

FINANCIAL STATEMENTS



SHIRE OF WAROONA

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

OUR PURPOSE

We create environments where community, culture and commerce can flourish.

OUR VISION

A celebration of natural beauty, country values and vibrant prosperity.

OUR VALUES

We support our community in a collaborative manner with enthusiasm and fairness
We commit to building a resilient community
We encourage diversity and inclusiveness and celebrate uniqueness
We listen to the community and respond to their needs
We strive to deliver consistently high standards of service

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

	Note	2025/26 Budget	2024/25 Actual	2024/25 Budget
Revenue		\$	\$	\$
Rates	2(a)	6,525,928	6,305,567	6,313,648
Grants, subsidies and contributions		1,127,349	1,647,855	695,796
Fees and charges	15	2,066,605	2,119,996	1,943,680
Interest revenue	10(a)	271,400	304,058	220,720
Other revenue		200,000	211,495	327,000
		10,191,282	10,588,971	9,500,844
Expenses				
Employee costs		(5,332,214)	(4,937,162)	(5,090,680)
Materials and contracts		(4,423,333)	(3,506,805)	(3,916,155)
Utility charges		(434,152)	(430,819)	(408,427)
Depreciation	6	(2,717,486)	(2,491,033)	(2,699,258)
Finance costs	10(c)	(52,365)	(53,266)	(55,202)
Insurance		(313,786)	(279,287)	(307,158)
Other expenditure		(256,707)	(188,080)	(234,679)
		(13,530,043)	(11,886,452)	(12,711,559)
		(3,338,761)	(1,297,481)	(3,210,715)
Capital grants, subsidies and contributions		3,315,271	2,593,562	3,522,033
Profit on asset disposals	5	1,032	35,162	39,208
Loss on asset disposals	5	(31,526)	(5,507)	(2,797)
		3,284,777	2,623,217	3,558,444
Net result for the period		(53,984)	1,325,736	347,729
Total other comprehensive income for the period		0	0	0
Total comprehensive income for the period		(53,984)	1,325,736	347,729

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

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

		2025/26	2024/25	2024/25
	Note	Budget	Actual	Budget
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts		\$	\$	\$
Rates		6,590,928	6,483,001	6,363,648
Grants, subsidies and contributions		982,095	1,034,577	300,452
Fees and charges		2,066,605	2,119,996	1,943,680
Interest revenue		271,400	304,058	220,720
Goods and services tax received		2,000	(1,510)	0
Other revenue		200,000	211,495	327,000
		10,113,028	10,151,617	9,155,500
Payments				
Employee costs		(5,132,599)	(5,033,834)	(5,280,680)
Materials and contracts		(4,109,740)	(4,006,364)	(3,907,708)
Utility charges		(434,152)	(430,819)	(408,427)
Finance costs		(52,420)	(53,540)	(55,202)
Insurance paid		(313,786)	(279,287)	(307,158)
Other expenditure		(256,707)	(188,080)	(234,679)
		(10,299,404)	(9,991,924)	(10,193,854)
Net cash provided by (used in) operating activities	4	(186,376)	159,693	(1,038,354)
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment	5(a)	(535,340)	(957,424)	(1,125,642)
Payments for construction of infrastructure	5(b)	(4,396,951)	(2,625,815)	(4,466,738)
Capital grants, subsidies and contributions		3,315,271	2,593,562	3,522,033
Proceeds from sale of property, plant and equipment	5(a)	140,000	125,427	141,000
Net cash (used in) investing activities		(1,477,020)	(864,250)	(1,929,347)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	7(a)	(65,424)	(94,442)	(94,441)
Payments for principal portion of lease liabilities	8	0	0	(121,217)
Net cash (used in) financing activities		(65,424)	(94,442)	(215,658)
Net (decrease) in cash held		(1,976,232)	(961,332)	(3,183,359)
Cash at beginning of year		5,818,686	6,780,018	6,780,019
Cash and cash equivalents at the end of the year	4	3,842,454	5,818,686	3,596,660

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

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

OPERATING ACTIVITIES

Revenue from operating activities

	Note	2025/26 Budget	2024/25 Actual	2024/25 Budget
		\$	\$	\$
General rates	2(a)(i)	5,540,418	5,320,057	5,376,234
Rates excluding general rates	2(a)	985,510	985,510	937,414
Grants, subsidies and contributions		1,127,349	1,647,855	695,796
Fees and charges	15	2,066,605	2,119,996	1,943,680
Interest revenue	10(a)	271,400	304,058	220,720
Other revenue		200,000	211,495	327,000
Profit on asset disposals	5	1,032	35,162	39,208
		10,192,314	10,624,133	9,540,052

Expenditure from operating activities

Employee costs		(5,332,214)	(4,937,162)	(5,090,680)
Materials and contracts		(4,423,333)	(3,506,805)	(3,916,155)
Utility charges		(434,152)	(430,819)	(408,427)
Depreciation	6	(2,717,486)	(2,491,033)	(2,699,258)
Finance costs	10(c)	(52,365)	(53,266)	(55,202)
Insurance		(313,786)	(279,287)	(307,158)
Other expenditure		(256,707)	(188,080)	(234,679)
Loss on asset disposals	5	(31,526)	(5,507)	(2,797)
		(13,561,569)	(11,891,959)	(12,714,356)

Non cash amounts excluded from operating activities

	3(c)	2,871,360	2,202,375	2,662,847
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Amount attributable to operating activities

		(497,895)	934,549	(511,457)
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INVESTING ACTIVITIES

Inflows from investing activities

Capital grants, subsidies and contributions		3,315,271	2,593,562	3,522,033
Proceeds from disposal of property, plant and equipment	5(a)	140,000	125,427	141,000
		3,455,271	2,718,989	3,663,033

Outflows from investing activities

Right of use assets received - non cash	5(c)	(108,125)	(114,113)	(214,515)
Acquisition of property, plant and equipment	5(a)	(535,340)	(957,424)	(1,125,642)
Acquisition of infrastructure	5(b)	(4,396,951)	(2,625,815)	(4,466,738)
		(5,040,416)	(3,697,352)	(5,806,895)

Non-cash amounts excluded from investing activities

	3(d)	108,125	114,113	214,515
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Amount attributable to investing activities

		(1,477,020)	(864,250)	(1,929,347)
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FINANCING ACTIVITIES

Inflows from financing activities

Proceeds from new leases - non cash	8	0	0	214,515
Transfers from reserve accounts	9(a)	25,000	313,412	270,040
		25,000	313,412	484,555

Outflows from financing activities

Repayment of borrowings	7(a)	(65,424)	(94,442)	(94,441)
Payments for principal portion of lease liabilities	8	0	0	(121,217)
Transfers to reserve accounts	9(a)	(279,655)	(868,951)	(508,931)
		(345,079)	(963,393)	(724,589)

Non-cash amounts excluded from financing activities

	3(e)	0	0	(214,515)
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Amount attributable to financing activities

		(320,079)	(649,981)	(454,549)
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MOVEMENT IN SURPLUS OR DEFICIT

Surplus at the start of the financial year

Amount attributable to operating activities	3	2,294,994	2,874,680	2,895,353
Amount attributable to investing activities		(497,895)	934,549	(511,457)
Amount attributable to financing activities		(1,477,020)	(864,250)	(1,929,347)
		(320,079)	(649,981)	(454,549)
Surplus/(deficit) remaining after the imposition of general rates	3	0	2,294,998	(0)

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

**SHIRE OF WAROONA
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	Trust Funds	22
Note 13	Revenue and Expenditure	23
Note 14	Program Information	25
Note 15	Fees and Charges	26

SHIRE OF WAROONA
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 Waroona 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.

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

2. RATES AND SERVICE CHARGES

(a) Rating Information

Rate Description	Basis of valuation	Rate in dollar	Number of properties	Rateable value*	2025/26 Budgeted rate revenue	2025/26 Budgeted interim rates	2025/26 Budgeted total revenue	2024/25 Actual total revenue	2024/25 Budget total revenue
				\$	\$	\$	\$	\$	\$
(i) General rates									
GRV General	Gross rental valuation	0.10991	1,533	29,251,774	3,214,916	0	3,214,916	3,157,346	3,214,820
UV General	Unimproved valuation	0.00605	511	322,379,084	1,951,683	0	1,951,683	1,809,021	1,823,164
UV Industry & Mining	Unimproved valuation	0.01211	5	27,114,000	328,269	0	328,269	310,980	295,540
UV Intensive Agriculture	Unimproved valuation	0.00908	4	5,016,000	45,550	0	45,550	42,710	42,710
Total general rates			2,053	383,760,858	5,540,418	0	5,540,418	5,320,057	5,376,234
		Minimum							
		\$							
(ii) Minimum payment									
GRV General	Gross rental valuation	1,390.00	621	4,897,676	863,190	0	863,190	863,190	815,201
UV General	Unimproved valuation	1,390.00	88	10,839,844	122,320	0	122,320	122,320	122,213
UV Industry & Mining	Unimproved valuation	1,390.00	0	0	0	0	0		0
UV Intensive Agriculture	Unimproved valuation	1,390.00	0	0	0	0	0		0
Total minimum payments			709	15,737,520	985,510	0	985,510	985,510	937,414
Total general rates and minimum payments			2,762	399,498,378	6,525,928	0	6,525,928	6,305,567	6,313,648
Instalment plan charges							18,500	16,830	18,500
Instalment plan interest							17,500	18,002	16,500
Late payment of rate or service charge interest							43,500	44,029	38,000
							79,500	78,861	73,000

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 WAROONA
 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)

Full amount of rates and charges including arrears, to be paid on or before 26th September 2025, or 35 days after the date of issue appearing on the rates notice whichever is the later.

Option 2 (Two Instalments)

First instalment to be made on or before 26th September 2025 or 35 days after the date of issue appearing on the rates notice whichever is later including all arrears and half the current rates and service charges; and
 Second instalment to be made on or before 28th November 2025, or 2 months after the due date of the first instalment, whichever is later.

Option 3 (Four Instalments)

First instalment to be made on or before 26th September 2025 or 35 days after the date of issue appearing on the rates notice whichever is later including all arrears and a quarter of the current rates and service charges;
 Second instalment to be made on or before 28th November 2025, or 2 months after the due date of the first instalment, whichever is later;
 Third instalment to be made on or before 30th January 2026, or 2 months after the due date of the second instalment, whichever is later; and
 Fourth instalment to be made on or before 27th March 2026, or 2 months after the due date of the third instalment, whichever is later.

Instalment options	Date due	Instalment plan admin charge	Instalment plan interest rate	Unpaid rates interest rates
		\$	%	%
Option one	26th September 2025			
Single full payment	28th November 2025	0	0.0%	11.0%
Option two				
First instalment	26th September 2025	0	0.0%	11.0%
Second instalment	28th November 2025	30	5.5%	11.0%
Option three				
First instalment	26th September 2025	0	0.0%	11.0%
Second instalment	28th November 2025	30	5.5%	11.0%
Third instalment	30th January 2026	30	5.5%	11.0%
Fourth instalment	27th March 2026	30	5.5%	11.0%

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

2. RATES AND SERVICE CHARGES (CONTINUED)

(c) Objectives and Reasons for Differential Rating

To provide equity in the rating of properties across the Shire the following rate categories have been determined for the implementation of differential rating.

(i) Differential general rate

Description	Characteristics	Objects	Reasons
GRV General	Properties that are used primarily for residential purposes and located within a townsite.	The objective of this category is to ensure that all residential ratepayers make a reasonable contribution towards the services and facilities provided and maintained by the Shire for the benefits of the residents.	Revenue derived from this category assists in funding the service levels expected by the community, achieving the Strategic Community Plan and minimum standards of performance to which the Council will be measured by the State Government and others.
UV General	Properties that are used primarily for rural and farming purposes.	The objective of this category is to ensure that all residential ratepayers make a reasonable contribution towards the services and facilities provided and maintained by the Shire for the benefits of the residents.	Revenue derived from this category assists in funding the service levels expected by the community, achieving the Strategic Community Plan and minimum standards of performance to which the Council will be measured by the State Government and others.
UV Industry, Mining and Intensive Agriculture (excludes activities where a contribution agreement is in place under the Road Traffic Act 1974).	Properties that are located outside of a townsite that are held for light or heavy industry, mining, exploration, extractive industry or intensive agriculture use.	The object of this category is to raise additional revenue to offset the costs associated with increased maintenance of infrastructure and higher levels of service provided to properties in this category.	The reason for this rate is the need to offset the higher level of costs associated in servicing these properties, including the costs of transport infrastructure maintenance and renewal/refurbishment, and costs relating to monitoring of land use and environmental impacts.
UV Intensive Agriculture	Properties that are located outside of a townsite that are held for intensive agriculture use.	The object of this category is to raise additional revenue to offset the costs associated with increased maintenance of infrastructure and higher levels of service provided to properties in this category.	The reason for this rate is the need to offset the higher level of costs associated in servicing these properties, including the costs of transport infrastructure maintenance and renewal/refurbishment, and costs relating to monitoring of land use and environmental impacts.

SHIRE OF WAROONA
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
Contract assets
Inventories
Other assets
Non-current assets held for sale

Less: current liabilities

Trade and other payables
Contract liabilities

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	3,842,454	5,818,686	3,596,660
	155,047	372,047	283,530
	0	0	239,518
	16,421	13,921	14,500
	171,177	512,328	19,405
	0	0	
	4,185,099	6,716,982	4,153,613
	(1,019,334)	(1,215,624)	(1,471,077)
		(295,254)	(107,000)
	(1,019,334)	(1,510,878)	(1,578,077)
	3,165,765	5,206,104	2,575,536
3(b)	(3,165,765)	(2,911,110)	(2,575,536)
	0	2,294,994	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
- Deferred Pensioners

Total adjustments to net current assets

9	(3,165,765)	(2,911,110)	(2,594,461)
			18,925
	(3,165,765)	(2,911,110)	(2,575,536)

EXPLANATION OF DIFFERENCE IN NET CURRENT ASSETS AND SURPLUS/(DEFICIT)

Items excluded from calculation of budgeted deficiency

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

(c) Non-cash amounts excluded from operating activities

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

Adjustments to operating activities

Less: Profit on asset disposals
Add: Loss on asset disposals
Add: Depreciation
Non-cash movements in non-current assets and liabilities:
- Employee provisions

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	(1,032)	(35,162)	(39,208)
5	31,526	5,507	2,797
6	2,717,486	2,491,033	2,699,258
	123,380	(259,003)	0
	2,871,360	2,202,375	2,662,847

(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)	108,125	114,113	214,515
	108,125	114,113	214,515

(e) Non-cash amounts excluded from financing activities

The following non-cash revenue or expenditure has been excluded from amounts attributable to financing activities within the Statement of

2025/26	2024/25	2024/25
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SHIRE OF WAROONA
 NOTES TO AND FORMING PART OF THE BUDGET
 FOR THE YEAR ENDED 30 JUNE 2026

3. NET CURRENT ASSETS
 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	Budget 30 June 2026	Actual 30 June 2025	Budget 30 June 2025
	\$	\$	\$
8	0	0	(214,515)
	0	0	(214,515)

SHIRE OF WAROONA
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 WAROONA
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		\$ 676,690	\$ 2,907,577	\$ 1,002,199
Term deposits		3,165,764	2,911,109	2,594,461
Total cash and cash equivalents		3,842,454	5,818,686	3,596,660
Held as				
- Unrestricted cash and cash equivalents		676,689	2,457,576	1,002,199
- Restricted cash and cash equivalents		3,165,765	3,361,110	2,594,461
	3(a)	3,842,454	5,818,686	3,596,660
Restrictions				
The following classes of assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:				
- Cash and cash equivalents		3,165,765	3,361,110	2,594,461
		3,165,765	3,361,110	2,594,461
The assets are restricted as a result of the specified purposes associated with the liabilities below:				
Reserve accounts	9	3,165,765	2,911,110	2,594,461
Unspent borrowings	7(c)	0	450,000	0
		3,165,765	3,361,110	2,594,461
Reconciliation of net cash provided by operating activities to net result				
Net result		(53,984)	1,325,736	347,729
Depreciation	6	2,717,486	2,491,033	2,699,258
(Profit)/loss on sale of asset	5	30,494	(29,655)	(36,411)
(Increase)/decrease in receivables		217,000	(19,592)	50,000
(Increase)/decrease in inventories		(2,500)	9,025	8,447
(Increase)/decrease in other assets		512,328	(262,512)	0
Increase/(decrease) in payables		(120,055)	(246,346)	0
Increase/(decrease) in contract liabilities		(295,254)	(417,762)	(395,344)
Increase/(decrease) in employee provisions		123,380	(96,672)	(190,000)
Capital grants, subsidies and contributions		(3,315,271)	(2,593,562)	(3,522,033)
Net cash from operating activities		(186,376)	159,693	(1,038,354)

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 WAROONA
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	Disposals - Net Book Value	Disposals - Sale Proceeds	Disposals - Profit	Disposals - Loss	Additions	Disposals - Net Book Value	Disposals - Sale Proceeds	Disposals - Profit	Disposals - Loss	Additions	Disposals - Net Book Value	Disposals - Sale Proceeds	Disposals - Profit	Disposals - Loss
(a) Property, Plant and Equipment	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Land - freehold land					0					0		0	0	0	0
Buildings - non-specialised	227,500				0	472,380				0	640,177				0
Furniture and equipment	13,900				0	42,125				0	29,665				0
Plant and equipment	293,940	(107,442)	140,000	1,032	31,526	442,919	(95,771)	125,427	35,162	(5,506)	455,800	(104,589)	141,000	39,208	(2,797)
Total	535,340	(107,442)	140,000	1,032	31,526	957,424	(95,771)	125,427	35,162	(5,506)	1,125,642	(104,589)	141,000	39,208	(2,797)
(b) Infrastructure															
Infrastructure - roads	2,198,254				0	1,501,544				0	1,536,352				0
Infrastructure - footpaths	251,763				0	200,301				0	196,000				0
Infrastructure - drainage	155,000				0	61,918				0	85,000				0
Infrastructure - bridges	0				0	0				0	0				0
Infrastructure - parks and ovals	1,737,140				0	815,137				0	2,529,386				0
Infrastructure - other	54,794				0	46,915				0	120,000				0
Total	4,396,951	0	0	0	0	2,625,815	0	0	0	0	4,466,738	0	0	0	0
(c) Right of Use Assets															
Right of use - plant and equipment	108,125				0	114,113				0	214,515				0
	108,125	0	0	0	0	114,113	0	0	0	0	214,515	0	0	0	0
Total	5,040,416	(107,442)	140,000	1,032	31,526	3,697,352	(95,771)	125,427	35,162	(5,506)	5,806,895	(104,589)	141,000	39,208	(2,797)

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

6. DEPRECIATION

By Class

Buildings - non-specialised	
Furniture and equipment	
Plant and equipment	
Infrastructure - roads	
Infrastructure - other	
Right of use - plant and equipment	

By Program

Governance	
General purpose funding	
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
\$	\$	\$
593,932	544,439	590,658
69,160	63,398	76,067
290,796	266,563	297,135
939,002	860,752	913,826
824,596	755,881	711,333
		110,239
2,717,486	2,491,033	2,699,258
98,618	90,399	205,540
		159,731
120,065	110,059	32,591
32,997	30,247	25,644
26,276	24,086	7,934
7,944	7,282	337,178
353,079	323,656	655,708
749,608	687,143	1,204,151
1,258,037	1,153,204	53,447
53,513	49,054	17,334
17,349	15,903	
2,717,486	2,491,033	2,699,258

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	40 to 60 years
Furniture and equipment	3 to 20 years
Plant and equipment	5 to 20 years
Infrastructure - footpaths	20 to 50 years
Infrastructure - bridges	60 to 90 years
Sealed Roads and Streets	
Construction	45 to 55 years
Bituminous Seals	15 to 25 years
Asphalt Seals	25 to 30 years
Uniformed Roads	
Formed	10 to 15 years
Gravel	12 to 15 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 WAROONA
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	
Memorial Hall Upgrade	121	WATC	3.0%	\$ 0	\$	\$	\$ 0	\$	\$ 31,159	\$	\$ (31,159)	\$ 0	\$	\$ 31,159	\$	\$ (31,159)	\$ (0)	\$ (696)
Town Centre Land Purch	122	WATC	1.6%	529,244		(30,350)	498,894	(8,330)	559,115		(29,871)	529,244	(8,809)	559,115		(29,871)	529,244	(8,809)
Railside Park Developme	123	WATC	4.9%	407,000		(15,783)	391,217	(19,816)	422,035		(15,035)	407,000	(20,564)	422,034		(15,035)	406,999	(20,564)
Town Centre Land Purch	124	WATC	4.9%	497,443		(19,291)	478,152	(24,219)	515,820		(18,377)	497,443	(23,893)	515,820		(18,376)	497,444	(25,134)
				1,433,687	0	(65,424)	1,368,263	(52,365)	1,528,129	0	(94,442)	1,433,687	(53,266)	1,528,128	0	(94,441)	1,433,687	(55,202)

All borrowing repayments will be financed by general purpose revenue.

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

7. BORROWINGS

(b) New borrowings - 2025/26

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

(c) Unspent borrowings

Loan Details	Purpose of the loan	Year loan taken	Amount b/fwd.	Amount used 2025/26 Budget	New loans unspent at 30 June 2026	Amount as at 30 June 2026
Railside Park	Park development	2023	\$ 450,000	\$ 450,000	\$ 0	\$ 0
			450,000	450,000	0	0

(d) Credit Facilities

	2025/26 Budget	2024/25 Actual	2024/25 Budget
Undrawn borrowing facilities	\$	\$	\$
credit standby arrangements			
Bank overdraft limit	500,000		500,000
Bank overdraft at balance date	0		
Credit card limit	72,000	57,000	57,000
Credit card balance at balance date			
Total amount of credit unused	572,000	57,000	557,000
Loan facilities			
Loan facilities in use at balance date	1,368,263	1,433,687	1,433,687
Unused loan facilities at balance date	450,000	450,000	0

MATERIAL ACCOUNTING POLICIES

BORROWING COSTS

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

Fair values of borrowings are not materially different to their carrying amounts, since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short term nature.

Borrowings fair values are based on discounted cash flows using a current borrowing rate.

SHIRE OF WAROONA
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
Server	SOW01042021A	Vestone	1.7%	60 months	\$ 62,281	\$	\$	\$ 62,281	\$	\$ 62,281	\$	\$	\$ 62,281	\$	\$ 62,281	\$	(\$36,139)	\$ 26,142	\$ 0
Spin Bike's	E6N0163401	Maia Financial	1.1%	48 months	3,917			3,917		3,917			3,917		3,917		(3,917)	0	0
CCTV	E6N0160761	Maia Financial	2.1%	60 months	0			0		0			0		0	2,143	(2,143)	0	0
Bushfire Brigade Latops	SOW011020	Vestone	1.2%	48 months	723			723		723			723		723		(1,452)	(729)	0
Rec Centre Solar Panels	SOW01072020	Vestone	1.5%	60 months	7,208			7,208		7,208			7,208		7,208		(7,263)	(55)	0
Admin Solar Panels	SOW01042042A	Vestone	1.8%	60 months	5,358			5,358		5,358			5,358		5,358		(4,268)	1,090	0
Admin Laptops	SOW01072022	Vestone	4.4%	48 months	9,450			9,450		9,450			9,450		9,450		(3,359)	6,091	0
Gym Equipment 2	SOW03012023	Vestone	4.9%	48 months	34,224			34,224		34,224			34,224		34,224		(14,555)	19,669	0
New PC & Laptop Lease	SOW010423	Vestone	4.8%	60 months	92,514			92,514		92,514			92,514		92,514	87,924	(21,981)	158,457	0
Photocopiers 2	SOW010724	Vestone	4.8%	60 months	0			0		0			0			69,388	(13,878)	55,510	0
Spin Bikes 2	New	CHG Meridian		48 months	0			0		0			0			30,060	(6,012)	24,048	0
Chambers IT	New	Vestone			0			0		0			0			25,000	(6,250)	18,750	0
CCTV	New	TBA			0			0					0					0	
					215,675	0	0	215,675	0	215,675	0	0	215,675	0	215,675	214,515	(121,217)	308,973	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 WAROONA
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)		Opening Balance	Transfer to	Transfer (from)		Opening Balance	Transfer to	Transfer (from)	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Restricted by council												
(a) Sporting reserve	82,857			82,857	78,787	4,070		82,857	78,787	0	0	78,787
(b) Council Building Maintenance Reserve	207,306			207,306	149,580	57,726		207,306	149,579	50,000	0	199,579
(c) Rec Centre Building Maintenance Reserve	105,693			105,693	76,730	28,963		105,693	76,729	25,000	0	101,729
(d) Preston Beach Volunteer Reserve	61,039	13,905		74,944	86,342	17,779	(43,082)	61,039	86,342	13,345	(44,100)	55,587
(e) Emergency Assistance Reserve	122,196			122,196	116,194	6,002		122,196	116,194	0	0	116,194
(f) Works Depot Redevelopment Reserve	92,563			92,563	88,017	4,546		92,563	88,017	0	0	88,017
(g) Council Building Construction Reserve	74,415			74,415	159,132	8,223	(92,940)	74,415	159,132	0	(92,940)	66,192
(h) Information Technology Reserve	131,687			131,687	106,201	25,486		131,687	106,201	20,000	0	126,201
(i) Footpath Construction Reserve	36,740			36,740	34,935	1,805		36,740	34,936	0	0	34,936
(j) Plant Replacement Reserve	375,829	100,000		475,829	251,242	281,977	(157,390)	375,829	251,242	269,000	(113,000)	407,242
(k) Staff Leave Reserve	30,408	10,000		40,408	24,160	6,248		30,408	24,160	5,000	0	29,160
(l) Strategic Planning Reserve	3,020			3,020	21,889	1,131	(20,000)	3,020	21,889	0	(20,000)	1,889
(m) Waste Management Reserve	1,278,264	135,450	(25,000)	1,388,714	1,095,531	182,733		1,278,264	1,095,531	126,136	0	1,221,667
(n) History Book Reprint Reserve	12,787	300		13,087	11,869	918		12,787	11,869	450	0	12,319
(o) Risk & Insurance Reserve	10,628			10,628	10,106	522		10,628	10,106	0	0	10,106
(p) Drakesbrook Cemetery Reserve	47,178	20,000		67,178	44,856	2,322		47,178	44,856	0	0	44,856
(q) Waroona North Reserve	238,500			238,500	0	238,500		238,500	0	0	0	0
	2,911,110	279,655	(25,000)	3,165,765	2,355,571	868,951	(313,412)	2,911,110	2,355,570	508,931	(270,040)	2,594,461

(b) Reserve Accounts - Purposes

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

Reserve name	Anticipated date of use	Purpose of the reserve
Restricted by council	Ongoing	
(a) Sporting reserve	Ongoing	To provide funds for sporting facilities and equipment as determined by Council together with low interest loans applications
(b) Council Building Maintenance Reserve	Ongoing	To provide funds for future building maintenance.
(c) Rec Centre Building Maintenance Reserve	Ongoing	To be used for future building asset maintenance items at the Recreation Centre, particularly items of plant.
(d) Preston Beach Volunteer Reserve	Ongoing	To provide funds to assist in the operations of the volunteer ranger functions including replacement of equipment.
(e) Emergency Assistance Reserve	Ongoing	To provide funds to assist in emergency situations eg. major fire.
(f) Works Depot Redevelopment Reserve	Ongoing	To provide funds for the provision of vehicle storage bays at Works Depot.
(g) Council Building Construction Reserve	Ongoing	To provide funds for future capital construction works in accordance with Council's Long Term Financial & Community Strategic Plans.
(h) Information Technology Reserve	Ongoing	To be used to ensure that the network computer system is maintained including external site connections.
(i) Footpath Construction Reserve	Ongoing	To provide funds for future extension of dual use path network.
(j) Plant Replacement Reserve	Ongoing	To be used for the purchase and replacement of major plant.
(k) Staff Leave Reserve	Ongoing	To be used to fund annual and long service leave requirements.
(l) Strategic Planning Reserve	Ongoing	To provide funds for the future requirements of Council's Strategic Planning.
(m) Waste Management Reserve	Ongoing	To be used to maintain operations at Buller Road Refuse Site.
(n) History Book Reprint Reserve	Ongoing	To be used to fund the update reprint of the 'Drakesbrook days and Waroona years' historical book.
(o) Risk & Insurance Reserve	Ongoing	To be used for expenses associated with risk assessments and insurance adjustments or unforeseen expenses.
(p) Drakesbrook Cemetery Reserve	Ongoing	To be used for future upgrades of the Drakesbrook Public Cemetery.
(q) Waroona North Reserve	Ongoing	To provide funds for the development of recreation land, infrastructure and facilities in Waroona North

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

10. OTHER INFORMATION

	2025/26 Budget	2024/25 Actual	2024/25 Budget
The net result includes as revenues	\$	\$	\$
(a) Interest earnings			
Investments	271,400	304,058	220,720
Other interest revenue	61,000	62,031	54,500
	332,400	366,089	275,220
The net result includes as expenses			
(b) Auditors remuneration			
Audit services	51,350	42,480	44,880
	51,350	42,480	44,880
(c) Interest expenses (finance costs)			
Borrowings (refer Note 7(a))	52,365	53,266	55,202
	52,365	53,266	55,202

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

11. COUNCIL MEMBERS REMUNERATION

	2025/26 Budget	2024/25 Actual	2024/25 Budget
	\$	\$	\$
President's			
President's allowance	11,644	11,250	11,250
Meeting attendance fees	11,041	10,668	10,668
Annual allowance for ICT expenses	1,584	1,530	1,530
Travel and accommodation expenses			1,429
Superannuation contribution payments	2,722		
	26,991	23,448	24,877
Deputy President's			
Deputy President's allowance	2,911	2,813	2,813
Meeting attendance fees	11,041	10,668	10,668
Annual allowance for ICT expenses	1,584	1,530	1,530
Travel and accommodation expenses			1,429
Superannuation contribution payments	1,674		
	17,210	15,011	16,440
Council member 1			
Meeting attendance fees	11,041	10,668	10,668
Annual allowance for ICT expenses	1,584	1,530	1,530
Travel and accommodation expenses			1,429
Superannuation contribution payments	1,325		
	13,950	12,198	13,627
Council member 2			
Meeting attendance fees	11,041	10,668	10,668
Annual allowance for ICT expenses	1,584	1,530	1,530
Travel and accommodation expenses			1,429
Superannuation contribution payments	1,325		
	13,950	12,198	13,627
Council member 3			
Meeting attendance fees	11,041	10,668	10,668
Annual allowance for ICT expenses	1,584	1,530	1,530
Travel and accommodation expenses			1,429
Superannuation contribution payments	1,325		
	13,950	12,198	13,627
Council member 4			
Meeting attendance fees	11,041	10,492	10,668
Annual allowance for ICT expenses	1,584	1,505	1,530
Travel and accommodation expenses			1,429
Superannuation contribution payments	1,325		
	13,950	11,997	13,627
Council member 5			
Meeting attendance fees	11,041	3,303	10,668
Annual allowance for ICT expenses	1,584	474	1,530
Travel and accommodation expenses			1,429
Superannuation contribution payments	1,325		
	13,950	3,777	13,627
Total Council Member Remuneration	113,951	90,827	109,452
President's allowance	11,644	11,250	11,250
Deputy President's allowance	2,911	2,813	2,813
Meeting attendance fees	77,287	67,135	74,676
Annual allowance for ICT expenses	11,088	9,629	10,710
Travel and accommodation expenses	0	0	10,003
Superannuation contribution payments	11,021	0	0
	113,951	90,827	109,452

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

12. TRUST FUNDS

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

Detail	Balance 30 June 2025	Estimated amounts received	Estimated amounts paid	Estimated balance 30 June 2026
	\$	\$	\$	\$
Alcoa Waroona Sustainability Fund	2,414,377	340,000	(285,250)	2,469,127
Public Open Space	140,571	5,000	0	145,571
Extractive Industry	19,470	550	0	20,020
Commercial Bond	15,390	500	0	15,890
	2,589,808	346,050	(285,250)	2,650,608

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

13. REVENUE AND EXPENDITURE

(a) Revenue and Expenditure Classification

REVENUES

RATES

All rates levied under the *Local Government Act 1995*. Includes general, differential, specific area rates, minimum payment, interim rates, back rates, ex-gratia rates, less discounts offered.

Exclude administration fees, interest on instalments, interest on arrears, service charges and sewerage rates.

GRANTS, SUBSIDIES AND CONTRIBUTIONS

All amounts received as grants, subsidies and contributions that are not capital grants.

CAPITAL GRANTS, SUBSIDIES AND CONTRIBUTIONS

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

REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue from contracts with customers is recognised when the local government satisfies its performance obligations under the contract.

FEES AND CHARGES

Revenues (other than service charges) from the use of facilities and charges made for local government services, sewerage rates, rentals, hire charges, fee for service, photocopying charges, licences, sale of goods or information, fines, penalties and administration fees.

Local governments may wish to disclose more detail such as rubbish collection fees, rental of property, fines and penalties, other fees and charges.

SERVICE CHARGES

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

INTEREST REVENUE

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

OTHER REVENUE / INCOME

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

PROFIT ON ASSET DISPOSAL

Gain on the disposal of assets including gains on the disposal of long-term investments.

EXPENSES

EMPLOYEE COSTS

All costs associated with the employment of person such as salaries, wages, allowances, benefits such as vehicle and housing, superannuation, employment expenses, removal expenses, relocation expenses, worker's compensation insurance, training costs, conferences, safety expenses, medical examinations, fringe benefit tax, etc.

Note *AASB 119 Employee Benefits* provides a definition of employee benefits which should be considered.

MATERIALS AND CONTRACTS

All expenditures on materials, supplies and contracts not classified under other headings. These include supply of goods and materials, legal expenses, consultancy, maintenance agreements, communication expenses (such as telephone and internet charges), advertising expenses, membership, periodicals, publications, hire expenses, rental, leases, postage and freight etc.

Local governments may wish to disclose more detail such as contract services, consultancy, information technology and rental or lease expenditures.

UTILITIES (GAS, ELECTRICITY, WATER)

Expenditures made to the respective agencies for the provision of power, gas or water.

Exclude expenditures incurred for the reinstatement of roadwork on behalf of these agencies.

INSURANCE

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

LOSS ON ASSET DISPOSAL

Loss on the disposal of fixed assets.

DEPRECIATION ON NON-CURRENT ASSETS

Depreciation and amortisation expenses raised on all classes of assets.

FINANCE COSTS

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

OTHER EXPENDITURE

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

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

13. REVENUE AND EXPENDITURE

(b) Revenue Recognition

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds / Warranties	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	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 WAROONA
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2026

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 the 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 an operational framework for environmental and community health.

Food control, operation of Child Health Clinic and general health services. Operation of Community Health Resource Centre.

Education and welfare

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

Maintenance of child minding centre, playground, senior citizens centre and aged care centres. Provision and maintenance of home and community care programs and youth services.

Housing

To provide and maintain staff and elderly residents housing.

Provision and maintenance of staff and elderly residents housing.

Community amenities

To provide services required by the community.

Rubbish collection services, operation of rubbish disposal sites, litter control, construction and maintenance of urban stormwater drains, protection of the environment and administration of town planning schemes, cemetery and public conveniences.

Recreation and culture

To establish and effectively manage infrastructure and resource which will help the social well-being of the community.

Maintenance of public halls, civic centres, aquatic centres, beaches, recreation centres and various sporting facilities. Provision and maintenance of parks, gardens and playgrounds. Operation of library, museum and other cultural facilities.

Transport

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

Construction and maintenance of roads, streets, footpaths, depots, cycle ways, parking facilities and traffic control. Cleaning of streets and maintenance of street trees, street lighting etc.

Economic services

To help promote the shire and its economic wellbeing.

Tourism and area promotion including the maintenance and operation of a caravan park. Provision of rural services including weed control, vermin control and standpipes.

Other property and services

To monitor and control the Shire's overhead operating accounts.

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

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

15. FEES AND CHARGES

	2025/26 Budget	2024/25 Actual	2024/25 Budget
	\$	\$	\$
By Program:			
Governance	46,500	45,416	45,650
General purpose funding	58,500	54,634	53,000
Law, order, public safety	49,950	51,165	38,700
Health	57,571	71,536	65,750
Education and welfare	312	341	310
Housing	22,500	22,570	22,500
Community amenities	1,395,263	1,419,316	1,314,844
Recreation and culture	260,370	280,755	238,950
Transport	500	747	250
Economic services	167,639	167,315	154,226
Other property and services	7,500	6,064	9,500
	2,066,605	2,119,859	1,943,680

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