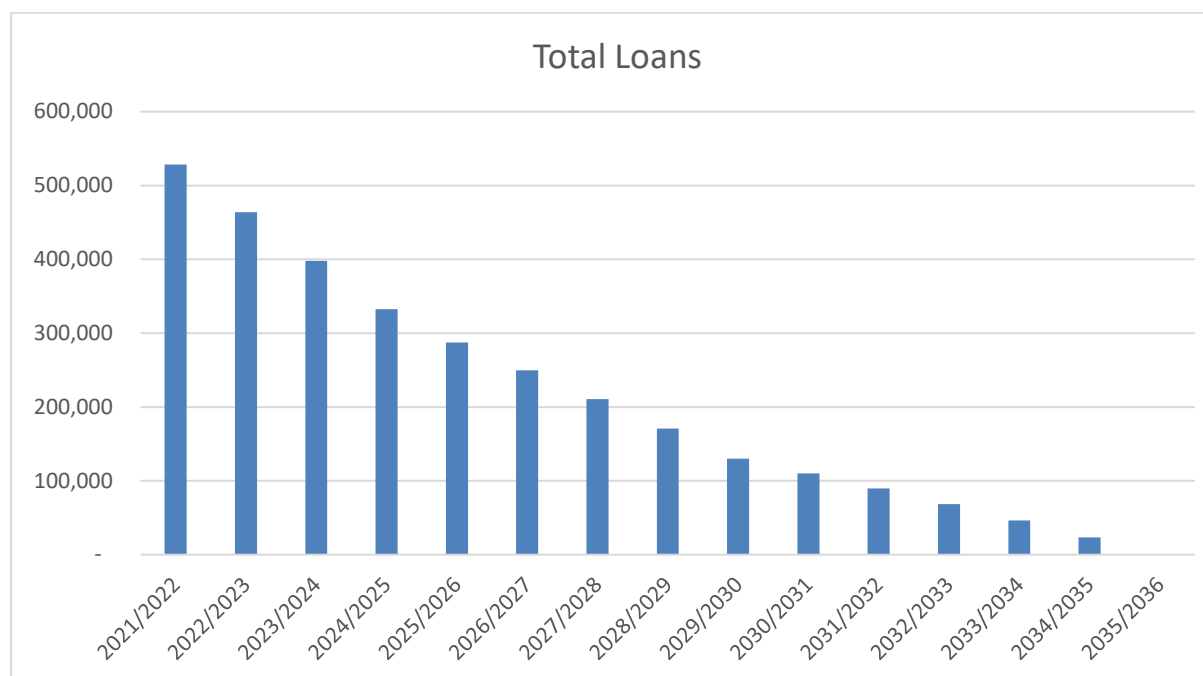
Job No	GL	Description	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030	2030/2031	2031/2032
<b>Regional Road Group</b>													
RRG014		Kununoppin-Mukinbudin Road	514,423	485,998	324,000				491,888		343,144	182,456	155,382
RRG002		Harrod Road			174,000								
RRG001		Kellerberrin Bencubbin Road				495,001	509,999	498,000		279,817	101,790	50,114	215,282
RRG100		Twine Street									53,944	256,587	2,249
<i>Regional Road Group Grant</i>			<i>317,017</i>	<i>323,999</i>	<i>332,000</i>	<i>330,001</i>	<i>339,999</i>	<i>332,000</i>	<i>327,925</i>	<i>186,545</i>	<i>332,585</i>	<i>326,105</i>	<i>248,609</i>
<b>Footpaths</b>													
FCC80		Glass Street Footpath, Kununoppin	32,060										
FCC83		Adam Street Footpath, Kununoppin			20,992								
FCC05		Hughes Street Footpath, Kununoppin			35,916						22,304	13,448	9,348
FCC03		Coronation Street Footpath, Trayning	82,397	17,220									
FCC02		Mary Street Footpath, Trayning	10,193	25,420									
FCC67		Glass Street Footpath, Trayning	43,867				22,960						
FCC69		George Street Footpath, Trayning	19,002	16,400									
FCC76		Wilson Street, Kununoppin							11,480				
FCC77		Leake Street, Kununoppin							19,352	15,580	16,400		
FCC78		Alexander Street, Kununoppin										17,548	
FCC79		Scadden Street Footpath, Kununoppin				36,408				21,320			18,204
FCC81		Lamond Street, Kununoppin					30,832	26,896					
FCC93		Felgate Parade, Trayning						18,040					
FCC100		Twine Street, Trayning									4,100	15,580	
FCC101		Kellerberrin-Bencubbin Road, Trayning							22,140			11,480	
FCC104		Railway Street, Trayning								17,220			
<b>Total Road Capex</b>			<b>1,316,005</b>	<b>1,010,831</b>	<b>1,043,783</b>	<b>909,370</b>	<b>1,000,781</b>	<b>980,103</b>	<b>932,336</b>	<b>843,506</b>	<b>1,042,613</b>	<b>1,001,188</b>	<b>948,577</b>
<b>Total Road Grants</b>			<b>697,640</b>	<b>616,094</b>	<b>624,095</b>	<b>622,096</b>	<b>632,094</b>	<b>624,095</b>	<b>620,020</b>	<b>478,640</b>	<b>624,680</b>	<b>618,200</b>	<b>540,704</b>
<b>Infrastructure Other</b>													
BC55	4101540	Refuse Site - Kununoppin			100,000								
BC32	4101540	Refuse Site - Yelbeni				100,000							
BC07	4113541	RECREATION GROUND SYNTHETIC BOWLING GREEN		105,000						110,000			
<i>Grant Funds</i>				<i>105,000</i>									
BC80	4113539	RECREATION GROUND BASKETBALL COURTS X 2		245,000									
<i>Grant Funds</i>				<i>245,000</i>									
BC89	4113549	KUNUNOPPIN RECREATION GROUNDS	13,809										
AC01	4124690	Airstrip	67,500										
CEM001	4105501	Cemetery Infrastructure Assets	10,000							120,000			
	4111544	Yelbeni Rest Area Carpark											
	4105503	CBH Silo Mural/Townscape Project		376,992									
<i>Grant Funds</i>				<i>376,992</i>									
<b>Total Other Infrastructure Capex</b>			<b>141,309</b>	<b>726,992</b>	<b>100,000</b>	<b>100,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>230,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Other Infrastructure Grants</b>			<b>67,500</b>	<b>726,992</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Infrastructure - Water</b>													
BC35	4113543	INW - TRAYNING TOWN DAM - 155-173 SUTHERLAND ST	111,417	16,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
<b>Total Water Capex</b>			<b>111,417</b>	<b>16,000</b>	<b>15,000</b>	<b>15,000</b>	<b>15,000</b>	<b>15,000</b>	<b>15,000</b>	<b>15,000</b>	<b>15,000</b>	<b>15,000</b>	<b>15,000</b>
<b>Total Water Grants</b>			<b>40,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## 2.3 Debt Management

The use of long-term borrowings is strongly influenced by the competing needs of building new community assets, upgrading infrastructure assets, investment decisions and funding projects where insufficient funds are accumulated to meet the capital outlays.

The Shire has low levels of debt and has the capacity to use debt funding in future for large non-recurrent capital works projects that will deliver economic benefits to future generations.

The Shire does not exceed the borrowing thresholds applied to the local government industry and no new borrowings are proposed within the life of the long term financial plan.





## 2.4 Cash Reserves

Cash Reserves are also maintained by the Shire to ease the impact of future capital expenditures in any one year. The principal capital purpose cash reserves are:

**Leave Reserve** - to be used to fund annual and long service leave requirements

**Plant Reserve** - to be used for the purchase of major plant

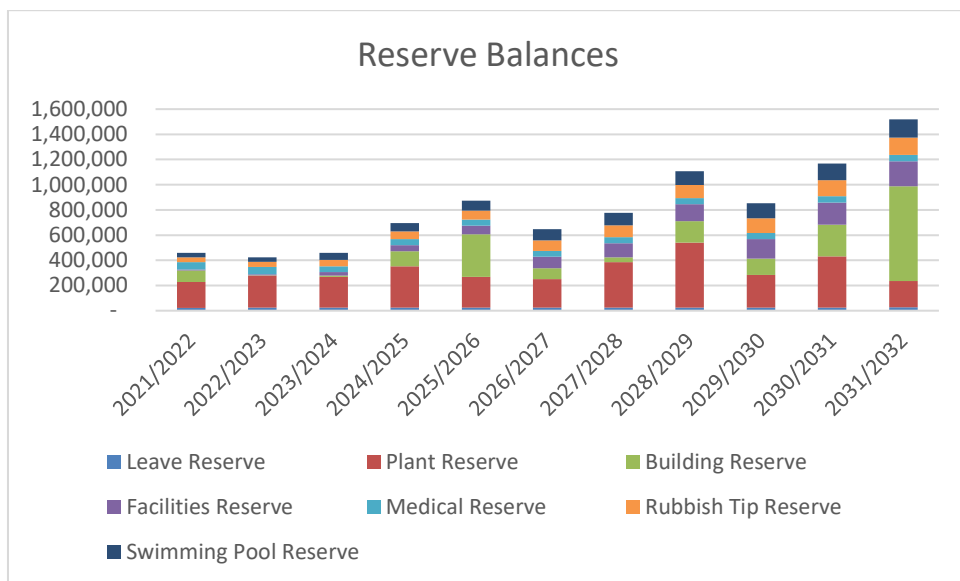
**Building Reserve** - to be used for the construction of housing and other facilities

**Facilities Reserve** - to be used to provide new facilities to the Shire

**Medical Reserve** - to be used to maintain the services of a doctor and other medical services

**Rubbish Tip Reserve** - to be used to upgrade and expand rubbish tips within the Shire

**Swimming Pool Reserve** - to be used upgrade the swimming pool and aquatic centre facilities



## 3 Implementation and Review of the Long Term Financial Plan

The Council will consider the content of the Long Term Financial Plan when preparing the Annual Budget for 2022/2023 and subsequent years, and it is expected that adopted budgets will be closely aligned with the proposals in the Long Term Financial Plan and assumptions underpinning this.

Some minor reviews of the Long Term Financial Plan will occur each year as budgets are prepared to account for performance information and changing circumstances. However, a detailed desktop review is planned for 2022 and a full review will be undertaken in 2023 in conjunction with formal reviews of the Strategic Community Plan.

The Council is confident that the Long Term Financial Plan will allow the Shire to set priorities within its resourcing capabilities to sustainably deliver the assets and services required by the community.



For further information, please contact  
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**Shire of Trayning**

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