

**SHIRE OF CHITTERING**  
**ANNUAL BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2026**

**LOCAL GOVERNMENT ACT 1995**

**TABLE OF CONTENTS**

Statement of Comprehensive Income	2
Statement of Cash Flows	3
Statement of Financial Activity	4
Index of Notes to the Budget	5
Schedule of Fees and Charges	30

The Shire of Chittering a Class 3 local government conducts the operations of a local government with the following community vision:

A Connected thriving community

**SHIRE OF CHITTERING**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2026**

	Note	2025/26 Budget	2024/25 Actual	2024/25 Budget
<b>Revenue</b>		\$	\$	\$
Rates	2(a)	8,315,108	7,648,210	7,499,374
Grants, subsidies and contributions		2,019,239	2,195,758	2,177,393
Fees and charges	18	1,894,155	1,859,330	1,783,917
Interest revenue	10(a)	285,849	220,302	307,555
Other revenue		327,939	161,806	227,430
		12,842,290	12,085,406	11,995,669
<b>Expenses</b>				
Employee costs		(5,966,146)	(5,700,896)	(5,483,561)
Materials and contracts		(5,426,005)	(4,086,402)	(5,140,651)
Utility charges		(221,300)	(205,881)	(211,333)
Depreciation	6	(5,359,009)	(5,317,402)	(5,381,233)
Finance costs	10(c)	(234,999)	(159,906)	(213,518)
Insurance		(283,642)	(254,752)	(259,647)
Other expenditure		(449,255)	(380,751)	(420,774)
		(17,940,356)	(16,105,990)	(17,110,717)
		(5,098,066)	(4,020,584)	(5,115,048)
Capital grants, subsidies and contributions		2,621,509	1,679,465	3,526,329
Profit on asset disposals	5	431,198	3,455	37,160
Loss on asset disposals	5	(10,182)	(12,272)	0
		3,042,525	1,670,648	3,563,489
<b>Net result for the period</b>		<b>(2,055,541)</b>	<b>(2,349,936)</b>	<b>(1,551,559)</b>
<b>Total other comprehensive income for the period</b>		<b>0</b>	<b>0</b>	<b>0</b>
<b>Total comprehensive income for the period</b>		<b>(2,055,541)</b>	<b>(2,349,936)</b>	<b>(1,551,559)</b>

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

**SHIRE OF CHITTERING**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2026**

**CASH FLOWS FROM OPERATING ACTIVITIES**

**Receipts**

	2025/26 Budget	2024/25 Actual	2024/25 Budget
Rates	\$ 8,315,108	\$ 7,618,831	\$ 7,499,374
Grants, subsidies and contributions	2,019,239	2,265,032	2,177,393
Fees and charges	1,894,155	1,859,330	1,783,917
Interest revenue	285,849	220,302	307,555
Goods and services tax received	0	(6,857)	0
Other revenue	327,939	161,806	227,430
	12,842,290	12,118,444	11,995,669

**Payments**

Employee costs	(5,966,146)	(5,516,722)	(5,483,561)
Materials and contracts	(5,426,005)	(3,997,606)	(5,140,651)
Utility charges	(221,300)	(205,881)	(211,333)
Finance costs	(234,999)	(213,742)	(213,518)
Insurance paid	(283,642)	(254,752)	(259,647)
Other expenditure	(449,255)	(380,751)	(420,774)
	(12,581,347)	(10,569,454)	(11,729,484)

**Net cash provided by operating activities**

4 260,943 1,548,990 266,185

**CASH FLOWS FROM INVESTING ACTIVITIES**

Payments for purchase of property, plant & equipment	5(a) (2,223,281)	(596,162)	(1,139,784)
Payments for construction of infrastructure	5(b) (2,921,998)	(1,804,274)	(4,159,063)
Capital grants, subsidies and contributions	2,621,509	1,692,314	3,526,329
Proceeds from sale of property, plant and equipment	5(a) 869,289	36,819	82,500
<b>Net cash (used in) investing activities</b>	(1,654,481)	(671,303)	(1,690,018)

**CASH FLOWS FROM FINANCING ACTIVITIES**

Repayment of borrowings	7(a) (380,785)	(410,391)	(410,391)
Payments for principal portion of lease liabilities	8 (23,733)	0	0
Proceeds from new borrowings	7(a) 1,400,000	0	0
<b>Net cash provided by (used in) financing activities</b>	995,482	(410,391)	(410,391)

**Net increase (decrease) in cash held**

(398,056) 467,296 (1,834,224)

Cash at beginning of year

6,040,148 5,572,848 5,336,746

**Cash and cash equivalents at the end of the year**

4 **5,642,092** **6,040,144** **3,502,522**

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

**SHIRE OF CHITTERING**  
**STATEMENT OF FINANCIAL ACTIVITY**  
**FOR THE YEAR ENDED 30 JUNE 2026**

**OPERATING ACTIVITIES**

**Revenue from operating activities**

General rates  
Rates excluding general rates  
Grants, subsidies and contributions  
Fees and charges  
Interest revenue  
Other revenue  
Profit on asset disposals

**Expenditure from operating activities**

Employee costs  
Materials and contracts  
Utility charges  
Depreciation  
Finance costs  
Insurance  
Other expenditure  
Loss on asset disposals

Non cash amounts excluded from operating activities

**Amount attributable to operating activities**

**INVESTING ACTIVITIES**

**Inflows from investing activities**

Capital grants, subsidies and contributions  
Proceeds from disposal of property, plant and equipment

**Outflows from investing activities**

Right of use assets received - non cash  
Payments for property, plant and equipment  
Payments for construction of infrastructure

Non-cash amounts excluded from investing activities

**Amount attributable to investing activities**

**FINANCING ACTIVITIES**

**Inflows from financing activities**

Proceeds from new borrowings  
Proceeds from new leases - non cash  
Transfers from reserve accounts

**Outflows from financing activities**

Repayment of borrowings  
Payments for principal portion of lease liabilities  
Transfers to reserve accounts

Non-cash amounts excluded from financing activities

**Amount attributable to financing activities**

**MOVEMENT IN SURPLUS OR DEFICIT**

**Surplus at the start of the financial year**

Amount attributable to operating activities  
Amount attributable to investing activities  
Amount attributable to financing activities

**Surplus/(deficit) remaining after the imposition of general rates**

Note	2025/26 Budget	2024/25 Actual	2024/25 Budget
	\$	\$	\$
2(a)(i)	7,792,287	7,136,510	6,983,540
2(a)	522,821	511,700	515,834
	2,019,239	2,195,758	2,177,393
18	1,894,155	1,859,330	1,783,917
10(a)	285,849	220,302	307,555
	327,939	161,806	227,430
5	431,198	3,455	37,160
	13,273,488	12,088,861	12,032,829
	(5,966,146)	(5,700,896)	(5,483,561)
	(5,426,005)	(4,086,402)	(5,140,651)
	(221,300)	(205,881)	(211,333)
6	(5,359,009)	(5,317,402)	(5,381,233)
10(c)	(234,999)	(159,906)	(213,518)
	(283,642)	(254,752)	(259,647)
	(449,255)	(380,751)	(420,774)
5	(10,182)	(12,272)	0
	(17,950,538)	(16,118,262)	(17,110,717)
3(c)	4,949,373	5,333,370	5,344,073
	<b>272,323</b>	<b>1,303,969</b>	<b>266,185</b>
	2,621,509	1,679,465	3,526,329
5(a)	869,289	36,819	82,500
	3,490,798	1,716,284	3,608,829
5(c)	(78,086)	0	0
5(a)	(2,223,281)	(596,162)	(1,139,784)
5(b)	(2,921,998)	(1,804,274)	(4,159,063)
	(5,223,365)	(2,400,436)	(5,298,847)
3(d)	78,086	0	0
	<b>(1,654,481)</b>	<b>(684,152)</b>	<b>(1,690,018)</b>
	1,400,000	0	0
8	78,086	0	0
9(a)	0	103,844	913
	1,478,086	103,844	913
7(a)	(380,785)	(410,391)	(410,391)
8	(23,733)	0	0
9(a)	(1,061,737)	(232,388)	(148,865)
	(1,466,255)	(642,779)	(559,256)
3(e)	(78,086)	0	0
	<b>(66,255)</b>	<b>(538,935)</b>	<b>(558,343)</b>
3	1,448,413	1,367,531	1,982,176
	272,323	1,303,969	266,185
	(1,654,481)	(684,152)	(1,690,018)
	(66,255)	(538,935)	(558,343)
3	<b>0</b>	<b>1,448,413</b>	<b>0</b>

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

**Shire of Chittering**  
**FOR THE YEAR ENDED 30 JUNE 2026**  
**INDEX OF NOTES TO THE BUDGET**

Note 1	Basis of Preparation	6
Note 2	Rates and Service Charges	7
Note 3	Net Current Assets	10
Note 4	Reconciliation of cash	13
Note 5	Property, Plant and Equipment	14
Note 6	Depreciation	15
Note 7	Borrowings	16
Note 8	Lease Liabilities	18
Note 9	Reserve Accounts	19
Note 10	Other Information	20
Note 11	Council Members Remuneration	21
Note 12	Major Land Transactions	22
Note 13	Trading Undertakings and Major Trading Undertakings	23
Note 14	Investment in Associates	24
Note 15	Trust Funds	25
Note 16	Revenue and Expenditure	26
Note 17	Program Information	28
Note 18	Fees and Charges	29

**SHIRE OF CHITTERING**  
**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 Chittering which is a Class 3 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 15 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 CHITTERING**  
**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
				\$	\$	\$	\$	\$	\$
<b>(i) General rates</b>									
GRV	Gross rental valuation	0.084231	1,865	53,057,540	4,469,090	100,000	4,569,090	4,219,387	4,133,347
UV	Unimproved valuation	0.005069	807	626,034,111	3,173,367	49,830	3,223,197	2,917,123	2,850,193
<b>Total general rates</b>			2,672	679,091,651	7,642,457	149,830	7,792,287	7,136,510	6,983,540
		<b>Minimum</b>							
		<b>\$</b>							
<b>(ii) Minimum payment</b>									
GRV	Gross rental valuation	1,150.00	311	4,997,556	357,650		357,650	308,200	308,200
UV	Unimproved valuation	1,100.00	146	63,881,872	160,600		160,600	203,500	203,500
<b>Total minimum payments</b>			457	68,879,428	518,250	0	518,250	511,700	511,700
<b>Total general rates and minimum payments</b>			3,129	747,971,079	8,160,707	149,830	8,310,537	7,648,210	7,495,240
<b>(iii) Ex-gratia rates</b>									
Ex-gratia rates					4,571		4,571		4,134
<b>Total ex-gratia rates</b>			0	0	4,571	0	4,571	0	4,134
<b>Total rates</b>					8,165,278	149,830	8,315,108	7,648,210	7,499,374
Instalment plan charges							29,500	28,150	
Instalment plan interest							20,000	17,121	82,390
Late payment of rate or service charge interest							40,000	31,685	
							89,500	76,956	82,390

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

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 CHITTERING  
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.

- Option 1 (Full Payment)  
Single Full Payment
- Option 3 (Four Instalments)  
First instalment  
Second instalment  
Third instalment  
Fourth instalment

Instalment options	Date due	Instalment plan admin charge	Instalment plan interest rate	Unpaid rates interest rates
		\$	%	%
Option one				
Single full payment	28/08/2025		5.5%	11.0%
Option three				
First instalment	28/08/2025	10	5.5%	11.0%
Second instalment	30/10/2025	10	5.5%	11.0%
Third instalment	5/01/2026	10	5.5%	11.0%
Fourth instalment	9/03/2026	10	5.5%	11.0%



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

**2. RATES AND SERVICE CHARGES (CONTINUED)**

**(c) Specified Area Rate**

The Shire did not raise any specified area rates for the year ended 30th June 2025.

**(c) Service Charges**

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

**(d) Early payment discounts**

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

**SHIRE OF CHITTERING**  
**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  
Receivables  
Inventories

**Less: current liabilities**

Trade and other payables  
Contract liabilities  
Capital grant/contribution liability  
Lease liabilities  
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**

Note	2025/26 Budget 30 June 2026	2024/25 Actual 30 June 2025	2024/25 Budget 30 June 2025
	\$	\$	\$
4	5,642,092	6,040,148	3,502,522
	295,450	295,450	493,499
	(296)	(296)	2,226
	5,937,246	6,335,302	3,998,247
	(1,970,984)	(1,970,984)	(1,064,730)
	0	0	(311,725)
	(280,390)	(280,390)	
8	(54,353)	0	
7	0	(380,785)	(410,391)
	(698,193)	(698,193)	(663,683)
	(3,003,920)	(3,330,352)	(2,450,529)
	2,933,326	3,004,950	1,547,718
3(b)	(2,933,326)	(1,556,537)	(1,547,718)
	0	1,448,413	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.

**Adjustments to net current assets**

Less: Cash - reserve accounts  
Add: Current liabilities not expected to be cleared at end of year  
- Current portion of borrowings  
- Current portion of lease liabilities  
- Current portion of employee benefit provisions held in reserve

**Total adjustments to net current assets**

9	(3,282,954)	(2,221,217)	(2,240,624)
	0	380,785	410,391
	54,353	0	0
	295,275	283,895	282,515
	(2,933,326)	(1,556,537)	(1,547,718)

**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  
Less: Movement in liabilities associated with restricted cash  
Add: Loss on asset disposals  
Add: Depreciation  
Movement in current employee provisions associated with restricted cash  
Non-cash movements in non-current assets and liabilities:  
- Pensioner deferred rates

**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	(431,198)	(3,455)	(37,160)
		(12,849)	
5	10,182	12,272	0
6	5,359,009	5,317,402	5,381,233
	11,380		
	0	20,000	
	4,949,373	5,333,370	5,344,073

**(d) Non-cash amounts excluded from investing activities**

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

**Adjustments to investing activities**

Right of use assets recognised

**Non cash amounts excluded from investing activities**

Note	2025/26 Budget 30 June 2026	2024/25 Actual 30 June 2025	2024/25 Budget 30 June 2025
	\$	\$	\$
5(c)	78,086	0	0
	78,086	0	0

**(e) Non-cash amounts excluded from financing activities**

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

3. NET CURRENT ASSETS

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

Adjustments to financing activities  
 Less: Lease liability recognised  
 Non cash amounts excluded from financing activities

Note	2025/26 Budget 30 June 2026	2024/25 Actual 30 June 2025	2024/25 Budget 30 June 2025
	\$	\$	\$
8	(78,086)	0	0
	(78,086)	0	0

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

**3. NET CURRENT ASSETS**

**(f) 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 CHITTERING**  
**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		\$ 5,642,092	\$ 6,040,148	\$ 3,502,522
<b>Total cash and cash equivalents</b>		5,642,092	6,040,148	3,502,522
Held as				
- Unrestricted cash and cash equivalents		2,078,748	3,538,541	1,261,898
- Restricted cash and cash equivalents		3,563,344	2,501,607	2,240,624
	3(a)	5,642,092	6,040,148	3,502,522
<b>Restrictions</b>				
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		3,563,344	2,501,607	2,240,624
		3,563,344	2,501,607	2,240,624
The assets are restricted as a result of the specified purposes associated with the liabilities below:				
Reserve accounts	9	3,282,954	2,221,217	2,240,624
Unspent capital grants, subsidies and contribution liabilities		280,390	280,390	
		3,563,344	2,501,607	2,240,624
<b>Reconciliation of net cash provided by operating activities to net result</b>				
<b>Net result</b>		(2,055,541)	(2,349,936)	(1,551,559)
Depreciation	6	5,359,009	5,317,402	5,381,233
(Profit)/loss on sale of asset	5	(421,016)	8,817	(37,160)
(Increase)/decrease in receivables		0	33,038	
(Increase)/decrease in inventories		0	1,307	
Increase/(decrease) in payables		0	217,827	
Increase/(decrease) in unspent capital grants		0	12,849	
Capital grants, subsidies and contributions		(2,621,509)	(1,692,314)	(3,526,329)
<b>Net cash from operating activities</b>		260,943	1,548,990	266,185

**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 CHITTERING  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30 JUNE 2026

5. PROPERTY, PLANT AND EQUIPMENT

The following assets are budgeted to be acquired and/or disposed of during the year.

	2025/26 Budget							2024/25 Actual							2024/25 Budget						
	Additions	In-kind Additions	Disposals - Net Book Value	Transfer to non-current assets classified as held for sale	Disposals - Sale Proceeds	Disposals - Profit	Disposals - Loss	Additions	In-kind Additions	Disposals - Net Book Value	Transfer to non-current assets classified as held for sale	Disposals - Sale Proceeds	Disposals - Profit	Disposals - Loss	Additions	In-kind Additions	Disposals - Net Book Value	Transfer to non-current assets classified as held for sale	Disposals - Sale Proceeds	Disposals - Profit	Disposals - Loss
(a) <b>Property, Plant and Equipment</b>	\$	\$	\$		\$	\$	\$	\$	\$	\$		\$	\$	\$	\$	\$	\$		\$	\$	\$
Land - freehold land							0							0	280,000						0
Land - vested in and under the control of council			(52,000)		100,147	48,147	0							0							0
Buildings - specialised	1,645,781		(315,718)		695,142	379,424	0	260,198						0	333,784						0
Plant and equipment	577,500		(80,555)		74,000	3,627	(10,182)	335,964		(45,636)		36,819	3,455	(12,272)	526,000		(45,340)		82,500	37,160	0
Total	2,223,281	0	(448,273)	0	869,289	431,198	(10,182)	596,162	0	(45,636)	0	36,819	3,455	(12,272)	1,139,784	0	(45,340)	0	82,500	37,160	0
(b) <b>Infrastructure</b>																					
Infrastructure - roads	2,288,988						0	1,553,673						0	3,326,315						0
Infrastructure - parks and ovals	190,826						0	7,830						0	145,000						0
Other infrastructure - bridges and culverts							0							0	687,748						0
Other infrastructure - other	442,184						0	242,771						0							0
Total	2,921,998	0	0	0	0	0	0	1,804,274	0	0	0	0	0	0	4,159,063	0	0	0	0	0	0
(c) <b>Right of Use Assets</b>																					
Right of use - plant and equipment	78,086						0							0							0
	78,086	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	5,223,365	0	(448,273)	0	869,289	431,198	(10,182)	2,400,436	0	(45,636)	0	36,819	3,455	(12,272)	5,298,847	0	(45,340)	0	82,500	37,160	0

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 CHITTERING**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2026**

**6. DEPRECIATION**

**By Class**

Buildings - non-specialised
Buildings - specialised
Plant and equipment
Infrastructure - roads
Infrastructure - footpaths
Infrastructure - drainage
Infrastructure - parks and ovals
Other infrastructure - bridges and culverts
Other infrastructure - other

**By Program**

Governance
Law, order, public safety
Health
Education and welfare
Housing
Community amenities
Recreation and culture
Transport
Economic services
Other property and services

2025/26 Budget	2024/25 Actual	2024/25 Budget
\$	\$	\$
13,736	11,981	13,736
465,000	467,183	485,854
459,914	399,576	461,284
2,854,271	2,739,265	2,854,271
19,612	21,395	19,612
792,924	865,008	792,924
298,488	319,753	298,488
297,574	324,626	297,574
157,490	168,615	157,490
5,359,009	5,317,402	5,381,233
	7,748	
299,964	243,162	301,964
113,206	111,451	113,206
12,459	11,582	12,459
32,224	51,253	52,448
35,235	40,895	35,235
571,168	567,684	571,168
3,970,298	3,982,426	3,970,298
38,982	38,714	38,982
285,473	262,487	285,473
5,359,009	5,317,402	5,381,233

**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 - non-specialised	30 to 50 years
Buildings - specialised	50 to 80 years
Furniture and equipment	4 to 10 years
Computer Equipment	3 years
Plant and equipment - Heavy	5 to 15 years
Plant and equipment - Light	0 to 10 years
Infrastructure - roads	
clearing and earthworks	not depreciated
construction/road base	50 years
Original surfacing and non major re-surfacing	
bituminous seals	20 years
asphalt seals	25 years
Gravel Roads	25 years
clearing and earthworks	not depreciated
construction/road base	50 years
Infrastructure - footpaths	
slab	40 years
asphalt	10 years
Infrastructure - drainage	75 to 100 years
sewerage piping	100 years
Infrastructure - parks and ovals	50 years
Other infrastructure - other	20 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 CHITTERING  
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	\$
Loan 79 Grader	79	WATC	4.4%	160,941		(17,183)	143,758	(6,910)	177,391		(16,450)	160,941	(4,445)	177,391		(16,450)	160,941	(7,643)
Loan 79 Multi Purpose Health Centre	79	WATC	4.4%	345,164		(36,852)	308,312	(14,820)	380,443		(35,279)	345,164	(9,534)	380,443		(35,279)	345,164	(16,392)
Loan 82 Land - Lot 168 Binda Place	82	WATC	3.1%	185,570		(72,547)	113,023	(5,111)	255,954		(70,384)	185,570	(4,808)	255,954		(70,383)	185,571	(7,273)
Loan 89 Muchea Complex Upgrade	89	WATC	2.4%	1,569,684		(81,779)	1,487,905	(36,607)	1,649,565		(79,881)	1,569,684	(38,112)	1,649,565		(79,881)	1,569,684	(38,505)
Loan 90 Mountain Bike Park	90	WATC	0.6%	0		0	0	0	97,484		(97,484)	0	(239)	97,484		(97,484)	0	(408)
Loan 92 Muchea Complex Upgrade Exter	92	WATC	4.6%	3,033,614		(116,071)	2,917,543	(138,139)	3,144,527		(110,913)	3,033,614	(102,768)	3,144,527		(110,914)	3,033,613	(143,297)
Loan 93 LC Community & Youth Hub	93	WATC	4.4%	0	1,400,000	(56,353)	1,343,647	(31,117)				0					0	
				5,294,973	1,400,000	(380,785)	6,314,188	(232,704)	5,705,364	0	(410,391)	5,294,973	(159,906)	5,705,364	0	(410,391)	5,294,973	(213,518)

All borrowing repayments, other than self supporting loans, will be financed by general purpose revenue.



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

**7. BORROWINGS**

**(b) New borrowings - 2025/26**

Particulars/Purpose	Institution	Loan type	Term (years)	Interest rate	Amount borrowed budget	Total interest & charges	Amount used budget	Balance unspent
				%	\$	\$	\$	\$
Loan 93 LC Community WATC		Debenture	10	4.4%	1,400,000	349,401	1,400,000	0
					1,400,000	349,401	1,400,000	0

The Shire intends to undertake a loan of \$1,400,000 to fund the construction of a Community & Youth Hub at Lower Chittering. For budgetary purposes, an interest rate of 4.4% was chosen. The final interest rate will be determined by the firm quote from Treasury.

**(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
<b>Undrawn borrowing facilities</b>	\$	\$	\$
<b>credit standby arrangements</b>			
Bank overdraft limit	150,000	150,000	150,000
Bank overdraft at balance date	0	0	0
Credit card limit	25,000	25,000	25,000
Credit card balance at balance date	0	7,640	10,174
<b>Total amount of credit unused</b>	175,000	182,640	185,174
<b>Loan facilities</b>			
Loan facilities in use at balance date	6,314,188	5,294,973	5,294,973
	<b>2025/26 Budgeted Increase/ (Decrease)</b>	<b>Amount as at 30th June 2026</b>	
<b>Overdraft details</b>			
	\$	\$	
Bendigo & Adelaide Bank Short Term Liquic	150,000	0	150,000
	150,000	0	150,000

**MATERIAL ACCOUNTING POLICIES**

**BORROWING COSTS**

Borrowing costs are recognised as an expense when incurred except where they are directly attributable to the acquisition, construction or production of a qualifying asset. Where this is the case, they are capitalised as part of the cost of the particular asset until such time as the asset is substantially ready for its intended use or sale.

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

8. LEASE LIABILITIES

Purpose	Lease Number	Institution	Lease Interest Rate	Lease Term	Budget Lease Principal 1 July 2025	2025/26 Budget New Leases	2025/26 Budget Lease Principal Repayments	Budget Lease Principal outstanding 30 June 2026	2025/26 Budget Lease Interest Repayments	Actual Principal 1 July 2024	2024/25 Actual New Leases	2024/25 Actual Lease Principal repayments	Actual Lease Principal outstanding 30 June 2025	2024/25 Actual Lease Interest repayments	Budget Principal 1 July 2024	2024/25 Budget New Leases	2024/25 Budget Lease Principal repayments	Budget Lease Principal outstanding 30 June 2025	2024/25 Budget Lease Interest Repayments
Purchase Ford Ranger D/Cab 4WD	FleetPartners	4.0%	36 months	\$	0	\$ 78,086	\$ (23,733)	\$ 54,353	\$ (2,295)	\$	\$	\$	\$ 0	\$	\$	\$	\$	\$ 0	\$
					0	78,086	(23,733)	54,353	(2,295)	0	0	0	0	0	0	0	0	0	0

MATERIAL ACCOUNTING POLICIES

LEASES

At the inception of a contract, the Shire assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At the commencement date, a right-of-use asset is recognised at cost and a lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Shire uses its incremental borrowing rate.

LEASE LIABILITIES

The present value of future lease payments not paid at the reporting date discounted using the incremental borrowing rate where the implicit interest rate in the lease is not readily determined.

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

**9. 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
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Restricted by council</b>												
(a) Employee entitlement reserve	283,895	11,381		295,276	271,634	12,261		283,895	271,634	14,940		286,574
(b) Plant replacement reserve	230,076	9,224		239,300	220,139	9,937		230,076	220,139	12,108		232,247
(c) Waste water treatment reserve	108,292	4,341		112,633	103,615	4,677		108,292	103,614	5,699		109,313
(d) Public amenities & buildings reserve	679,758	758,945		1,438,703	645,917	33,841		679,758	645,917	17,925		663,842
(e) Community housing reseve	0			0	81,449		(81,449)	0	81,449		(77,572)	3,877
(f) Seniors housing reserve	0			0	21,482		(21,482)	0	21,482		(20,459)	1,023
(g) Public open space reserve	91,523	3,669		95,192	87,570	3,953		91,523	87,570	4,816		92,386
(h) Recreation development reserve	94,636	17,202		111,838	90,549	4,087		94,636	90,548	22,580		113,128
(i) Waste management reserve	586,108	58,494		644,602	527,307	58,801		586,108	527,308	64,002		591,310
(j) Contributions to roadworks reserve	43,998	1,764		45,762	42,098	1,900		43,998	42,098	2,315		44,413
(k) Economic recovery stimulus reserve	0			0	913		(913)	0	913		(913)	0
(l) Housing Reserve	102,931	4,117		107,048	0	102,931		102,931	0	4,480	98,031	102,511
(m) Building and infrastructure future fund reserve	0	192,600		192,600	0			0				0
	2,221,217	1,061,737	0	3,282,954	2,092,673	232,388	(103,844)	2,221,217	2,092,672	148,865	(913)	2,240,624

**(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
<b>Restricted by council</b>		
(a) Employee entitlement reserve	Ongoing	to be used to fund employee accumulated annual, sick, long service leave and employee gratuities
(b) Plant replacement reserve	Ongoing	to be used to fund plant purchases, trades or major overhauls
(c) Waste water treatment reserve	Ongoing	to be used to fund the development of a Waste Water Management System for the Shire
(d) Public amenities & buildings reserve	Ongoing	to be used to fund repairs, improvements, extensions or construction of public amenities
	Change of Purpose	to be used to fund repairs, improvements, extensions or construction of community units
(e) Community housing reseve	Change of Purpose	to be used to fund repairs, improvements, extensions or construction of seniors units
(f) Seniors housing reserve	Ongoing	to be used to fund public open spaced developments in accordance with developer precincts
(g) Public open space reserve	Ongoing	to be used to fund the development or acquisition of recreation land or facilities
(h) Recreation development reserve	Ongoing	to be used to fund the replacement landfill sites and rehabilitation of existing landfill sites
(i) Waste management reserve	Ongoing	to be used for the maintenance of Mooliabeenie Road
(j) Contributions to roadworks reserve	Ongoing	to be used for projects for the community to assist in recovery post COVID19
(k) Economic recovery stimulus reserve	30/06/2023	to be used to fund repairs, improvements, extensions or construction of shire owned dwellings
(l) Housing Reserve	Ongoing	to assist in funding renewal, replacement, and new construction of significant buildings or infrastructure.
(m) Building and infrastructure future fund reserve	Ongoing	Funds can also be used for preliminary planning process to ensure projects are "shovel ready" for grant application submission.

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

**10. OTHER INFORMATION**

**The net result includes as revenues**

**(a) Interest earnings**

Investments	218,849	161,158	223,865
Late payment of fees and charges *	7,000	10,338	1,300
Other interest revenue	60,000	48,806	82,390
	<b>285,849</b>	<b>220,302</b>	<b>307,555</b>

\* The Shire has resolved to charge interest under section 6.13 for the late payment of any amount of money at 5.5%.

**The net result includes as expenses**

**(b) Auditors remuneration**

Audit services	47,000	43,500	35,760
Other services	3,000	3,000	3,000
	<b>50,000</b>	<b>46,500</b>	<b>38,760</b>

**(c) Interest expenses (finance costs)**

Borrowings (refer Note 7(a))	232,704	159,906	213,518
Interest on lease liabilities (refer Note 8)	2,295	0	0
	<b>234,999</b>	<b>159,906</b>	<b>213,518</b>

**(d) Low Value lease expenses**

Office equipment	5,600	5,178	5,600
	<b>5,600</b>	<b>5,178</b>	<b>5,600</b>

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

**11. COUNCIL MEMBERS REMUNERATION**

**Elected member Cr Aaron King**

President's allowance  
Meeting attendance fees  
Travel and accommodation expenses  
Superannuation contribution payments

**Elected member Cr Mary Angus**

Deputy President's allowance  
Meeting attendance fees  
Travel and accommodation expenses  
Superannuation contribution payments

**Elected member Cr Kylie Hughes**

Meeting attendance fees  
Travel and accommodation expenses  
Superannuation contribution payments

**Elected member Cr Carmel Ross**

Meeting attendance fees  
Travel and accommodation expenses  
Superannuation contribution payments

**Elected member Cr John Curtis**

Meeting attendance fees  
Travel and accommodation expenses  
Superannuation contribution payments

**Elected member Cr Mark Campbell**

Meeting attendance fees  
Travel and accommodation expenses  
Superannuation contribution payments

**Elected member Cr David Dewar**

Meeting attendance fees  
Travel and accommodation expenses  
Superannuation contribution payments

**Total Council Member Remuneration**

President's allowance  
Deputy President's allowance  
Meeting attendance fees  
Travel and accommodation expenses  
Superannuation contribution payments

<b>2025/26 Budget</b>	<b>2024/25 Actual</b>	<b>2024/25 Budget</b>
\$	\$	\$
16,194	15,647	15,646
24,418	23,590	23,590
574	3,861	1,428
4,872		
46,058	43,098	40,664
4,048	3,911	3,911
16,980	16,406	16,406
571	505	1,428
2,523		
24,122	20,822	21,745
16,980	16,406	16,406
571	474	1,428
2,038		
19,589	16,880	17,834
16,980	16,406	16,406
571		1,428
2,038		
19,589	16,406	17,834
16,980	16,406	16,406
571	108	1,428
2,038		
19,589	16,514	17,834
16,980	16,406	16,406
571	1,592	1,428
2,038		
19,589	17,998	17,834
16,980	16,406	16,406
571	1,844	1,428
2,038		
19,589	18,250	17,834
168,125	149,968	151,579
16,194	15,647	15,646
4,048	3,911	3,911
126,298	122,026	122,026
4,000	8,384	9,996
17,585	0	0
168,125	149,968	151,579

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

**12. MAJOR LAND TRANSACTIONS**

The Shire does not have a Major land transaction for the 25/26 year.

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

**13 TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS**

It is not anticipated the Shire will have any Trade or Major Trade Undertakings during 2025/2026.

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

14 INVESTMENT IN ASSOCIATES

(a) Investment in associate

It is not anticipated the Shire will have any Investment in Associates during 2025/2026.

MATERIAL ACCOUNTING POLICIES

Investments in associates

An associate is an entity over which the Shire has significant influence. Significant influence is the power to participate in the financial operating policy decisions of that entity but is not control or joint control of those policies. Investments in associates are accounted for in the financial statements by applying the equity method of accounting, whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the Shire's share of net assets of the associate. In addition, the Shire's share of the profit or loss of the associate is included in the Shire's profit or loss. recognised.

The carrying amount of the investment includes, where applicable, goodwill relating to the associate. Any discount on acquisition, whereby the Shire's share of the net fair value of the associate exceeds the cost of investment, is recognised in profit or loss in the period in which the investment is acquired.

Investments in associates (continued)

Profits and losses resulting from transactions between the Shire and the associate are eliminated to the extent of the Shire's interest in the associate. When the Shire's share of losses in an associate equals or exceeds its interest in the associate, the Shire discontinues recognising its share of further losses unless it has incurred legal or constructive obligations or made payments on behalf of the associate. When the associate subsequently makes profits, the Shire will resume recognising its share of those profits once its share of the profits equals the share of the losses not recognised.



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

**15 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:

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

**16. 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 CHITTERING  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30 JUNE 2026**

**16. 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	Determination of transaction price	Allocating transaction price	Measuring obligations for returns	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	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
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	Set by State legislation or limited by legislation to the cost of provision	Based on timing of issue of the associated rights	No refunds	On payment and issue of the licence, registration or approval
Waste management entry fees	Waste treatment, recycling and disposal service at disposal sites	Single point in time	Payment in advance at gate or on normal trading terms if credit provided	None	Adopted by council annually	Based on timing of entry to facility	Not applicable	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	Adopted by council annually	Applied fully based on timing of provision	Not applicable	Output method based on provision of service or completion of works
Sale of stock	Aviation fuel, kiosk and visitor centre stock	Single point in time	In full in advance, on 15 day credit	Refund for faulty goods	Adopted by council annually, set by mutual agreement	Applied fully based on timing of provision	Returns limited to repayment of transaction price	Output method based on goods

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

**17. 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 provide a decision making process for the efficient allocation of scarce resources.

Includes the activities of members of Council and the administrative support available to Council for the provision of governance of the district. Other costs relate to the task of assisting elected members and ratepayers on matters which do not concern specific Council services

**General purpose funding**

To collect revenue to allow for the provision of services.

Rates, general purpose government grants and interest revenue.

**Law, order, public safety**

To provide services to help ensure a safer and environmentally conscious community.

Supervision and enforcement of various local laws relating to fire prevention, animal control and other aspects of public safety including emergency services.

**Health**

To provide and operational framework for environmental and community health.

Inspection of food outlets and their control, provision of meat inspection services, noise control and waste disposal compliance and contributions to medical health and community health centre.

**Education and welfare**

To provide services to disadvantaged persons, the elderly, children and youth.

Senior citizens programs, youth services and events.

**Housing**

To provide and maintain staff, community and seniors housing.

Provision and maintenance of staff, community and seniors housing.

**Community amenities**

To provide services required by the community.

Waste collection services, operation of waste landfill sites, litter control, construction and maintenance of urban storm water drains, protection of the environment and administration of the town planning scheme, cemetery and public conveniences.

**Recreation and culture**

To establish and effectively manage infrastructure and resources which will help the social wellbeing of the community.

Maintenance of halls, the library and various parks, reserves and other recreation activities and cultural pursuits.

**Transport**

To provide safe, effective and efficient transport services to the community.

Construction and maintenance of roads, bridges, footpaths, drainage works, lighting and cleaning of streets and verge maintenance.

**Economic services**

To help promote the Shire and its economic wellbeing.

Tourism and area promotion. Provision of rural services including weed control, community bus operations, economic and community development programs and building control.

**Other property and services**

To monitor and control Council's overhead operating accounts.

Private works, plant repair and operation costs and engineering operation costs.

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

**18. FEES AND CHARGES**

	<b>2025/26 Budget</b>	<b>2024/25 Actual</b>	<b>2024/25 Budget</b>
	\$	\$	\$
<b>By Program:</b>			
Governance	525	158	513
General purpose funding	84,500	77,228	66,740
Law, order, public safety	52,308	53,311	40,203
Health	55,460	50,621	51,490
Education and welfare	17,139	3,045	5,045
Housing	164,152	151,935	137,725
Community amenities	1,301,067	1,245,728	1,239,843
Recreation and culture	15,953	11,424	12,242
Transport	930	35,375	0
Economic services	201,621	230,505	229,103
Other property and services	500	0	1,013
	<b>1,894,155</b>	<b>1,859,330</b>	<b>1,783,917</b>

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