



Shire of West Arthur

Annual Budget

2025 – 2026

{Adopted: 21 August 2025}



Forest to Wheatbelt

SHIRE OF WEST ARTHUR
ANNUAL BUDGET
FOR THE YEAR ENDED 30 JUNE 2026
LOCAL GOVERNMENT ACT 1995

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SHIRE OF WEST ARTHUR
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2026

	Note	2025/26 Budget	2024/25 Actual	2024/25 Budget
Revenue		\$	\$	\$
Rates	2(a)	2,252,484	2,114,496	2,118,003
Grants, subsidies and contributions		1,668,654	1,485,688	530,944
Fees and charges	15	406,331	378,669	353,890
Interest revenue	9(a)	122,314	177,243	185,748
Other revenue		139,059	219,025	166,640
		4,588,842	4,375,121	3,355,225
Expenses				
Employee costs		(2,273,833)	(2,303,584)	(2,222,894)
Materials and contracts		(1,668,570)	(1,747,994)	(1,509,750)
Utility charges		(119,390)	(116,233)	(153,690)
Depreciation	6	(3,676,619)	(3,572,219)	(3,077,887)
Finance costs	9(c)	(23,952)	(29,901)	(25,446)
Insurance		(157,053)	(133,040)	(134,430)
Other expenditure		(83,800)	(101,364)	(66,300)
		(8,003,217)	(8,004,335)	(7,190,397)
		(3,414,375)	(3,629,214)	(3,835,172)
Capital grants, subsidies and contributions		4,428,614	1,552,428	1,750,780
Profit on asset disposals	5	14,292	837	14,339
Loss on asset disposals	5	(27,554)	(15,566)	(16,137)
		4,415,352	1,537,699	1,748,982
Net result for the period		1,000,977	(2,091,515)	(2,086,190)
Total other comprehensive income for the period		0	0	0
Total comprehensive income for the period		1,000,977	(2,091,515)	(2,086,190)

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 2026

		2025/26	2024/25	2024/25
	Note	Budget	Actual	Budget
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts		\$	\$	\$
Rates		2,227,484	2,176,744	2,135,003
Grants, subsidies and contributions		1,918,654	1,154,018	470,356
Fees and charges		406,331	378,669	353,890
Interest revenue		122,314	177,243	185,748
Goods and services tax received		295,000	234,979	223,000
Other revenue		139,059	219,025	166,640
		5,108,842	4,340,678	3,534,637
Payments				
Employee costs		(2,273,833)	(2,302,199)	(2,222,894)
Materials and contracts		(1,686,872)	(1,710,160)	(1,420,172)
Utility charges		(119,390)	(116,233)	(153,690)
Finance costs		(23,952)	(29,901)	(25,446)
Insurance paid		(157,053)	(133,040)	(134,430)
Goods and services tax paid		(235,000)	(298,943)	(223,000)
Other expenditure		(83,800)	(101,364)	(66,300)
		(4,579,900)	(4,691,840)	(4,245,932)
Net cash provided by (used in) operating activities	4	528,942	(351,162)	(711,295)
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment	5(a)	(4,028,421)	(1,033,751)	(1,684,634)
Payments for construction of infrastructure	5(b)	(1,662,428)	(1,655,855)	(1,813,572)
Capital grants, subsidies and contributions		4,398,416	1,444,015	1,603,169
Proceeds from sale of property, plant and equipment	5(a)	161,364	113,637	195,000
Proceeds on financial assets at amortised cost - self supporting loans	7(a)	32,059	31,016	31,016
Net cash (used in) investing activities		(1,099,010)	(1,100,938)	(1,669,021)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	7(a)	(91,151)	(136,017)	(137,156)
Net cash (used in) financing activities		(91,151)	(136,017)	(137,156)
Net (decrease) in cash held		(661,219)	(1,588,117)	(2,517,472)
Cash at beginning of year		2,863,502	4,451,619	4,375,428
Cash and cash equivalents at the end of the year	4	2,202,283	2,863,502	1,857,956

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 2026

OPERATING ACTIVITIES

Revenue from operating activities

	Note	2025/26 Budget	2024/25 Actual	2024/25 Budget
		\$	\$	\$
General rates	2(a)(i)	2,149,187	2,010,668	2,010,668
Rates excluding general rates	2(a)	103,297	103,828	107,335
Grants, subsidies and contributions		1,668,654	1,485,688	530,944
Fees and charges	15	406,331	378,669	353,890
Interest revenue	9(a)	122,314	177,243	185,748
Other revenue		139,059	219,025	166,640
Profit on asset disposals	5	14,292	837	14,339
		4,603,134	4,375,958	3,369,564

Expenditure from operating activities

Employee costs		(2,273,833)	(2,303,584)	(2,222,894)
Materials and contracts		(1,668,570)	(1,747,994)	(1,509,750)
Utility charges		(119,390)	(116,233)	(153,690)
Depreciation	6	(3,676,619)	(3,572,219)	(3,077,887)
Finance costs	9(c)	(23,952)	(29,901)	(25,446)
Insurance		(157,053)	(133,040)	(134,430)
Other expenditure		(83,800)	(101,364)	(66,300)
Loss on asset disposals	5	(27,554)	(15,566)	(16,137)
		(8,030,771)	(8,019,901)	(7,206,534)

Non cash amounts excluded from operating activities

	3(c)	3,689,881	3,589,690	3,079,685
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Amount attributable to operating activities

INVESTING ACTIVITIES

Inflows from investing activities

Capital grants, subsidies and contributions		4,428,614	1,552,428	1,750,780
Proceeds from disposal of property, plant and equipment	5(a)	161,364	113,637	195,000
Proceeds from financial assets at amortised cost - self supporting loans	7(a)	32,059	31,016	31,016
		4,622,037	1,697,081	1,976,796

Outflows from investing activities

Acquisition of property, plant and equipment	5(a)	(4,028,421)	(1,033,751)	(1,684,634)
Acquisition of infrastructure	5(b)	(1,662,428)	(1,655,855)	(1,813,572)
		(5,690,849)	(2,689,606)	(3,498,206)

Amount attributable to investing activities

FINANCING ACTIVITIES

Inflows from financing activities

Transfers from reserve accounts	8(a)	1,016,027	1,089,162	1,469,241
		1,016,027	1,089,162	1,469,241

Outflows from financing activities

Repayment of borrowings	7(a)	(91,151)	(136,017)	(137,156)
Transfers to reserve accounts	8(a)	(956,688)	(480,310)	(479,505)
		(1,047,839)	(616,327)	(616,661)

Amount attributable to financing activities

MOVEMENT IN SURPLUS OR DEFICIT

Surplus at the start of the financial year

Amount attributable to operating activities	3	838,380	1,412,323	1,426,115
Amount attributable to investing activities		262,244	(54,253)	(757,285)
Amount attributable to financing activities		(1,068,812)	(992,525)	(1,521,410)
		(31,812)	472,835	852,580
Surplus/(deficit) remaining after the imposition of general rates	3	0	838,380	0

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

**SHIRE OF WEST ARTHUR
FOR THE YEAR ENDED 30 JUNE 2026
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SHIRE OF WEST ARTHUR
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2026

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 12 to the annual budget.

2024/25 actual balances

Balances shown in this budget as 2024/25 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 2020-1 Amendments to Australian Accounting Standards
 - Classification of Liabilities as Current or Non-current
- AASB 2022-5 Amendments to Australian Accounting Standards
 - Lease Liability in a Sale and Leaseback
- AASB 2022-6 Amendments to Australian Accounting Standards
 - Non-current Liabilities with Covenants
- AASB 2023-1 Amendments to Australian Accounting Standards
 - Supplier Finance Arrangements
- AASB 2023-3 Amendments to Australian Accounting Standards
 - Disclosure of Non-current Liabilities with Covenants: Tier 2
- AASB 2024-1 Amendments to Australian Accounting Standards
 - Supplier Finance Arrangements: Tier 2 Disclosures

It is not expected these standards will have an impact on the annual budget.

- AASB 2022-10 Amendments to Australian Accounting Standards
 - Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities
- , became mandatory during the budget year. Amendments to AASB 13 Fair Value Measurement impacts the future determination of fair value when revaluing assets using the cost approach. Timing of future revaluations is defined by regulation 17A of *Local Government (Financial Management) Regulations 1996*. Impacts of this pronouncement are yet to be quantified and are dependent on the timing of future revaluations of asset classes. No material impact is expected in relation to the 2025-26 statutory budget.

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]
- AASB 2022-9 Amendments to Australian Accounting Standards
 - Insurance Contracts in the Public Sector
- AASB 2023-5 Amendments to Australian Accounting Standards
 - Lack of Exchangeability
- AASB 18 (FP) Presentation and Disclosure in Financial Statements
 - (Appendix D) [for for-profit entities]
- AASB 18 (NFP/super) Presentation and Disclosure in Financial Statements
 - (Appendix D) [for not-for-profit and superannuation entities]
- 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

It is not expected these standards will have an impact on the 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.

As with all estimates, the use of different assumptions could lead to material changes in the amounts reported in the financial report.

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
- Investment property
- Estimated useful life of intangible assets
- Measurement of employee benefits
- Measurement of provisions

SHIRE OF WEST ARTHUR
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2026

2. RATES AND SERVICE CHARGES

(a) Rating Information

Rate Description	Basis of valuation	Rate in dollar	Number of properties	Rateable value*	2025/26 Budgeted rate revenue	2025/26 Budgeted interim rates	2025/26 Budgeted total revenue	2024/25 Actual total revenue	2024/25 Budget total revenue
				\$	\$	\$	\$	\$	\$
(i) General rates									
GRV Townsite		0.07693	96	1,067,506	82,123	0	82,123	65,691	65,691
GRV Commercial		0.07693	11	228,540	17,582	0	17,582	20,482	20,482
GRV Industrial		0.07693	5	102,960	7,921	0	7,921	9,938	9,938
GRV Other Townsite		0.07693	15	125,944	9,689	0	9,689	8,465	8,465
UV Rural		0.0028830	369	704,777,000	2,031,872	0	2,031,872	1,906,092	1,906,092
Total general rates			496	706,301,950	2,149,187	0	2,149,187	2,010,668	2,010,668
	Minimum								
	\$								
(ii) Minimum payment									
GRV Townsite		673.00	35	128,041	23,555	0	23,555	29,704	29,704
GRV Commercial		673.00	10	32,695	6,730	0	6,730	5,688	5,688
GRV Industrial		673.00	5	25,810	3,365	0	3,365	1,896	1,896
GRV Other Townsite		471.00	19	20,511	8,949	0	8,949	8,398	8,398
UV Rural		673.00	71	11,862,400	47,783	0	47,783	40,072	43,608
UV Industrial		673.00	5	269,500	3,365	0	3,365	3,160	3,160
UV Mining		673.00	8	90,499	5,384	0	5,384	10,744	10,744
Total minimum payments			153	12,429,456	99,131	0	99,131	99,662	103,198
Total general rates and minimum payments			649	718,731,406	2,248,318	0	2,248,318	2,110,330	2,113,866
(iii) Ex-gratia rates									
Ex-gratia rates					4,166	0	4,166	4,166	4,137
Total rates					2,252,484	0	2,252,484	2,114,496	2,118,003
Instalment plan charges							1,932	1,932	3,500
Instalment plan interest							2,773	2,773	1,800
Late payment of rate or service charge interest							17,216	17,216	17,700
							21,921	21,921	23,000

The Shire did not raise specified area rates for the year ended 30th June 2026.

*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 2025/26 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.

SHIRE OF WEST ARTHUR
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2026

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	13/10/2025	0	3.0%	7.0%
Option two				
First instalment	13/10/2025	0	3.0%	7.0%
Second instalment	12/12/2025	\$7.25	3.0%	7.0%
Third instalment	12/02/2026	\$7.25	3.0%	7.0%
Fourth instalment	13/04/2026	\$7.25	3.0%	7.0%

**SHIRE OF WEST ARTHUR
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2026**

2. RATES AND SERVICE CHARGES (CONTINUED)

(d) Service Charges

The Shire did not raise service charges for the year ended 30th June 2026.

(e) Waivers or concessions

The Shire does not anticipate any waivers or concessions for the year ended 30th June 2026.

SHIRE OF WEST ARTHUR
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2026

3. NET CURRENT ASSETS

(a) Composition of estimated net current assets

Current assets

Cash and cash equivalents
Financial assets
Receivables
Inventories
Other assets
Non-current assets held for sale

Less: current liabilities

Trade and other payables
Capital grant/contribution liability
Long term borrowings
Employee provisions

Net current assets

Less: Total adjustments to net current assets

Net current assets used in the Statement of Financial Activity

(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.

Adjustments to net current assets

Less: Cash - reserve accounts
Less: Current assets not expected to be received at end of year
- Current financial assets at amortised cost - self supporting loans
- Inventory - land held for resale
Add: Current liabilities not expected to be cleared at end of year
- Current portion of borrowings
- Current portion of employee benefit provisions

Total adjustments to net current assets

Note	2025/26 Budget 30 June 2026	2024/25 Actual 30 June 2025	2024/25 Budget 30 June 2025
	\$	\$	\$
4	2,202,283	2,863,502	1,857,956
	33,136	32,059	31,016
	202,562	487,562	197,081
	100,597	102,097	18,855
	3,936	3,936	11,579
	0	0	
	2,542,514	3,489,156	2,116,487
	(334,729)	(354,531)	(310,130)
	0	(30,198)	0
7	(88,646)	(91,151)	(92,358)
	(366,876)	(366,876)	(309,447)
	(790,251)	(842,756)	(711,935)
	1,752,263	2,646,400	1,404,552
3(b)	(1,752,263)	(1,808,020)	(1,404,552)
	0	838,380	0
8	(2,160,454)	(2,219,793)	(1,838,909)
	(33,136)	(32,059)	(31,016)
	(79,118)	(79,118)	0
	88,646	91,151	92,358
	431,799	431,799	373,015
	(1,752,263)	(1,808,020)	(1,404,552)

EXPLANATION OF DIFFERENCE IN NET CURRENT ASSETS AND 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) Non-cash amounts excluded from operating activities

The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Statement of Financial Activity in accordance with *Financial Management Regulation 32*.

Adjustments to operating activities

Less: Profit on asset disposals
Add: Loss on asset disposals
Add: Depreciation
Movement in current employee provisions associated with restricted cash

Non cash amounts excluded from operating activities

Note	2025/26 Budget 30 June 2026	2024/25 Actual 30 June 2025	2024/25 Budget 30 June 2025
	\$	\$	\$
5	(14,292)	(837)	(14,339)
5	27,554	15,566	16,137
6	3,676,619	3,572,219	3,077,887
	0	2,742	
	3,689,881	3,589,690	3,079,685

3. NET CURRENT ASSETS

(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 unconditional right to defer settlement beyond 12 months, such as vested long service leave, the liability is classified as current even if not expected to be settled within the next 12 months. Inventories held for trading are classified as current 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.

SUPERANNUATION

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

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.

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.

SHIRE OF WEST ARTHUR
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2026

4. 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	2025/26 Budget	2024/25 Actual	2024/25 Budget
Cash at bank and on hand		\$ 2,202,283	\$ 2,863,502	\$ 1,857,956
Total cash and cash equivalents		2,202,283	2,863,502	1,857,956
Held as				
- Unrestricted cash and cash equivalents		41,829	613,511	19,047
- Restricted cash and cash equivalents		2,160,454	2,249,991	1,838,909
	3(a)	2,202,283	2,863,502	1,857,956
Restrictions				
The following classes of 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		2,160,454	2,249,991	1,838,909
		2,160,454	2,249,991	1,838,909
The assets are restricted as a result of the specified purposes associated with the liabilities below:				
Reserve accounts	8	2,160,454	2,219,793	1,838,909
Unspent capital grants, subsidies and contribution liabilities		0	30,198	0
		2,160,454	2,249,991	1,838,909
Reconciliation of net cash provided by operating activities to net result				
Net result		1,000,977	(2,091,515)	(2,086,190)
Depreciation	6	3,676,619	3,572,219	3,077,887
(Profit)/loss on sale of asset	5	13,262	14,729	1,798
(Increase)/decrease in receivables		285,000	(263,798)	17,000
(Increase)/decrease in inventories		1,500	(1,124)	3,000
(Increase)/decrease in other assets		0	87,221	79,578
Increase/(decrease) in payables		(19,802)	(48,263)	7,000
Increase/(decrease) in contract liabilities		0	(69,588)	(60,588)
Increase/(decrease) in unspent capital grants		(30,198)	(108,413)	(147,611)
Increase/(decrease) in employee provisions		0	1,385	0
Capital grants, subsidies and contributions		(4,398,416)	(1,444,015)	(1,603,169)
Net cash from operating activities		528,942	(351,162)	(711,295)

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 and bank overdrafts.

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.

SHIRE OF WEST ARTHUR
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2026

5. PROPERTY, PLANT AND EQUIPMENT

	2025/26 Budget					2024/25 Actual					2024/25 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	3,164,890	(64,059)	50,000	0	(14,059)	32,668	0	0	0	0	203,765	(64,059)	50,000	0	(14,059)
Buildings - non-specialised	114,525	0	0	0	0	107,919	0	0	0	0	241,106	0	0	0	0
Buildings - specialised	0				0	3,158	0	0	0	0					0
Furniture and equipment	6,000	0	0	0	0	145,729	0	0	0	0	78,647	0	0	0	0
Plant and equipment	743,006	(110,567)	111,364	14,292	(13,495)	744,277	(128,366)	113,637	837	(15,566)	1,161,116	(132,739)	145,000	14,339	(2,078)
Total	4,028,421	(174,626)	161,364	14,292	(27,554)	1,033,751	(128,366)	113,637	837	(15,566)	1,684,634	(196,798)	195,000	14,339	(16,137)
(b) Infrastructure															
Infrastructure - roads	1,337,741	0	0	0	0	1,487,094	0	0	0	0	1,577,058	0	0	0	0
Infrastructure - other	324,687	0	0	0	0	168,761	0	0	0	0	236,514	0	0	0	0
Total	1,662,428	0	0	0	0	1,655,855	0	0	0	0	1,813,572	0	0	0	0
Total	5,690,849	(174,626)	161,364	14,292	(27,554)	2,689,606	(128,366)	113,637	837	(15,566)	3,498,206	(196,798)	195,000	14,339	(16,137)

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 2026

6. DEPRECIATION

By Class

Buildings - non-specialised
Buildings - specialised
Furniture and equipment
Plant and equipment
Infrastructure - roads
Infrastructure - other
Infrastructure - bridges

By Program

General purpose funding
Law, order, public safety
Health
Housing
Community amenities
Recreation and culture
Transport
Economic services
Other property and services

2025/26 Budget	2024/25 Actual	2024/25 Budget
\$	\$	\$
34,726	34,631	34,726
219,967	220,412	216,121
11,373	11,023	6,373
423,596	409,196	375,099
1,947,796	1,857,796	1,763,490
207,462	207,462	182,237
831,699	831,699	499,841
3,676,619	3,572,219	3,077,887
437	2,208	437
78,313	83,656	78,313
44,700	44,578	44,700
11,892	11,859	11,892
8,053	8,221	8,053
295,615	297,198	270,390
2,802,448	2,713,555	2,286,284
35,744	36,281	35,744
399,417	374,663	342,074
3,676,619	3,572,219	3,077,887

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 years
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.

SHIRE OF WEST ARTHUR
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2026

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	2025/26 Budget New Loans	2025/26 Budget Principal Repayments	Budget Principal outstanding	2025/26 Budget Interest Repayments	Actual Principal	2024/25 Actual New Loans	2024/25 Actual Principal Repayments	Actual Principal outstanding	2024/25 Actual Interest Repayments	Budget Principal	2024/25 Budget New Loans	2024/25 Budget Principal Repayments	Budget Principal outstanding	2024/25 Budget Interest Repayments
				1 July 2025			30 June 2026		1 July 2024			30 June 2025		1 July 2024			30 June 2025	
				\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
GROH Housing	70	WATC	6.6%	0	0	0	0	0	42,521	0	(42,521)	0	(1,771)	42,521	0	(42,521)	0	(1,402)
Industrial Land	72	WATC	3.3%	5,798	0	(5,798)	0	(86)	17,109	0	(11,311)	5,798	(512)	17,109	0	(11,312)	5,797	(421)
ERP	75	WATC	4.1%	117,196	0	(27,499)	89,697	(5,216)	143,575	0	(26,379)	117,196	(6,523)	143,575	0	(27,518)	116,057	(5,940)
Loader	74	WATC	4.0%	204,133	0	(25,795)	178,338	(9,145)	228,923	0	(24,790)	204,133	(10,329)	228,923	0	(24,789)	204,134	(8,791)
				327,127	0	(59,092)	268,035	(14,447)	432,128	0	(105,001)	327,127	(19,135)	432,128	0	(106,140)	325,988	(16,554)
Self Supporting Loans																		
WA Cottage Homes	73	WATC	3.3%	248,351	0	(32,059)	216,292	(9,505)	279,367	0	(31,016)	248,351	(10,766)	279,367	0	(31,016)	248,351	(8,892)
				248,351	0	(32,059)	216,292	(9,505)	279,367	0	(31,016)	248,351	(10,766)	279,367	0	(31,016)	248,351	(8,892)
				575,478	0	(91,151)	484,327	(23,952)	711,495	0	(136,017)	575,478	(29,901)	711,495	0	(137,156)	574,339	(25,446)

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.

SHIRE OF WEST ARTHUR
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2026

7. BORROWINGS

(b) New borrowings - 2025/26

The Shire does not intend to undertake any new borrowings for the year ended 30th June 2026

(c) Unspent borrowings

The Shire had no unspent borrowing funds as at 30th June 2025 nor is it expected to have unspent borrowing funds as at 30th June 2026.

(d) Credit Facilities

	2025/26 Budget	2024/25 Actual	2024/25 Budget
	\$	\$	\$
Undrawn borrowing facilities			
credit standby arrangements			
Bank overdraft limit	150,000	150,000	150,000
Bank overdraft at balance date	0	(3,101)	0
Credit card limit	15,000	15,000	15,000
Credit card balance at balance date	0		0
Total amount of credit unused	165,000	161,899	165,000
Loan facilities			
Loan facilities in use at balance date	484,327	575,478	574,339

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
FOR THE YEAR ENDED 30 JUNE 2026

8. RESERVE ACCOUNTS

(a) Reserve Accounts - Movement

	2025/26 Budget				2024/25 Actual				2024/25 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	37,034	41,243	0	78,277	131,460	5,574	(100,000)	37,034	131,460	5,686	0	137,146
(b) Plant Reserve	735,456	224,675	(652,420)	307,711	1,037,504	343,992	(646,040)	735,456	1,037,504	344,878	(1,007,116)	375,266
(c) Building Reserve	83,703	2,808	(80,000)	6,511	176,231	7,472	(100,000)	83,703	176,231	7,623	(179,106)	4,748
(d) Town Development Reserve	1,728	58	0	1,786	1,658	70	0	1,728	1,658	72	0	1,730
(e) Recreation Reserve	41,676	1,398	(16,000)	27,074	177,182	7,513	(143,019)	41,676	177,182	7,664	(143,019)	41,827
(f) Heritage Reserve	7,437	250	0	7,687	7,047	390	0	7,437	7,047	455	0	7,502
(g) Community Housing Reserve	205,439	18,893	0	224,332	200,920	9,519	(5,000)	205,439	200,920	9,691	(50,000)	160,611
(h) Waste Management Reserve	128,158	4,300	0	132,458	122,945	5,213	0	128,158	122,945	5,318	0	128,263
(i) Darkan Swimming Pool Reserve	41,361	1,388	(10,000)	32,749	63,662	7,699	(30,000)	41,361	63,662	7,754	(30,000)	41,416
(j) Information Technology Reserve	22,166	744	0	22,910	35,654	1,512	(15,000)	22,166	35,654	1,542	0	37,196
(k) Darkan Sport and Community Centre Reserve	270,835	49,087	0	319,922	240,632	50,203	(20,000)	270,835	240,632	50,409	0	291,041
(l) Arthur River Country Club Reserve	64,240	8,155	0	72,395	55,871	8,369	0	64,240	55,871	8,417	0	64,288
(m) Museum Reserve	136,563	4,582	(5,000)	136,145	134,654	5,709	(3,800)	136,563	134,654	5,825	(5,000)	135,479
(n) Moodiarrup Sports Club Reserve	26,680	5,895	0	32,575	28,281	6,200	(7,801)	26,680	28,281	6,223	0	34,504
(o) Landcare Reserve	21,626	726	(8,000)	14,352	25,543	1,083	(5,000)	21,626	25,543	1,105	(5,000)	21,648
(p) Corporate Planning and Valuation Reserve	5,034	169	0	5,203	4,829	205	0	5,034	4,829	209	0	5,038
(q) Kids Central Reserve	7,971	267	0	8,238	7,866	333	(228)	7,971	7,866	340	0	8,206
(r) The Shed Reserve	13,455	451	0	13,906	14,130	599	(1,274)	13,455	14,130	611	0	14,741
(s) Recreation Trails Reserve	2,827	95	0	2,922	2,712	115	0	2,827	2,712	117	0	2,829
(t) Community Gym Reserve	15,098	507	(10,000)	5,605	11,336	3,762	0	15,098	11,336	490	0	11,826
(u) Economic Development Reserve	86,456	3,303	(50,927)	38,832	94,451	4,005	(12,000)	86,456	94,451	4,086	(50,000)	48,537
(v) Road Reserve	264,850	587,694	(183,680)	668,864	254,077	10,773	0	264,850	254,077	10,990	0	265,067
	2,219,793	956,688	(1,016,027)	2,160,454	2,828,645	480,310	(1,089,162)	2,219,793	2,828,645	479,505	(1,469,241)	1,838,909

(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 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 Reserve	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

SHIRE OF WEST ARTHUR
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2026

9. OTHER INFORMATION

The net result includes as revenues

(a) Interest earnings

Investments

Other interest revenue

The net result includes as expenses

(b) Auditors remuneration

Audit services

(c) Interest expenses (finance costs)

Borrowings (refer Note 7(a))

	2025/26 Budget	2024/25 Actual	2024/25 Budget
	\$	\$	\$
	102,325	157,254	166,248
	19,989	19,989	19,500
	122,314	177,243	185,748
	50,000	47,600	47,000
	50,000	47,600	47,000
	23,952	29,901	25,446
	23,952	29,901	25,446

SHIRE OF WEST ARTHUR
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2026

10. COUNCIL MEMBERS REMUNERATION

	2025/26 Budget	2024/25 Actual	2024/25 Budget
	\$	\$	\$
President's			
President's allowance	6,400	5,924	6,240
Meeting attendance fees	5,200	4,830	4,700
Annual allowance for ICT expenses	535	520	500
Travel and accommodation expenses	2,200	2,184	1,900
Superannuation contribution payments	1,392	0	0
	15,727	13,458	13,340
Deputy President's			
President's allowance	0	324	0
Deputy President's allowance	1,600	1,481	1,560
Meeting attendance fees	8,200	8,085	5,750
Annual allowance for ICT expenses	535	520	500
Travel and accommodation expenses	3,650	3,633	500
Superannuation contribution payments	1,176	0	0
	15,161	14,043	8,310
Council member 1			
Meeting attendance fees	2,850	2,520	3,000
Annual allowance for ICT expenses	535	520	500
Travel and accommodation expenses	1,150	1,019	1,100
Superannuation contribution payments	342	0	0
	4,877	4,059	4,600
Council member 2			
Meeting attendance fees	2,000	1,680	2,650
Annual allowance for ICT expenses	535	520	500
Travel and accommodation expenses	50	0	
Superannuation contribution payments	240	0	0
	2,825	2,200	3,150
Council member 3			
Meeting attendance fees	3,800	3,675	3,600
Annual allowance for ICT expenses	535	520	500
Travel and accommodation expenses	1,150	1,049	900
Superannuation contribution payments	456	0	0
	5,941	5,244	5,000
Council member 4			
Meeting attendance fees	3,500	3,255	2,650
Annual allowance for ICT expenses	535	520	500
Travel and accommodation expenses	400	341	300
Superannuation contribution payments	420	0	0
	4,855	4,116	3,450
Council member 5			
Meeting attendance fees	2,450	2,205	2,650
Annual allowance for ICT expenses	535	520	500
Travel and accommodation expenses	400	180	300
Superannuation contribution payments	294	0	0
	3,679	2,905	3,450
Total Council Member Remuneration	53,065	46,025	41,300
President's allowance	6,400	6,248	6,240
Deputy President's allowance	1,600	1,481	1,560
Meeting attendance fees	28,000	26,250	25,000
Annual allowance for ICT expenses	3,745	3,640	3,500
Travel and accommodation expenses	9,000	8,406	5,000
Superannuation contribution payments	4,320	0	0
	53,065	46,025	41,300

SHIRE OF WEST ARTHUR
 NOTES TO AND FORMING PART OF THE BUDGET
 FOR THE YEAR ENDED 30 JUNE 2026

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	2025/26 Budget	2024/25 Actual	2024/25 Budget
		\$	\$	\$
Capital revenue				
Housing Support Program Stream 2		2,992,014	0	0
Capital expenditure				
Housing Support Program Stream 2	5(a)	(2,992,014)	0	0
		0	0	0

(c) Expected future cash flows

	2025/26	2026/27	2027/28	2028/29	2029/30	Total
	\$	\$	\$	\$	\$	\$
Cash outflows						
Housing Support Program Stream 2	(2,992,014)	0	0	0	0	(2,992,014)
	(2,992,014)	0	0	0	0	(2,992,014)
Cash Inflows						
Housing Support Program Stream 2	2,992,014	0	0	0	0	2,992,014
	2,992,014	0	0	0	0	2,992,014
Net cash flows	0	0	0	0	0	0

SHIRE OF WEST ARTHUR
NOTES TO AND FORMING PART OF THE BUDGET
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12. TRUST FUNDS

Funds held at balance date which are required by legislation to be credited to the trust fund and which are not included in the financial statements are as follows:

Detail	Balance 30 June 2025	Estimated amounts received	Estimated amounts paid	Estimated balance 30 June 2026
	\$	\$	\$	\$
Councillor nomination deposits	0	400	(400)	0
	0	400	(400)	0

SHIRE OF WEST ARTHUR
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FOR THE YEAR ENDED 30 JUNE 2026

13. 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 / INCOME

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.

SHIRE OF WEST ARTHUR
NOTES TO AND FORMING PART OF THE BUDGET
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13. REVENUE AND EXPENDITURE

(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 contributions 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 entry to facility
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

SHIRE OF WEST ARTHUR
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14. 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

Governance

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 conscious community.

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.

SHIRE OF WEST ARTHUR
 NOTES TO AND FORMING PART OF THE BUDGET
 FOR THE YEAR ENDED 30 JUNE 2026

15. FEES AND CHARGES

	2025/26 Budget	2024/25 Actual	2024/25 Budget
	\$	\$	\$
By Program:			
General purpose funding	9,996	6,000	6,200
Law, order, public safety	2,500	2,692	1,700
Health	1,500	2,043	1,000
Education and welfare	13,250	12,476	11,400
Housing	88,000	87,772	97,000
Community amenities	88,085	72,687	81,890
Recreation and culture	11,200	12,301	13,750
Economic services	145,500	131,513	101,100
Other property and services	46,300	51,185	39,850
	406,331	378,669	353,890

The subsequent pages detail the fees and charges proposed to be imposed by the local government.