



SHIRE OF
HARVEY

2024 - 2034

Long Term Financial Plan





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Acknowledgement of Country

The Shire of Harvey acknowledges the traditional custodians of the land and their continuing connection to land, waters and community. We pay our respects to all members of the Aboriginal communities and their cultures; and to Elders both past and present.

OUR VISION

Together, towards an even better lifestyle.

We value

Effective stewardship of our environment and heritage;

A safe community that has a strong community spirit and sense of belonging;

Effective communication and cooperation;

Strong leaders and fair decisions; and

Our heritage – acknowledging our history in creating our future.

We are committed to being an inclusive, enterprising and engaging community that:

Actively works together and respects each other;

Acts with honesty, integrity and fairness; and

Is open-minded, approachable, tolerant and responsive.



Executive Summary

Planning for a Sustainable Future

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

Assumptions

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

- The ratepayer growth is forecast to increase by 1.2% per annum;
- Consumer Price Index (CPI) annual increases of 3.1% in 2024-2025, 2.8% in 2025-2026 and 2026-2027 and 2.5% in subsequent years;
- 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; and
- The Local and State economy will remain stable.

Assets are expected to be adequately maintained and continue to provide existing levels of service.

Financial Summary

Operations

The plan predicts a positive net result from operations for the term of the plan.

Rates

Rates revenue for year one (2024-2025) is forecast to be \$30.5M, which includes a 7.0% rate increase.

Rate revenue for year two (2025-2026) is forecast to increase by 8% which includes ratepayer growth of 1.2%, a CPI increase of 2.8% and a rate increase of 4%.

In subsequent years, rates revenue is forecast to increase by 5.7% to 7.2% per annum. These increases include 1.2% per annum ratepayer growth, a rate increase of 2% to 3.2% per annum, and a CPI increase of 2.8% to 2.5% annually.

Grants

Grants and contributions for operations are expected to be \$5.6M in year one, with a CPI increase of 3.1% in year one, and 2.8% to 2.5% going forward. Capital grants, subsidies and contributions are forecast to be \$14.2M in year one, \$29.1M in year two, \$4.9M in year three, \$5.6M in year four, \$5.7M in year five, then remaining constant thereafter with a CPI increase of 2.5% per annum.

Financing

Council utilises cash backed reserves to assist in the funding of programmed major works.

Council plans to utilise significant borrowings for major building works in years one, two, three and four of the plan.

Strategic Financial Issues

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

Major Projects

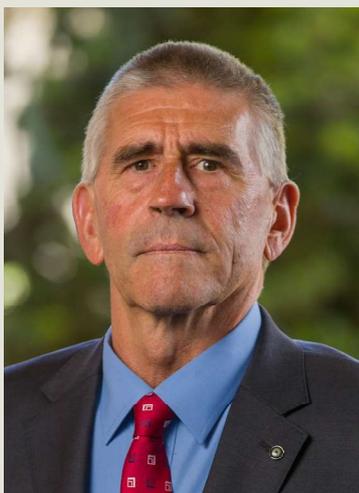
Capital works are based on the Shire's capital works program. Expenditure is escalated over the life of the plan with an emphasis upon the renewal and upgrade of Shire roads, paths, drainage, buildings and parks.

Significant projects included in the Plan are the Leschenault Leisure Centre Expansion Project, Harvey Community Precinct, Brunswick River Cottages - Stage 3, Ovals 7 and 8 - Leschenault Recreation Park, and the Stanley Road Waste Facility Capital Works.

Our Council



Michelle Campbell
SHIRE PRESIDENT



Cr John Bromham
DEPUTY SHIRE PRESIDENT



Cr Michelle Boylan



Cr Joe Capogreco



Cr Craig Carbone



Cr Robyn Coleman



Cr Wendy Dickinson



Cr Alicia Hitchcock



Cr Robert Holly



Cr James Junio



Cr Dakota Krispyn

Our Organisation



Annie Riordan

CEO	
Advocacy	Communications and Public Relations
Governance and Strategy	Special Projects
Council Support	Civic Ceremonies



Dean Winter



Suzie Haselhurst



Simon Hall



Rick Lotznicker

Director	Director	Director	Director
Corporate Services	Community and Lifestyle	Sustainable Development	Infrastructure Services
Finance	Community Development	Environmental Health Services	Engineering
Rates	Libraries	Building Services	Design and Development
Customer Services	Leisure and Recreation	Planning Services	Parks
Information Management	Aquatic Services	Environment	Rangers
Information Technology		Economic Development	Waste
		Tourism	Emergency Services

Our Community

To adequately plan, the Shire must understand its current population demographics and anticipated population growth. Other factors that need to be considered include economic fluctuations and environmental trends, as well as social and community needs.

Social



1,735 km²

Total area



42 km

Coastline



140 km

Distance from Perth



30,790+

Estimate of people living in the Shire of Harvey



2.9%*

Aboriginal and Torres Straight Islanders



39*

Median Age



24%*

Residents born overseas



\$1,788*

Median weekly household income



16

Schools



4

Libraries



2

Leisure and Recreation Centres



2

Swimming Pools



44%*

Households have a mortgage



11,868*

Dwellings



63%

Residential kerbside waste diverted from landfill

Economic



1,683⁺

Local businesses



9,643⁺

Local jobs



3.3%⁺

Unemployment rate

Top Employing Industries



Construction⁺



Mining⁺



Manufacturing⁺



\$5.7 billion⁺

Output



13%⁺

South West output



4th largest⁺

Contributor to regional output after Bunbury, Busselton and Collie



\$3.1 billion⁺

Value of exports



18%⁺

South West exports



\$486,000⁺

Median housing value



\$25,027,168

Rates income from 13,165 rateable properties (2023)

Sources

* ABS Census 2021 + .idcommunity / REMPLAN

Our Strategic Direction

The Shire of Harvey's Strategic Community Plan 2021 – 2031 is the highest level strategic planning document that describes the community's vision and aspirational goals (shown below).

It is our plan for the future, and will guide Council decision making in the short to medium term to ensure that all services, major projects and activities contained in the Corporate Business Plan are strategically aligned.

Diversified Economy

A diversified and thriving economy that offers a wide range of business and work opportunities as well as consumer choice.



Connected Communities

A safe, accessible and connected community where everyone has the opportunity to contribute and belong.



Protected Natural Environment

A natural environment that is highly valued, protected and enjoyed.



Sustainable Built Environment

A liveable, sustainable and well-designed built environment that is accessible to all.



Effective Civic Leadership

A representative leadership that is future thinking, transparent and accountable.





What is the Long Term Financial Plan?

The Long Term Financial Plan is a 10-year rolling plan that the Shire of Harvey will use to inform the Corporate Business Plan in the activation of priorities in the Strategic Community Plan 2021 - 2031.

The Long Term Financial Plan will enable the Shire to set priorities, based on their resourcing capabilities, for the delivery of short, medium

and long term community priorities. It is also an indicator of the Shire’s long term financial sustainability and allows early identification of financial issues and their longer term impacts.

This document highlights linkages between specific plans and strategies and enhances the transparency and accountability of Council to the community.



Assumptions and Risks

Revenue - Assumptions, Risks, Uncertainties and Sensitivity

Disclosure / Assumption	Assessed Financial Risk	Level of Uncertainty	Financial Risk of Assumptions
<p>District Growth in Population: The number of residents in the Shire is expected to grow each year by 2.6%, with a 1.2% increase in ratepayers. A linear relationship between rates and population is assumed.</p>	Medium	Medium	Not assessed as high level of uncertainty or financial risk.
<p>Inflators: Forecast inflation (CPI) at 3.1% for year one, 2.8% for years two and three, and 2.5% for subsequent years.</p>	Medium	High	+/- \$480,000 to operating revenue per 1% movement in 2024-2025. +/- \$570,000 to operating expenditure per 1% movement in 2024-2025.
<p>Rates Revenue Increase: Rates is forecast to increase by 7.0% and ratepayer growth is forecast to increase by 1.2% annually. In year two total rates revenue is forecast to increase by 8.0%, then 5.7% to 7.2% per annum in subsequent years. This comprises of 1.2% per annum ratepayer growth, a rate increase of 2% to 3.2%, and CPI increases of 2.5% to 2.8% annually.</p>	Medium	High	+/- \$300,000 to rates revenue per 1% movement in 2024-2025.
<p>Operating Grants and Contributions: Increased by 3.1% in year one, 2.8% in years two and three, and 2.5% in subsequent years.</p>	Medium	Medium	The road maintenance program and general operations of the Shire are dependent on levels of Federal Financial Assistance Grants and other operating grants. Changes in the levels of these grants would impact directly on the Shire's ability to meet future service levels. +/- \$55,000 to operating grants per 1% movement in 2024-2025.

Disclosure / Assumption	Assessed Financial Risk	Level of Uncertainty	Financial Risk of Assumptions
Non-Operating Grants and Contributions: Remain in line with funding requirements identified for various capital works.	Medium	High	Assumption made that capital projects will not commence if capital funding is not successful.
Interest Earnings: Interest earning of an average rate of 3.7% per annum on deemed investable cash flows in the financial year.	High	Medium	+/- \$350,000 to interest earnings per 1% movement in bank interest rates in 2024-2025.
Fees and Charges: 3.1% increase is forecast in year one, as well as a 1.2% increase in ratepayer growth. Forecast to increase in line with inflation and ratepayer growth.	Medium	Medium	+/- \$110,000 to fees and charges per 1% movement in 2024-2025.

Expenditure - Assumptions, Risks, Uncertainties and Sensitivity

Disclosure / Assumption	Assessed Financial Risk	Level of Uncertainty	Financial Risk of Assumptions
Employee Costs: Increase annually by 3.8% to 3.3% in line with Wage Price Index, with additional increases annually to cater for award step increases and forecast new employees.	Low	Low	The Shire's service levels are somewhat dependent on staffing levels. +/- \$210,000 to employee costs per 1% movement in 2024-2025.
Materials and Contracts: Increase annually by forecast inflation and growth.	High	Medium	+/- \$190,000 to materials and contracts per 1% movement in 2024-2025.
Utilities: Increase by 2.5% per annum.	Medium	Medium	+/- \$11,000 to utility charges per 1% movement in 2024-2025.
Depreciation: Depreciation is based on asset management plan forecasts.	Medium	Medium	+/- \$140,000 to depreciation per 1% movement in 2024-2025. Depreciation has a significant impact on Council's key performance indicators.
Insurance: Increase annually in line with forecast inflation and growth.	Medium	Medium	+/- \$11,000 to insurance expenses per 1% movement in 2024-2025.

Assets - Assumptions, Risks, Uncertainties and Sensitivity

Disclosure / Assumption	Assessed Financial Risk	Level of Uncertainty	Financial Risk of Assumptions
Revaluations: Reassessed every three to five years, but values remain current over the life of this plan.	Low	Medium	The revaluation of assets to their fair value may result in changes in asset ratio analysis and depreciations leading to a change in the net result. The revaluation of assets will have no impact on cash flows.
Impairment of Assets: No impairment of assets has been assumed over the life of the plan. Impairment of assets usually occurs due to unplanned or unforeseen events such as natural disasters.	Medium	Medium	A widespread major impairment event may result in a requirement for high levels of expenditure to maintain service levels.
Assets – Infrastructure/Property, Plant and Equipment: Expenditure for 2024-2025 to 2028-2029 is in accordance with the Forward Capital Works Plan.	Medium	Medium	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.

Liabilities - Assumptions, Risks, Uncertainties and Sensitivity

Disclosure / Assumption	Assessed Financial Risk	Level of Uncertainty	Financial Risk of Assumptions
Borrowings: New borrowings in line with Forward Capital Works Plan.	Low	Low	Financial risk for new loans is linked to interest expenses. +/- \$3,000 to interest expenses per 1% movement in 2024-2025.
Employee Entitlements: The Shire will be in a position to meet its obligations in relation to employee entitlements.	Low	Low	+/- \$3,000 to provisions per 1% movement in 2024-2025. Note: The Shire has Reserve funds for this liability.

Equity - Assumptions, Risks, Uncertainties and Sensitivity

Disclosure / Assumption	Assessed Financial Risk	Level of Uncertainty	Financial Risk of Assumptions
<p>Cash Backed Reserves: The Shire invests cash reserves in term deposits with banking institutions and these funds will be available for use during the term of the Plan. Bank interest rate forecast to be 3.7% per annum.</p>	<p>Low</p>	<p>Medium</p>	<p>Note: Investment Policy in place to provide guidance in management of investments.</p>



Financial Summary

Workforce Planning

The Shire currently employs approximately 190 Full Time Equivalent (FTE) employees to deliver a range of services and projects to the community, and to maintain existing assets.

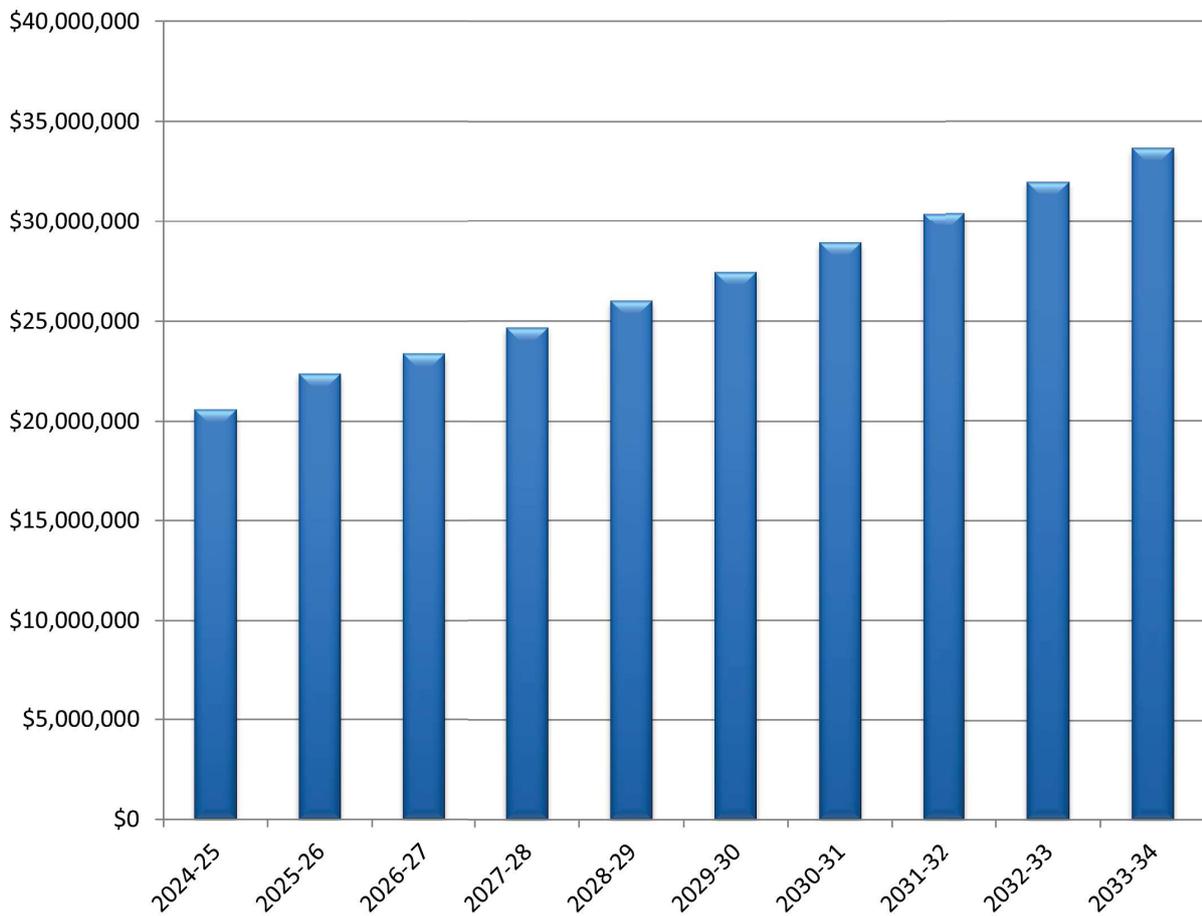
The Shire has developed a Workforce and Diversity Plan that sets out the level of human resources required to achieve the strategies set

out in the Strategic Community Plan, as included in the Long Term Financial Plan.

Change in Employee Costs

Employee costs are forecast to increase over the life of the plan in line with forecast inflation and growth.

Graph 1 - Forecast Total Employee Costs



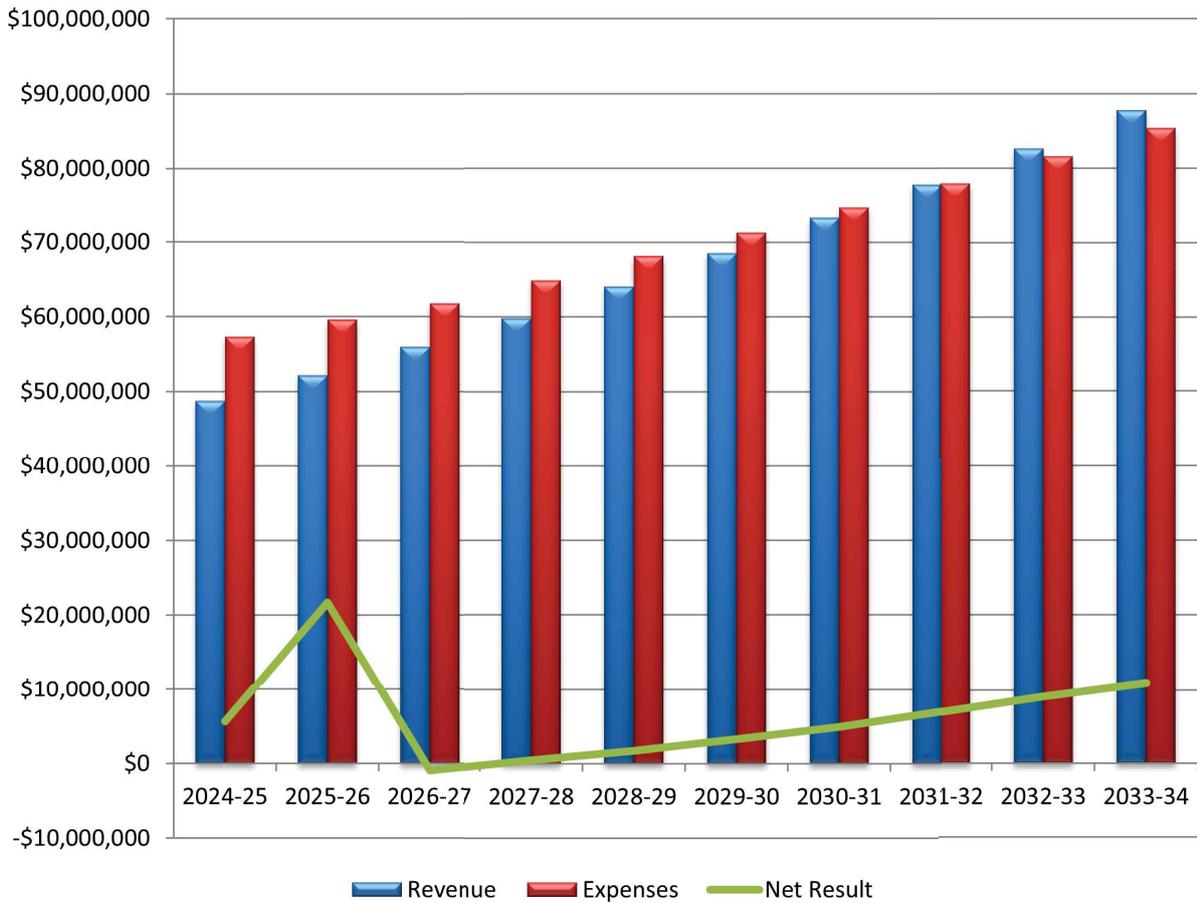
Operations

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

After a spike in year one and two due to forecast

capital works grants, and a drop in year three, Council expects the net result to remain positive and increasing over the remaining life of the plan. Revenue is forecast to increase, relative to expenses, over the life of the plan.

Graph 2 - Forecast Revenue, Expenses and Net Result



Rates Revenue

A 7.0% rate increase is forecast for year one, as well as 1.2% ratepayer growth. In year two 8% overall rate increase is forecast, followed by a 5.7% to 7.2% forecast increase annually over the remaining life of the plan. This includes a CPI

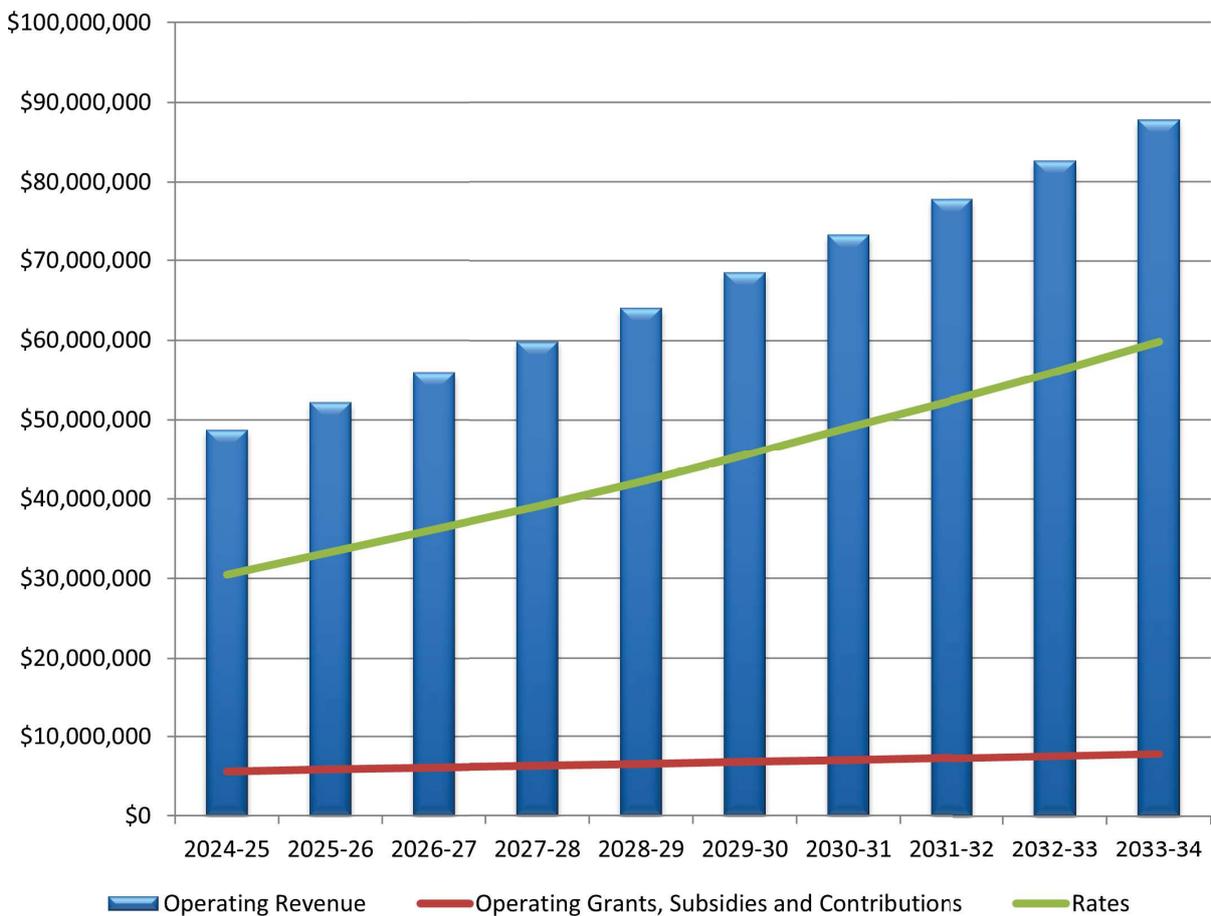
increase of 2.8% to 2.5% annually and ratepayer growth of 1.2% per annum over the life of the plan. Rates are expected to generate \$30.5M in year one increasing to \$59.9M in year ten.

Operating Grants

Grants and contributions for operating purposes are planned to remain steady for the life of the plan. Grants are expected to grow from \$5.6M in year one to \$7.8M in year ten. Grants are subject to the amount of Federal funds allocated to

Western Australia and the allocation methodology adopted by the WA Local Government Grants Commission.

Graph 3 - Forecast Revenue



Expenses Proportions

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

Employee costs are forecast to increase in line with Wage Price Index for Western Australia and the Workforce Plan.

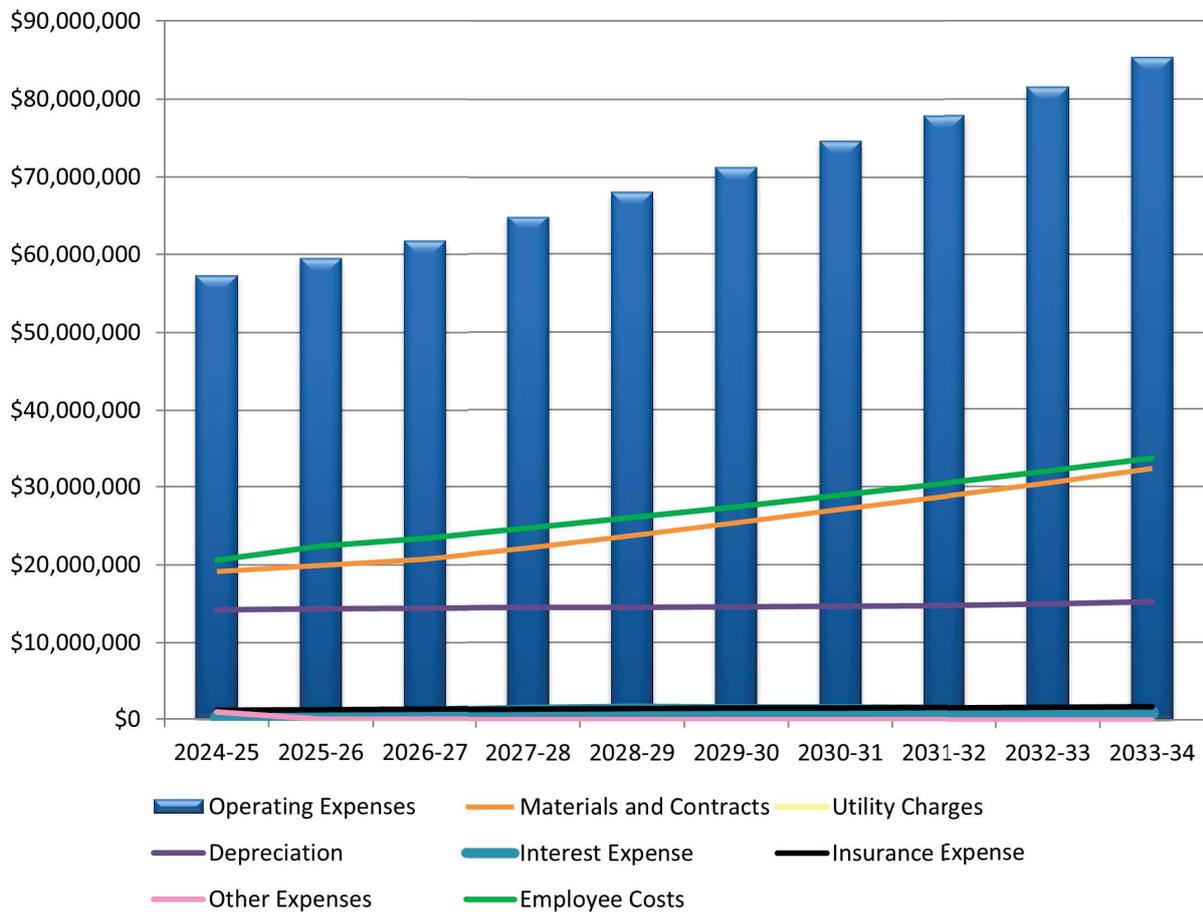
Materials and Contracts are expected to increase in line with projected annual inflation and growth.

Interest expense is forecast to increase in the first

four years due to the borrowings for capital works projects, then decrease throughout the life of the plan as the loan liability reduces.

Employee and materials and contracts costs remain the dominant operating expenditure components, making up 38% and 35% of the operating expenses respectively.

Graph 4 - Forecast Operating Expenditure



Asset Management Planning

The Shire of Harvey has developed an asset management plan for the following asset classes:

- Transport Infrastructure;
- Drainage Infrastructure;
- Buildings, Structures and Reserves; and
- Plant and Equipment.

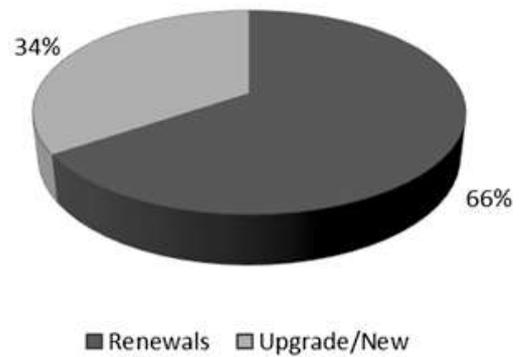
The plans set service standards for assets, and contain work schedules applying financial resources to the renewal of assets over the next ten years.

These renewal schedules inform the Shire’s Long Term Financial Plan and Corporate Business Plan and are used as a basis for forecasting capital expenditure.

Table 1 - Forecast Asset Expenditure for Year One

Asset Class	Total Expenditure
Roads	\$6.8m
Footpaths and Cycleways	\$0.7m
Drainage	\$0.4m
Parks, Gardens & Grounds	\$3.3m
Other Infrastructure	\$4.2m
Bridges	\$2.4m
Buildings	\$18.9m
Plant and Equipment	\$2.0m
Total	\$38.2m

Graph 5 - Upgrades and Renewals for Year One

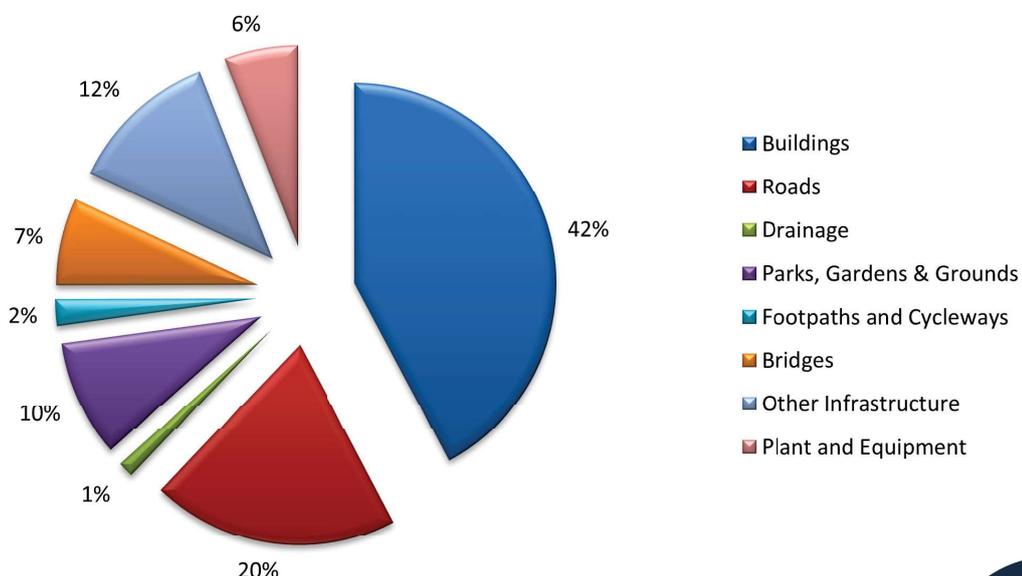


Capital Works

The majority of the capital expenditure during the forecast period, apart from the Leschenault Leisure Centre Expansion Project, Harvey Community Precinct, Brunswick River Cottages - Stage 3, Ovals 7 and 8 - Leschenault Recreation Park, and the Stanley Road Waste Facility Capital Works, is expended on roads infrastructure.

This proportion of expenditure demonstrates the clear priority the Shire has for maintaining its most substantial assets, the road asset network. Over the first year Council will spend \$38.2M on assets, with \$6.8M of this being on Roads. The table above details the forecast capital expenditure on each class of assets in year one of the plan.

Graph 6 - Total Capital Works Expenditure 2024-2025



Capital Expenditure and Grants

Assets

Asset renewal, expansion, upgrade and new assets are as per the Shire’s Forward Capital Works Plan forecasts.

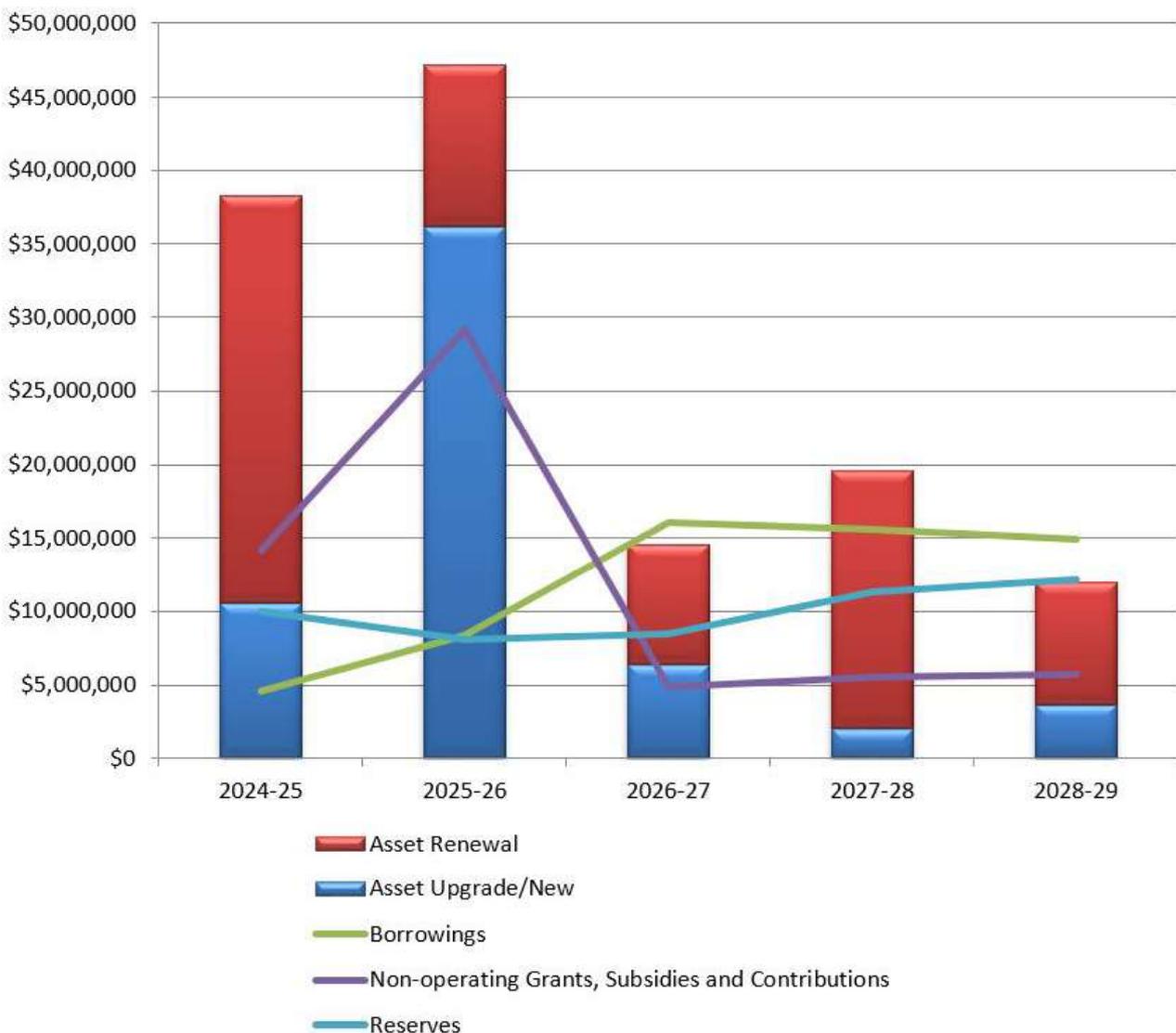
Assets are funded from a mix of capital grants, borrowings and reserves. These projects are represented in ‘Graph 7’ below. The increase in borrowings and expenditure in year one, two and three is largely due to the Leschenault Leisure

Centre Expansion Project, Harvey Community Precinct, Brunswick River Cottages - Stage 3, Ovals 7 and 8 - Leschenault Recreation Park, and the Stanley Road Waste Facility Capital Works projects.

Capital Grants

Grants and contributions for specific capital projects are expected to remain in line with forecasts from the Forward Capital Works Plan.

Graph 7 - Forecast Capital Expenditure



Financing

In general, the finances of the Shire are expected to improve over the term with a reduction in the level of borrowings outstanding, after an initial increase in years one to four for new loans.

In year four reserves drop due to an increase in reserve use to fund capital works projects, but overall increase over the life of the plan, as represented in 'Graph 8' below.

Borrowings

The principal outstanding on borrowings is increasing in years one to four, then reducing over

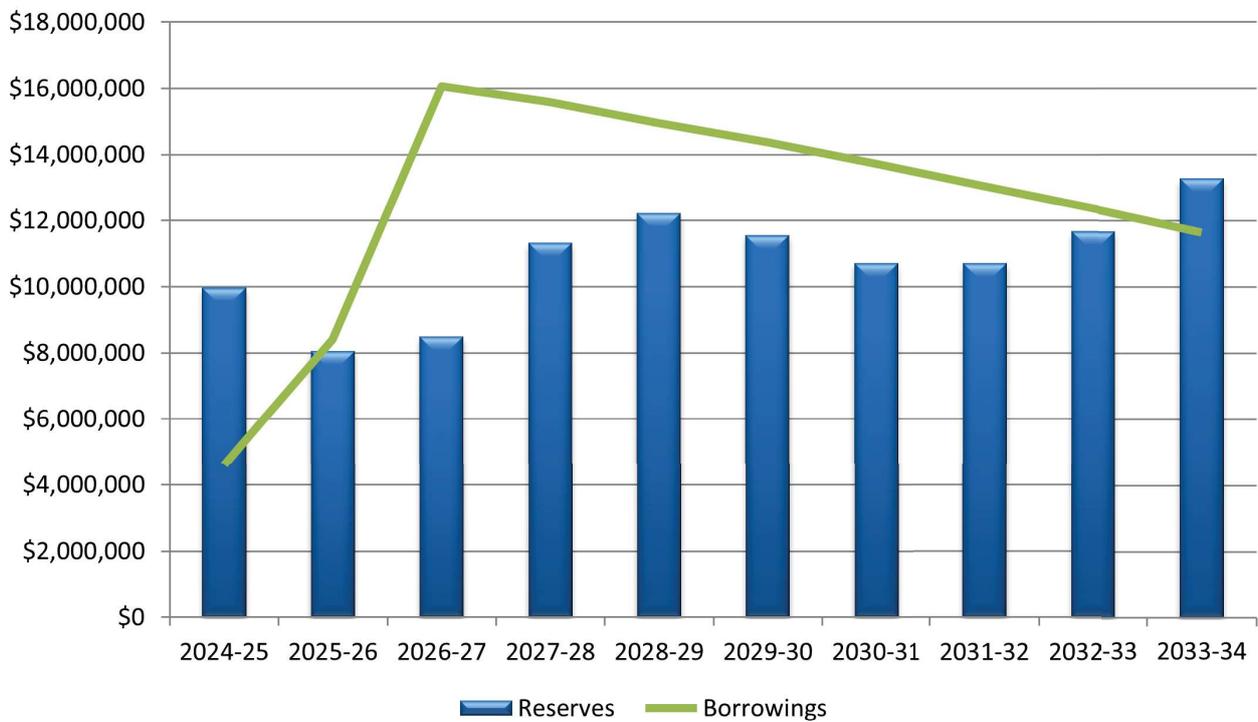
the life of the plan.

No new borrowings have been specifically identified beyond year four. This provides the Shire with increasing capacity to borrow in response to unplanned events or urgent issues over the life of the plan.

Cash Reserves

The balance of cash reserves is forecast to increase over the life of the plan, and provides capacity to meet future capital asset renewal or unforeseen requirements.

Graph 8 - Forecast Capital Expenditure



Forecast Capital Projects

Capital Projects

The table below from the Shire of Harvey Forwards Capital Works Plan 2024-2029 summarises forecast planned capital projects.

OVERVIEW	Actual	Capital Works Planning					
	Year 0 2023-24 \$	Year 1 2024-25 \$	Year 2 2025-26 \$	Year 3 2026-27 \$	Year 4 2027-28 \$	Year 5 2028-29 \$	Year 1-5 Total \$
Capital Expenditure Program							
Buildings	(9,079,341)	(14,570,502)	(2,530,683)	(1,635,000)	(1,280,000)	(1,320,000)	(21,336,185)
Significant Projects	(51,677,063)	(7,750,000)	(31,500,000)	(4,000,000)	(11,000,000)	-	(54,250,000)
Roads	(5,748,907)	(6,851,436)	(4,422,403)	(4,301,416)	(3,990,416)	(4,422,416)	(23,988,087)
Drainage	(190,000)	(433,750)	(239,000)	(184,000)	(184,000)	(366,000)	(1,406,750)
Parks, Gardens & Grounds	(1,266,240)	(3,265,740)	(2,430,000)	(1,105,000)	(1,400,000)	(800,000)	(9,000,740)
Footpaths and Cycleways	(458,760)	(731,260)	(470,000)	(490,000)	(505,000)	(505,000)	(2,701,260)
Bridges	(1,309,752)	(2,425,000)	(1,394,000)	(100,000)	(100,000)	(100,000)	(4,119,000)
Other Infrastructure	(4,424,362)	(4,175,012)	(2,930,000)	(1,500,000)	(435,000)	(3,255,000)	(12,295,012)
Plant and Equipment	(2,396,500)	(2,033,400)	(1,261,400)	(1,262,700)	(658,200)	(1,168,400)	(6,384,100)
Total Capital Works program (a)	(76,570,925)	(42,236,100)	(47,177,486)	(14,578,116)	(19,552,616)	(11,936,816)	(135,481,134)
Represented by:							
Renewal of Assets	(31,737,740)	(27,682,028)	(11,005,486)	(8,237,629)	(17,546,129)	(8,261,329)	(72,732,601)
New Service Assets	(25,082,185)	(8,830,272)	(28,610,000)	(1,900,000)	(950,000)	(685,000)	(40,975,272)
Asset Expansions	(10,759,000)	(2,350,000)	(4,000,000)	(4,100,000)	(300,000)	-	(10,750,000)
Asset Upgrades	(8,992,000)	(3,373,800)	(3,562,000)	(340,487)	(756,487)	(2,990,487)	(11,023,261)
Total Capital Works Program (b)	(76,570,925)	(42,236,100)	(47,177,486)	(14,578,116)	(19,552,616)	(11,936,816)	(135,481,134)
Capital Funding							
Buildings	9,079,341	14,570,502	2,530,683	1,635,000	1,280,000	1,320,000	21,336,185
Significant Projects	51,677,063	7,750,000	31,500,000	4,000,000	11,000,000	-	54,250,000
Roads	5,748,907	6,851,436	4,422,403	4,301,416	3,990,416	4,422,416	23,988,087
Drainage	190,000	433,750	239,000	184,000	184,000	366,000	1,406,750
Parks, Gardens & Grounds	1,266,240	3,265,740	2,430,000	1,105,000	1,400,000	800,000	9,000,740
Footpaths and Cycle ways	458,760	731,260	470,000	490,000	505,000	505,000	2,701,260
Bridges	1,309,752	2,425,000	1,394,000	100,000	100,000	100,000	4,119,000
Other Infrastructure	4,424,362	4,175,012	2,930,000	1,500,000	435,000	3,255,000	12,295,012
Plant and Equipment	2,396,500	2,033,400	1,261,400	1,262,700	658,200	1,168,400	6,384,100
Total Capital Funding (c)	76,570,925	42,236,100	47,177,486	14,578,116	19,552,616	11,936,816	135,481,134
Funding Sources:							
General Revenue	4,940,830	7,243,766	7,590,175	6,808,000	5,872,000	5,396,000	32,909,961
Carried Forward General Revenue	1,339,967	1,896,432	240,000	-	-	-	2,136,432
Total General Revenue	6,280,797	9,140,218	7,830,175	6,808,000	5,872,000	5,396,000	35,046,393
Reserves Utilisation	13,227,664	11,648,322	5,293,566	1,982,700	658,200	3,168,400	22,751,188
Capital Contributions	3,491,340	1,077,340	90,000	-	150,000	-	1,317,340
Capital Grants	34,336,539	13,170,220	27,463,745	3,787,416	4,872,416	3,372,416	52,666,213
Borrowings	19,234,585	7,200,000	6,500,000	2,000,000	8,000,000	-	23,700,000
Other Sources	-	-	-	-	-	-	-
Total Capital Funding (d)	76,570,925	42,236,100	47,177,486	14,578,116	19,552,616	11,936,816	135,481,134
Under Funding	-	-	-	-	-	-	-



Forecast 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 Nature or Type to disclose a net result.

Statement of Financial Position

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

Statement of Changes in Equity

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

Statement of Cash flows

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

Rate Setting Statement

Details budgeted expenditure and revenue, and shows how much rate revenue is required to cover the budget deficit.

Forecast Ratios

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



Statement 1 - Forecast Statement of Comprehensive Income

	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Shire of Harvey Long Term Financial Plan 2024 - 2034										
Statement of Comprehensive Income by Nature or Type										
Revenue										
Rates	30,513,876	33,346,258	36,166,632	39,037,343	42,130,377	45,462,639	49,052,300	52,422,935	56,018,451	59,853,534
Operating grants, reimbursements and contributions	5,609,254	5,833,624	6,066,969	6,291,447	6,524,231	6,765,627	7,015,955	7,275,546	7,544,741	7,823,896
Fees and charges	10,773,619	11,489,674	12,237,793	12,982,586	13,758,440	14,566,547	15,408,142	16,284,508	17,196,974	18,146,921
Interest earnings	1,342,474	976,774	911,658	974,809	1,106,176	1,165,193	1,166,431	1,161,539	1,189,777	1,255,645
Other revenue	488,302	507,834	528,147	547,689	567,953	588,968	610,760	633,358	656,792	681,093
	48,727,524	52,154,164	55,911,200	59,833,874	64,087,177	68,548,973	73,253,588	77,777,884	82,606,735	87,761,090
Expenses										
Employee costs	(20,576,903)	(22,388,341)	(23,370,960)	(24,666,456)	(26,020,250)	(27,434,965)	(28,913,341)	(30,408,245)	(31,970,419)	(33,652,892)
Materials and contracts	(19,122,173)	(19,887,060)	(20,682,542)	(22,130,320)	(23,679,443)	(25,337,004)	(27,110,594)	(28,737,229)	(30,461,463)	(32,289,151)
Utility charges	(1,132,171)	(1,174,061)	(1,217,501)	(1,262,549)	(1,309,263)	(1,357,706)	(1,407,941)	(1,460,035)	(1,514,056)	(1,570,076)
Depreciation on non-current assets	(14,172,287)	(14,360,422)	(14,400,564)	(14,455,743)	(14,511,474)	(14,567,763)	(14,624,614)	(14,682,034)	(14,929,159)	(15,182,462)
Interest expenses	(194,885)	(505,158)	(789,869)	(1,038,516)	(1,197,574)	(1,148,198)	(1,102,573)	(1,054,737)	(1,005,354)	(953,451)
Insurance expenses	(1,168,696)	(1,241,155)	(1,293,283)	(1,347,601)	(1,404,200)	(1,463,177)	(1,524,630)	(1,588,665)	(1,655,389)	(1,724,915)
Other expenditure	(925,000)	0	0	0	0	0	0	0	0	0
	(57,292,115)	(59,556,197)	(61,754,719)	(64,901,185)	(68,122,204)	(71,308,812)	(74,683,694)	(77,930,945)	(81,535,840)	(85,372,946)
Sub-total	(8,564,590)	(7,402,033)	(5,843,519)	(5,067,311)	(4,035,028)	(2,759,839)	(1,430,106)	(153,061)	1,070,895	2,388,143
Non-operating grants, subsidies and contributions	14,157,560	29,118,357	4,875,012	5,576,307	5,766,808	6,058,753	6,365,477	7,200,230	8,077,241	8,486,152
Profit on asset disposals	57,736	58,460	60,097	61,600	63,140	64,718	66,336	67,994	69,694	71,437
(Loss) on asset disposals	(57,736)	(58,460)	(60,097)	(61,600)	(63,140)	(64,718)	(66,336)	(67,994)	(69,694)	(71,437)
Net result	5,592,970	21,716,324	(968,508)	508,996	1,731,781	3,298,914	4,935,372	7,047,169	9,148,136	10,874,295
Other comprehensive income										
Changes on revaluation of non-current assets	0	0	0	0	0	0	0	0	0	0
Total other comprehensive income	0	0	0	0	0	0	0	0	0	0
Total comprehensive income	5,592,970	21,716,324	(968,508)	508,996	1,731,781	3,298,914	4,935,372	7,047,169	9,148,136	10,874,295

Statement 2 - Forecast Statement of Financial Position

Shire of Harvey Long Term Financial Plan 2024 - 2034												
Statement of Financial Position												
	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34		
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
CURRENT ASSETS												
Cash and cash equivalents	28,922,489	26,796,608	27,024,907	29,509,487	29,872,634	28,731,494	27,489,692	27,002,350	27,575,317	28,766,052		
Trade and other receivables	234,104	243,469	253,207	262,576	272,291	282,366	292,814	303,648	314,883	326,533		
Other financial assets	37,667	681,850	715,733	162,400	167,210	105,744	107,175	111,552	115,278	119,183		
Other assets	3,129	3,254	3,384	3,510	3,639	3,774	3,914	4,059	4,209	4,364		
Inventories	137,521	143,021	148,742	154,246	159,953	165,871	172,008	178,373	184,972	191,816		
TOTAL CURRENT ASSETS	29,334,910	27,868,102	28,146,974	30,092,219	30,475,628	29,289,250	28,065,504	27,599,991	28,194,658	29,407,949		
NON-CURRENT ASSETS												
Trade and other receivables	272,638	280,271	288,119	295,322	302,705	310,273	318,030	325,980	334,130	342,483		
Other financial assets	2,128,707	1,446,857	731,124	568,724	401,513	256,769	188,594	77,032	(38,246)	(157,429)		
Right of use assets	30,429	30,429	30,429	30,429	30,429	30,429	30,429	30,429	30,429	30,429		
Investment in associate	105,208	105,208	105,208	105,208	105,208	105,208	105,208	105,208	105,208	105,208		
Property, plant and equipment	177,593,811	208,517,668	219,925,777	221,427,036	225,305,148	230,937,833	238,309,455	248,582,240	255,475,369	265,391,457		
Intangible assets	667,868,296	665,900,330	662,459,666	658,959,760	656,219,251	653,836,875	651,838,526	650,251,850	648,923,535	647,872,987		
TOTAL NON-CURRENT ASSETS	847,969,059	876,280,751	883,539,323	881,386,479	882,364,253	885,516,386	890,790,241	897,372,739	904,830,426	913,595,135		
TOTAL ASSETS	877,333,969	904,148,854	911,686,297	911,478,698	912,839,881	914,805,636	918,855,745	924,972,730	933,025,084	942,993,085		
CURRENT LIABILITIES												
Trade and other payables	7,293,733	7,269,108	7,245,153	7,224,287	7,203,930	7,184,069	7,164,692	7,145,798	7,127,346	7,109,363		
Long term borrowings	284,924	1,906,494	617,745	770,655	810,027	851,367	894,817	940,484	988,482	1,152,057		
Provisions	2,877,995	2,958,518	3,041,366	3,117,330	3,195,325	3,287,708	3,369,901	3,454,148	3,540,502	3,629,014		
TOTAL CURRENT LIABILITIES	10,456,652	12,134,120	10,904,264	11,112,372	11,209,282	11,323,144	11,429,410	11,540,421	11,656,330	11,890,424		
NON-CURRENT LIABILITIES												
Long term borrowings	10,794,953	14,206,608	23,991,671	22,988,576	22,021,338	21,064,226	20,062,234	19,010,188	17,787,245	16,636,188		
Employee Related Provisions	234,491	243,840	253,593	262,976	272,706	282,796	293,260	304,111	315,363	327,031		
TOTAL NON-CURRENT LIABILITIES	11,029,444	14,450,448	24,185,264	23,261,552	22,294,044	21,347,023	20,355,494	19,314,298	18,102,607	16,963,219		
TOTAL LIABILITIES	21,486,097	26,584,568	35,089,528	34,373,923	34,003,326	32,670,167	31,784,904	30,854,719	29,758,937	28,853,643		
NET ASSET \$	855,847,952	877,564,286	876,595,778	877,104,774	878,836,555	882,135,469	887,070,841	894,118,010	903,266,147	914,140,442		
EQUITY												
Retained surplus	188,489,186	210,478,944	209,340,937	207,327,933	208,587,713	213,005,760	219,223,634	226,669,110	235,245,120	244,947,289		
Reserves - cash backed	11,830,694	9,557,240	9,726,740	12,248,740	12,720,740	11,601,608	10,319,105	9,920,798	10,492,924	11,665,050		
Revaluation surplus	657,528,102	657,528,102	657,528,102	657,528,102	657,528,102	657,528,102	657,528,102	657,528,102	657,528,102	657,528,102		
TOTAL EQUITY	855,847,952	877,564,286	876,595,778	877,104,774	878,836,555	882,135,469	887,070,841	894,118,010	903,266,147	914,140,442		

Statement 3 - Forecast Statement of Changes in Equity

Shire of Harvey Long Term Financial Plan 2024 - 2034										
Statement of Changes in Equity										
	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
RETAINED SURPLUS										
Opening Balance	172,044,592	186,489,166	210,478,944	209,340,937	207,327,933	208,587,713	213,005,760	219,223,634	226,669,110	235,245,120
Net Result	5,592,970	21,716,324	(968,508)	508,996	1,731,781	3,298,914	4,935,372	7,047,169	9,148,136	10,874,295
Amount transferred (to)/from										
Reserves	8,851,604	2,273,454	(169,500)	(2,522,000)	(472,000)	1,119,132	1,282,502	398,307	(572,126)	(1,172,126)
Closing Balance	186,489,166	210,478,944	209,340,937	207,327,933	208,587,713	213,005,760	219,223,634	226,669,110	235,245,120	244,947,289
RESERVES - CASH/INVESTMENT BACKED										
Opening Balance	20,682,298	11,830,694	9,557,240	9,726,740	12,248,740	12,720,740	11,601,608	10,319,105	9,920,798	10,492,924
Amount transferred to/(from)	(8,851,604)	(2,273,454)	169,500	2,522,000	472,000	(1,119,132)	(1,282,502)	(398,307)	572,126	1,172,126
Closing Balance	11,830,694	9,557,240	9,726,740	12,248,740	12,720,740	11,601,608	10,319,105	9,920,798	10,492,924	11,665,050
REVALUATION SURPLUS										
Opening Balance	657,528,102	657,528,102	657,528,102	657,528,102	657,528,102	657,528,102	657,528,102	657,528,102	657,528,102	657,528,102
Total Other Comprehensive Income	0	0	0	0	0	0	0	0	0	0
Closing Balance	657,528,102	657,528,102	657,528,102	657,528,102	657,528,102	657,528,102	657,528,102	657,528,102	657,528,102	657,528,102
TOTAL EQUITY	855,847,962	877,564,286	876,595,778	877,104,774	878,836,555	882,135,469	887,070,841	894,118,010	903,266,147	914,140,442

Statement 4 - Forecast Statement of Cash Flows

Shire of Harvey Long Term Financial Plan 2024 - 2034 Statement of Cash Flows											
	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES											
Receipts											
Rates	30,513,878	33,348,258	36,168,832	39,037,343	42,130,377	45,462,839	49,052,300	52,422,935	56,018,451	59,853,534	
Operating grants, subsidies and contributions	5,609,254	5,833,624	6,096,969	6,291,447	6,524,231	6,765,627	7,015,965	7,275,546	7,544,741	7,823,896	
Fees and charges	10,773,619	11,489,674	12,237,793	12,982,586	13,758,440	14,566,547	15,408,142	16,284,508	17,196,974	18,146,921	
Interest earnings	1,342,474	976,774	911,658	974,809	1,106,176	1,165,193	1,166,431	1,161,539	1,189,777	1,255,045	
Other revenue	488,302	507,834	528,147	547,669	567,953	588,968	610,760	633,358	656,792	681,093	
	48,727,524	52,154,164	55,911,200	59,833,874	64,087,177	68,548,973	73,253,588	77,777,884	82,606,735	87,761,090	
Payments											
Employee costs	(20,576,903)	(22,388,341)	(23,370,980)	(24,666,456)	(26,020,250)	(27,434,965)	(28,913,341)	(30,408,245)	(31,970,419)	(33,652,892)	
Materials and contracts	(19,122,173)	(19,887,060)	(20,682,542)	(22,130,320)	(23,679,443)	(25,337,004)	(27,110,594)	(28,737,229)	(30,461,463)	(32,289,151)	
Utility charges	(1,132,171)	(1,174,061)	(1,217,501)	(1,262,549)	(1,309,263)	(1,357,706)	(1,407,941)	(1,460,035)	(1,514,056)	(1,570,076)	
Interest expenses	(194,885)	(505,158)	(789,889)	(1,038,516)	(1,197,574)	(1,148,198)	(1,102,573)	(1,054,737)	(1,005,354)	(953,451)	
Insurance expenses	(1,168,696)	(1,241,155)	(1,293,283)	(1,347,601)	(1,404,200)	(1,463,177)	(1,524,830)	(1,588,665)	(1,655,369)	(1,724,915)	
Other expenditure	(925,000)	0	0	0	0	0	0	0	0	0	
	(43,119,828)	(45,195,775)	(47,354,155)	(50,445,442)	(53,610,730)	(56,741,049)	(60,059,080)	(63,248,911)	(66,806,681)	(70,190,484)	
Net cash provided by (used in) operating activities	5,607,697	6,958,389	8,557,045	9,388,432	10,476,446	11,807,924	13,194,508	14,528,973	16,000,054	17,570,605	
CASH FLOWS FROM INVESTING ACTIVITIES											
Payments for purchase of property, plant & equipment											
Payments for construction of infrastructure	(27,395,654)	(38,652,083)	(9,002,700)	(15,612,081)	(10,087,834)	(12,763,719)	(14,118,889)	(15,064,854)	(15,923,551)	(16,831,193)	
Payments for financial assets at amortised cost - self supporting loans	(10,774,446)	(8,525,403)	(5,075,416)	(5,050,810)	(5,842,168)	(6,233,593)	(6,651,244)	(7,096,877)	(7,501,399)	(7,928,979)	
Payments for financial assets at amortised cost - self supporting loans	37,667	681,850	715,733	162,400	167,210	105,744	107,175	111,562	115,278	119,183	
Non-operating grants, subsidies and contributions	(37,667)	(681,850)	(715,733)	(162,400)	(167,210)	(105,744)	(107,175)	(111,562)	(115,278)	(119,183)	
Proceeds from sale of fixed assets	14,157,600	29,118,357	4,875,012	5,576,307	5,766,808	6,058,753	6,365,477	7,200,230	8,077,241	8,485,152	
Investment activities	738,991	759,883	780,954	800,477	820,489	799,622	819,612	840,103	861,105	882,633	
	(23,273,549)	(15,299,447)	(8,422,151)	(14,286,108)	(6,342,704)	(12,138,937)	(13,585,042)	(14,121,399)	(14,496,603)	(15,351,387)	
CASH FLOWS FROM FINANCING ACTIVITIES											
Repayment of borrowings											
Principal portions of lease payments	(302,400)	(284,924)	(1,906,494)	(617,745)	(770,695)	(810,027)	(851,367)	(894,817)	(940,484)	(988,462)	
Proceeds from new borrowings	7,630,000	6,500,000	2,000,000	8,000,000	0	0	0	0	0	0	
Net cash provided by (used in) financing activities	7,327,600	6,215,076	93,506	7,382,255	(770,695)	(810,027)	(851,367)	(894,817)	(940,484)	(988,462)	
Net increase (decrease) in cash held	(10,336,252)	(2,125,981)	228,400	2,484,590	363,047	(1,141,040)	(1,241,901)	(487,242)	572,966	1,190,736	
Cash at beginning of year	39,260,741	28,922,489	26,796,508	27,024,907	29,509,487	29,872,534	28,731,494	27,489,592	27,002,350	27,575,317	
Cash and cash equivalents at the end of the year	28,922,489	26,796,508	27,024,907	29,509,487	29,872,534	28,731,494	27,489,592	27,002,350	27,575,317	28,766,052	

Statement 5 - Forecast Rate Setting Statement

Shire of Harvey Long Term Financial Plan 2024 - 2034										
Statement of Financial Activity										
	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Net current assets at start of financial year - surplus/(deficit)	1,501,045	14,395	161,888	220,767	183,347	74,395	52,486	93,087	4,152	4,992
	1,501,045	14,395	161,888	220,767	183,347	74,395	52,486	93,087	4,152	4,992
Revenue from operating activities (excluding rates)										
Operating grants, reimbursements and contributions	5,609,254	5,833,624	6,006,969	6,291,447	6,524,231	6,765,627	7,015,955	7,275,548	7,544,741	7,823,896
Fees and charges	10,773,619	11,469,674	12,237,753	12,982,588	13,758,440	14,566,547	15,408,142	16,284,508	17,196,974	18,146,921
Specified area and ex gratia rates	788,942	852,057	913,405	974,604	1,039,902	1,109,576	1,183,917	1,251,400	1,322,730	1,398,126
Interest earnings	1,342,474	976,774	911,658	974,809	1,106,176	1,166,193	1,166,431	1,161,539	1,169,777	1,255,645
Profit on disposal of assets	577,36	58,490	60,097	61,600	63,140	64,718	66,336	67,994	69,694	71,437
Other revenue	488,302	507,884	528,147	547,669	567,953	588,968	610,760	633,358	656,792	681,092
	19,060,326	19,718,424	20,718,070	21,832,735	23,059,842	24,260,628	25,451,541	26,674,344	27,960,708	29,377,118
Expenditure from operating activities										
Employee costs	(20,576,903)	(22,388,341)	(23,370,960)	(24,666,456)	(26,020,250)	(27,494,956)	(28,913,341)	(30,408,245)	(31,970,419)	(33,662,892)
Materials and contracts	(19,122,173)	(19,887,060)	(20,682,542)	(21,530,320)	(22,679,443)	(25,337,004)	(27,110,594)	(28,737,229)	(30,461,463)	(32,289,151)
Utility charges	(1,132,171)	(1,174,061)	(1,217,501)	(1,262,546)	(1,309,263)	(1,357,706)	(1,407,941)	(1,460,085)	(1,514,058)	(1,570,076)
Depreciation on non-current assets	(14,172,287)	(14,360,422)	(14,400,564)	(14,455,743)	(14,511,474)	(14,567,763)	(14,624,614)	(14,682,034)	(14,739,159)	(15,162,462)
Interest expenses	(194,885)	(505,158)	(789,969)	(1,038,516)	(1,197,574)	(1,148,199)	(1,102,573)	(1,054,737)	(1,005,354)	(963,451)
Insurance expenses	(1,166,666)	(1,241,156)	(1,293,283)	(1,347,601)	(1,404,200)	(1,463,177)	(1,524,800)	(1,588,665)	(1,655,369)	(1,724,915)
Loss on disposal of assets	(57,796)	(58,490)	(60,097)	(61,600)	(63,140)	(64,718)	(66,336)	(67,994)	(69,694)	(71,437)
Other expenditure	(925,000)	0	0	0	0	0	0	0	0	0
	(57,346,861)	(59,614,657)	(61,814,816)	(64,962,794)	(68,185,344)	(71,373,530)	(74,750,030)	(77,996,940)	(81,606,534)	(85,444,383)
Operating activities excluded from budget										
Depreciation and amortisation on assets	14,172,287	14,360,422	14,400,564	14,455,743	14,511,474	14,567,763	14,624,614	14,682,034	14,739,159	15,162,462
Non-cash amounts excluded from operating activities	14,172,285	14,360,422	14,400,564	14,455,743	14,511,474	14,567,763	14,624,614	14,682,034	14,739,159	15,162,462
Amount attributable to operating activities	(22,616,194)	(25,321,416)	(26,534,314)	(28,453,539)	(30,490,681)	(32,470,744)	(34,621,368)	(36,549,474)	(38,691,515)	(40,879,811)
INVESTING ACTIVITIES										
Non-operating grants, subsidies and contributions	14,157,560	29,118,357	4,875,012	5,576,307	5,766,808	6,058,753	6,365,477	7,200,230	8,077,241	8,496,152
Proceeds from disposal of assets	739,991	799,683	780,364	800,477	820,488	799,622	819,612	840,103	861,105	882,633
Payments for financial assets at amortised cost - self supporting	(37,667)	(681,850)	(715,733)	(162,400)	(167,210)	(105,744)	(107,175)	(111,562)	(115,278)	(119,183)
Purchase of property, plant and equipment	(27,356,854)	(38,652,063)	(9,002,700)	(15,612,061)	(10,087,834)	(12,763,719)	(14,118,889)	(15,094,854)	(15,923,561)	(16,831,193)
Purchase and construction of infrastructure	(10,774,446)	(6,525,408)	(5,075,416)	(5,050,810)	(5,942,168)	(6,233,593)	(6,651,244)	(7,096,877)	(7,501,359)	(7,928,979)
Amount attributable to investing activities	(23,311,216)	(15,981,297)	(9,137,883)	(14,448,508)	(9,509,915)	(12,244,662)	(13,692,218)	(14,232,960)	(14,601,881)	(15,510,570)
FINANCING ACTIVITIES										
Repayment of debentures	(302,400)	(284,924)	(1,906,494)	(617,745)	(770,695)	(610,027)	(651,367)	(694,817)	(940,484)	(968,462)
Proceeds from new debentures	7,630,000	6,500,000	2,000,000	8,000,000	0	0	0	0	0	0
Proceeds from self-supporting loans	37,667	681,850	715,733	162,400	167,210	105,744	107,175	111,562	115,278	119,183
Transfers to reserves (restricted assets)	(3,320,876)	(3,400,544)	(2,360,544)	(3,440,544)	(1,480,544)	(2,423,690)	(3,420,889)	(2,741,566)	(2,741,566)	(3,341,556)
Transfers from reserves (restricted assets)	12,172,480	5,673,968	2,191,044	918,544	1,018,544	3,542,813	4,703,392	3,139,863	2,169,430	2,169,430
Amount attributable to financing activities	16,216,872	9,170,380	639,736	5,022,656	(1,075,464)	414,849	588,310	(384,948)	(1,397,330)	(2,041,426)
Surplus/(deficit) before general rates	(29,710,359)	(32,332,333)	(35,032,459)	(37,879,392)	(41,016,080)	(44,300,577)	(47,775,296)	(51,167,383)	(54,690,729)	(58,431,806)
Total amount raised from general rates	29,724,934	32,464,201	35,253,227	38,082,739	41,090,475	44,353,083	47,868,363	51,171,535	54,695,721	58,455,426
Net current assets at June 30 of/rd - surplus/(deficit)	14,395	161,888	220,767	183,347	74,395	52,486	93,087	4,152	4,992	23,602

Statement 6 - Forecast Ratios 2024-2034

Shire of Harvey Long Term Financial Plan 2024 - 2034												
Forecast Ratios												
	Target Range	Average	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34
			Basic	Advanced								
LIQUIDITY RATIOS												
Current Ratio	> 1.00	4.22	5.60	3.88	5.09	4.64	3.96	4.18	3.98	3.80	3.65	3.40
OPERATING RATIOS												
Operating Surplus Ratio	> 0.01	-0.07	-0.20	-0.16	-0.12	-0.09	-0.07	-0.04	-0.02	0.00	0.01	0.03
Own Source Revenue Coverage Ratio	> 0.40	0.85	0.75	0.78	0.81	0.82	0.85	0.87	0.89	0.90	0.92	0.94
BORROWINGS RATIOS												
Debt Service Cover Ratio	> 2.00	7.70	11.67	9.45	3.47	6.30	5.93	6.62	7.32	7.99	8.74	9.54
FIXED ASSET RATIOS												
Asset Sustainability Ratio	> 0.90	1.16	1.69	0.76	1.12	1.13	1.14	1.14	1.15	1.15	1.39	1.39
Asset Consumption Ratio	> 0.50	0.86	0.85	0.85	0.85	0.85	0.86	0.86	0.86	0.87	0.87	0.87
Asset Renewal Funding Ratio	> 0.75	1.43	1.23	1.22	1.31	1.35	1.40	1.45	1.51	1.56	1.62	1.62

Risk Management

It is the Shire's intention to achieve best practice in the management of all risks that may affect the Shire, its customers, people, assets, functions, objectives or members of the public. The Risk Management Policy the Shire operates under is aligned with AS/NZS ISO 31000:2018 Risk Management and has the following objectives:

- Optimise the achievement of our vision, values, strategies, goals and objectives;
- Provide transparent and formal oversight of the risk and control environment to enable effective decision making;
- Enhance risk versus return within our risk appetite;
- Embed appropriate and effective controls to mitigate risk;
- Achieve effective corporate governance and adherence to relevant statutory, regulatory and compliance obligations;
- Enhance organisational resilience; and
- Identify and provide for the continuity of critical operations.

The Shire has a comprehensive Risk Management Framework that contains its Risk Management Policy and Procedures.

The Risk Management Framework provides an overview and approach for the Shire of Harvey for the designing, identification, implementation, assessment, reporting and monitoring of risks for the continual improvement of risk management processes and procedures throughout the organisation.

Regulation 17 of the Local Government (Audit) Regulations 1996 requires that a CEO review the local government's systems and procedures in relation to risk management, internal control and legislative compliance. The review is to be reported to the Shire's Audit Committee every three years.



The Shire of Harvey's Risk Management Framework is available on its website www.harvey.wa.gov.au

Monitoring and Performance

Monitoring

The Long Term Financial Plan will be subject to an annual review to take into account changing circumstances.

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

Performance Assessment

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

To maintain comparability across the Industry these ratios and their respective target ranges have been derived from the Department of Local Government's Model Long Term Financial Plan

and Regulation 50 of Local Government (Financial Management) Regulation 1996.

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

Ratio Targets

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

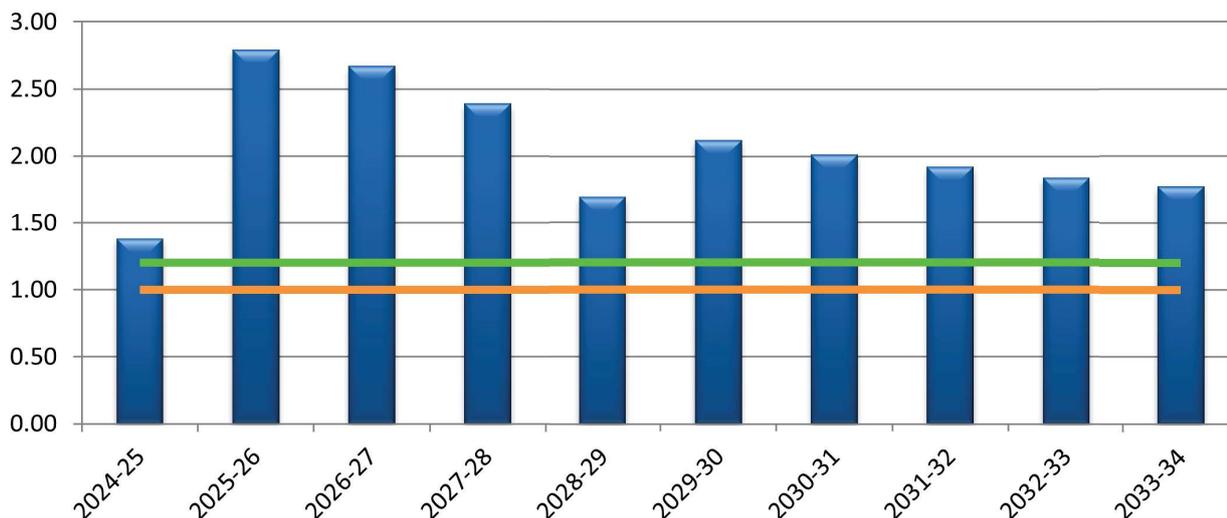
Current Ratio

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

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

Commentary: The current ratio remains above the advanced level for the life of the plan.

Graph 9 - Forecast Current Ratio



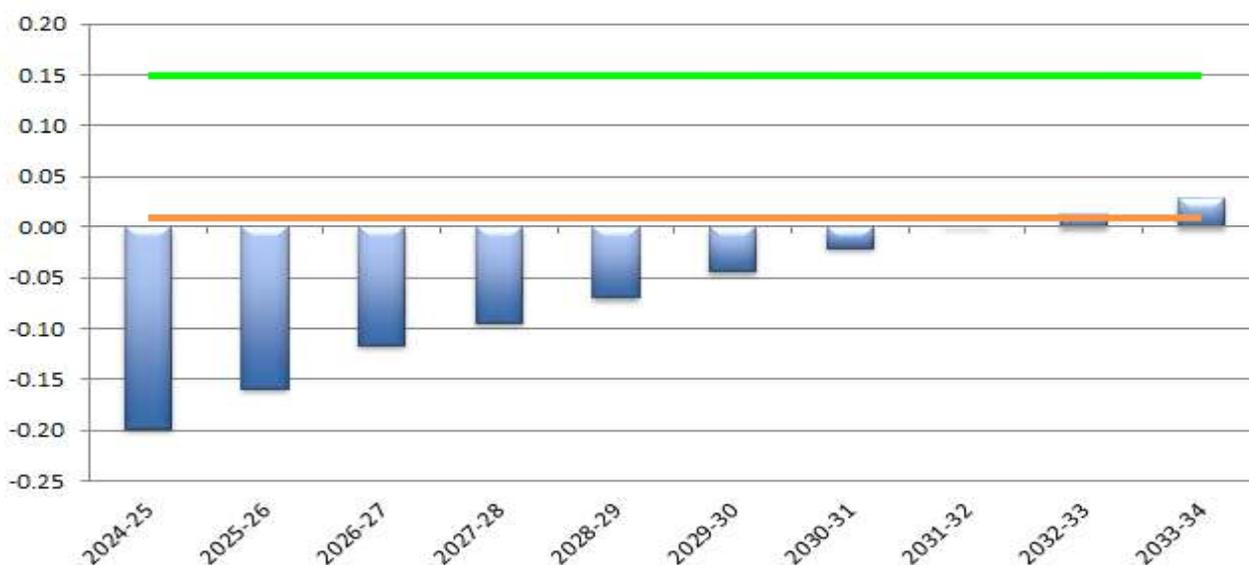
Operating Surplus Ratio

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

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

Commentary: While the ratio is slightly below the basic target throughout the first eight years of the plan due to variables such as contribution of BHRC, after effect of Covid 19 and increased interest payments on borrowings, high maintenance cost of Non-Current Assets the trend is improving over the life of the plan and achieves the basic target rating of 0.01 by year eight and continues to improve annually thereafter, eventually exceeding the advanced target.

Graph 10 - Forecast Operating Surplus Ratio



Own Source Revenue Coverage Ratio

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

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

Commentary: The ratio is above the acceptable basic range and improving over time to exceed the advanced target, indicating the capacity to continue to operate in the event of a sudden loss of grant or other revenue.

Graph 11 - Forecast Own Source Revenue Coverage Ratio



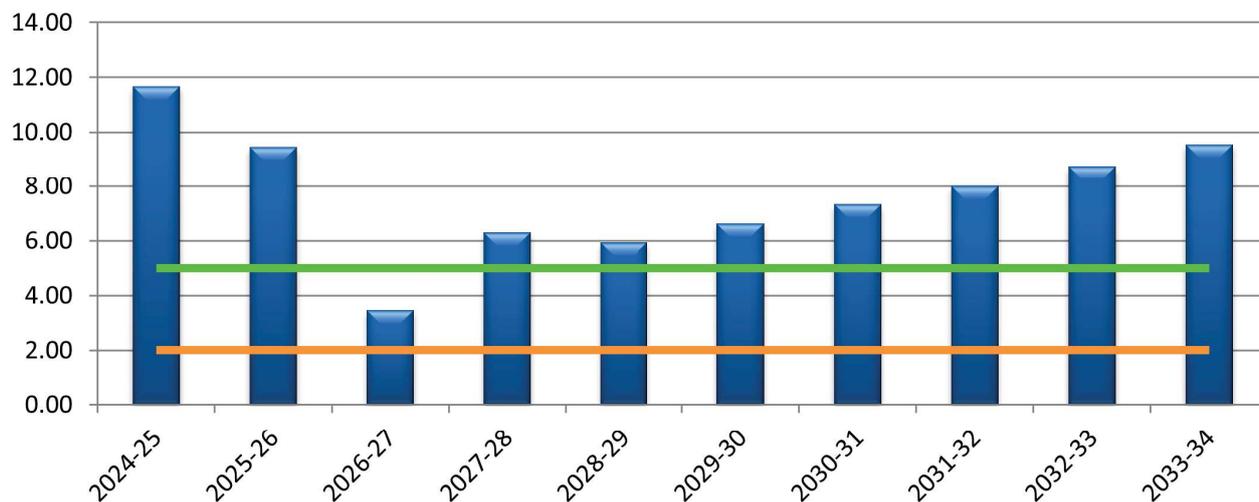
Debt Service Coverage Ratio

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

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

Commentary: The advanced target of 5.0 is exceeded in majority of the plan. The downwards curve is due to forecast new loans in years one to four. The ratio then inclines annually as existing borrowings are paid off and no new loans are undertaken.

Graph 12 - Forecast Debt Service Coverage Ratio



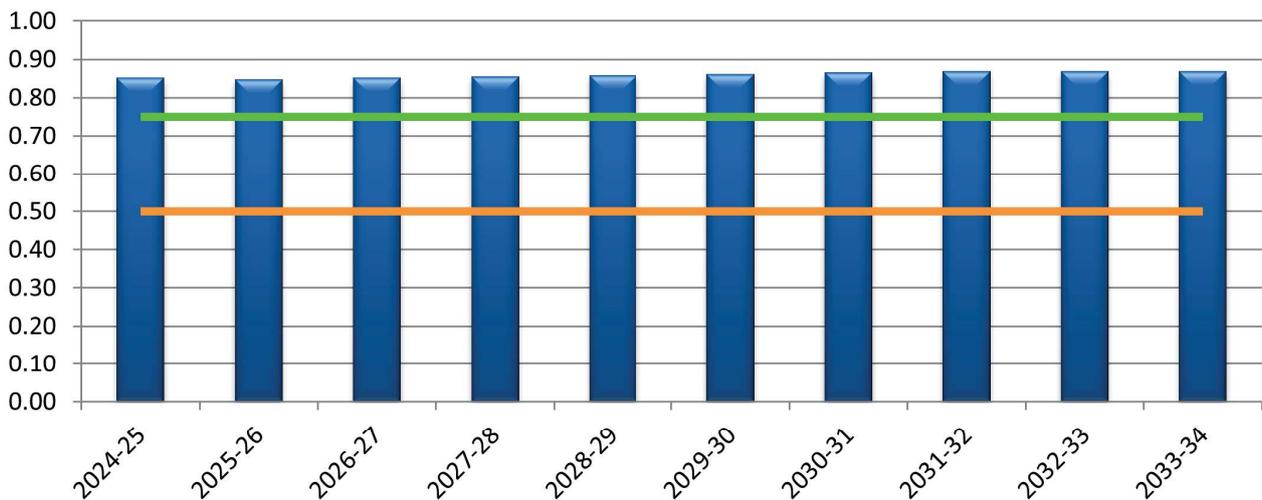
Asset Consumption Ratio

$$\frac{\text{depreciated replacement cost of assets}}{\text{current replacement cost of depreciable asset}}$$

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 Shire continues to acquire significant new assets, either gifted from subdivision or purchases with the assistance of grants. Whilst the ratio is above the advanced target range for the life of the plan, it is recognised that it the Shire is spending enough resources to maintain its asset base over the life of the assets.

Graph 13 - Forecast Asset Consumption Ratio



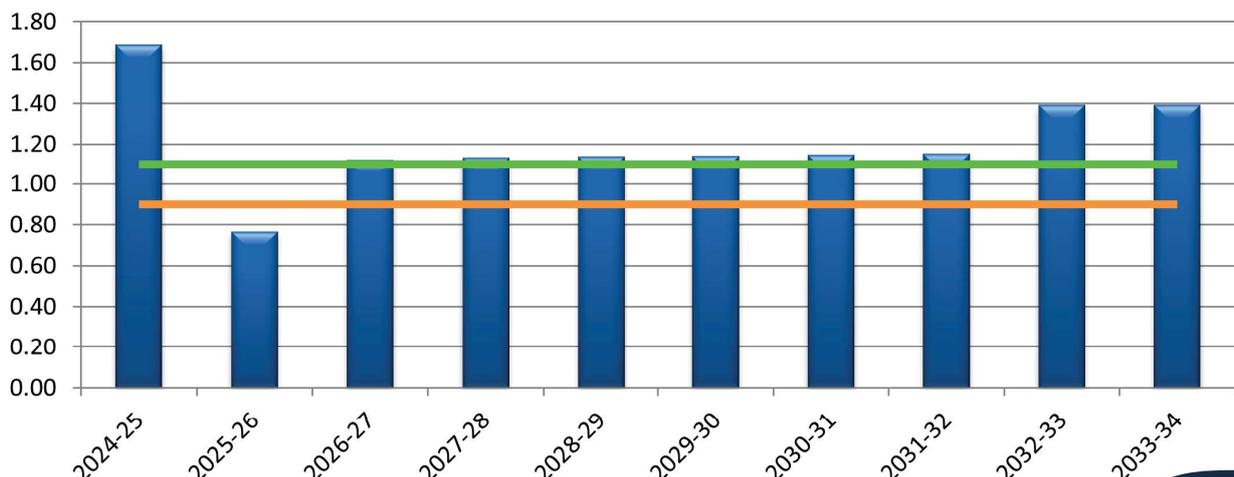
Asset Sustainability Ratio

$$\frac{\text{capital renewal and replacement expenditure}}{\text{depreciation expense}}$$

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

Commentary: The ratio meets the advanced target through the majority of the plan, only decreasing below the basic target in the second year. This identifies that asset renewal relative to depreciation expense may be less than required. However, from the third year onwards the ratio meets the advanced target, recognising that the Shire is spending enough resources for replacing the assets as they reach the end of their useful life.

Graph 14 - Forecast Asset Sustainability Ratio



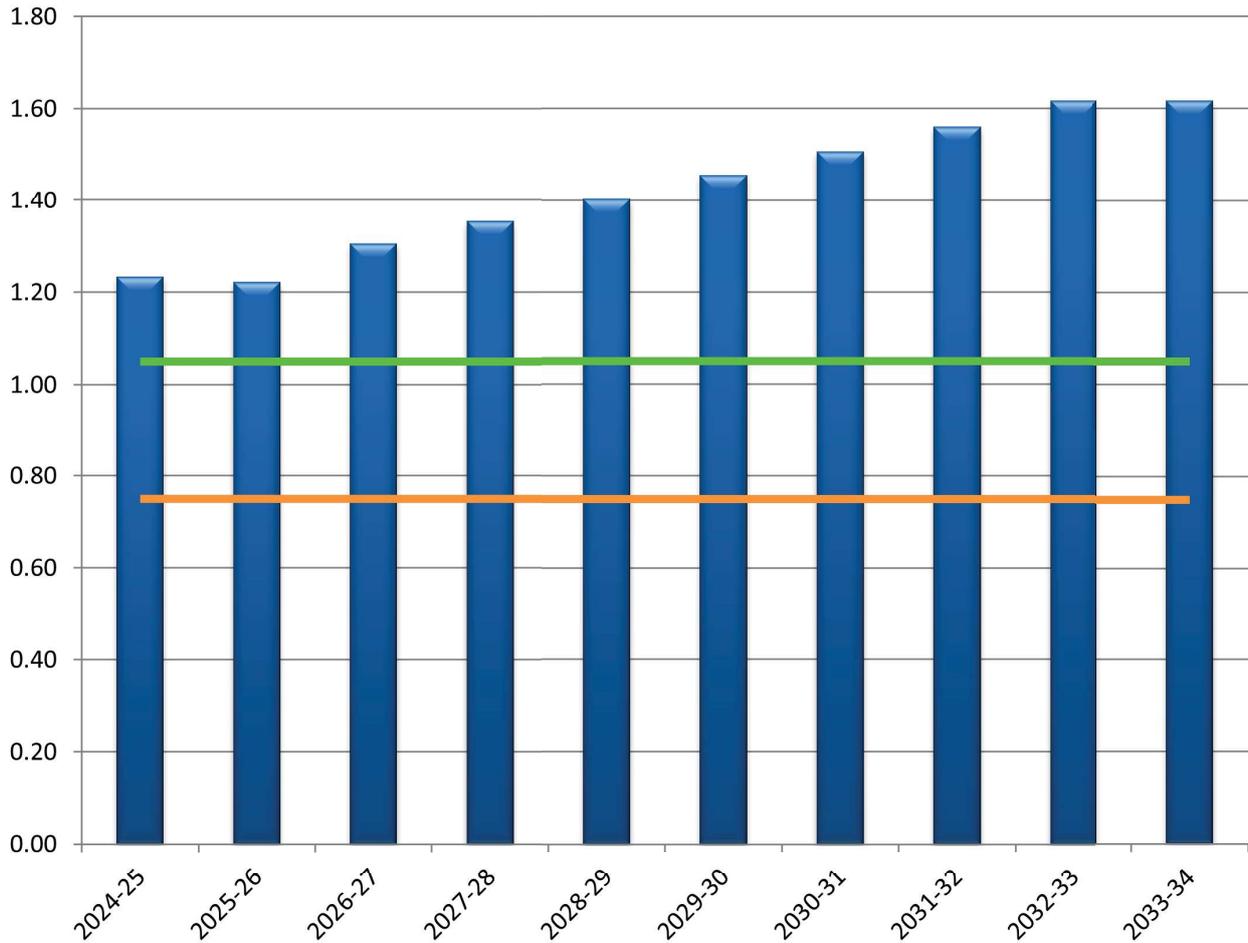
Asset Renewal Funding Ratio

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

Indication: The Shire’s financial capacity to fund asset renewal to support existing service levels. (This ratio is based on the ten years forecast expenditure).

Commentary: The ratio exceeds the advance target and is increasing over the life of the plan. Forecast asset renewal requirements are currently being met 100% with renewal funding. There is no asset renewal funding shortfall for the life of this plan.

Graph 15 - Forecast Asset Renewal Funding Ratio





SHIRE OF
HARVEY

A Breath of Fresh Air

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