Shire of West Arthur

Annual Budget

2026 – 2027

(Adopted: 27 August 2026)

Forest to Wheatbelt

SHIRE OF WEST ARTHUR

ANNUAL BUDGET

FOR THE YEAR ENDED 30 JUNE 2027

LOCAL GOVERNMENT ACT 1995

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SHIRE OF WEST ARTHUR
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2027

	Note	2026/27 Budget	2025/26 Actual	2025/26 Budget
Revenue		$	$	$
Rates	2(a)	2,408,977	2,253,147	2,252,484
Grants, subsidies and contributions		664,452	2,968,230	1,668,654
Fees and charges	14	464,390	415,330	406,331
Interest revenue	9(a)	133,971	184,832	122,314
Other revenue		257,247	237,529	139,059
		3,929,037	6,059,068	4,588,842
Expenses				
Employee costs		(2,404,988)	(2,284,839)	(2,273,833)
Materials and contracts		(1,758,198)	(1,342,163)	(1,668,570)
Utility charges		(118,360)	(122,892)	(119,390)
Depreciation	6	(3,979,816)	(3,776,956)	(3,676,619)
Finance costs	9(c)	(29,098)	(24,256)	(23,952)
Insurance		(156,959)	(158,967)	(157,053)
Other expenditure		(56,345)	(43,519)	(83,800)
		(8,503,764)	(7,753,592)	(8,003,217)
		(4,574,727)	(1,694,524)	(3,414,375)
Capital grants, subsidies and contributions		4,532,557	1,395,011	4,428,614
Profit on asset disposals	5	171,487	5,194	14,292
Loss on asset disposals	5	(68,260)	(5,107)	(27,554)
Fair value adjustments to financial assets at fair value through profit or loss		0	56,668	0
		4,635,784	1,451,766	4,415,352
Net result for the period		**61,057**	**(242,758)**	**1,000,977**
Total other comprehensive income for the period		**0**	**0**	**0**
Total comprehensive income for the period		**61,057**	**(242,758)**	**1,000,977**

This statement is to be read in conjunction with the accompanying notes.

SHIRE OF WEST ARTHUR
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2027

CASH FLOWS FROM OPERATING ACTIVITIES	Note	2026/27 Budget	2025/26 Actual	2025/26 Budget
Receipts		$	$	$
Rates		2,408,977	2,403,058	2,227,484
Grants, subsidies and contributions		664,452	2,848,964	1,918,654
Fees and charges		464,390	415,330	406,331
Interest revenue		133,971	184,832	122,314
Goods and services tax received		295,000	328,432	295,000
Other revenue		257,247	237,529	139,059
		4,224,037	6,418,145	5,108,842
Payments				
Employee costs		(2,404,988)	(2,248,559)	(2,273,833)
Materials and contracts		(1,622,787)	(1,223,015)	(1,686,872)
Utility charges		(118,360)	(122,892)	(119,390)
Finance costs		(29,098)	(24,256)	(23,952)
Insurance paid		(156,959)	(158,967)	(157,053)
Goods and services tax paid		(295,000)	(330,475)	(235,000)
Other expenditure		(56,345)	(43,519)	(83,800)
		(4,683,537)	(4,151,683)	(4,579,900)
Net cash provided by (used in) operating activities	4	(459,500)	2,266,462	528,942
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment	5(a)	(3,544,253)	(1,119,320)	(4,028,421)
Payments for construction of infrastructure	5(b)	(2,140,831)	(2,116,602)	(1,662,428)
Proceeds from capital grants, subsidies and contributions		2,552,786	3,344,584	4,398,416
Proceeds from disposal of property, plant and equipment	5(a)	317,600	44,546	161,364
Proceeds on financial assets at amortised cost - self supporting loans	7(a)	33,136	32,059	32,059
Net cash provided by (used in) investing activities		(2,781,562)	185,267	(1,099,010)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	7(a)	(97,168)	(91,150)	(91,151)
Proceeds from new borrowings	7(a)	0	110,000	0
Net cash provided by (used in) financing activities		(97,168)	18,850	(91,151)
Net increase (decrease) in cash held		(3,338,230)	2,470,579	(661,219)
Cash at beginning of year		5,334,081	2,863,502	2,863,502
Cash and cash equivalents at the end of the year	4	**1,995,851**	**5,334,081**	**2,202,283**

This statement is to be read in conjunction with the accompanying notes.

SHIRE OF WEST ARTHUR
STATEMENT OF FINANCIAL ACTIVITY
FOR THE YEAR ENDED 30 JUNE 2027

OPERATING ACTIVITIES	Note	2026/27 Budget	2025/26 Actual	2025/26 Budget
Revenue from operating activities		$	$	$
General rates	2(a)(i)	2,294,906	2,149,440	2,149,187
Rates excluding general rates	2(a)	114,071	103,707	103,297
Grants, subsidies and contributions		664,452	2,968,230	1,668,654
Fees and charges	14	464,390	415,330	406,331
Interest revenue	9(a)	133,971	184,832	122,314
Other revenue		257,247	237,529	139,059
Profit on asset disposals	5	171,487	5,194	14,292
Fair value adjustments to financial assets at fair value through profit or loss		0	56,668	0
		4,100,524	6,120,930	4,603,134
Expenditure from operating activities				
Employee costs		(2,404,988)	(2,284,839)	(2,273,833)
Materials and contracts		(1,758,198)	(1,342,163)	(1,668,570)
Utility charges		(118,360)	(122,892)	(119,390)
Depreciation	6	(3,979,816)	(3,776,956)	(3,676,619)
Finance costs	9(c)	(29,098)	(24,256)	(23,952)
Insurance		(156,959)	(158,967)	(157,053)
Other expenditure		(56,345)	(43,519)	(83,800)
Loss on asset disposals	5	(68,260)	(5,107)	(27,554)
		(8,572,024)	(7,758,699)	(8,030,771)
Non cash amounts excluded from operating activities	3(c)	3,876,589	3,799,035	3,689,881
Amount attributable to operating activities		**(594,911)**	**2,161,266**	**262,244**
INVESTING ACTIVITIES				
Inflows from investing activities				
Proceeds from capital grants, subsidies and contributions		4,532,557	1,395,011	4,428,614
Proceeds from disposal of property, plant and equipment	5(a)	317,600	44,546	161,364
Proceeds from financial assets at amortised cost - self supporting loans	7(a)	33,136	32,059	32,059
		4,883,293	1,471,616	4,622,037
Outflows from investing activities				
Acquisition of property, plant and equipment	5(a)	(3,544,253)	(1,119,320)	(4,028,421)
Acquisition of infrastructure	5(b)	(2,140,831)	(2,116,602)	(1,662,428)
Payments for financial assets at amortised cost - term deposits		0	0	
		(5,685,084)	(3,235,922)	(5,690,849)
Amount attributable to investing activities		**(801,791)**	**(1,764,306)**	**(1,068,812)**
FINANCING ACTIVITIES				
Inflows from financing activities				
Proceeds from new borrowings	7(a)	0	110,000	0
Transfers from reserve accounts	8(a)	488,678	961,149	1,016,027
		488,678	1,071,149	1,016,027
Outflows from financing activities				
Repayment of borrowings	7(a)	(97,168)	(91,150)	(91,151)
Transfers to reserve accounts	8(a)	(822,928)	(408,860)	(956,688)
		(920,096)	(500,010)	(1,047,839)
Amount attributable to financing activities		**(431,418)**	**571,139**	**(31,812)**
MOVEMENT IN SURPLUS OR DEFICIT				
Surplus remaining at the start of the financial year	3	1,828,120	860,021	838,380
Amount attributable to operating activities		(594,911)	2,161,266	262,244
Amount attributable to investing activities		(801,791)	(1,764,306)	(1,068,812)
Amount attributable to financing activities		(431,418)	571,139	(31,812)
Surplus remaining after the imposition of general rates	3	**0**	**1,828,120**	**0**

This statement is to be read in conjunction with the accompanying notes.

SHIRE OF WEST ARTHUR
FOR THE YEAR ENDED 30 JUNE 2027
INDEX OF NOTES TO THE BUDGET

1 BASIS OF PREPARATION

The annual budget of the Shire of West Arthur which is a Class 4 local government is a forward looking document and has been prepared in accordance with the *Local Government Act 1995* and accompanying regulations.

Local Government Act 1995 requirements
Section 6.4(2) of the *Local Government Act 1995* read with the *Local Government (Financial Management) Regulations 1996* prescribe that the annual budget be prepared in accordance with the *Local Government Act 1995* and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards. The Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and Interpretations of the Australian Accounting Standards Board were applied where no inconsistencies exist.

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

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

The local government reporting entity
All funds through which the Shire controls resources to carry on its functions have been included in the financial statements forming part of this annual budget.

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 11 to the annual budget.

2025/26 actual balances
Balances shown in this budget as 2025/26 Actual are estimates as forecast at the time of preparation of the annual budget and are subject to final adjustments.

Budget comparative figures
Unless otherwise stated, the budget comparative figures shown in the budget relate to the original budget estimate for the relevant item of disclosure.

Comparative figures
Where required, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

Rounding off figures
All figures shown in this statement are rounded to the nearest dollar.

Statement of Cashflows
Investing and financing transactions that do not require the use of cash or cash equivalents shall be excluded from a statement of cash flows. Such transactions shall be disclosed elsewhere in the financial statements in a way that provides all the relevant information about these investing and financing activities.

Initial application of accounting standards
During the budget year, the below revised Australian Accounting Standards and Interpretations are expected to be compiled, become mandatory and be applicable to its operations.
• *AASB 2026-1 Amendments to Australian Accounting Standards – Disclosures about Uncertainties in the Financial Statements*
• *AASB 2024-2 Amendments to Australian Accounting Standards - Classification and Measurement of Financial Instruments*
• *AASB 2024-3 Amendments to Australian Accounting Standards - Standards – Annual Improvements Volume 11*
• *AASB 2025-1 Amendments to Australian Accounting Standards – Contracts Referencing Nature-dependent Electricity*
It is not expected these standards will have an impact on the annual budget on initial application.

New accounting standards for application in future years
The following new accounting standards will have application to local government in future years:
• *AASB 2014-10 Amendments to Australian Accounting Standards - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*
• *AASB 2024-4b Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128 [deferred AASB 10 and AASB 128 amendments in AASB 2014-10 apply]*
It is not expected these standards will have an impact on the annual budget on initial application.
• *AASB 18 Presentation and Disclosure in Financial Statements*
• *AASB 18 (NFP/super) Presentation and Disclosure in Financial Statements - (Appendix D) [for not-for-profit and superannuation entities]*
These accounting standards will materially change the presentation of the annual financial report and annual budget

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

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

The annual budget is a forward-looking statement and is comprised of management estimates. As with all estimates, the use of different assumptions could lead to material changes in the amounts reported in the annual budget.

The following are estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year and further information on their nature and impact can be found in the relevant note:
• Fair value measurement of assets carried at reportable value including:
• Property, plant and equipment
• Infrastructure
• Expected credit losses on financial assets
• Assets held for sale
• Impairment losses of non-financial assets
• Measurement of employee benefits
• Measurement of provisions

2. RATES AND SERVICE CHARGES

(a) Rating Information

Rate Description	Basis of valuation	Rate in dollar	Number of properties	Rateable value*	2026/27 Budgeted rate revenue	2026/27 Budgeted interim rates	2026/27 Budgeted total revenue	2025/26 Actual total revenue	2025/26 Budget total revenue
				$	$	$	$	$	$
(i) General rates									
GRV Townsite	Gross rental valuation	0.083800	96	1,067,506	89,457	0	89,457	82,300	82,123
GRV Commercial	Gross rental valuation	0.083800	11	228,540	19,152	0	19,152	17,582	17,582
GRV Industrial	Gross rental valuation	0.083800	5	102,960	8,628	0	8,628	7,921	7,921
GRV Other Townsite	Gross rental valuation	0.083800	17	137,800	11,548	0	11,548	9,689	9,689
UV Rural	Unimproved valuation	0.002858	361	757,915,000	2,166,121	0	2,166,121	2,031,948	2,031,872
Total general rates			490	759,451,806	2,294,906	0	2,294,906	2,149,440	2,149,187
		Minimum							
(ii) Minimum payment		$							
GRV Townsite	Gross rental valuation	730.00	35	128,041	25,550	0	25,550	23,555	23,555
GRV Commercial	Gross rental valuation	730.00	10	32,695	7,300	0	7,300	6,730	6,730
GRV Industrial	Gross rental valuation	730.00	5	25,810	3,650	0	3,650	3,365	3,365
GRV Other Townsite	Gross rental valuation	479.00	17	8,655	8,143	0	8,143	8,949	8,949
UV Rural	Unimproved valuation	730.00	89	14,246,767	64,970	0	64,970	56,942	56,532
Total minimum payments			156	14,441,968	109,613	0	109,613	99,541	99,131
Total general rates and minimum payments			646	773,893,774	2,404,519	0	2,404,519	2,248,981	2,248,318
(iii) Ex-gratia rates									
Ex-gratia rates					4,458		4,458	4,166	4,166
Total rates					2,408,977	0	2,408,977	2,253,147	2,252,484
Instalment plan charges							1,900	1,914	1,932
Instalment plan interest							5,500	3,206	2,773
Late payment of rate or service charge interest							15,000	16,062	17,216
							22,400	21,182	21,921

The Shire did not raise specified area rates for the year ended 30th June 2027.

*Rateable Value at time of adopting budget.

All rateable properties within the district used predominately for non-rural purposes are rated according to their Gross Rental Valuation (GRV), all other properties are rated according to their Unimproved Valuation (UV).

The general rates detailed for the 2026/27 financial year have been determined by Council on the basis of raising the revenue required to meet the estimated deficiency between the total estimated expenditure proposed in the budget and the estimated revenue to be received from all sources other than general rates and also considering the extent of any increase in rating over the level adopted in the previous year.

The minimum payments have been determined by Council on the basis that all ratepayers must make a reasonable contribution to the cost of local government services/facilities.

2. RATES AND SERVICE CHARGES (CONTINUED)

(b) Interest Charges and Instalments - Rates and Service Charges

The following instalment options are available to ratepayers for the payment of rates and service charges.

Instalment options	Date due	Instalment plan admin charge	Instalment plan interest rate	Unpaid rates interest rates
		$	%	%
Option one				
Single full payment	12/10/2026	0	5.5%	11.0%
Option two				
First instalment	12/10/2026	0	5.5%	11.0%
Second instalment	11/12/2026	10	5.5%	11.0%
Third instalment	11/02/2027	10	5.5%	11.0%
Fourth instalment	12/04/2027	10	5.5%	11.0%

2. RATES AND SERVICE CHARGES (CONTINUED)

(c) Service Charges

The Shire did not raise service charges for the year ended 30th June 2027.

(d) Waivers or concessions

The Shire does not anticipate any waivers or concessions for the year ended 30th June 2027.

3. NET CURRENT ASSETS

(a) Composition of estimated net current assets

	Note	2026/27 Budget 30 June 2027 Carried forward	2025/26 Actual 30 June 2026 Carried forward	2025/26 Budget 30 June 2026 Carried forward
Current assets		$	$	$
Cash and cash equivalents	4	1,995,851	5,334,081	2,202,283
Financial assets		34,250	33,136	33,136
Receivables		185,705	185,705	202,562
Inventories		102,294	102,294	100,597
Other assets		2,288	137,699	3,936
Non-current assets held for sale		65,107	65,107	0
		2,385,495	5,858,022	2,542,514
Less: current liabilities				
Trade and other payables		(312,746)	(312,746)	(334,729)
Capital grant/contributions liabilities		0	(1,979,771)	0
Long term borrowings	7	(99,115)	(97,168)	(88,646)
Employee provisions		(413,858)	(413,858)	(366,876)
		(825,719)	(2,803,543)	(790,251)
Net current assets		1,559,776	3,054,479	1,752,263
Less: Total adjustments to net current assets	3(b)	(1,559,776)	(1,226,359)	(1,752,263)
Net current assets used in the Statement of Financial Activity		0	1,828,120	0

(b) Current assets and liabilities excluded from budgeted deficiency

The following current assets and liabilities have been excluded from the net current assets used in the Statement of Financial Activity in accordance with *Financial Management Regulation 32* to agree to the surplus/(deficit) after imposition of general rates.

	Note	2026/27 Budget 30 June 2027 Carried forward	2025/26 Actual 30 June 2026 Carried forward	2025/26 Budget 30 June 2026 Carried forward
Adjustments to net current assets				
Less: Reserve accounts	8	(2,001,754)	(1,667,504)	(2,160,454)
Less: Current assets not expected to be received at end of year				
- Financial assets at amortised cost - self supporting loans		(34,250)	(33,136)	(33,136)
- Inventory - land held for resale		(79,118)	(79,118)	(79,118)
- Assets held for sale		(65,107)	(65,107)	0
Add: Current liabilities not expected to be cleared at end of year				
- Current portion of borrowings		99,115	97,168	88,646
- Current portion of employee benefit provisions		521,338	521,338	431,799
Total adjustments to net current assets		(1,559,776)	(1,226,359)	(1,752,263)

EXPLANATION OF DIFFERENCE IN SURPLUS/(DEFICIT)

Items excluded from calculation of budgeted deficiency
When calculating the budget deficiency for the purpose of Section 6.2 (2)(c) of the *Local Government Act 1995* the following amounts have been excluded as provided by *Local Government (Financial Management) Regulation 32* which will not fund the budgeted expenditure.

(c) Amounts excluded from operating activities

	Note	2026/27 Budget 30 June 2027 Carried forward	2025/26 Actual 30 June 2026 Carried forward	2025/26 Budget 30 June 2026 Carried forward
		$	$	$
Less: Profit on asset disposals	5	(171,487)	(5,194)	(14,292)
Less: Fair value adjustments to financial assets at fair value through profit and loss		0	(56,668)	0
Add: Loss on asset disposals	5	68,260	5,107	27,554
Add: Depreciation	6	3,979,816	3,776,956	3,676,619
Movement in current liabilities:				
- Current portion of employee benefit provisions		0	84,195	0
Non-cash movements in non-current assets and liabilities:				
- Employee benefit provisions		0	(5,361)	0
Non cash amounts excluded from operating activities		3,876,589	3,799,035	3,689,881

3. NET CURRENT ASSETS (CONTINUED)

(d) MATERIAL ACCOUNTING POLICIES

CURRENT AND NON-CURRENT CLASSIFICATION

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

TRADE AND OTHER PAYABLES

Trade and other payables represent liabilities for goods and services provided to the Shire prior to the end of the financial year that are unpaid and arise when the Shire becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured, are recognised as a current liability and are normally paid within 30 days of recognition. The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

PREPAID RATES

Prepaid rates are, until the taxable event has occurred (start of the next financial year), refundable at the request of the ratepayer. Rates received in advance are initially recognised as a financial liability. When the taxable event occurs, the financial liability is extinguished and the Shire recognises revenue for the prepaid rates that have not been refunded.

INVENTORIES

General

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

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

INVENTORY - LAND HELD FOR RESALE

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

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

Inventory - land held for resale is classified as current except where it is held as non-current based on the Shire's intentions to release for sale.

SUPERANNUATION

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

GOODS AND SERVICES TAX (GST)

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

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

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

CONTRACT LIABILITIES

Contract liabilities represent the Shire's obligation to transfer goods or services to a customer for which the Shire has received consideration from the customer.

Contract liabilities represent obligations which are not yet satisfied. Contract liabilities are recognised as revenue when the performance obligations in the contract are satisfied.

TRADE AND OTHER RECEIVABLES

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

Trade and other receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components, when they are recognised at fair value.

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

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

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

PROVISIONS

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

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

EMPLOYEE BENEFITS

Short-term employee benefits

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

The Shire's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the determination of the net current asset position.
The Shire's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the determination of the net current asset position.

Other long-term employee benefits

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

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

CONTRACT ASSETS

Contract assets primarily relate to the Shire's right to consideration for work completed but not billed at the end of the period.

4. RECONCILIATION OF CASH

(a) Reconciliation of cash

For the purposes of the Statement of Cash Flows, cash includes cash and cash equivalents, net of outstanding bank overdrafts. Estimated cash at the end of the reporting period is as follows:

	Note	2026/27 Budget	2025/26 Actual	2025/26 Budget
		$	$	$
Cash and cash equivalents		1,995,851	5,334,081	2,202,283
Restrictions				
The following classes of financial assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:				
Cash and cash equivalents		2,001,754	3,647,275	2,160,454
		2,001,754	3,647,275	2,160,454
The restricted financial assets are a result of the following specific purposes to which the assets may be used:				
Reserve accounts	8	2,001,754	1,667,504	2,160,454
Contract liabilities		0	0	
Capital grant/contributions liabilities		0	1,979,771	
Total restricted financial assets		2,001,754	3,647,275	2,160,454

(b) Reconciliation of net cash provided by operating activities

	Note	2026/27 Budget	2025/26 Actual	2025/26 Budget
Net result		61,057	(242,758)	1,000,977
Non-cash items:				
Depreciation	6	3,979,816	3,776,956	3,676,619
(Profit)/loss on sale of assets	5	(103,227)	(87)	13,262
Adjustments to fair value of financial assets at fair value through profit and loss		0	(56,668)	0
Changes in assets and liabilities:				
Decrease in receivables		0	28,602	285,000
(Increase)/decrease in inventories		0	(197)	1,500
Decrease in other assets		135,411	202,978	
(Decrease) in trade and other payables		0	(83,633)	(19,802)
Increase/(decrease) in capital grant/contributions liabilities		(1,979,771)	1,949,573	(30,198)
Increase in employee related provisions		0	36,280	
Capital grants, subsidies and contributions		(2,552,786)	(3,344,584)	(4,398,416)
Net cash provided by/(used in) operating activities		(459,500)	2,266,462	528,942

MATERIAL ACCOUNTING POLICES

CASH AND CASH EQUIVALENTS

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

Term deposits are presented as cash equivalents if they have a maturity of three months or less from the date of acquisition and are repayable with 24 hours notice with no loss of interest.

Bank overdrafts are shown as short term borrowings in current liabilities in Note 3 - Net Current Assets.

FINANCIAL ASSETS AT AMORTISED COST

The Shire classifies financial assets at amortised cost if both of the following criteria are met:
- the asset is held within a business model whose objective is to collect the contractual cashflows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

Interest received is presented under cashflows from operating activities in the Statement of Cash Flows where it is earned from financial assets that are held for cash management purposes.

SHIRE OF WEST ARTHUR
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2027

5. PROPERTY, PLANT AND EQUIPMENT

	2026/27 Budget					2025/26 Actual					2025/26 Budget				
	Additions	Disposals - Net Book Value	Disposals - Sale Proceeds	Disposals - Profit	Disposals - Loss	Additions	Disposals - Net Book Value	Disposals - Sale Proceeds	Disposals - Profit	Disposals - Loss	Additions	Disposals - Net Book Value	Disposals - Sale Proceeds	Disposals - Profit	Disposals - Loss
(a) Property, Plant and Equipment	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$
Land - freehold land	2,879,451	(112,874)	115,000	56,162	(54,036)	390,708	0	0		0	3,164,890	(64,059)	50,000	0	(14,059)
Buildings - non-specialised	50,027	0	0		0	59,544	0	0		0	114,525	0	0	0	0
Buildings - specialised	25,000	0	0	0	0	48,289	0	0	0	0	0	0	0	0	0
Furniture and equipment	7,500	0	0		0	6,361	0	0		0	6,000	0	0	0	0
Plant and equipment	582,275	(101,499)	202,600	115,325	(14,224)	614,418	(44,459)	44,546	5,194	(5,107)	743,006	(110,567)	111,364	14,292	(13,495)
Total	3,544,253	(214,373)	317,600	171,487	(68,260)	1,119,320	(44,459)	44,546	5,194	(5,107)	4,028,421	(174,626)	161,364	14,292	(27,554)
(b) Infrastructure															
Infrastructure - roads	1,228,991	0	0	0	0	1,129,955	0	0	0	0	1,337,741	0	0	0	0
Infrastructure - other	690,180	0	0	0	0	192,380	0	0	0	0	324,687	0	0	0	0
Infrastructure - bridges	221,660	0	0	0	0	794,267	0	0	0	0	0	0	0	0	0
Total	2,140,831	0	0	0	0	2,116,602	0	0	0	0	1,662,428	0	0	0	0
Total	5,685,084	(214,373)	317,600	171,487	(68,260)	3,235,922	(44,459)	44,546	5,194	(5,107)	5,690,849	(174,626)	161,364	14,292	(27,554)

MATERIAL ACCOUNTING POLICIES

RECOGNITION OF ASSETS
Assets for which the fair value as at the date of acquisition is under $5,000 are not recognised as an asset in accordance with *Financial Management Regulation 17A (5)* . These assets are expensed immediately.

Where multiple individual low value assets are purchased together as part of a larger asset or collectively forming a larger asset exceeding the threshold, the individual assets are recognised as one asset and capitalised.

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

SHIRE OF WEST ARTHUR
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2027

6. DEPRECIATION

	2026/27 Budget	2025/26 Actual	2025/26 Budget
	$	$	$
By Class			
Buildings - non-specialised	48,036	48,210	34,726
Buildings - specialised	252,394	221,018	219,967
Furniture and equipment	43,164	37,985	11,373
Plant and equipment	475,029	461,919	423,596
Infrastructure - roads	2,054,325	1,954,534	1,947,796
Infrastructure - Other	257,832	219,886	207,462
Infrastructure - bridges	849,036	833,404	831,699
	3,979,816	3,776,956	3,676,619
By Program			
Governance	6,214	6,214	0
General purpose funding	0		437
Law, order, public safety	113,950	113,949	78,313
Health	44,700	44,700	44,700
Housing	11,892	11,892	11,892
Community amenities	23,398	22,539	8,053
Recreation and culture	353,171	294,075	295,615
Transport	2,924,425	2,809,017	2,802,448
Economic services	56,025	41,405	35,744
Other property and services	446,041	433,165	399,417
	3,979,816	3,776,956	3,676,619

MATERIAL ACCOUNTING POLICIES

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

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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

Major depreciation periods used for each class of depreciable asset are:

Buildings	30 to 100 years
Furniture and equipment	4 to 10 years
Plant and equipment	5 to 15 years
Sealed roads and streets	
formation	not depreciated
pavement	70 years
seal	
bituminous seals	15 to 25 eyars
asphalt surfaces	15 to 25 years
Gravel roads	
formation	not depreciated
pavement	50 years
gravel sheeting	10 to 15 years
Formed roads (unsealed)	
formation	not depreciated
pavement	50 years
Footpaths - slab	20 years
Sewerage piping	100 years
Water supply piping and drainage system:	75 years
Bridges	60 to 90 years

AMORTISATION
The depreciable amount of all intangible assets with a finite useful life, are depreciated on a straight-line basis over the individual asset's useful life from the time the asset is held for use.

The assets residual value of intangible assets is considered to be zero and useful live and amortisation method are reviewed at the end of each financial year.

Amortisation is included within Depreciation on non-current assets in the Statement of Comprehensive Income.

7. BORROWINGS

(a) Borrowing repayments

Movement in borrowings and interest between the beginning and the end of the current financial year.

Purpose	Loan Number	Institution	Interest Rate	Budget Principal 1 July 2026	2026/27 Budget New Loans	2026/27 Budget Principal Repayments	Budget Principal outstanding 30 June 2027	2026/27 Budget Interest Repayments	Actual Principal 1 July 2025	2025/26 Actual New Loans	2025/26 Actual Principal Repayments	Actual Principal outstanding 30 June 2026	2025/26 Actual Interest Repayments	Budget Principal 1 July 2025	2025/26 Budget New Loans	2025/26 Budget Principal Repayments	Budget Principal outstanding 30 June 2026	2025/26 Budget Interest Repayments
				$	$	$	$	$	$	$	$	$	$	$	$	$	$	$
Industrial Land	72	WATC	3.3%	0	0	0	0	0	5,798	0	(5,798)	0	(391)	5,798	0	(5,798)	0	(86)
ERP	75	WATC	4.1%	89,697	0	(28,665)	61,032	(3,854)	117,196	0	(27,499)	89,697	(5,216)	117,196	0	(27,499)	89,697	(5,216)
Loader	74	WATC	4.0%	178,339	0	(26,845)	151,494	(7,914)	204,133	0	(25,794)	178,339	(9,145)	204,133	0	(25,795)	178,338	(9,145)
Industrial Land	75	WATC	5.4%	110,000	0	(8,522)	101,478	(9,131)	0	110,000	0	110,000	0	0	0	0	0	0
				378,036	0	(64,032)	314,004	(20,899)	327,127	110,000	(59,091)	378,036	(14,752)	327,127	0	(59,092)	268,035	(14,447)
Self Supporting Loans																		
WA Cottage Homes	73	WATC	3.3%	216,292	0	(33,136)	183,156	(8,199)	248,351	0	(32,059)	216,292	(9,504)	248,351	0	(32,059)	216,292	(9,505)
				216,292	0	(33,136)	183,156	(8,199)	248,351	0	(32,059)	216,292	(9,504)	248,351	0	(32,059)	216,292	(9,505)
				594,328	0	(97,168)	497,160	(29,098)	575,478	110,000	(91,150)	594,328	(24,256)	575,478	0	(91,151)	484,327	(23,952)

All borrowing repayments, other than self supporting loans, will be financed by general purpose revenue.
The self supporting loan(s) repayment will be fully reimbursed.

7. BORROWINGS (CONTINUED)

(b) New borrowings - 2026/27

The Shire does not intend to undertake any new borrowings for the year ended 30th June 2027

(c) Unspent borrowings

The Shire had no unspent borrowing funds as at 30th June 2026 nor is it expected to have unspent borrowing funds as at 30th June 2027.

(d) Credit Facilities

	2026/27 Budget	2025/26 Actual	2025/26 Budget
	$	$	$
Undrawn borrowing facilities credit standby arrangements			
Bank overdraft limit	150,000	150,000	150,000
Bank overdraft at balance date	0	0	0
Credit card limit	15,000	15,000	15,000
Credit card balance at balance date	0	(225)	0
Total amount of credit unused	165,000	164,775	165,000
Loan facilities			
Loan facilities in use at balance date	497,160	594,328	484,327

MATERIAL ACCOUNTING POLICIES

BORROWING COSTS
The Shire has elected to recognise borrowing costs as an expense when incurred regardless of how the borrowings are applied.

Fair values of borrowings are not materially different to their carrying amounts, since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short term nature.
Borrowings fair values are based on discounted cash flows using a current borrowing rate.

SHIRE OF WEST ARTHUR
NOTES TO AND FORMING PART OF THE BUDGET
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8. RESERVE ACCOUNTS

(a) Reserve Accounts - Movement

	2026/27 Budget				2025/26 Actual				2025/26 Budget			
	Opening Balance	Transfer to	Transfer (from)	Closing Balance	Opening Balance	Transfer to	Transfer (from)	Closing Balance	Opening Balance	Transfer to	Transfer (from)	Closing Balance
	$	$	$	$	$	$	$	$	$	$	$	$
Restricted by council												
(a) Leave Reserve	102,379	188,323	(15,366)	275,336	37,034	65,345	0	102,379	37,034	41,243	0	78,277
(b) Plant Reserve	390,085	321,603	(374,400)	337,288	735,456	227,746	(573,117)	390,085	735,456	224,675	(652,420)	307,711
(c) Building Reserve	26,861	157,074	(25,000)	158,935	83,703	3,158	(60,000)	26,861	83,703	2,808	(80,000)	6,511
(d) Town Development Reserve	1,794	72	0	1,866	1,728	66	0	1,794	1,728	58	0	1,786
(e) Recreation Reserve	27,248	1,090	0	28,338	41,676	1,572	(16,000)	27,248	41,676	1,398	(16,000)	27,074
(f) Heritage Reserve	8,308	332	0	8,640	7,437	871	0	8,308	7,437	250	0	7,687
(g) Community Housing Reserve	225,190	15,008	(5,000)	235,198	205,439	19,751	0	225,190	205,439	18,893	0	224,332
(h) Waste Management Reserve	132,993	5,320	0	138,313	128,158	4,835	0	132,993	128,158	4,300	0	132,458
(i) Darkan Swimming Pool Reserve	32,921	51,317	(30,000)	54,238	41,361	1,560	(10,000)	32,921	41,361	1,388	(10,000)	32,749
(j) Information Technology Reserve	23,002	920	0	23,922	22,166	836	0	23,002	22,166	744	0	22,910
(k) Darkan Sport and Community Centre Reserv	250,416	50,016	0	300,432	270,835	50,218	(70,637)	250,416	270,835	49,087	0	319,922
(l) Arthur River Country Club Reserve	72,664	8,907	0	81,571	64,240	8,424	0	72,664	64,240	8,155	0	72,395
(m) Museum Reserve	136,716	5,469	(5,000)	137,185	136,563	5,153	(5,000)	136,716	136,563	4,582	(5,000)	136,145
(n) Moodiarrup Sports Club Reserve	29,687	6,187	0	35,874	26,680	3,007	0	29,687	26,680	5,895	0	32,575
(o) Landcare Reserve	22,442	898	0	23,340	21,626	816	0	22,442	21,626	726	(8,000)	14,352
(p) Corporate Planning and Valuation Reserve	5,224	209	0	5,433	5,034	190	0	5,224	5,034	169	0	5,203
(q) Kids Central Reserve	8,590	344	(1,500)	7,434	7,971	619	0	8,590	7,971	267	0	8,238
(r) The Shed Reserve	14,220	569	(1,000)	13,789	13,455	765	0	14,220	13,455	451	0	13,906
(s) Recreation Trails Reserve	2,934	117	0	3,051	2,827	107	0	2,934	2,827	95	0	2,922
(t) Community Gym Reserve	12,466	3,499	0	15,965	15,098	568	(3,200)	12,466	15,098	507	(10,000)	5,605
(u) Economic Development Reserve	50,202	2,008	(31,412)	20,798	86,456	3,261	(39,515)	50,202	86,456	3,303	(50,927)	38,832
(v) Road Reserve	91,162	3,646	0	94,808	264,850	9,992	(183,680)	91,162	264,850	587,694	(183,680)	668,864
	1,667,504	822,928	(488,678)	2,001,754	2,219,793	408,860	(961,149)	1,667,504	2,219,793	956,688	(1,016,027)	2,160,454

(b) Reserve Accounts - Purposes

In accordance with Council resolutions in relation to each reserve account, the purpose for which the reserves are set aside are as follows:

Reserve name	Anticipated date of use	Purpose of the reserve
Restricted by legislation		
Restricted by council		
(a) Leave Reserve	Ongoing	To be used to fund long service leave and annual leave requirements
(b) Plant Reserve	Ongoing	To be used for the purchase of major plant
(c) Building Reserve	Ongoing	To be used for the construction and maintenance of Council buildings
(d) Town Development Reserve	Ongoing	To be used to enhance town infrastructure
(e) Recreation Reserve	Ongoing	To be used to enhance recreation infrastructure
(f) Heritage Reserve	Ongoing	To be used to maintain and improve the heritage buildings of the Shire
(g) Community Housing Reserve	Ongoing	To be used for the maintenance and provision of housing within the Shire
(h) Waste Management Reserve	Ongoing	To assist with funding future infrastructure requirements for waste management and to provide for the costs of closing landfill sites within the district.
(i) Darkan Swimming Pool Reserve	Ongoing	To be used to assist with funding works at the Darkan Swimming Pool
(j) Information Technology Reserve	Ongoing	To be used for upgrades to computers and office equipment
(k) Darkan Sport and Community Centre Reserv	Ongoing	Top be used to maintain and improve the Darkan Sport and Community Centre
(l) Arthur River Country Club Reserve	Ongoing	To be used to maintain and improve the Arthur River Country Club
(m) Museum Reserve	Ongoing	To be used to maintain and to provide new displays in the Museum
(n) Moodiarrup Sports Club Reserve	Ongoing	To be used to maintain and improve the Moodiarrup Sports Club
(o) Landcare Reserve	Ongoing	To be used to fund the landcare expenditure of the Shire
(p) Corporate Planning and Valuation Reserve	Ongoing	To be used to fund the corporate planning and valuation expenditure of the Shire
(q) Kids Central Reserve	Ongoing	To be used to fund the renewal of equipment and infrastructure
(r) The Shed Reserve	Ongoing	To be used to fund the renewal of equipment and infrastructure
(s) Recreation Trails Reserve	Ongoing	To be used for the construction and maintenance of recreation trails
(t) Community Gym Reserve	Ongoing	To be used for the renewal of gym equipment and activities
(u) Economic Development Reserve	Ongoing	To be used for economic development initiatives that benefit the Shire
(v) Road Reserve	Ongoing	To be used to fund road improvements or urgent repairs

9. OTHER INFORMATION

	2026/27 Budget	2025/26 Actual	2025/26 Budget
The net result includes as revenues	$	$	$
(a) Interest earnings			
Investments	113,471	165,564	102,325
Other interest revenue	20,500	19,268	19,989
	133,971	184,832	122,314
The net result includes as expenses			
(b) Auditors remuneration			
Audit services	52,000	50,671	50,000
	52,000	50,671	50,000
(c) Interest expenses (finance costs)			
Borrowings (refer Note 7(a))	29,098	24,256	23,952
	29,098	24,256	23,952
(d) Write offs			
General rate	0	94,088	0
	0	94,088	0

10. COUNCIL MEMBERS REMUNERATION

	2026/27 Budget	2025/26 Actual	2025/26 Budget
	$	$	$
President			
President's allowance	6,400	6,400	6,400
Meeting attendance fees	4,020	5,000	5,200
Annual allowance for ICT expenses	535	535	535
Travel and accommodation expenses	721	1,918	2,200
Superannuation contribution payments	628	1,349	1,392
	12,304	15,202	15,727
Deputy President			
Deputy President's allowance	1,600	1,200	1,600
Meeting attendance fees	4,020	3,460	8,200
Annual allowance for ICT expenses	535	535	535
Travel and accommodation expenses	721	954	3,650
Superannuation contribution payments	628	0	1,176
	7,504	6,149	15,161
Council member 3			
Meeting attendance fees	4,020	3,565	2,850
Annual allowance for ICT expenses	535	535	535
Travel and accommodation expenses	721	831	1,150
Superannuation contribution payments	628	447	342
	5,904	5,378	4,877
Council member 4			
Meeting attendance fees	4,020	3,020	2,000
Annual allowance for ICT expenses	535	535	535
Travel and accommodation expenses	721	288	50
Superannuation contribution payments	628	0	240
	5,904	3,843	2,825
Council member 5			
Meeting attendance fees	4,020	2,800	3,800
Annual allowance for ICT expenses	535	535	535
Travel and accommodation expenses	720	775	1,150
Superannuation contribution payments	628	0	456
	5,903	4,110	5,941
Council member 6			
Meeting attendance fees	4,020	1,830	0
Annual allowance for ICT expenses	535	401	0
Travel and accommodation expenses	720	2	0
Superannuation contribution payments	628	0	0
	5,903	2,233	0
Council member 7			
Meeting attendance fees	4,020	2,485	0
Annual allowance for ICT expenses	535	401	0
Travel and accommodation expenses	720	154	0
Superannuation contribution payments	628	0	0
	5,903	3,040	0
Council member 8			
Meeting attendance fees	0	755	3,500
Annual allowance for ICT expenses	0	134	535
Travel and accommodation expenses	0	115	400
Superannuation contribution payments	0	0	420
	0	1,004	4,855
Council member 9			
Meeting attendance fees	0	650	2,450
Annual allowance for ICT expenses	0	134	535
Travel and accommodation expenses	0	0	400
Superannuation contribution payments	0	219	294
	0	1,003	3,679
Total Council Member Remuneration	49,325	41,962	53,065
President's allowance	6,400	6,400	6,400
Deputy President's allowance	1,600	1,200	1,600
Meeting attendance fees	28,140	23,565	28,000
Annual allowance for ICT expenses	3,745	3,745	3,745
Travel and accommodation expenses	5,044	5,037	9,000
Superannuation contribution payments	4,396	2,015	4,320
	49,325	41,962	53,065

11. MAJOR LAND TRANSACTIONS

Residential Land Development Project

(a) Details

Undertake subdivision, headworks and construction of land for worker housing in Darkan.

(b) Current year transactions

	Note	2026/27 Budget	2025/26 Actual	2025/26 Budget
		$	$	$
Capital revenue				
Housing Support Program Stream 2		2,847,993	144,021	2,992,014
Capital expenditure				
Housing Support Program Stream 2	5(a)	(2,847,993)	(144,021)	(2,992,014)
		0	0	0

(c) Expected future cash flows

	2026/27	2027/28	2028/29	2029/30	2030/31	Total
	$	$	$	$	$	$
Cash outflows						
Housing Support Program Stream 2	(2,847,993)	0	0	0	0	(2,847,993)
	(2,847,993)	0	0	0	0	(2,847,993)
Cash Inflows						
Housing Support Program Stream 2	2,847,993	0	0	0	0	2,847,993
	2,847,993	0	0	0	0	2,847,993
Net cash flows	0	0	0	0	0	0

12. REVENUE AND EXPENDITURE

(a) Revenue and Expenditure Classification

REVENUES

RATES
All rates levied under the *Local Government Act 1995*. Includes general, differential, specific area rates, minimum payment, interim rates, back rates, ex-gratia rates, less discounts offered.
Exclude administration fees, interest on instalments, interest on arrears, service charges and sewerage rates.

GRANTS, SUBSIDIES AND CONTRIBUTIONS
All amounts received as grants, subsidies and contributions that are not capital grants.

CAPITAL GRANTS, SUBSIDIES AND CONTRIBUTIONS
Amounts received specifically for the acquisition, construction of new or the upgrading of non-current assets paid to a local government, irrespective of whether these amounts are received as capital grants, subsidies, contributions or donations.

REVENUE FROM CONTRACTS WITH CUSTOMERS
Revenue from contracts with customers is recognised when the local government satisfies its performance obligations under the contract.

FEES AND CHARGES
Revenues (other than service charges) from the use of facilities and charges made for local government services, sewerage rates, rentals, hire charges, fee for service, photocopying charges, licences, sale of goods or information, fines, penalties and administration fees.
Local governments may wish to disclose more detail such as rubbish collection fees, rental of property, fines and penalties, other fees and charges.

SERVICE CHARGES
Service charges imposed under *Division 6 of Part 6 of the Local* Government Act 1995. Regulation 54 of the Local Government *(Financial Management) Regulations 1996* identifies the charges which can be raised. These are television and radio broadcasting, underground electricity and neighbourhood surveillance services and water.
Exclude rubbish removal charges which should not be classified as a service charge. Interest and other items of a similar nature received from bank and investment accounts, interest on rate instalments, interest on rate arrears and interest on debtors.

INTEREST REVENUE
Interest and other items of a similar nature received from bank and investment accounts, interest on rate instalments, interest on rate arrears and interest on debtors.

OTHER REVENUE
Other revenue, which cannot be classified under the above headings, includes dividends, discounts, rebates etc.

PROFIT ON ASSET DISPOSAL
Gain on the disposal of assets including gains on the disposal of long-term investments.

EXPENSES

EMPLOYEE COSTS
All costs associated with the employment of person such as salaries, wages, allowances, benefits such as vehicle and housing, superannuation, employment expenses, removal expenses, relocation expenses, worker's compensation insurance, training costs, conferences, safety expenses, medical examinations, fringe benefit tax, etc.
Note: *AASB 119 Employee Benefits* provides a definition of employee benefits which should be considered.

MATERIALS AND CONTRACTS
All expenditures on materials, supplies and contracts not classified under other headings. These include supply of goods and materials, legal expenses, consultancy, maintenance agreements, communication expenses (such as telephone and internet charges), advertising expenses, membership, periodicals, publications, hire expenses, rental, leases, postage and freight etc.
Local governments may wish to disclose more detail such as contract services, consultancy, information technology and rental or lease expenditures.

UTILITIES (GAS, ELECTRICITY, WATER)
Expenditures made to the respective agencies for the provision of power, gas or water.
Exclude expenditures incurred for the reinstatement of roadwork on behalf of these agencies.

INSURANCE
All insurance other than worker's compensation and health benefit insurance included as a cost of employment.

LOSS ON ASSET DISPOSAL
Loss on the disposal of fixed assets.

DEPRECIATION ON NON-CURRENT ASSETS
Depreciation and amortisation expenses raised on all classes of assets.

FINANCE COSTS
Interest and other costs of finance paid, including costs of finance for loan debentures, overdraft accommodation and refinancing expenses.

OTHER EXPENDITURE
Statutory fees, taxes, provision for bad debts, member's fees or levies including DFES levy and State taxes. Donations and subsidies made to community groups.

12. REVENUE AND EXPENDITURE (CONTINUED)

(b) Revenue Recognition

Recognition of revenue from contracts with customers is dependant on the source of revenue and the associated terms and conditions associated with each source of revenue and recognised as follows:

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/ Warranties	Timing of Revenue recognition
Grant contracts with customers	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants, subsidies or contribtions for the construction of non-financial assets	Construction or acquisition of recognisable non-financial assets to be controlled by the local government	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants with no contractual commitments	General appropriations and contributions with no specific contractual commitments	No obligations	Not applicable	Not applicable	When assets are controlled
Licences/ Registrations/ Approvals	Building, planning, development and animal management, having the same nature as a licence regardless of naming.	Single point in time	Full payment prior to issue	None	On payment and issue of the licence, registration or approval
Waste management collections	Kerbside collection service	Over time	Payment on an annual basis in advance	None	On issue of rate notice
Fees and charges for other goods and services	Cemetery services, library fees, reinstatements and private works	Single point in time	Payment in full in advance	None	Output method based on provision of service or completion of works

13. PROGRAM INFORMATION

Key Terms and Definitions - Reporting Programs

In order to discharge its responsibilities to the community, Council has developed a set of operational and financial objectives. These objectives have been established both on an overall basis, reflected by the Shire's Community Vision, and for each of its broad activities/programs.

OBJECTIVE	ACTIVITIES
To set and achieve Council's goals and objectives for the ratepayers by providing high level direction, co-ordination and management policy.	Cost associated with meetings, elections, preparing annual reports and other statutory reporting requirements, public relations and policy development and review.
General purpose funding	
To collect revenue to allow for the provision of services.	Costs associated with raising and collecting rates, rate enquiries, preparing general purpose grant returns and investing the Shire's surplus funds.
Law, order, public safety	
To provide services to help ensure a safer and environmentally consious communnity.	Fire control and prevention, and animal control.
Health	
To provide an operational framework for environmental and community health.	Provision and maintenance of medical buildings and subsidies to health services, services of an Environmental Health Officer including food control.
Education and welfare	
To provide services to disadvantaged persons, the elderly, children and youth.	School bus routes, support to families and childrens services including schools, support for seniors and welfare services.
Housing	
To provide housing for employees of local industry and government departments.	Maintenance and provision of GROH and community housing.
Community amenities	
To provide services required by the community.	Rubbish collection services, operation of refuse site, administration of the town planning scheme, storm water drainage, protection of the environment, cemetery maintenance.
Recreation and culture	
To establish and effectively manage infrastructure and resources which will help the social wellbeing of the community.	Maintenance of halls, provision of library services, maintenance of historical buildings and maintenance of reserves and recreation facilities.
Transport	
To provide a smooth, safe, efficient and clearly defined road network that is environmentally acceptable and which enhances travels throughout the Shire.	Maintenance of roads, drainage works, footpaths, street lighting, median strips, traffic management, parking facilities and roadworks program.
Economic services	
To help promote the local government and its economic wellbeing.	Tourism and area promotion, caravan park, standpipes, pest control services and implementation of building controls.
Other property and services	
To monitor and control operating accounts.	Public works overheads, plant/vehicle operations, stock and materials, depot operations and private works.

14. FEES AND CHARGES

	2026/27 Budget	2025/26 Actual	2025/26 Budget
	$	$	$
By Program:			
General purpose funding	6,600	7,396	9,996
Law, order, public safety	3,315	3,812	2,500
Health	750	1,105	1,500
Education and welfare	18,290	20,039	13,250
Housing	98,500	94,765	88,000
Community amenities	147,955	99,473	88,085
Recreation and culture	14,880	13,496	11,200
Economic services	146,400	144,065	145,500
Other property and services	27,700	31,179	46,300
	464,390	415,330	406,331