SHIRE OF WAROONA

ANNUAL BUDGET

FOR THE YEAR ENDED 30 JUNE 2027

LOCAL GOVERNMENT ACT 1995

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

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 2027

	Note	2026/27 Budget	2025/26 Actual	2025/26 Budget
Revenue		$	$	$
Rates	2(a)	6,798,655	6,540,317	6,525,928
Grants, subsidies and contributions		1,164,716	2,530,613	1,127,349
Fees and charges	15	2,234,787	2,301,459	2,066,605
Interest revenue	10(a)	276,375	274,097	271,400
Other revenue		208,045	214,143	200,000
		10,682,578	11,860,629	10,191,282
Expenses				
Employee costs		(5,794,894)	(5,237,335)	(5,332,214)
Materials and contracts		(4,506,388)	(3,970,019)	(4,423,333)
Utility charges		(424,449)	(404,569)	(434,152)
Depreciation	6	(2,845,667)	(2,608,528)	(2,717,486)
Finance costs	10(c)	(50,133)	(52,276)	(52,365)
Insurance		(329,920)	(273,597)	(313,786)
Other expenditure		(246,135)	(226,326)	(256,707)
		(14,197,586)	(12,772,650)	(13,530,043)
		(3,515,008)	(912,021)	(3,338,761)
Capital grants, subsidies and contributions		4,297,539	3,876,531	3,315,271
Profit on asset disposals	5	54,133	2,016	1,032
Loss on asset disposals	5	(40,195)	(10,673)	(31,526)
		4,311,477	3,867,874	3,284,777
Net result for the period		**796,469**	**2,955,853**	**(53,984)**
Total comprehensive income for the period		**796,469**	**2,955,853**	**(53,984)**

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 2027

CASH FLOWS FROM OPERATING ACTIVITIES	Note	2026/27 Budget	2025/26 Actual	2025/26 Budget
Receipts		$	$	$
Rates		6,801,115	6,501,727	6,590,928
Grants, subsidies and contributions		276,760	3,160,287	982,095
Fees and charges		2,234,787	2,301,459	2,066,605
Service charges		0	0	
Interest revenue		276,375	274,097	271,400
Goods and services tax received		1,232	1,553	2,000
Other revenue		208,045	214,143	200,000
		9,798,314	12,453,266	10,113,028
Payments				
Employee costs		(5,798,417)	(5,288,193)	(5,132,599)
Materials and contracts		(4,455,111)	(3,457,769)	(4,109,740)
Utility charges		(424,449)	(404,569)	(434,152)
Finance costs		(50,183)	(50,703)	(52,420)
Insurance paid		(329,920)	(273,597)	(313,786)
Goods and services tax paid		0	0	
Other expenditure		(246,135)	(226,326)	(256,707)
		(11,304,215)	(9,701,157)	(10,299,404)
Net cash provided by (used in) operating activities	4	(1,505,901)	2,752,109	(186,376)
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment	5(a)	(1,565,638)	(484,826)	(535,340)
Payments for construction of infrastructure	5(b)	(5,022,156)	(4,397,662)	(4,396,951)
Proceeds from capital grants, subsidies and contributions		4,297,539	3,876,531	3,315,271
Proceeds from disposal of property, plant and equipment	5(a)	187,000	87,454	140,000
Net cash (used in) investing activities		(2,103,255)	(918,503)	(1,477,020)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	8(a)	(67,656)	(65,424)	(65,424)
Proceeds from new borrowings	8(a)	612,000	0	0
Net cash provided by (used in) financing activities		544,344	(65,424)	(65,424)
Net increase (decrease) in cash held		(3,064,811)	1,612,209	(1,976,232)
Cash at beginning of year		7,799,739	6,187,530	5,818,686
Cash and cash equivalents at the end of the year	4	**4,734,928**	**7,799,739**	**3,842,454**

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 2027

	Note	2026/27 Budget	2025/26 Actual	2025/26 Budget
OPERATING ACTIVITIES				
Revenue from operating activities		$	$	$
General rates	2(a)(i)	5,771,260	5,554,807	5,540,418
Rates excluding general rates	2(a)	1,027,395	985,510	985,510
Grants, subsidies and contributions		1,164,716	2,530,613	1,127,349
Fees and charges	15	2,234,787	2,301,459	2,066,605
Interest revenue	10(a)	276,375	274,097	271,400
Other revenue		208,045	214,143	200,000
Profit on asset disposals	5	54,133	2,016	1,032
		10,736,711	11,862,645	10,192,314
Expenditure from operating activities				
Employee costs		(5,794,894)	(5,237,335)	(5,332,214)
Materials and contracts		(4,506,388)	(3,970,019)	(4,423,333)
Utility charges		(424,449)	(404,569)	(434,152)
Depreciation	6	(2,845,667)	(2,608,528)	(2,717,486)
Finance costs	10(c)	(50,133)	(52,276)	(52,365)
Insurance		(329,920)	(273,597)	(313,786)
Other expenditure		(354,401)	(226,326)	(256,707)
Loss on asset disposals	5	(40,195)	(10,673)	(31,526)
		(14,346,047)	(12,783,323)	(13,561,569)
Non cash amounts excluded from operating activities	3(c)	2,789,060	2,552,682	2,871,360
Amount attributable to operating activities		**(820,276)**	**1,632,004**	**(497,895)**
INVESTING ACTIVITIES				
Inflows from investing activities				
Proceeds from capital grants, subsidies and contributions		4,297,539	3,876,531	3,315,271
Proceeds from disposal of property, plant and equipment	5(a)	187,000	87,454	140,000
Increase of financial assets at fair values through other comprehensive income		0	(56,668)	
		4,484,539	3,907,317	3,455,271
Outflows from investing activities				
Right of use assets received - non cash	5(c)	0	0	(108,125)
Acquisition of property, plant and equipment	5(a)	(1,565,638)	(484,826)	(535,340)
Acquisition of infrastructure	5(b)	(5,022,156)	(4,397,662)	(4,396,951)
		(6,587,794)	(4,882,488)	(5,040,416)
Non-cash amounts excluded from investing activities	3(d)	0	0	108,125
Amount attributable to investing activities		**(2,103,255)**	**(975,171)**	**(1,477,020)**
FINANCING ACTIVITIES				
Inflows from financing activities				
Proceeds from new borrowings	8(a)	612,000	0	0
Transfers from reserve accounts	9(a)	97,000	43,353	25,000
		709,000	43,353	25,000
Outflows from financing activities				
Repayment of borrowings	8(a)	(67,656)	(65,424)	(65,424)
Transfers to reserve accounts	9(a)	(225,045)	(443,676)	(279,655)
		(292,701)	(509,100)	(345,079)
Amount attributable to financing activities		**416,299**	**(465,747)**	**(320,079)**
MOVEMENT IN SURPLUS OR DEFICIT				
Surplus remaining at the start of the financial year	3	2,507,232	2,316,146	2,294,994
Amount attributable to operating activities		(820,276)	1,632,004	(497,895)
Amount attributable to investing activities		(2,103,255)	(975,171)	(1,477,020)
Amount attributable to financing activities		416,299	(465,747)	(320,079)
Surplus remaining after the imposition of general rates	3	**0**	**2,507,232**	**0**

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

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

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.

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 affect the application of policies and reported amounts of assets and liabilities, income and expenses.

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

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

The following are estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year and further information on their nature and impact can be found in the relevant note:
• Fair value measurement of assets carried at reportable value including:
• Property, plant and equipment
• Infrastructure
• Expected credit losses on financial assets
• Assets held for sale
• Impairment losses of non-financial assets
• Investment property
• Estimated useful life of intangible 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 General	Gross rental valuation	0.113118	1,541	29,534,324	3,340,864	0	3,340,864	3,226,825	3,214,916
UV General	Unimproved valuation	0.005701	503	356,997,488	2,035,243	0	2,035,243	1,954,163	1,951,683
UV Industry & Mining	Unimproved valuation	0.011400	5	30,470,000	347,358	0	347,358	328,269	328,269
UV Intensive Agriculture	Unimproved valuation	0.008550	4	5,590,000	47,795	0	47,795	45,550	45,550
Total general rates			2,053	422,591,812	5,771,260	0	5,771,260	5,554,807	5,540,418
		Minimum							
(ii) Minimum payment		$							
GRV General	Gross rental valuation	1,445.00	628	5,193,797	907,460	0	907,460	863,190	863,190
UV General	Unimproved valuation	1,445.00	83	10,900,820	119,935	0	119,935	122,320	122,320
UV Industry & Mining	Unimproved valuation	1,445.00	0	0	0	0	0	0	0
UV Intensive Agriculture	Unimproved valuation	1,445.00	0	0	0	0	0	0	0
Total minimum payments			711	16,094,617	1,027,395	0	1,027,395	985,510	985,510
Total general rates and minimum payments			2,764	438,686,429	6,798,655	0	6,798,655	6,540,317	6,525,928
Instalment plan charges							16,500	16,250	18,500
Instalment plan interest							18,995	19,932	17,500
Late payment of rate or service charge interest							48,950	47,058	43,500
							84,445	83,240	79,500

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)
Full amount of rates and charges including arrears, to be paid on or before 25th September 2026, 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 25th September 2026 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 27th November 2026, 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 25th September 2026 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 27th November 2026, or 2 months after the due date of the first instalment, whichever is later;
Third instalment to be made on or before 29th January 2027, or 2 months after the due date of the second instalment, whichever is later; and
Fourth instalment to be made on or before 26th March 2027, 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				
Single full payment	25th September 2026	0	0.0%	11.0%
Option two				
First instalment	25th September 2026	0	0.0%	11.0%
Second instalment	27th November 2026	10	5.5%	11.0%
Option three				
First instalment	25th September 2026	0	0.0%	0.0%
Second instalment	27th November 2026	30	5.5%	11.0%
Third instalment	29th January 2027	30	5.5%	11.0%
Fourth instalment	26th March 2027	30	5.5%	11.0%

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.

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 facilties 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 facilties 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 Agricultur	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.

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	4,734,928	7,799,739	3,842,454
Receivables		363,937	302,347	155,047
Inventories		12,202	12,202	16,421
Other assets		11,831	51,277	171,177
		5,122,898	8,165,565	4,185,099
Less: current liabilities				
Trade and other payables		(1,450,349)	(1,453,922)	(1,019,334)
Contract liabilities		0	(892,979)	
		(1,450,349)	(2,346,901)	(1,019,334)
Net current assets		3,672,549	5,818,664	3,165,765
Less: Total adjustments to net current assets	3(b)	(3,439,477)	(3,311,432)	(3,165,765)
Net current assets used in the Statement of Financial Activity		233,072	2,507,232	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	2025/26 Actual	2025/26 Budget
Adjustments to net current assets				
Less: Reserve accounts	9	(3,439,477)	(3,311,432)	(3,165,765)
Total adjustments to net current assets		(3,439,477)	(3,311,432)	(3,165,765)

EXPLANATION OF DIFFERENCE IN SURPLUS/(DEFICIT)

Items excluded from calculation of budgeted deficiency

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

(c) Amounts excluded from operating activities	Note	2026/27 Budget 30 June 2027 Carried forward	2025/26 Actual 30 June 2026 Carried forward	2025/26 Budget 30 June 2026 Carried forward
		$	$	$
Less: Profit on asset disposals	5	(54,133)	(2,016)	(1,032)
Add: Loss on asset disposals	5	40,195	10,673	31,526
Add: Depreciation	6	2,845,667	2,608,528	2,717,486
- Employee benefit provisions		(42,669)	(64,503)	123,380
Non cash amounts excluded from operating activities		2,789,060	2,552,682	2,871,360
(d) Amounts excluded from investing activities				
Right of use assets recognised	5(c)	0	0	108,125
Non cash amounts excluded from investing activities		0	0	108,125

3. NET CURRENT ASSETS (CONTINUED)

(e) MATERIAL ACCOUNTING POLICIES

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

4. RECONCILIATION OF CASH

(a) Reconciliation of cash

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

	Note	2026/27 Budget	2025/26 Actual	2025/26 Budget
		$	$	$
Cash and cash equivalents		4,734,928	7,799,739	3,842,454
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		3,439,477	4,295,733	3,911,019
		3,439,477	4,295,733	3,911,019
The restricted financial assets are a result of the following specific purposes to which the assets may be used:				
Reserve accounts	9	3,439,477	3,311,432	3,165,765
Contract liabilities		0	892,979	295,254
Unspent borrowings	8(c)	0	91,322	450,000
Total restricted financial assets		3,439,477	4,295,733	3,911,019

(b) Reconciliation of net cash provided by operating activities

	Note	2026/27 Budget	2025/26 Actual	2025/26 Budget
Net result		796,469	2,955,853	(53,984)
Non-cash items:				
Depreciation	6	2,845,667	2,608,528	2,717,486
(Profit)/loss on sale of assets	5	(13,938)	8,657	30,494
Changes in assets and liabilities:				
(Increase)/decrease in receivables		8,715	(605)	217,000
(Increase) in inventories		0	(12,202)	(2,500)
Decrease in other assets		51,277	193,180	512,328
Increase/(decrease) in trade and other payables		(3,573)	332,822	(120,055)
Increase/(decrease) in contract liabilities		(892,979)	593,242	(295,254)
Increase/(decrease) in employee related provisions		0	(51,837)	123,380
Capital grants, subsidies and contributions		(4,297,539)	(3,876,531)	(3,315,271)
Net cash provided by/(used in) operating activities		(1,505,901)	2,751,107	(186,376)

MATERIAL ACCOUNTING POLICES

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

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

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

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

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

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

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 - non-specialised	1,065,638						0
Furniture and equipment	53,000						0
Plant and equipment	447,000		(173,063)		187,000	54,133	(40,196)
Total	1,565,638	0	(173,063)	0	187,000	54,133	(40,196)
(b) Infrastructure							
Infrastructure - roads	2,731,962						0
Infrastructure - footpaths							0
Infrastructure - drainage							0
Infrastructure - bridges							0
Infrastructure - parks and ovals							0
Infrastructure - other	2,290,194						0
Total	5,022,156	0	0	0	0	0	0
(c) Right of Use Assets							
Right of use - plant and equipment	0						0
	0	0	0	0	0	0	0
Total	6,587,794	0	(173,063)	0	187,000	54,133	(40,196)

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 - non-specialised	151,062						0
Furniture and equipment	18,905						0
Plant and equipment	314,859		(96,111)		87,454	2,016	(10,673)
Total	484,826	0	(96,111)	0	87,454	2,016	(10,673)
(b) Infrastructure							
Infrastructure - roads	2,659,030						0
Infrastructure - footpaths							0
Infrastructure - drainage							0
Infrastructure - bridges							0
Infrastructure - parks and ovals							0
Infrastructure - other	1,738,632						0
Total	4,397,662	0	0	0	0	0	0
(c) Right of Use Assets							
Right of use - plant and equipment							0
	0	0	0	0	0	0	0
Total	4,882,488	0	(96,111)	0	87,454	2,016	(10,673)

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							0
Buildings - non-specialised	227,500						0
Furniture and equipment	13,900						0
Plant and equipment	293,940		(107,442)		140,000	1,032	31,526
Total	535,340	0	(107,442)	0	140,000	1,032	31,526
(b) Infrastructure							
Infrastructure - roads	2,198,254						0
Infrastructure - footpaths	251,763						0
Infrastructure - drainage	155,000						0
Infrastructure - bridges	0						0
Infrastructure - parks and ovals	1,737,140						0
Infrastructure - other	54,794						0
Total	4,396,951	0	0	0	0	0	0
(c) Right of Use Assets							
Right of use - plant and equipment	108,125						0
	108,125	0	0	0	0	0	0
Total	5,040,416	0	(107,442)	0	140,000	1,032	31,526

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	623,653	571,683	593,932
Furniture and equipment	64,334	58,972	69,160
Plant and equipment	344,531	315,821	290,796
Infrastructure - roads	957,718	877,908	939,002
Infrastructure - other	855,431	784,144	824,596
Right of use - plant and equipment			0
	2,845,667	2,608,528	2,717,486
By Program			
Governance	105,060	96,304	98,618
General purpose funding			
Law, order, public safety	147,730	135,418	120,065
Health	33,041	30,287	32,997
Education and welfare	28,611	26,227	26,276
Housing	7,944	7,283	7,944
Community amenities	377,908	346,415	353,079
Recreation and culture	773,365	708,919	749,608
Transport	1,298,164	1,189,984	1,258,037
Economic services	56,495	51,788	53,513
Other property and services	17,349	15,903	17,349
	2,845,667	2,608,528	2,717,486

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 life 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
					$	$	$	$	$	$	$	$	$	$	$	$	$	$	$
Server	SOW01042021A	Vestone	1.7%	60 months	26,920			26,920		26,920			26,920		62,281	0	0	62,281	0
Spin Bike's	E6N0163401	Maia Financial	1.1%	48 months	0			0					0		3,917	0	0	3,917	0
Bushfire Brigade Latops	SOW011020	Vestone	1.2%	48 months	0			0					0		723	0	0	723	0
Rec Centre Solar Panels	SOW01072020	Vestone	1.5%	60 months	0			0		0			0		7,208	0	0	7,208	0
Admin Solar Panels	SOW01042042A	Vestone	1.8%	60 months	4,228			4,228		4,228			4,228		5,358	0	0	5,358	0
Admin Laptops	SOW01072022	Vestone	4.4%	48 months	3,284			3,284		3,284			3,284		9,450	0	0	9,450	0
Gym Equipment 2	SOW03012023	Vestone	4.9%	48 months	21,024			21,024		21,024			21,024		34,224	0	0	34,224	0
New PC & Laptop Lease	SOW010423	Vestone	4.8%	60 months	56,606			56,606		56,606			56,606		92,514	0	0	92,514	0
Photocopiers 2	SOW010724	Vestone	4.8%	60 months	50,662			50,662		50,662			50,662		0	0	0	0	0
Spin Bikes 2	New	CHG Meridian	4.8%	48 months	45,302			45,302		45,302			45,302		0	0	0	0	0
Chambers Recording	New	TBA	4.8%	60 months	25,045			25,045		25,045			25,045					0	
					233,071	0	0	233,071	0	233,071	0	0	233,071	0	215,675	0	0	215,675	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.

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
				$	$	$	$	$	$	$	$	$	$	$	$	$	$	$
Town Centre Land Purchase	122	WATC	1.6%	498,894		(30,836)	468,058	(7,843)	529,244		(30,350)	498,894	(8,256)	529,244		(30,350)	498,894	(8,330)
Railside Park Development	123	WATC	4.9%	391,216		(16,569)	374,647	(19,030)	406,999		(15,783)	391,216	(19,809)	407,000		(15,783)	391,217	(19,816)
Town Centre Land Purchase	124	WATC	4.9%	478,153		(20,251)	457,902	(23,259)	497,444		(19,291)	478,153	(24,211)	497,443		(19,291)	478,152	(24,219)
Eastcott Street Subdvision		WATC		0	612,000		612,000					0					0	
				1,368,263	612,000	(67,656)	1,912,607	(50,132)	1,433,687	0	(65,424)	1,368,263	(52,276)	1,433,687	0	(65,424)	1,368,263	(52,365)

All borrowing repayments will be financed by general purpose revenue.

8. BORROWINGS (CONTINUED)

(b) New borrowings - 2026/27

Particulars/Purpose	Institution	Loan type	Term (years)	Interest rate	Amount borrowed budget	Total interest & charges	Amount used budget	Balance unspent
				%	$	$	$	$
Eastcott Street	WATC	Lending	20	5.9%	612,000	0		612,000
					612,000	0	0	612,000

(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
			$	$	$	$
Railside Park	Park development	2023	91,322	91,322		
			91,322	91,322	0	0

(d) Credit Facilities

	2026/27 Budget	2025/26 Actual	2025/26 Budget
	$	$	$
Undrawn borrowing facilities			
credit standby arrangements			
Bank overdraft limit	50,000		500,000
Bank overdraft at balance date	0		0
Credit card limit	72,000	68,000	72,000
Credit card balance at balance date			
Total amount of credit unused	122,000	68,000	572,000
Loan facilities			
Loan facilities in use at balance date	1,912,607	1,368,263	1,368,263
Unused loan facilities at balance date	91,323	358,678	450,000

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)	Sporting reserve	86,375			86,375	82,857	3,518		86,375	82,857			82,857
(b)	Council Building Maintenance Reserve	216,108			216,108	207,305	8,803		216,108	207,306			207,306
(c)	Rec Centre Building Maintenance Reserve	125,181			125,181	105,693	19,488		125,181	105,693			105,693
(d)	Preston Beach Volunteer Reserve	77,523	14,545		92,068	61,039	16,484		77,523	61,039	13,905		74,944
(e)	Emergency Assistance Reserve	127,384			127,384	122,196	5,188		127,384	122,196			122,196
(f)	Works Depot Redevelopment Reserve	96,493			96,493	92,563	3,930		96,493	92,563			92,563
(g)	Council Building Construction Reserve	77,575			77,575	74,415	3,160		77,575	74,415			74,415
(h)	Information Technology Reserve	162,278			162,278	131,687	30,591		162,278	131,687			131,687
(i)	Footpath Construction Reserve	38,300			38,300	36,740	1,560		38,300	36,740			36,740
(j)	Plant Replacement Reserve	469,987	80,000	(60,000)	489,987	375,829	115,958	(21,800)	469,987	375,829	100,000		475,829
(k)	Staff Leave Reserve	41,699			41,699	30,408	11,291		41,699	30,408	10,000		40,408
(l)	Strategic Planning Reserve	3,148			3,148	3,020	128		3,148	3,020			3,020
(m)	Waste Management Reserve	1,446,437	130,000	(37,000)	1,539,437	1,278,264	189,726	(21,553)	1,446,437	1,278,264	135,450	(25,000)	1,388,714
(n)	History Book Reprint Reserve	14,057	500		14,557	12,787	1,270		14,057	12,787	300		13,087
(o)	Risk & Insurance Reserve	11,079			11,079	10,628	451		11,079	10,628			10,628
(p)	Drakesbrook Cemetery Reserve	69,181			69,181	47,178	22,003		69,181	47,178	20,000		67,178
(q)	Waroona North Reserve	248,627			248,627	238,500	10,127		248,627	238,500			238,500
(r)	Renewable Energy Reserve	0			0	0	0		0				0
		3,311,432	225,045	(97,000)	3,439,477	2,911,109	443,676	(43,353)	3,311,432	2,911,110	279,655	(25,000)	3,165,765

(b) Reserve Accounts - Purposes

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

	Reserve name	Anticipated date of use	Purpose of the reserve
	Restricted by council		
(a)	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
(r)	Renewable Energy Reserve	Ongoing	To hold funds raised on GRV rating of Renewable Energy Assessments

10. OTHER INFORMATION

The net result includes as revenues	2026/27 Budget	2025/26 Actual	2025/26 Budget
	$	$	$
(a) Interest earnings			
Investments	276,375	274,097	271,400
Other interest revenue	67,945	66,990	61,000
	344,320	341,087	332,400
The net result includes as expenses			
(b) Auditors remuneration			
Audit services	65,600	46,632	51,350
	65,600	46,632	51,350
(c) Interest expenses (finance costs)			
Borrowings (refer Note 8(a))	50,132	52,276	52,365

11. COUNCIL MEMBERS REMUNERATION

	2026/27 Budget	2025/26 Actual	2025/26 Budget
	$	$	$
President			
President's allowance	11,477	11,644	11,644
Meeting attendance fees	11,477	11,041	11,041
Annual allowance for ICT expenses	1,647	1,584	1,584
Travel and accommodation expenses		248	
Superannuation contribution payments	2,754	2,722	2,722
	27,355	27,239	26,991
Deputy President			
Deputy President's allowance	3,026	1,954	2,911
Meeting attendance fees	11,477	11,041	11,041
Annual allowance for ICT expenses	1,647	1,584	1,584
Travel and accommodation expenses			
Superannuation contribution payments	1,740	1,559	1,674
	17,890	16,138	17,210
Council member			
Meeting attendance fees	11,477	11,041	11,041
Annual allowance for ICT expenses	1,647	1,584	1,584
Travel and accommodation expenses			
Superannuation contribution payments	1,377	0	1,325
	14,501	12,625	13,950
Council member			
Meeting attendance fees	11,477	11,041	11,041
Annual allowance for ICT expenses	1,647	1,584	1,584
Travel and accommodation expenses			
Superannuation contribution payments	1,377	0	1,325
	14,501	12,625	13,950
Council member			
Meeting attendance fees	11,477	7,714	11,041
Annual allowance for ICT expenses	1,647	1,107	1,584
Travel and accommodation expenses			
Superannuation contribution payments	1,377	0	1,325
	14,501	8,821	13,950
Council member			
Meeting attendance fees	11,477	7,714	11,041
Annual allowance for ICT expenses	1,647	1,107	1,584
Travel and accommodation expenses			
Superannuation contribution payments	1,377	0	1,325
	14,501	8,821	13,950
Council member			
Meeting attendance fees	11,477	7,714	11,041
Annual allowance for ICT expenses	1,647	1,107	1,584
Travel and accommodation expenses			
Superannuation contribution payments	1,377	0	1,325
	14,501	8,821	13,950
Council member - Previous Term			
Meeting attendance fees	0	3,327	
Deputy President Allowance	0	957	
Annual allowance for ICT expenses	0	521	
Superannuation contribution payments	0	514	
Total Council Member Remuneration	117,750	100,409	113,951
President's allowance	11,477	11,644	11,644
Deputy President's allowance	3,026	1,954	2,911
Meeting attendance fees	80,339	70,633	77,287
Annual allowance for ICT expenses	11,529	10,178	11,088
Travel and accommodation expenses	0	248	0
Superannuation contribution payments	11,379	4,795	11,021
	117,750	100,409	113,951

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 2026	Estimated amounts received	Estimated amounts paid	Estimated balance 30 June 2027
	$	$	$	$
Alcoa Waroona Sustainability Fund	2,394,728	357,000	(277,500)	2,474,228
Public Open Space	144,467	5,000	(10,000)	139,467
Extractive Industry	20,010	1,000		21,010
Commercial Bond	15,816	1,000	(1,000)	15,816
Security Deposit - Waroona Energy	0			0
	2,575,021	364,000	(288,500)	2,650,521

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
Airport landing charges	Permission to use facilities and runway	Single point in time	Monthly in arrears	None	Adopted by council annually	Applied fully on timing of landing/take-off	Not applicable	On landing/departure event
Fees and charges for other goods and services	Cemetery services, library fees, reinstatements and private works	Single point in time	Payment in full in advance	None	Adopted by council annually	Applied fully based on timing of provision	Not applicable	Output method based on provision of service or completion of works
Sale of stock	Aviation fuel, kiosk and visitor centre stock	Single point in time	In full in advance, on 15 day credit	Refund for faulty goods	Adopted by council annually, set by mutual agreement	Applied fully based on timing of provision	Returns limited to repayment of transaction price	Output method based on goods

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 scare 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.

15. FEES AND CHARGES

	2026/27 Budget	2025/26 Actual	2025/26 Budget
	$	$	$
By Program:			
Governance	43,500	43,002	46,500
General purpose funding	67,450	65,079	58,500
Law, order, public safety	36,400	29,082	49,950
Health	60,395	59,176	57,571
Education and welfare	320	320	312
Housing	28,600	26,300	22,500
Community amenities	1,513,781	1,567,982	1,395,263
Recreation and culture	281,945	314,347	260,370
Transport	550	540	500
Economic services	189,346	183,187	167,639
Other property and services	12,500	12,444	7,500
	2,234,787	2,301,459	2,066,605

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