SHIRE OF CHITTERING

ANNUAL BUDGET

FOR THE YEAR ENDED 30 JUNE 2027

LOCAL GOVERNMENT ACT 1995

TABLE OF CONTENTS

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 2027

	Note	2026/27 Budget	2025/26 Actual	2025/26 Budget
Revenue		$	$	$
Rates	2(a)	9,075,219	8,282,241	8,315,108
Grants, subsidies and contributions		1,271,040	3,689,322	2,019,239
Fees and charges	15	1,707,944	1,952,049	1,894,155
Interest revenue	10(a)	325,974	259,864	285,849
Other revenue		236,689	252,614	327,939
		12,616,866	14,436,090	12,842,290
Expenses				
Employee costs		(6,597,643)	(5,728,801)	(5,966,146)
Materials and contracts		(6,428,371)	(4,529,128)	(5,426,005)
Utility charges		(232,102)	(213,698)	(221,300)
Depreciation	6	(5,600,480)	(5,019,570)	(5,359,009)
Finance costs	10(c)	(227,521)	(154,582)	(234,999)
Insurance		(277,379)	(242,595)	(283,642)
Other expenditure		(498,887)	(395,092)	(449,255)
		(19,862,383)	(16,283,466)	(17,940,356)
		(7,245,517)	(1,847,376)	(5,098,066)
Capital grants, subsidies and contributions		5,877,728	1,460,363	2,621,509
Profit on asset disposals	5	443,753	5,454	431,198
Loss on asset disposals	5	(1,818)	(8,636)	(10,182)
		6,319,663	1,457,181	3,042,525
Net result for the period		**(925,854)**	**(390,195)**	**(2,055,541)**
Total comprehensive income for the period		**(925,854)**	**(390,195)**	**(2,055,541)**

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 2027

	Note	2026/27 Budget	2025/26 Actual	2025/26 Budget
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts		$	$	$
Rates		9,075,219	8,184,204	8,315,108
Grants, subsidies and contributions		1,271,040	3,800,694	2,019,239
Fees and charges		1,707,944	1,952,049	1,894,155
Interest revenue		325,974	259,864	285,849
Goods and services tax received		0	144,755	0
Other revenue		236,689	252,614	327,939
		12,616,866	14,594,180	12,842,290
Payments				
Employee costs		(6,597,643)	(5,953,409)	(5,966,146)
Materials and contracts		(6,428,371)	(4,829,627)	(5,426,005)
Utility charges		(232,102)	(213,698)	(221,300)
Finance costs		(227,521)	(223,562)	(234,999)
Insurance paid		(277,379)	(242,595)	(283,642)
Other expenditure		(498,887)	(395,092)	(449,255)
		(14,261,903)	(11,857,983)	(12,581,347)
Net cash provided by (used in) operating activities	4	(1,645,037)	2,736,197	260,943
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment	5(a)	(1,875,020)	(749,949)	(2,223,281)
Payments for construction of infrastructure	5(b)	(5,478,316)	(2,182,666)	(2,921,998)
Proceeds from capital grants, subsidies and contributions		5,877,728	2,827,598	2,621,509
Proceeds from disposal of property, plant and equipment	5(a)	975,289	27,273	869,289
Net cash (used in) investing activities		(500,319)	(77,744)	(1,654,481)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	8(a)	(391,069)	(324,432)	(380,785)
Proceeds from new borrowings	8(a)	0	700,000	1,400,000
Payments for principal portion of lease liabilities	7	(24,612)	(23,733)	(23,733)
Net cash provided by (used in) financing activities		(415,681)	351,835	995,482
Net increase (decrease) in cash held		(2,561,037)	3,010,288	(398,056)
Cash at beginning of year		8,584,369	5,574,085	6,040,148
Cash and cash equivalents at the end of the year	4	**6,023,332**	**8,584,373**	**5,642,092**

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 2027

	Note	2026/27 Budget	2025/26 Actual	2025/26 Budget
OPERATING ACTIVITIES				
Revenue from operating activities		$	$	$
General rates	2(a)(i)	8,482,605	7,804,210	7,792,287
Rates excluding general rates	2(a)	592,614	478,031	522,821
Grants, subsidies and contributions		1,271,040	3,689,322	2,019,239
Fees and charges	15	1,707,944	1,952,049	1,894,155
Interest revenue	10(a)	325,974	259,864	285,849
Other revenue		236,689	252,614	327,939
Profit on asset disposals	5	443,753	5,454	431,198
		13,060,619	14,441,544	13,273,488
Expenditure from operating activities				
Employee costs		(6,597,643)	(5,728,801)	(5,966,146)
Materials and contracts		(6,428,371)	(4,529,128)	(5,426,005)
Utility charges		(232,102)	(213,698)	(221,300)
Depreciation	6	(5,600,480)	(5,019,570)	(5,359,009)
Finance costs	10(c)	(227,521)	(154,582)	(234,999)
Insurance		(277,379)	(242,595)	(283,642)
Other expenditure		(498,887)	(395,092)	(449,255)
Loss on asset disposals	5	(1,818)	(8,636)	(10,182)
		(19,864,201)	(16,292,102)	(17,950,538)
Non cash amounts excluded from operating activities	3(c)	5,165,943	5,034,012	4,949,373
Amount attributable to operating activities		**(1,637,639)**	**3,183,454**	**272,323**
INVESTING ACTIVITIES				
Inflows from investing activities				
Proceeds from capital grants, subsidies and contributions		5,877,728	1,460,363	2,621,509
Proceeds from disposal of property, plant and equipment	5(a)	975,289	27,273	869,289
		6,853,017	1,487,636	3,490,798
Outflows from investing activities				
Right of use assets received - non cash	5(c)	0	0	(78,086)
Acquisition of property, plant and equipment	5(a)	(1,875,020)	(749,949)	(2,223,281)
Acquisition of infrastructure	5(b)	(5,478,316)	(2,182,666)	(2,921,998)
Payments for financial assets at amortised cost - term deposits		0	0	
		(7,353,336)	(2,932,615)	(5,223,365)
Non-cash amounts excluded from investing activities	3(d)	0	0	78,086
Amount attributable to investing activities		**(500,319)**	**(1,444,979)**	**(1,654,481)**
FINANCING ACTIVITIES				
Inflows from financing activities				
Proceeds from new borrowings	8(a)	0	700,000	1,400,000
Proceeds from new leases - non cash	7	0	78,086	78,086
Transfers from reserve accounts	9(a)	294,000	0	0
		294,000	778,086	1,478,086
Outflows from financing activities				
Repayment of borrowings	8(a)	(391,069)	(324,432)	(380,785)
Payments for principal portion of lease liabilities	7	(24,612)	(23,733)	(23,733)
Transfers to reserve accounts	9(a)	(1,083,718)	(315,721)	(1,061,737)
		(1,499,399)	(663,886)	(1,466,255)
Non-cash amounts excluded from financing activities	3(e)	0	(78,086)	(78,086)
Amount attributable to financing activities		**(1,205,399)**	**36,114**	**(66,255)**
MOVEMENT IN SURPLUS OR DEFICIT				
Surplus remaining at the start of the financial year	3	3,343,357	1,568,769	1,448,413
Amount attributable to operating activities		(1,637,639)	3,183,454	272,323
Amount attributable to investing activities		(500,319)	(1,444,979)	(1,654,481)
Amount attributable to financing activities		(1,205,399)	36,114	(66,255)
Surplus remaining after the imposition of general rates	3	**0**	**3,343,358**	**0**

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

INDEX OF NOTES TO THE BUDGET

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 12 to the annual budget.

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

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

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

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

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

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

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

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

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

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

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

2. RATES AND SERVICE CHARGES

(a) Rating Information

Rate Description	Basis of valuation	Rate in dollar	Number of properties	Rateable value*	2026/27 Budgeted rate revenue	2026/27 Budgeted interim rates	2026/27 Budgeted total revenue	2025/26 Actual total revenue	2025/26 Budget total revenue
				$	$	$	$	$	$
(i) General rates									
GRV	Gross rental valuation	0.090904	1,904	54,249,605	4,931,506		4,931,506	4,562,880	4,569,090
UV	Unimproved valuation	0.005106	873	695,475,754	3,551,099		3,551,099	3,241,330	3,223,197
Total general rates			2,777	749,725,359	8,482,605	0	8,482,605	7,804,210	7,792,287
		Minimum							
(ii) Minimum payment		$							
GRV	Gross rental valuation	1,248.00	382	4,931,810	476,736		476,736	361,431	357,650
UV	Unimproved valuation	1,194.00	87	69,192,465	103,878		103,878	116,600	160,600
Total minimum payments			469	74,124,275	580,614	0	580,614	478,031	518,250
Total general rates and minimum payments			3,246	823,849,634	9,063,219	0	9,063,219	8,282,241	8,310,537
(iii) Ex-gratia rates									
Ex-gratia rates					12,000		12,000	0	4,571
Total rates					9,075,219	0	9,075,219	8,282,241	8,315,108
Instalment plan charges							35,400	28,870	29,500
Instalment plan interest							44,000	41,690	20,000
Late payment of rate or service charge interest							42,200	37,239	40,000
							121,600	107,799	89,500

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

*Rateable Value at time of adopting budget.

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

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

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

2. RATES AND SERVICE CHARGES (CONTINUED)

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

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

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	17/09/2026		5.5%	11.0%
Option three				
First instalment	17/09/2026		5.5%	11.0%
Second instalment	20/11/2026	10	5.5%	11.0%
Third instalment	20/01/2027	10	5.5%	11.0%
Fourth instalment	23/03/2027	10	5.5%	11.0%

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 2027.

(c) Service Charges
The Shire did not raise service charges for the year ended 30th June 2027.

(d) Early payment discounts
The Shire does not anticipate any waivers or concessions for the year ended 30th June 2027.

3. NET CURRENT ASSETS

(a) Composition of estimated net current assets

	Note	2026/27 Budget 30 June 2027 Carried forward	2025/26 Actual 30 June 2026 Carried forward	2025/26 Budget 30 June 2026 Carried forward
Current assets		$	$	$
Cash and cash equivalents	4	6,023,332	8,584,369	5,642,092
Receivables		138,007	138,007	295,450
Inventories		37,276	37,276	(296)
		6,198,615	8,759,652	5,937,246
Less: current liabilities				
Trade and other payables		(1,045,613)	(1,045,613)	(1,970,984)
Capital grant/contributions liabilities		(1,446,355)	(1,446,355)	(280,390)
Lease liabilities	7	(29,741)	(54,353)	(54,353)
Long term borrowings	8	0	(391,069)	0
Employee provisions		(682,547)	(682,547)	(698,193)
		(3,204,256)	(3,619,937)	(3,003,920)
Net current assets		2,994,359	5,139,715	2,933,326
Less: Total adjustments to net current assets	3(b)	(2,994,359)	(1,796,358)	(2,933,326)
Net current assets used in the Statement of Financial Activity		0	3,343,357	0

(b) Current assets and liabilities excluded from budgeted deficiency

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

	Note	2026/27 Budget 30 June 2027 Carried forward	2025/26 Actual 30 June 2026 Carried forward	2025/26 Budget 30 June 2026 Carried forward
Adjustments to net current assets				
Less: Reserve accounts	9	(3,326,655)	(2,536,937)	(3,282,954)
Add: Current liabilities not expected to be cleared at end of year				
- Current portion of borrowings		0	391,069	0
- Current portion of lease liabilities		29,741	54,353	54,353
Add: Current liabilities covered by funds held in reserve account				
- Current portion of employee benefit provisions		302,555	295,157	295,275
Total adjustments to net current assets		(2,994,359)	(1,796,358)	(2,933,326)

EXPLANATION OF DIFFERENCE IN SURPLUS/(DEFICIT)

Items excluded from calculation of budgeted deficiency

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

	Note	2026/27 Budget 30 June 2027 Carried forward	2025/26 Actual 30 June 2026 Carried forward	2025/26 Budget 30 June 2026 Carried forward
(c) Amounts excluded from operating activities		$	$	$
Less: Profit on asset disposals	5	(443,753)	(5,454)	(431,198)
Add: Loss on asset disposals	5	1,818	8,636	10,182
Add: Depreciation	6	5,600,480	5,019,570	5,359,009
Movement in current liabilities associated funds held in reserve account:				
- Current portion of employee benefit provisions		7,398	11,260	11,380
Non cash amounts excluded from operating activities		5,165,943	5,034,012	4,949,373
(d) Amounts excluded from investing activities				
Right of use assets recognised	5(c)	0	0	78,086
Non cash amounts excluded from investing activities		0	0	78,086
(e) Amounts excluded from financing activities				
Less: Lease liability recognised	7	0	(78,086)	(78,086)
Non cash amounts excluded from financing activities		0	(78,086)	(78,086)

3. NET CURRENT ASSETS (CONTINUED)

(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 right to defer settlement beyond 12 months, such as vested long service leave, the liability is classified as current even if not expected to be settled within the next 12 months. Inventories held for trading are classified as current or non-current based on the Shire's intentions to release for sale.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

4. RECONCILIATION OF CASH

(a) Reconciliation of cash

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

	Note	2026/27 Budget	2025/26 Actual	2025/26 Budget
		$	$	$
Cash and cash equivalents		6,023,332	8,584,369	5,642,092
Restrictions				
The following classes of financial assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:				
Cash and cash equivalents		4,773,010	3,983,292	3,563,344
		4,773,010	3,983,292	3,563,344
The restricted financial assets are a result of the following specific purposes to which the assets may be used:				
Reserve accounts	9	3,326,655	2,536,937	3,282,954
Contract liabilities		0	0	
Capital grant/contributions liabilities		1,446,355	1,446,355	280,390
Total restricted financial assets		4,773,010	3,983,292	3,563,344

(b) Reconciliation of net cash provided by operating activities

	Note	2026/27 Budget	2025/26 Actual	2025/26 Budget
Net result		(925,854)	(390,195)	(2,055,541)
Non-cash items:				
Depreciation	6	5,600,480	5,019,570	5,359,009
(Profit)/loss on sale of assets	5	(441,935)	3,182	(421,016)
Changes in assets and liabilities:				
Decrease in receivables		0	158,090	
(Increase) in inventories		0	(36,487)	
(Increase) in trade and other payables		0	(557,600)	
Decrease in capital grant/contributions liabilities		0	1,367,235	
Capital grants, subsidies and contributions		(5,877,728)	(2,827,598)	(2,621,509)
Net cash provided by/(used in) operating activities		(1,645,037)	2,736,197	260,943

MATERIAL ACCOUNTING POLICES

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

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

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

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

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

5. PROPERTY, PLANT AND EQUIPMENT

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

2026/27 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
(a) Property, Plant and Equipment	$	$	$		$	$	$
Land - freehold land							0
Buildings - specialised	1,201,020		(367,718)		795,289	427,571	0
Plant and equipment	674,000		(165,636)		180,000	16,182	(1,818)
Total	1,875,020	0	(533,354)	0	975,289	443,753	(1,818)
(b) Infrastructure							
Infrastructure - roads	4,834,642						0
Infrastructure - parks and ovals	264,354						0
Other infrastructure - other	379,320						0
Total	5,478,316	0	0	0	0	0	0
Total	7,353,336	0	(533,354)	0	975,289	443,753	(1,818)

2025/26 Actual

	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) Property, Plant and Equipment	$	$	$		$	$	$
Land - freehold land							0
Buildings - specialised	514,699						0
Plant and equipment	235,250		(30,455)		27,273	5,454	(8,636)
Total	749,949	0	(30,455)	0	27,273	5,454	(8,636)
(b) Infrastructure							
Infrastructure - roads	1,933,566						0
Infrastructure - parks and ovals	116,265						0
Other infrastructure - other	132,835						0
Total	2,182,666	0	0	0	0	0	0
Total	2,932,615	0	(30,455)	0	27,273	5,454	(8,636)

2025/26 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
(a) Property, Plant and Equipment	$	$	$		$	$	$
Land - freehold land			(52,000)		100,147	48,147	0
Buildings - specialised	1,645,781		(315,718)		695,142	379,424	0
Plant and equipment	577,500		(80,555)		74,000	3,627	(10,182)
Total	2,223,281	0	(448,273)	0	869,289	431,198	(10,182)
(b) Infrastructure							
Infrastructure - roads	2,288,988						0
Infrastructure - parks and ovals	190,826						0
Other infrastructure - other	442,184						0
Total	2,921,998	0	0	0	0	0	0
Total	5,223,365	0	(448,273)	0	869,289	431,198	(10,182)

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.

6. DEPRECIATION

	2026/27 Budget	2025/26 Actual	2025/26 Budget
	$	$	$
By Class			
Buildings - non-specialised	14,217	13,736	13,736
Buildings - specialised	521,181	546,383	465,000
Plant and equipment	476,011	351,238	459,914
Infrastructure - roads	2,954,170	2,546,862	2,854,271
Infrastructure - footpaths	20,298	20,123	19,612
Infrastructure - drainage	820,676	792,925	792,924
Infrastructure - parks and ovals	308,935	293,107	298,488
Other infrastructure - other	177,002	157,622	157,490
Other infrastructure - bridges and culverts	307,989	297,574	297,574
	5,600,480	5,019,570	5,359,009
By Program			
Governance	14,520	13,052	
Law, order, public safety	304,320	246,427	299,964
Health	114,000	102,163	113,206
Education and welfare	11,880	10,617	12,459
Housing	52,800	46,983	32,224
Community amenities	51,960	46,561	35,235
Recreation and culture	731,600	634,108	571,168
Transport	4,046,400	3,676,993	3,970,298
Economic services	39,000	34,848	38,982
Other property and services	234,000	207,818	285,473
	5,600,480	5,019,570	5,359,009

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
Plant and equipment	
Infrastructure - roads	
Infrastructure - footpaths	
Infrastructure - drainage	75 to 100 years
Infrastructure - parks and ovals	50 years
Other infrastructure - other	20 years
Other infrastructure - bridges and culverts	

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

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

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

7. LEASE LIABILITIES

Purpose	Lease Number	Institution	Lease Interest Rate	Lease Term	Budget Lease Principal 1 July 2026	2026/27 Budget New Leases	2026/27 Budget Lease Principal Repayments	Budget Lease Principal outstanding 30 June 2027	2026/27 Budget Lease Interest Repayments	Actual Principal 1 July 2025	2025/26 Actual New Leases	2025/26 Actual Lease Principal repayments	Actual Lease Principal outstanding 30 June 2026	2025/26 Actual Lease Interest repayments	Budget 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
					$	$	$	$	$	$	$	$	$	$	$	$	$	$	$
Purchase Ford Ranger D/Cab 4WD		Fleet Partners	4.0%	3	54,353		(24,612)	29,741	(1,417)		78,086	(23,733)	54,353	(2,295)	0	78,086	(23,733)	54,353	(2,295)
					54,353	0	(24,612)	29,741	(1,417)	0	78,086	(23,733)	54,353	(2,295)	0	78,086	(23,733)	54,353	(2,295)

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.

8. BORROWINGS

(a) Borrowing repayments

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

Purpose	Loan Number	Institution	Interest Rate	Budget Principal 1 July 2026	2026/27 Budget New Loans	2026/27 Budget Principal Repayments	Budget Principal outstanding 30 June 2027	2026/27 Budget Interest Repayments	Actual Principal 1 July 2025	2025/26 Actual New Loans	2025/26 Actual Principal Repayments	Actual Principal outstanding 30 June 2026	2025/26 Actual Interest Repayments	Budget Principal 1 July 2025	2025/26 Budget New Loans	2025/26 Budget Principal Repayments	Budget Principal outstanding 30 June 2026	2025/26 Budget Interest Repayments
				$	$	$	$	$	$	$	$	$	$	$	$	$	$	$
Loan 79 Grader	79	WATC	4.4%	143,758		(17,949)	125,809	(6,144)	160,941		(17,183)	143,758	(1,304)	160,941		(17,183)	143,758	(6,910)
Loan 79 Multi Purpose He	79	WATC	4.4%	308,312		(38,495)	269,817	(13,177)	345,164		(36,852)	308,312	(13,172)	345,164		(36,852)	308,312	(14,820)
Loan 82 Land - Lot 168 B	82	WATC	3.1%	113,022		(74,777)	38,245	(2,881)	185,569		(72,547)	113,022	(4,095)	185,570		(72,547)	113,023	(5,111)
Loan 89 Muchea Comple:	89	WATC	2.4%	1,487,905		(83,723)	1,404,182	(34,663)	1,569,684		(81,779)	1,487,905	(23,827)	1,569,684		(81,779)	1,487,905	(36,607)
Loan 92 Muchea Comple:	92	WATC	4.6%	2,917,543		(121,469)	2,796,074	(132,742)	3,033,614		(116,071)	2,917,543	(109,721)	3,033,614		(116,071)	2,917,543	(138,139)
Loan 93 LC Community 8	93	WATC	4.4%	700,000		(54,656)	645,344	(36,497)	0	700,000	0	700,000	0	0	1,400,000	(56,353)	1,343,647	(31,117)
Loan 90 Mountain Bike Pa	90	WATC	0.5%	0			0					0	(168)				0	
				5,670,540	0	(391,069)	5,279,471	(226,104)	5,294,972	700,000	(324,432)	5,670,540	(152,287)	5,294,973	1,400,000	(380,785)	6,314,188	(232,704)

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

8. BORROWINGS (CONTINUED)

(b) New borrowings - 2026/27

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

(c) Unspent borrowings

Loan Details	Purpose of the loan	Year loan taken	Amount b/fwd.	Amount used 2026/27 Budget	New loans unspent at 30 June 2027	Amount as at 30 June 2027
			$	$	$	$
Loan 93 LC Communiity & Youth Hub	Build Community Hub in Lower Chittering	2025/2026	0	700,000	0	0
			0	700,000	0	0

(d) Credit Facilities

	2026/27 Budget	2025/26 Actual	2025/26 Budget
	$	$	$
Undrawn borrowing facilities			
credit standby arrangements			
Bank overdraft limit	150,000	150,000	150,000
Bank overdraft at balance date	0	0	0
Credit card limit	25,000	25,000	25,000
Credit card balance at balance date	0	0	0
Total amount of credit unused	175,000	175,000	175,000
Loan facilities			
Loan facilities in use at balance date	5,279,471	5,670,540	6,314,188

Overdraft details	Purpose overdraft was established	Year overdraft established	Amount b/fwd 1 July 2026	2026/27 Budgeted Increase/ (Decrease)	Amount as at 30th June 2027
			$	$	$
Bendigo & Adelaide Bank	Short Term Liquid	2,010	150,000	0	150,000
			150,000	0	150,000

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.

9. RESERVE ACCOUNTS

(a) Reserve Accounts - Movement

		2026/27 Budget				2025/26 Actual				2025/26 Budget			
		Opening Balance	Transfer to	Transfer (from)	Closing Balance	Opening Balance	Transfer to	Transfer (from)	Closing Balance	Opening Balance	Transfer to	Transfer (from)	Closing Balance
		$	$	$	$	$	$	$	$	$	$	$	$
	Restricted by council												
(a)	Employee entitlement reserve	295,157	7,398		302,555	283,894	11,263		295,157	283,895	11,381		295,276
(b)	Plant replacement reserve	239,203	5,995		245,198	230,076	9,127		239,203	230,076	9,224		239,300
(c)	Waste water treatment reserve	112,587	2,822		115,409	108,291	4,296		112,587	108,292	4,341		112,633
(d)	Public amenities & buildings reserve	706,726	772,798		1,479,524	679,759	26,967		706,726	679,758	758,945		1,438,703
(e)	Public open space reserve	95,154	2,385	(86,000)	11,539	91,523	3,631		95,154	91,523	3,669		95,192
(f)	Recreation development reserve	98,391	11,181	(15,000)	94,572	94,636	3,755		98,391	94,636	17,202		111,838
(g)	Waste management reserve	644,361	51,146	(115,000)	580,507	586,109	58,252		644,361	586,108	58,494		644,602
(h)	Contributions to roadwroks reserve	45,744	1,147		46,891	43,998	1,746		45,744	43,998	1,764		45,762
(i)	Housing reserve	107,014	2,676	(78,000)	31,690	102,930	4,084		107,014	0	4,117		4,117
(j)	Building and infrastructure future fund reser	192,600	226,170		418,770	0	192,600		192,600	102,931	192,600		295,531
		2,536,937	1,083,718	(294,000)	3,326,655	2,221,216	315,721	0	2,536,937	2,221,217	1,061,737	0	3,282,954

(b) Reserve Accounts - Purposes

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

	Reserve name	Anticipated date of use	Purpose of the reserve
	Restricted by legislation		
	Restricted by council		
(a)	Employee entitlement reserve	Ongoing	to be used to fund employee accumulated anuual,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 contruction of public amenities
(e)	Public open space reserve	Ongoing	to be used to fund public open spaced developments in accordance with developer precints
(f)	Recreation development reserve	Ongoing	to be used to fund the development or acquisition of recreation land or facilities
(g)	Waste management reserve	Ongoing	to be used to fund the replacement landfill sites and rehabilitation of existing landfill sites
(h)	Contributions to roadwroks reserve	Ongoing	to be used for the maintenance of roads
(i)	Housing reserve	Ongoing	to be used to fund repairs, improvements, extentions or construction of shire owned dwellings
(j)	Building and infrastructure future fund reser	Ongoing	to assist in funding renewal, replacement, and new construction of significant buildings or infrastructure.

10. OTHER INFORMATION

The net result includes as revenues	2026/27 Budget	2025/26 Actual	2025/26 Budget
	$	$	$
(a) Interest earnings			
Investments	232,074	173,785	218,849
Late payment of fees and charges *	7,700	7,150	7,000
Other interest revenue	86,200	78,929	60,000
	325,974	259,864	285,849
* 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	50,750	46,736	47,000
Other services	3,000	3,000	3,000
	53,750	49,736	50,000
(c) Interest expenses (finance costs)			
Borrowings (refer Note 8(a))	226,104	152,287	232,704
Interest on lease liabilities (refer Note 7)	1,417	2,295	2,295
	227,521	154,582	234,999
(d) Write offs			
General rate		324	
	0	324	0
(e) Low Value lease expenses			
Office equipment	8,300	5,715	5,600
	8,300	5,715	5,600

11. COUNCIL MEMBERS REMUNERATION

	2026/27 Budget	2025/26 Actual	2025/26 Budget
	$	$	$
Elected member Cr Aaron King			
President's allowance	0	4,796	16,194
Meeting attendance fees	0	7,232	24,418
Travel and accommodation expenses	0	342	574
Superannuation contribution payments	0	1,443	4,872
	0	13,813	46,058
Elected member Cr Mark Campbell			
President's allowance	0	5,958	0
Meeting attendance fees	0	17,191	16,980
Travel and accommodation expenses	0	1,308	571
Superannuation contribution payments	0	0	2,038
	0	24,457	19,589
Elected member Cr David Dewar			
President's allowance	16,760	8,682	0
Deputy President's allowance		1,647	0
Meeting attendance fees	25,251	18,747	16,980
Travel and accommodation expenses	4,000	4,051	571
Superannuation contribution payments	5,044	2,088	2,038
	51,055	35,215	19,589
Elected member Cr Mary Angus			
Deputy President's allowance	4,190	3,369	4,048
Meeting attendance fees	17,578	16,984	16,980
Travel and accommodation expenses	1,000	3,302	571
Superannuation contribution payments	2,612	2,217	2,523
	25,380	25,872	24,122
Elected member Cr John Curtis			
Meeting attendance fees	17,578	16,984	16,980
Travel and accommodation expenses	1,000	1,206	571
Superannuation contribution payments	2,109	2,038	2,038
	20,687	20,228	19,589
Elected member Cr Carmel Ross			
Meeting attendance fees	0	5,030	16,980
Travel and accommodation expenses	0	0	571
Superannuation contribution payments	0	604	2,038
	0	5,634	19,589
Elected member Cr Kylie Hughes			
Meeting attendance fees	17,578	16,984	16,980
Travel and accommodation expenses	1,000		571
Superannuation contribution payments	2,109	2,038	2,038
	20,687	19,022	19,589
Elected member Cr Nicholas Grayer			
Meeting attendance fees	17,578	11,907	0
Travel and accommodation expenses	1,000		0
Superannuation contribution payments	2,109	1,429	0
	20,687	13,336	0
Elected member Cr Beck Foulkes-Taylor			
Meeting attendance fees	17,578	11,907	0
Travel and accommodation expenses	1,000	443	0
Superannuation contribution payments	2,109	1,429	0
	20,687	13,779	0
Elected member - Vacant			
Meeting attendance fees	17,578	0	0
Travel and accommodation expenses	1,000	0	0
Superannuation contribution payments	2,109	0	0
	20,687	0	0
Total Council Member Remuneration	179,870	171,356	168,125
President's allowance	16,760	19,436	16,194
Deputy President's allowance	4,190	5,016	4,048
Meeting attendance fees	130,719	122,966	126,298
Travel and accommodation expenses	10,000	10,652	4,000
Superannuation contribution payments	18,201	13,286	17,585
	179,870	171,356	168,125

12. MAJOR LAND TRANSACTIONS

The Shire does not have any Major land transaction for the 26/27 year

12. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

It is not anticipated the Shire will have any Trade or Major Trade Undertakings during 2026/2027.

12. INVESTMENT IN ASSOCIATES

(a) Investment in associate

It is not anticipated the Shire will have any Investment in Associates during 2026/2027.

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.

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:

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
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.

13. REVENUE AND EXPENDITURE (CONTINUED)

(b) Revenue Recognition

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds / Warranties	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	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

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 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 maintan 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.

15. FEES AND CHARGES

	2026/27 Budget	2025/26 Actual	2025/26 Budget
	$	$	$
By Program:			
Governance	200	825	525
General purpose funding	82,200	88,100	84,500
Law, order, public safety	44,900	46,207	52,308
Health	62,431	59,306	55,460
Education and welfare	3,350	3,545	17,139
Housing	30,259	58,988	164,152
Community amenities	1,166,454	1,319,165	1,301,067
Recreation and culture	16,839	15,363	15,953
Transport	51,000	68,826	930
Economic services	249,811	291,724	201,621
Other property and services	500	0	500
	1,707,944	1,952,049	1,894,155

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