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Shire of Carnarvon
Annual Report



A blurred image of a butterfly in flight against a warm, orange-toned background. The butterfly is positioned in the upper right quadrant, with its wings spread, showing a pattern of white, black, and yellow. The background is a soft, out-of-focus gradient of warm colors, suggesting a natural, outdoor setting. In the lower left foreground, there is a small, dark, textured mound of soil or sand, possibly a butterfly's nest or a natural formation.

Acknowledgements

The Shire of Carnarvon acknowledges and respects the Yinggarda (Carnarvon) and Baiyungu (Coral Bay) as the traditional custodians of the lands where we live and work. We pay our respects to Elders, past, present and emerging. The Shire of Carnarvon is committed to honouring the traditional custodians' unique cultural and spiritual relationships to the land, waters and seas and their rich contribution to society.



About the Shire

Located where the desert meets the sea, the Shire of Carnarvon is a truly unique region, a tropical coastal oasis in the heart of Western Australia's Gascoyne. Stretching across more than 53,000 km², the Shire includes the towns of Carnarvon and Coral Bay, remote pastoral stations, and spectacular coastal and inland landscapes.

Carnarvon is the gateway to the Ningaloo Coast and Shark Bay World Heritage Areas, and is the only town in Australia where the central desert reaches the ocean. With rich Aboriginal

culture, tropical agriculture, world-class seafood and fishing, and strong community values, it's a place of connection, resilience and opportunity.

We are proud of our vibrant and diverse population, our commitment to sustainable growth, and our shared vision for a region that is safe, inclusive, and thriving for generations to come.

Quick Facts

Distance from Perth:
902 km

Population:
Approx. 5,250

Clear Days per Year:
300+

Average Annual Rainfall:
229 mm

Road Network:
239 km sealed, 1,287 km unsealed

Known For:
Bananas, tropical fruits, seafood, fishing, and marine tourism

Key Attractions:
The Fascine, Space and Technology Museum, Blowholes, Coral Bay

Established:
1 March 1965, following the union of the Town of Carnarvon and the Shire of Gascoyne-Minilya



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Our Annual Report

The Shire of Carnarvon is pleased to present the Annual Report for the 2024/25 financial year, highlighting the progress, projects and challenges experienced over the past 12 months.

This report aligns with our **Strategic Community Plan 2022–2032**, which outlines our long-term vision for Carnarvon and serves as the foundation for our planning and decision-making.



COMMUNITY & CONNECTION



PLACE & ENVIRONMENT



PROSPERITY & OPPORTUNITY



LEADERSHIP & INTEGRITY

Our Vision

Our Annual Report showcases the key initiatives delivered across each strategic theme, documenting how we are working toward our vision.

Carnarvon will be a place where:
Our community is safe and harmonious.

Our livelihoods are thriving.

Our lifestyles are sustainable.

Our health and learning opportunities serve our community.

Our places nurture our past, present and future.

Our community is engaged, inclusive and supportive.

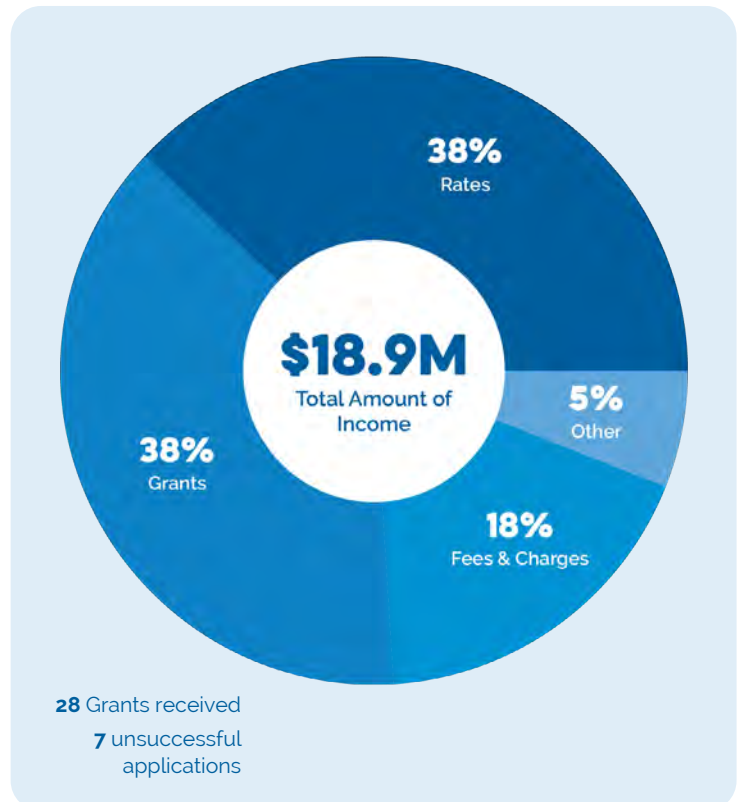
We Grow Our Horizons.

How every \$100 was invested in 2024-25



Community Investment Funds

Through its \$18.9 million budget for the 2024-25 financial year, the Shire of Carnarvon has delivered over 50 essential services to the community. These include the maintenance of parks and gardens, roads, and waste services, as well as development assessment, animal and pest management, cemeteries, public toilets, aquatic facilities, the regional library, campground, sports fields and the Carnarvon Art Gallery. This investment supports the everyday needs of our residents and reflects Council's commitment to maintaining a liveable, connected and thriving community.



Statistics Snapshot 2024-25

50

Development Applications

Estimated value at **\$13.8M** across Carnarvon and Coral Bay



935

Customer Service Requests

3,239

Youth participants in **247** after-school activities



80

Building Applications

Estimated value at **\$47.5M** across Carnarvon and Coral Bay



2,338

Participants in **20** community programs



18,832

Visitors at the Library & Art Gallery



26,500

Passengers landed at the Carnarvon Airport



47,809

Visitors at the Visitor Centre generating over **\$7.18M** in our local economy



1,818.52

Tonnes of waste collected



163

Ranger Infringements, **200** pet registrations and **180** fire inspections





President Report

Message from the President - 2024/25 Annual Report

Shire of Carnarvon

As we reflect on the past year, it is a pleasure to share with you some of what has occurred in the past year and congratulate the dedicated Shire team that have worked on fulfilling the community's aspirations outlined in the Strategic Community Plan.

Projects completed in the past year include the Fascine Wall capping beam replacement, another wonderful Mural on Robinson St and the much needed replacement stairs to the Blowholes Aquarium area, importantly the tireless work by the Shire team has resulted in realising significant grant funding for a number of exciting projects within our Shire including the Tramway bridge restoration, Van Dongen Park upgrade, Carnarvon airport runway upgrade and Pioneer Cemetery upgrade.

We also must not underplay the many challenges we face as a community; we know that anti-social behaviour and crime are taking their toll on businesses and residents. The Shire Council as the community's voice continues extensively advocating State Government Ministers to bring about beneficial changes within our community to reduce these issues' impact. It's pleasing to report that this work has seen a significant increase in the number of police in our community.

I would invite and encourage all residents to read our Strategic Community Plan and Corporate Business Plan as I believe it would provide an insight into the hard work, passion and commitment of the Shire team who work tirelessly for our community. I thank them all for their efforts.

In finishing, a huge thank you to my fellow Councilors for your service and commitment and thank your families for their patience and understanding.

Eddie Smith

Shire President



CEO Report

Message from the CEO - 2024/25 Annual Report

Shire of Carnarvon

What a year it's been.

In 2024/25, the Shire of Carnarvon didn't just keep moving, we hit our stride. We've taken deliberate steps to transform how we work, what we prioritise, and how we deliver for our community. It's been a year of rolling up sleeves, facing the tough stuff, and getting things done – together.

We completed the Pioneer Cemetery upgrade, paying tribute to the stories and souls that built this region. We emergency-proofed the Civic Centre, ensuring it can support our community in times of need. We renewed the Fascine small jetties, breathing new life into our waterfront and community spaces. And in a massive win for heritage and regional pride, we secured \$2 million towards the Tramway Bridge restoration, an icon we're determined to preserve for generations to come.

Innovation hasn't taken a back seat either. We rolled out electronic road information signs across key junctions to improve safety and traveller communication. And with the installation of Rain Gauge Bot technology, we're now smarter, faster, and more responsive in how we maintain our vast road network. This saves time, money, and improves the overall experience for road users.

Behind all these achievements is a dedicated team, a supportive Council, and a community that knows the value of progress, even when it's hard won. We've restructured our operations, sharpened our focus, and built a stronger foundation for long-term growth. Yes, we've faced challenges, but we've faced them head-on, and with heart.

Carnarvon is a region with enormous potential. And while we're proud of what we've done this year, we're even more excited for what lies ahead. From housing reform to tourism infrastructure, from strategic land development to better community services – we're in it for the long game.

Thank you to everyone – staff, Councillors, partners, and community members – who've walked alongside us this year. The road is long, but we're on the right track.

Onward,

Amanda Dexter
Chief Executive Officer



About Council

The Shire of Carnarvon has a popularly elected Shire President and seven Councillors. Councillors serve four-year terms, with half of the positions becoming vacant at each local government election.

Local Government Elections are held every two years, typically on the third Saturday in October. At the time of endorsement, the October 2025 elections had taken place, the next Local Government Election will take place in 2027.



Profile of Council Members

Number	Age	Gender	Language Spoken at Home	Birth
3	35 - 44	Male	Australian English	Australia
1	35 - 44	Male	Portugese	Australia
1	45 - 54	Male	Australian English	Australia
3	64+	Male	Australian English	Australia

Councillors



Mr Eddie Smith

Shire President

Term 2027



Cr Burke Maslen

Deputy Shire President

Term 2027

Ward Gascoyne/Minilya Ward



Cr Dudley Maslen

Councillor

Term 2025

Ward Town Ward



Cr Luke Vandeleur

Councillor

Term 2027

Ward Town Ward



Cr Marco Ferreirinha

Councillor

Term 2025

Ward Plantation Ward



Cr Luke Skender

Councillor

Term 2025

Ward Town Ward



Cr Paul Kelly

Councillor

Term 2027

Ward Town Ward



Cr Adam Cottrel

Councillor

Term 2025

Ward Coral Bay Ward

Council Meeting Attendance

Elected Members attended the following Ordinary and Special Council Meetings during the 2023/24 year:

LOA *Leave of Absence*
 A *Absent/Apologies*
 OCM *Ordinary Council Meeting*
 SCM *Special Council Meeting*

Councillor	16 Jul 2024 SCM	23 Jul 2024 OCM	27 Aug 2024 OCM	24 Sep 2024 OCM	30 Sep 2024 SCM	22 Oct 2024 OCM	26 Nov 2024 OCM	17 Dec 2024 OCM	20 Dec 2024 SCM	
E Smith	✓	✓	✓	✓	✓	✓	✓	✓	✓	
B Maslen	✓	✓	A	✓	✓	✓	✓	✓	✓	
M Ferreirinha	✓	✓	✓	✓	A	✓	✓	✓	✓	
P Kelly	✓	✓	✓	✓	✓	✓	✓	✓	✓	
L Vandeleur	✓	✓	✓	A	A	✓	✓	LOA	A	
A Cottrell	✓	✓	✓	LOA	A	✓	✓	✓	A	
L Skender	✓	✓	✓	A	✓	✓	✓	A	A	
D Maslen	✓	✓	✓	✓	✓	✓	✓	✓	✓	

Councillor	Attended in Person*	Online Attended*	Absent/ Apologies*	Leave of Absence*	Attendance to ARIC (Adult, Risk and Improvement Committee)	Total Attended
E Smith	19	0	0	0	5	24
B Maslen	18	0	1	0	4	22
M Ferreirinha	18	0	1	0	Non-member	18
P Kelly	16	3	0	0	5	24
L Vandeleur	15	0	3	1	5	20
A Cottrell	11	0	6	2	Non-member	11
L Skender	8	3	6	2	Non-member	11
D Maslen	19	0	0	0	Non-member	19

*Includes attendance at Ordinary Council Meetings and Special Council Meetings.

	28 Jan 2025 OCM	14 Feb 2025 SCM	25 Feb 2025 OCM	28 Feb 2025 SCM	25 Mar 2025 OCM	29 Apr 2025 OCM	05 May 2025 SCM	20 May 2025 SCM	27 May 2025 OCM	24 Jun 2025 OCM	Elected Members, fees, expenses and allowances
	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	\$69,063.96
	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	\$31,749.96
	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	\$19,311.96
	✓	✓	✓	☎	✓	✓	✓	☎	☎	✓	\$19,311.96
	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	\$19,311.96
	☎	☎	☎	A	✓	✓	A	A	LOA	A	\$19,311.96
	✓	LOA	LOA	A	✓	✓	✓	A	A	✓	\$19,311.96
	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	\$19,311.96



Executive Team



Amanda Dexter

Chief Executive Officer

Oversees Major Projects, Place Activation & Economic Development (including Airport Operations), and Communication & Community Engagement, driving long-term growth and strengthening connections with residents, businesses, and visitors.

With the Shire since: 2024



Colm Stanley

*Executive Manager
Infrastructure*

Responsible for delivering and maintaining essential infrastructure, including roads, buildings, and public spaces. Through strategic planning and asset management, ensures the community's growth, connectivity, and sustainability.

With the Shire since: 2025

Meet our new CEO

Mandy Dexter

Amanda (Mandy) Dexter was appointed Chief Executive Officer of the Shire of Carnarvon in late 2024, bringing with her more than two decades of senior leadership experience in regional local government. With expertise in strategic planning, economic development, and community engagement, Mandy is committed to strengthening partnerships, improving local services, and delivering meaningful outcomes for the Carnarvon community.

Mandy grew up in Carnarvon and Exmouth, giving her a strong personal connection to the region and a deep understanding of the challenges and opportunities unique to life on the Gascoyne coast. This local perspective underpins her leadership style

and drives her passion for building a sustainable, inclusive future for the people who call this place home.

Before joining the Shire of Carnarvon, Mandy served as CEO of the Shire of Derby/West Kimberley, where she led major regional initiatives across infrastructure, governance, and tourism. She is known for her collaborative approach, transparent decision-making, and long-standing commitment to regional WA.

Under her leadership, the Shire is focused on delivering practical outcomes that reflect the values, needs, and aspirations of the Carnarvon community.



Stefan Louw

*Executive Manager
Community Planning & Sustainability*

Shapes vibrant, liveable communities through strategic planning, environmental stewardship, and sustainable development. Leads growth initiatives to protect natural assets and create resilient spaces for future generations.

With the Shire since: 2021



Stephanie Leca

*Executive Manager
Lifestyle & Community*

Strengthens community well-being by fostering culture, connection, and inclusivity. Delivers vibrant programs, events, and services that enhance social cohesion and community spirit.

With the Shire since: 2012



Amanda Leighton

*Executive Manager
Corporate Strategy & Performance*

Leads strategic direction, governance, and financial management while driving policy development and continuous improvement. Focuses on enhancing efficiency, accountability, and long-term organisational success.

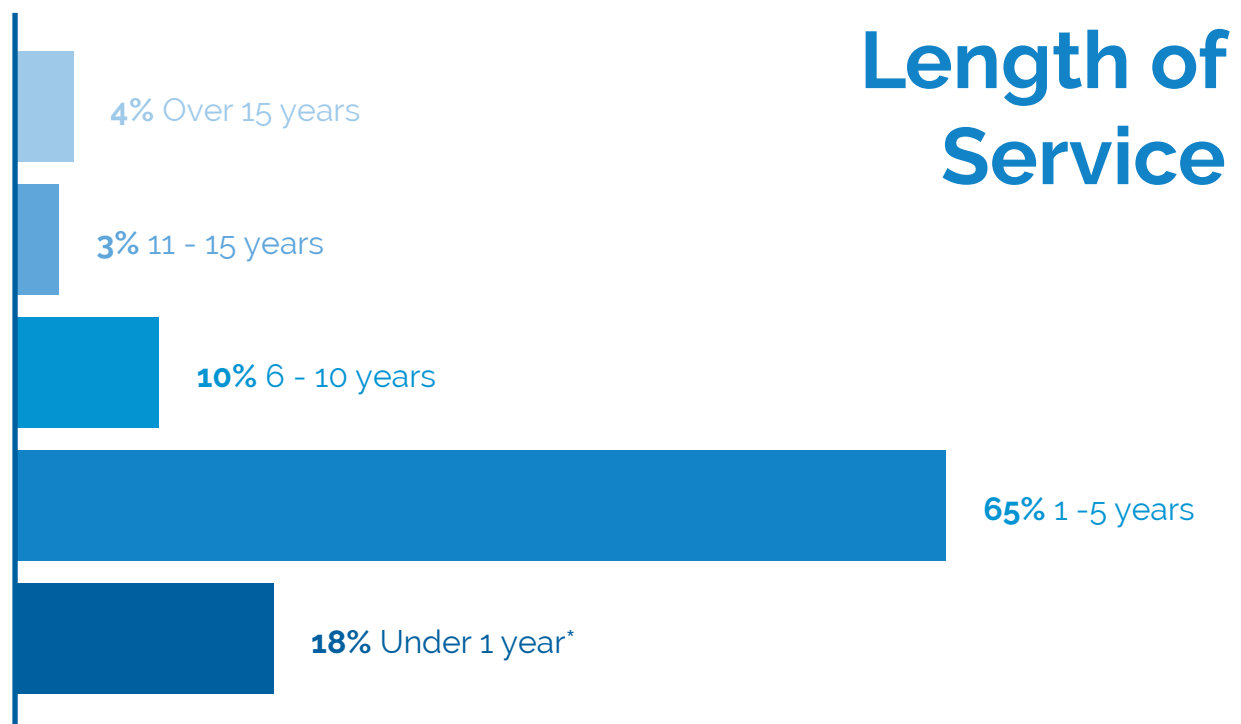
With the Shire since: 2021

Our People

Our workforce reflects a rich blend of cultures, perspectives and lived experiences, strengthening our connection to the community we serve.

While 62% of our team identifies as Caucasian/Australian, we're proud to have 12% Aboriginal employees, whose cultural knowledge and ties to Country are deeply valued. The remaining 26% represents a wide array of cultural heritages, including Tongan, Vietnamese, Indian, Dutch, Irish, Portuguese, South African, German, English and New Zealand backgrounds.

We are also proud to share that 8% of our workforce voluntarily identifies as living with disability, which significantly exceeding the WA public sector target of 5%. This is a reflection of the inclusive and supportive workplace we are committed to creating, one where everyone feels safe, respected, and empowered to contribute.



*consist of recruitment for existing roles and grant funded new roles

Disclosure of Annual Salaries

In accordance with Regulation 19B(2)(b) of the Local Government (Administration) Regulations 1996, the Shire of Carnarvon is required to disclose the following information:

- The number of employees entitled to an annual salary of \$130,000 or more.
- The number of employees whose annual salary falls within each \$10,000 band above \$130,000.

CEO Annual Remuneration

In accordance with Regulation 19B(2)(e) of the Local Government (Administration) Regulations 1996, the total remuneration provided to the Chief Executive Officer during the 2024–25 financial year was:

- **Temporary CEO** \$78,751
- **Chief Executive Officer** \$170,224

For the purposes of this disclosure, remuneration is defined in accordance with section 4(1) of the Salaries and Allowances Act 1975 and includes salary, allowances, fees, emoluments and benefits, whether in monetary form or otherwise.

Salary Range	Number
\$100,000 to \$109,999	6
\$110,000 to \$119,999	3
\$120,000 to \$129,999	1
\$130,000 to \$139,999	6
\$140,000 to \$149,999	NIL
\$150,000 to \$159,999	4
\$160,000 to \$169,999	NIL
\$170,000 to \$179,999	NIL
\$180,000 to \$189,999	1
\$190,000 to \$199,999	3
\$200,000 to \$209,999	NIL
\$210,000 to \$219,999	NIL
\$220,000 to \$229,999	NIL
\$230,000 to \$239,999	NIL
\$240,000 to \$249,999	1



Supporting Our Community

The Shire of Carnarvon is proud to support the people, programs and partnerships that help our region thrive. Each year, we provide financial assistance, in-kind support, and collaborative opportunities to local clubs, not-for-profits and businesses delivering events, services, and experiences that enrich community life.

In 2024–25, we supported a wide range of organisations across sport, arts, early years, culture, and economic development:

Community Sponsorship & Event Support

- **Carnarvon Growers Association**
Field Day
- **Gascoyne Food Council**
Community Event
- **Gascoyne Early Years Network (GEYN)**
- **Carnarvon Playgroup**
- **Carnarvon Pistol Association**
Pump up the Fun Sausage Sizzle

This Life Summer Music Series – Local Hosts

As part of our Summer Music Series, the Shire partnered with:

- **Gascoyne Football Association**
- **Miss Fangs**
- **Kestrel Café**

(Some venues may have received in-kind or financial support as event hosts.)

Youth Program Partnerships

Our Youth team also continued its collaborative delivery of programs in partnership with:

- **Ngala**
- **PCYC**
- **Stephen Michael Foundation**

Together, we're supporting a connected, vibrant and inclusive Carnarvon.

Community Growth Grant Recipients

Through our **Community Growth Grants Program**, we provided financial support to the following not-for-profit organisations:

Organisation	Amount
Carnarvon Garden Club	\$1,500
Gascoyne Gymnastics Club	\$5,000
Carnarvon Playgroup	\$1,000
Carnarvon Amateur Swimming Club	\$3,605
Carnarvon Art and Crafts Workshop	\$1,166
Carnarvon Horse and Pony Club	\$1,450
Carnarvon Rifle Club	\$977
Carnarvon Motorcycle Club	\$5,000
Old Bastards Carnarvon	\$3,560
Gascoyne Community Services Aboriginal Corporation Let's Talk Basketball	\$1,000
Baiyungu Aboriginal Corporation	\$5,000
Carnarvon Fishing Club	\$5,000
Events Carnarvon	\$10,000
Queernarvon	\$5,000
Carnarvon Windfest	\$5,000
Total	\$52,948

2024-25 Year in Review

This Annual Report reflects the Shire of Carnarvon's progress during the 2024-25 financial year toward achieving the goals and priorities set out in the Strategic Community Plan 2022-2032.

Over the past year, Council and staff have continued to deliver services, programs and infrastructure that align with our community's shared vision:

A place where our community is safe and harmonious, our livelihoods thrive, our lifestyles are sustainable, and our places nurture our past, present and future.

The following pages highlight key achievements, partnerships, and milestones that shaped this year in Carnarvon and set the course for the future.





Major Projects

Van Dongen Park

A destination park focusing on iconic play equipment at an important Carnarvon gateway. Multiple play zones with bespoke equipment and nature plan, public art, turf, trees, BBQ + picnic nodes, public toilets, lighting and parking.

Status Community consultation has been undertaken, leading to development of the Big Banana Playground concept, with detailed design now complete. Procurement has finalised for fabrication and installation of the Big Banana element. Tender documentation is currently being drafted.

Funding
Obtained

Designed

Tender
AwardedMobilising/
ConstructionProject
Completed

\$1,807,424
Lotterywest funding
allocated



\$763,530
Lotterywest funding
allocated

Tramway Walk Trail

The Tramway Walk Trail connects the Tramway Bridge on the Fascine Town Beach to the Carnarvon Heritage Precinct. This project is centred on reinforcing the existing ~2.5km walk into a multi-faceted cultural trail with educational significance. Wayfinding signs, interpretive signs and artwork, viewing points, rest nodes and shade shelters are planned to be located along its length.

Status Community consultation has been undertaken to inform design and educational content, with detailed design now completed. Tender documentation is currently being drafted.

Funding
Obtained

Designed

Tender
AwardedMobilising/
ConstructionProject
Completed

Airport Upgrades

Runway upgrades will soon strengthen the region's air connectivity, enhancing safety, supporting tourism and essential services, and securing the long-term future of Carnarvon's airport.

Status The tender has now closed, and the assessment panel is currently reviewing submissions.

Funding
Obtained

Designed

Tender
AwardedMobilising/
ConstructionProject
Completed

\$8M
Department of
Transport Funding





Fascine Jetties

Three new jetties have been successfully installed along the Fascine, enhancing access to the waterway and supporting recreation, tourism, and greater enjoyment of our iconic waterfront.

Status Installation complete. The jetties are now open for public use.

Budget Allocated

Designed

Tender Awarded

Mobilising/Construction

Project Completed

Local Connect & Create

Activation of key public spaces including a series of public art installations to encourage exploration and an urban screen to showcase local stories and events to complement 'The Hub', a local making & exhibition space.

Status An expression of interest process has been completed for the engagement of an artist and delivery of the art concepts. Detailed design is now complete. Procurement has been finalised for the supply and installation of a digital screen which is to be located at the Civic Centre to help promote local events and activities. A Request for Quote to support the construction and installation of the individual art pieces is currently being drafted.

Funding
Obtained

Designed

Tender
AwardedMobilising/
ConstructionProject
Completed

\$786,648
Lotterywest funding
allocated



Tramway Bridge Restoration

The Shire of Carnarvon is underway to restoring one of the town's most treasured landmarks: the Tramway Bridge. Restoring the bridge not only honours the past but also offers exciting potential for future community use and tourist attraction.

Status The project is currently in its second stage, with geotechnical investigations recently completed for the Tramway Bridge; a critical step in planning future repairs. The results of these investigations will help to inform the future engineering and structural design of the restoration.

Funding
Obtained

Designed

Tender
AwardedMobilising/
ConstructionProject
Completed

*All project updates are accurate as at the end of the 2024-25 financial year (30 June 2025).



Community & Connection

Fostering a safe, inclusive and harmonious community where people are respected, supported, and connected across all walks of life.



Supporting Youth & Families

In 2024–25, the Shire delivered consistent after-school programs at the Youth Hub in partnership with local providers, with a minimum of three sessions per week. This provided safe and engaging activities for young people during critical after-school hours. Our Community Connectors service continued to operate Thursday to Sunday evenings, offering safe transport and a weekly meal to at-risk youth. These initiatives will remain a priority, with increased staffing in 2025–26 and a future transition of the service to an Aboriginal Community Controlled Organisation (ACCO).

Safe Transport for Youth After Dark

The Community Connectors Program continued its vital work, operating Thursday through Sunday each week to safely transport young people off the streets and into safe spaces. The program also provided warm Sunday meals and positive engagement, helping reduce youth vulnerability during night-time hours. Plans are in place to transition this service to an Aboriginal Community Controlled Organisation in mid-2026.

Community Spaces Come Alive

This year, the Community Art Hub on Robinson Street flourished as a creative meeting place for artists and organisations alike. From hosting local exhibitions to delivering creative workshops, the space became a vibrant hub for connection, expression, and community engagement. Meanwhile, our Library meeting spaces saw over 388 hours of bookings, supporting local events, tax clinics, peer networking and more.

Colour, Creativity and Community in the CBD

Placemaking took centre stage in 2024–25. From the colourful Yarn Bombing Project and Toyworld's Hopscotch Mural, to the bustling Christmas Street Party and Courtyard Craft Markets, the CBD was activated with vibrancy and community pride. These events supported local artists, encouraged foot traffic, and fostered a sense of belonging in the heart of town.



Deepening Engagement

Council continued to engage with residents through a range of forums and events. Community consultation informed strategic planning and ensured that the Shire's direction reflects local priorities.



Bringing History to Life

Over 500 photographs were digitised this year as part of the Local History Digitisation Project, preserving community memories and making them accessible through a shared regional archive. The Library also supported 45 history enquiries, helping locals and visitors connect with Carnarvon's rich heritage.

Music in the Streets

The Carnarvon Summer Music Series brought energy to town during the quieter months, with live performances enhancing lifestyle amenity and activating public spaces. It was part of a broader effort to boost pride, vibrancy and positive experiences across the Shire.



Place & Environment

Caring for Country through sustainable planning, environmental stewardship, and infrastructure that supports liveability and reflects our identity.



Safer Streets and Paths

To support safe use of the Youth Precinct and Aquatic Centre, new traffic calming planter boxes were installed along Babbage Island Road under the Streets Alive grant program.



Growing Greener Spaces

The Shire supported community-led beautification through the Litter Legends program, which delivered over 40 clean-up events, and hosted National Tree Planting Day to enhance green space. A new Arboretum sign is being developed to promote this valuable environmental asset.

High Standards in Recreation

Work orders for the Swimming Pool were fulfilled at a 90% completion rate, ensuring residents have access to high-quality aquatic facilities. Planning has also progressed for revitalising the entire recreational precinct, including the skate park and basketball court.

Community Win – Coral Bay

As part of the RAC Ningaloo Reef Resort development, RAC is supporting long-standing traffic congestion issues in Coral Bay through targeted infrastructure upgrades. The project delivered a new roundabout, improved road network, and safer pedestrian walkways and crossings, aimed at significantly enhancing traffic flow and safety. Upgrades to the public car park now include ACROD (accessible) parking bays for the first time, ensuring greater accessibility for all. These improvements have made the area safer, more efficient, and easier to navigate for locals and visitors alike.

Maintaining Local Amenity and Development Standards

Ongoing inspections and regulatory services ensured safety and amenity standards were upheld across the Shire, including animal control, fire prevention, noise complaints, and unauthorised structures.

Mapping Carnarvon's Future

Work continued in collaboration with the Department of Lands to clarify the future use of strategic state-owned land parcels. The identification of underutilised serviceable land also opened the door for new development opportunities aligned with local demand and infrastructure availability.



Coastal Planning for a Resilient Future

The Shire progressed its Coastal Hazard Risk Management and Adaptation Plan (CHRMAP) to guide long-term decision-making around erosion and inundation. This work underpins responsible coastal development and helps ensure environmental resilience for future generations.



Prosperity & Opportunity

Growing local livelihoods through investment in tourism, industry, innovation, and lifelong learning — strengthening our local economy for the future.

Digital Literacy That Connects Generations

The Shire continued to support digital inclusion by delivering one-on-one tech help sessions, with over 140 individual appointments, alongside 14 Be Connected webinars tailored for seniors. These programs, delivered at the Library and through outreach, helped residents access online services, stay connected, and feel confident in an increasingly digital world.



Tramway Bridge Restoration Funding

In a major success, the Shire secured funding for the Tramway Bridge restoration. This iconic structure, rich with regional heritage value, is now a step closer to being preserved and activated for community and tourism benefit.

Planning for a Thriving, Liveable Community

The Shire maintained its strategic commitment to guiding land use through the Local Planning Scheme. This year saw a focus on encouraging mixed-use and commercial opportunities while also ensuring that rezoning activities supported emerging housing needs—especially in areas like Coral Bay.

Investing in Infrastructure for Tomorrow

Grant funding helped maintain and upgrade essential infrastructure, with 28 grants received in total. The Shire completed footpath renewal planning, progressed the Airport Masterplan, and maintained its network of roads, cemeteries, and aquatic facilities to ensure functionality and pride in place.

Improved Connectivity and Innovation

The installation of new electronic road signage at key junctions has significantly improved traveller communication and road safety. Additionally, Rain Gauge Bot technology was implemented to improve flood response and road maintenance decision-making, showcasing Carnarvon's commitment to smart, cost-effective service delivery.



Fascine Jetty Renewals

The Shire completed renewal works on the small jetties along the Fascine. These upgrades support tourism and local recreation, ensuring safer and more attractive public waterfront infrastructure for locals and visitors alike.



Unlocking Land for Future Growth

The Shire worked to identify underutilised serviceable land suitable for future housing and commercial development. These efforts support growth while ensuring new developments are well-located and service-ready.

Building a Future-Ready Workforce

The Shire supported internal staff development through local government training and leadership coaching programs. This investment in people helped foster a skilled, adaptable team focused on delivering community-first outcomes.



Leadership & Integrity

Demonstrating good governance, transparency, and collaborative leadership that delivers for our community and reflects our shared values.



Engaging Government and Partners

Regular advocacy efforts ensured that State and Federal Governments remained informed of Carnarvon's needs. The Shire also actively applied for new grant funding and successfully managed existing grants with no breaches reported.

Strategic Asset Planning

Through improved internal reporting and integration of strategic plans, the Shire advanced work on asset management, ensuring long-term infrastructure sustainability. This work supports the delivery of well-maintained parks, roads, buildings, and facilities across the Shire.

Responsible Recordkeeping and Governance

A review of the Recordkeeping Plan has been actioned in July 2025 and is pending approval by the State Records Office. The Shire will be required to provide an updated report on the evaluation of efficiency and effectiveness of the Plan five years from the date of the last approval. These evaluations are also performed less formally from time to time through internal processes and controls. Induction and training programs are also provided to staff to highlight roles and responsibilities for compliance with the Shire's Recordkeeping Plan.

Community-Led Consultation

Throughout 2024-25, the Shire used community-led engagement to inform program development and service delivery. Residents helped shape new initiatives through surveys, direct feedback, and participation in advisory groups.



Strategic Planning with Impact

The Shire advanced work on key initiatives such as the Reconciliation Action Plan 2025–27 and the Disability Access and Inclusion Plan review. These plans guide decision-making and ensure inclusive, community-driven service delivery.



Asset Management Improvements

Several key infrastructure assets, including the airport terminal, swimming pool, and regional roads, were integrated into the Shire's long-term Asset Management Plan. These updates ensure alignment with service expectations and financial sustainability.

Disability Access & Inclusion Plan

The Disability Services Act 1993 requires all local governments in Western Australia to develop and implement a Disability Access and Inclusion Plan (DAIP). The Shire of Carnarvon remains committed to ensuring that all members of the community, including people with disability, have equitable access to services, facilities, information, and opportunities to participate in public life.

During 2024–25, the Shire delivered a range of initiatives under its DAIP to strengthen accessibility and inclusion. Highlights include hosting the International Day of People with Disability, featuring author Michelle De Robillard at the Carnarvon Library & Art Gallery and local schools. More than 600 students engaged in sessions promoting empathy and inclusive values through literature and lived experience.

The Shire also undertook significant infrastructure and planning actions, including accessibility inspections across all Shire facilities, an annual audit of ACROD bays, and development of a public map of accessible parking locations. Fencing at public parks was reviewed and modified to support universal access, and audits of footpaths and kerbs were progressed to identify improvement opportunities. In addition, the Disability Reference Group was established and maintained, ensuring lived experience informs decision-making and program design.

Further initiatives included progressing website accessibility in line with WCAG 2.1 standards, providing information in alternative formats upon request, and promoting feedback mechanisms through newsletters, social media, and community consultation. Employment-related actions were also advanced, such as ensuring job advertisements are accessible, interviews are held in inclusive locations, and vacancies are shared with disability employment services.

These achievements reflect the Shire's commitment to embedding access and inclusion principles into operations, planning, and service delivery. A review of the DAIP is scheduled to ensure it remains aligned with community needs and legislative requirements. The Shire will continue to explore innovative programs and partnerships to enhance accessibility, ensuring inclusive practices remain central to community engagement and future service delivery.



Leadership & Integrity

Demonstrating good governance, transparency, and collaborative leadership that delivers for our community and reflects our shared values.

Official Conduct Report

The Local Government Act 1995 requires the Shire to report on the number of official conduct complaints recorded under section 5.121 of the Local Government Act 1995 during a financial year. The Shire of Carnarvon did not receive any complaints of this nature that resulted in action under section 5.110 (6) (b) or (c) during the 2024/2025 financial year.

Competitive Neutrality Statement

There are ways in determining if there is a "significant business enterprise" undertaken by the Local Government, namely:

1. Is revenue received from external sources that exceeds \$200,000 per annum? (In determining this amount, Council has been advised to disregard grant income, internal charges, and statutory fees).
2. Would any benefits be realised from the implementation of competitive neutrality that exceeds costs?

From an examination of the revenue statement for the Shire of Carnarvon for the subject period there is no apparent activity that satisfies this first part of the test, and therefore the principles of competitive neutrality do not apply to any of Council activities during the 2024/2025 financial year.

National Competition Policy Statement

The State Government has a Competition Principles Agreement in place, which is binding on local government. This agreement requires the Shire of Carnarvon to carry out a number of procedures and include a report on the matter in Annual Report.

The three areas that affect Local Government are:

1. Competitive Neutrality

To remove benefits (and costs) which accrue to Government business as a result of their public ownership.

2. Structural Reform

Local government is required to reform the structure of publicly owned monopoly businesses where it is proposed to introduce competition.

3. Legislation Review

To review legislation that restricts competition.

The full requirements of the package are contained in a statement issued by the Department of Local Government and Communities.





Freedom of Information Statement

The Shire of Carnarvon is subject to the provisions of the Freedom of Information Act 1992.

The Shire of Carnarvon supports open and accountable local government and will endeavour to make information available promptly and at the least possible cost.

Whenever possible, documents will be provided outside the FOI process.

If information is not routinely available, the Freedom of Information Act 1992 provides the right to apply for documents held by the Shire and to enable the public to ensure that personal information in documents is accurate, complete, up to date and not misleading.

The Shire processed 2 Freedom of Information (FOI) requests in 2024-25

Capital Grants, Subsidies and Contributions

As per regulation 19BE of the Local Government (Administration) Regulations 1996, below are the amounts of capital grants, subsidies and contributions received by the Shire of Carnarvon in the last three financial years for replacing and renewing assets.

Financial year 2024-25
3,913,876

Financial year 2023-24
5,006,311

Financial year 2022-23
3,988,473





2024/25 Financial Statements

For the year ended 30 June 2025



SHIRE OF CARNARVON
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

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The Shire of Carnarvon conducts the operations of a local government with the following community vision:

Unity, Humanity, Nature

A connected community across leaders, cultures and generations

A future for every young person

A job-rich economy, built on local strengths

A still-natural environment, looked after and used

The Shire of Carnarvon acknowledges the Yingarrda people as the Traditional Custodians of this land which we work and live on. We pay our respects to their Elders past, present and emerging and extend this respect to all Aboriginal people and their ongoing connection to this Country.

Principal place of business:

3 Francis Street

Carnarvon WA 6701

**SHIRE OF CARNARVON
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025**

*Local Government Act 1995
Local Government (Financial Management) Regulations 1996*

STATEMENT BY CEO

The attached draft financial report of the Shire of Carnarvon has been prepared in compliance with the provisions of the *Local Government Act 1995* from proper accounts and records to present fairly the financial transactions for the reporting period ended 30 June 2025 and the financial position as at 30 June 2025.

At the date of signing this statement the particulars included in the financial report are not misleading or inaccurate.

Signed on the 5th day of December 2025



Chief Executive Officer

Amanda Dexter

Name of Chief Executive Officer



SHIRE OF CARNARVON
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2025

	NOTE	2025 Actual \$	2025 Budget \$	2024 Actual \$
Revenue				
Rates	2(a),25	7,264,318	7,311,553	7,155,122
Grants, subsidies and contributions	2(a)	7,196,969	8,138,626	11,322,024
Fees and charges	2(a)	3,452,900	3,557,520	3,416,150
Interest revenue	2(a)	558,265	425,000	474,245
Other revenue	2(a)	432,432	438,469	539,827
		18,904,884	19,871,168	22,907,368
Expenses				
Employee costs	2(b)	(9,485,746)	(9,194,215)	(9,038,311)
Materials and contracts		(7,652,578)	(13,153,197)	(10,091,204)
Utility charges		(934,690)	(931,595)	(891,068)
Depreciation		(9,013,804)	(8,895,780)	(9,134,944)
Finance costs	2(b)	(104,655)	(103,524)	(113,496)
Insurance		(701,808)	(748,544)	(684,264)
Other expenditure	2(b)	(709,211)	(375,774)	(784,323)
		(28,602,492)	(33,402,629)	(30,737,610)
		(9,697,608)	(13,531,461)	(7,830,242)
Capital grants, subsidies and contributions	2(a)	3,913,876	15,614,027	5,006,311
Profit on asset disposals		101,544	84,560	13,006
Loss on impairment of asset		(13,395)	(98,870)	(9,961)
Fair value adjustments to financial assets at fair value through profit or loss	4	(6,215)	-	2,942
		3,995,810	15,599,717	5,012,298
Net result for the period		(5,701,798)	2,068,256	(2,817,944)
Other comprehensive profit for the period				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	8(a), 16	12,649,331	-	-
Total other comprehensive profit/(loss) for the period	16	12,649,331	-	-
Total comprehensive profit/(loss) for the period		6,947,533	2,068,256	(2,817,944)

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



William Buck Audit (WA) Pty Ltd

William Buck Audit (WA) Pty Ltd

SHIRE OF CARNARVON STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2025

	NOTE	2025 \$	2024 \$
CURRENT ASSETS			
Cash and cash equivalents	3	5,788,339	13,493,183
Trade and other receivables	5	2,630,622	1,872,166
Inventories	6	59,973	54,228
Other assets	7	558,349	303,327
TOTAL CURRENT ASSETS		9,037,283	15,722,904
NON-CURRENT ASSETS			
Trade and other receivables	5	113,317	147,798
Other financial assets	4	139,334	145,549
Property, plant and equipment	8(a)	45,795,560	32,309,641
Infrastructure	9(a)	271,040,822	273,025,842
Right-of-use assets	11(a)	118,926	204,457
TOTAL NON-CURRENT ASSETS		317,207,959	305,833,287
TOTAL ASSETS		326,245,242	321,556,191
CURRENT LIABILITIES			
Trade and other payables	12	1,472,655	2,482,986
Other liabilities	13	988,950	2,307,126
Lease liabilities	11(b)	121,774	137,938
Borrowings	14	464,694	432,714
Employee related provisions	15	1,123,052	1,033,082
TOTAL CURRENT LIABILITIES		4,171,125	6,393,846
NON-CURRENT LIABILITIES			
Lease liabilities	11(b)	-	68,543
Borrowings	14	2,187,030	2,158,964
Employee related provisions	15	141,111	136,395
TOTAL NON-CURRENT LIABILITIES		2,328,141	2,363,902
TOTAL LIABILITIES		6,499,266	8,757,748
NET ASSETS		319,745,976	312,798,443
EQUITY			
Retained surplus		51,937,005	56,138,535
Reserve accounts	28	2,468,990	3,969,258
Revaluation surplus	16	265,339,981	252,690,650
TOTAL EQUITY		319,745,976	312,798,443

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



**SHIRE OF CARNARVON
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2025**

	NOTE	RETAINED SURPLUS \$	RESERVE ACCOUNTS \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2023		59,027,588	3,898,149	252,690,650	315,616,387
Comprehensive income for the period					
Net result for the period		(2,817,944)	-	-	(2,817,944)
Total comprehensive loss for the period		(2,817,944)	-	-	(2,817,944)
Transfers from reserve accounts	28	494,933	(494,933)	-	-
Transfers to reserve accounts	28	(566,042)	566,042	-	-
Balance as at 30 June 2024		56,138,535	3,969,258	252,690,650	312,798,443
Comprehensive income for the period					
Net result for the period		(5,701,798)	-	-	(5,701,798)
Other comprehensive income for the period	16	-	-	12,649,331	12,649,331
Total comprehensive loss for the period		(5,701,798)	-	12,649,331	6,947,533
Transfers from reserve accounts	28	1,967,240	(1,967,240)	-	-
Transfers to reserve accounts	28	(466,972)	466,972	-	-
Balance as at 30 June 2025		51,937,005	2,468,990	265,339,981	319,745,976

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

William Buck Audit (WA) Pty Ltd



**SHIRE OF CARNARVON
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2025**

	NOTE	2025 Actual \$	2024 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Rates		6,679,344	6,929,170
Grants, subsidies and contributions		6,281,110	11,746,686
Fees and charges		3,648,398	3,796,789
Interest revenue		558,265	474,245
Goods and services tax received		653,778	607,647
Other revenue		432,432	539,827
		18,253,327	24,094,364
Payments			
Employee costs		(9,434,837)	(9,209,189)
Materials and contracts		(8,950,804)	(8,310,019)
Utility charges		(934,690)	(891,068)
Finance costs		(104,655)	(113,496)
Insurance paid		(701,808)	(684,264)
Goods and services tax paid		(756,147)	(551,905)
Other expenditure		(709,211)	(784,323)
		(21,592,152)	(20,544,264)
Net cash provided by (used in) operating activities	17(b)	(3,338,825)	3,550,100
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for purchase of property, plant & equipment	8(a)	(2,745,306)	(1,453,696)
Payments for construction of infrastructure	9(a)	(4,959,776)	(6,124,286)
Capital grants, subsidies and contributions		3,350,334	5,165,585
Proceeds from sale of property, plant & equipment		172,272	34,871
Net cash provided by (used in) investing activities		(4,182,476)	(2,377,526)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings	27(a)	(439,954)	(283,784)
Payments for principal portion of lease liabilities	27(d)	(243,589)	(342,983)
Proceeds from new borrowings	27(a)	500,000	996,000
Net cash provided by (used in) financing activities		(183,543)	369,233
Net increase (decrease) in cash held		(7,704,844)	1,541,807
Cash at beginning of year		13,493,183	11,951,376
Cash and cash equivalents at the end of the year	17(a)	5,788,339	13,493,183

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



William Buck Audit (WA) Pty Ltd

SHIRE OF CARNARVON STATEMENT OF FINANCIAL ACTIVITY FOR THE YEAR ENDED 30 JUNE 2025

	NOTE	2025 Actual \$	2025 Budget \$	2024 Actual \$
OPERATING ACTIVITIES				
Revenue from operating activities				
General rates	25	6,924,236	6,992,788	6,843,155
Rates excluding general rates	25	340,082	318,765	311,967
Grants, subsidies and contributions		7,196,969	8,138,626	11,322,024
Fees and charges		3,452,900	3,557,520	3,416,150
Interest revenue		558,265	425,000	474,245
Other revenue		432,432	438,469	539,827
Profit on asset disposals		101,544	84,560	13,006
Fair value adjustments to financial assets at fair value through profit or loss	4	-	-	2,942
		19,006,428	19,955,728	22,923,316
Expenditure from operating activities				
Employee costs		(9,485,746)	(9,194,215)	(9,038,311)
Materials and contracts		(7,652,578)	(13,153,197)	(10,091,204)
Utility charges		(934,690)	(931,595)	(891,068)
Depreciation		(9,013,804)	(8,895,780)	(9,134,944)
Finance costs		(104,655)	(103,524)	(113,496)
Insurance		(701,808)	(748,544)	(684,264)
Other expenditure		(709,211)	(375,774)	(784,323)
Loss on asset disposals		(13,395)	(98,870)	(9,961)
Fair value adjustments to financial assets at fair value through profit or loss	4	(6,215)	-	-
		(28,622,102)	(33,501,499)	(30,747,571)
Non-cash amounts excluded from operating activities	26(a)	9,061,037	8,910,090	9,202,113
Amount attributable to operating activities		(554,637)	(4,635,681)	1,377,858
INVESTING ACTIVITIES				
Inflows from investing activities				
Capital grants, subsidies and contributions		3,913,876	15,614,027	5,006,311
Proceeds from disposal of assets		172,272	170,190	34,871
		4,086,148	15,784,217	5,041,182
Outflows from investing activities				
Purchase of property, plant and equipment	8(a)	(2,745,306)	(3,521,450)	(1,453,696)
Purchase and construction of infrastructure	9(a)	(4,959,776)	(17,191,900)	(6,124,286)
		(7,705,082)	(20,713,350)	(7,577,982)
Amount attributable to investing activities		(3,618,934)	(4,929,133)	(2,536,800)
FINANCING ACTIVITIES				
Inflows from financing activities				
Proceeds from borrowings	27(a)	500,000	865,000	996,000
Transfers from reserve accounts	28	1,967,240	2,302,369	494,933
		2,467,240	3,167,369	1,490,933
Outflows from financing activities				
Repayment of borrowings	27(a)	(439,954)	(439,953)	(283,784)
Payments for principal portion of lease liabilities	27(d)	(243,589)	(162,813)	(342,983)
Transfers to reserve accounts	28	(466,972)	(388,317)	(566,042)
		(1,150,515)	(991,083)	(1,192,809)
Amount attributable to financing activities		1,316,725	2,176,286	298,124
MOVEMENT IN SURPLUS OR DEFICIT				
Surplus or deficit at the start of the financial year	26(b)	6,963,534	7,388,528	7,824,352
Amount attributable to operating activities		(554,637)	(4,635,681)	1,377,858
Amount attributable to investing activities		(3,618,934)	(4,929,133)	(2,536,800)
Amount attributable to financing activities		1,316,725	2,176,286	298,124
Surplus or deficit after imposition of general rates	26(b)	4,106,688	-	6,963,534

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



**SHIRE OF CARNARVON
FOR THE YEAR ENDED 30 JUNE 2025
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SHIRE OF CARNARVON

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2025

1. BASIS OF PREPARATION

The financial report of the Shire of Carnarvon which is a Class 2 local government comprises general purpose financial statements which have 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 financial report 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 which would have required the Shire to measure any vested improvements at zero cost.

The *Local Government (Financial Management) Regulations 1996* provide that:

- land and buildings classified as property, plant and equipment; or
 - infrastructure; or
 - vested improvements that the local government controls ;
- and measured at reportable value, are only required to be revalued every five years. Revaluing these non-financial assets every five years is a departure from AASB 116 *Property, Plant and Equipment*, which would have required the Shire to assess at each reporting date whether the carrying amount of the above mentioned non-financial assets materially differs from their fair value and, if so, revalue the class of non-financial assets.

Accounting policies which have been adopted in the preparation of this financial report have been consistently applied unless stated otherwise. Except for cash flow and rate setting information, the financial report 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.

Critical accounting estimates and judgements

The preparation of a financial report 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 amounts 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 - note 8
 - Infrastructure - note 9
 - Expected credit losses on financial assets - note 5
 - Measurement of employee benefits - note 15
- Fair value hierarchy information can be found in note 23

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 financial report.

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 34 of the financial report.

Initial application of accounting standards

During the current year, the following new or revised Australian Accounting Standards and Interpretations were applied for the first time.

- 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 2023-3 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
- AASB 2023-1 Amendments to Australian Accounting Standards
 - Supplier Finance Arrangements

These amendments did not have a material impact on the financial report on initial application.

- AASB 2022-10 Amendments to Australian Accounting Standards
 - Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities

This amendment resulted in changes to the fair value of certain non-financial assets on revaluation. The adoption of the standard resulted in the inclusion of professional and project management fees within the 2024-25 valuations. These fees resulted in increase of the valuation unit rates by approximately 10 to 25% of the original unit rates, as determined by an independent external valuation.

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
 - Classification and Measurement of Financial Instruments
 - AASB 2024-3 Amendments to Australian Accounting Standards
- Annual Improvements Volume 11

These amendments are not expected to have any material impact on the financial report on initial application.

SHIRE OF CARNARVON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

2. REVENUE AND EXPENSES

(a) Revenue

Contracts with customers

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Timing of revenue recognition
Grant contracts with customers	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants, subsidies or contributions for the construction of non-financial assets	Construction or acquisition of recognisable non-financial assets to be controlled by the local government	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants, subsidies or contributions with no contract commitments	General appropriations and contributions with no reciprocal commitment	No obligations	Not applicable	Not applicable	When assets are controlled
Fees and Charges - Property hire and entry	Use of halls and facilities	Single point in time	In full in advance	Refund if event cancelled Refunds limited to exceptional circumstances - not usually provided	On payment
Fees and Charges - Memberships	Gym and pool membership	Over time	Payment in full in advance		On payment and issue of access card
Fees and charges for other goods and services	Cemetery services, library fees, rental income, reinstatements and private works	Single point in time	Payment in full in advance	None	Output method based on provision of service or completion of works
Fees and Charges - Sale of stock	Aviation fuel, Diesel fuel and visitor centre stock	Single point in time	In full in advance, on 15 day credit	Refund for faulty goods	Output method based on goods
Other Revenue - Reimbursements	On- charge of expenses & Insurance claims	Single point in time	Payment in arrears for claimable event	None	When claim is agreed

Consideration from contracts with customers is included in the transaction price.

Revenue Recognition

Revenue recognised during the year under each basis of recognition by nature of goods or services is provided in the table below:

For the year ended 30 June 2025

Nature	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	-	-	7,264,318	-	7,264,318
Grants, subsidies and contributions	7,196,969	-	-	-	7,196,969
Fees and charges	3,452,900	-	-	-	3,452,900
Interest revenue	-	-	-	558,265	558,265
Other revenue	432,432	-	-	-	432,432
Capital grants, subsidies and contributions	-	3,913,876	-	-	3,913,876
Total	11,082,301	3,913,876	7,264,318	558,265	22,818,760

For the year ended 30 June 2024

Nature	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	-	-	7,155,122	-	7,155,122
Grants, subsidies and contributions	11,322,024	-	-	-	11,322,024
Fees and charges	3,416,150	-	-	-	3,416,150
Interest revenue	-	-	-	474,245	474,245
Other revenue	539,827	-	-	-	539,827
Capital grants, subsidies and contributions	-	5,006,311	-	-	5,006,311
Total	15,278,001	5,006,311	7,155,122	474,245	27,913,679

SHIRE OF CARNARVON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

	Note	2025 Actual \$	2024 Actual \$
Interest revenue			
Interest on reserve account funds		155,871	157,081
Other interest revenue		402,394	317,164
		558,265	474,245
Fees and charges relating to rates receivable			
Charges on instalment plan		8,059	8,177
The 2025 original budget estimate in relation to: Charges on instalment plan was \$15,000			

(b) Expenses

Auditors remuneration			
- Audit of the Annual Financial Report		53,375	50,000
- Other services – Grant acquittals		11,600	5,700
- Other services – Regulation 17 review		-	12,000
		64,975	67,700
Employee Costs			
Employee benefit costs		9,078,389	8,680,759
Other employee costs		407,357	357,552
		9,485,746	9,038,311
Finance costs			
Interest and financial charges paid/payable for lease liabilities and financial liabilities not at fair value through profit or loss	27(a)(d)	104,655	113,496
		104,655	113,496
Other expenditure			
Impairment losses on rates and statutory receivables		91,950	4,365
Impairment losses on trade receivables		103,959	286,748
Donations - Community growth fund		68,503	89,419
Councillor Allowances	20(a)	217,358	211,164
Sundry expenses		227,441	192,627
		709,211	784,323

SHIRE OF CARNARVON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

3. CASH AND CASH EQUIVALENTS

	Note	2025 \$	2024 \$
Cash at bank and on hand		5,788,339	13,493,183
Total cash and cash equivalents	17(a)	5,788,339	13,493,183
Held as			
- Unrestricted cash and cash equivalents		2,330,399	7,217,209
- Restricted cash and cash equivalents	17(a)	3,457,940	6,275,974
		5,788,339	13,493,183

MATERIAL ACCOUNTING POLICIES

Cash and cash equivalents

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

Bank overdrafts are reported as short term borrowings in current liabilities in the statement of financial position.

Restricted financial assets

Restricted financial asset balances are not available for general use by the local government due to externally imposed restrictions. Restrictions are specified in an agreement, contract or legislation. This applies to reserve accounts, unspent grants, subsidies and contributions and unspent loans that have not been fully expended in the manner specified by the contributor, legislation or loan agreement and for which no liability has been recognised.

4. OTHER FINANCIAL ASSETS

	2025 \$	2024 \$
Non-current assets		
Financial assets at fair value through profit or loss	139,334	145,549
Financial assets at fair value through profit or loss	139,334	145,549
Units in Local Government House Trust - opening balance	145,549	142,607
Movement attributable to fair value increment	(6,215)	2,942
Units in Local Government House Trust - closing balance	139,334	145,549

Fair value of financial assets at fair value through profit or loss is determined from the net asset value of the units held in the Trust at balance date as compiled by WALGA.

MATERIAL ACCOUNTING POLICIES

Other 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.

Fair values of financial assets at amortised cost are not materially different to their carrying amounts, since the interest receivable on those assets is either close to current market rates or the assets are of a short term nature. Non-current financial assets at amortised cost fair values are based on discounted cash flows using a current market rates. They are classified as level 2 fair values in the fair value hierarchy (see Note 23 (i)) due to the observable market rates).

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.

Financial assets at fair value through profit or loss

The Shire has elected to classify the following financial assets at fair value through profit or loss:

- debt investments which do not qualify for measurement at either amortised cost or fair value through other comprehensive income.
- equity investments which the Shire has elected to recognise as fair value gains and losses through profit or loss.

Impairment and risk

Information regarding impairment and exposure to risk can be found at Note 21.

SHIRE OF CARNARVON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

5. TRADE AND OTHER RECEIVABLES

	Note	2025 \$	2024 \$
Current			
Rates and statutory receivables		2,139,012	1,483,133
Trade receivables		725,891	614,849
Other receivables		56,024	34,034
GST receivable		259,185	156,816
Receivables for employee related provisions	15	54,759	8,451
Allowance for credit losses of rates and statutory receivables		(134,384)	(134,384)
Allowance for credit losses of trade receivables	21(b)	(489,524)	(293,616)
Other receivables Accrued Interest		19,659	2,883
		2,630,622	1,872,166
Non-current			
Rates and statutory receivables		113,317	113,317
LSL Receivable	15	-	34,481
		113,317	147,798

Disclosure of opening and closing balances related to contracts with customers

Information about receivables from contracts with customers along with financial assets and associated liabilities arising from transfers to enable the acquisition or construction of recognisable non financial assets is:

Note	30 June 2025 Actual \$	30 June 2024 Actual \$	1 July 2023 Actual \$
Trade and other receivables from contracts with customers	722,191	611,749	963,643
Contract assets	558,349	303,327	824,435
Allowance for credit losses of trade receivables	(489,524)	(293,616)	(20,809)
Total trade and other receivables from contracts with customers	791,016	621,460	1,767,269

MATERIAL ACCOUNTING POLICIES

Rates and statutory receivables

Rates and statutory receivables are non-contractual receivables arising from statutory requirements and include amounts due from ratepayers for unpaid rates and service charges and other statutory charges or fines.

Rates and statutory receivables are recognised when the taxable event has occurred and can be measured reliably.

Trade receivables

Trade receivables are amounts receivable from contractual arrangements with customers for goods sold, services performed or grants or contributions with sufficiently specific performance obligations as part of the ordinary course of business.

Other receivables

Other receivables are amounts receivable from contractual arrangements with third parties other than contracts with customers including grants for the construction of recognisable non financial assets.

Measurement

Trade and other receivables are recognised initially at the amount of the transaction price, unless they contain a significant financing component, and are to be recognised at fair value.

Classification and subsequent measurement

Receivables which are generally due for settlement within 30 days except rates receivables which are expected to be collected within 12 months are classified as current assets. All other receivables such as, deferred pensioner rates receivable after the end of the reporting period are classified as non-current assets.

Trade and other 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.

Impairment and risk exposure

Information about the impairment of trade receivables and their exposure to credit risk and interest rate risk can be found in Note 21.

SHIRE OF CARNARVON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

6. INVENTORIES

Current

Fuel and materials
 Visitor centre stock

2025	2024
\$	\$
14,671	48,940
45,302	5,288
59,973	54,228
54,228	35,957
(289,368)	(232,552)
295,113	250,823
59,973	54,228

The following movements in inventories occurred during the year:

Balance at beginning of year

Inventories expensed during the year

Additions to inventory

Balance at end of year

MATERIAL ACCOUNTING POLICIES

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.

SHIRE OF CARNARVON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

7. OTHER ASSETS

Other assets - current

Contract assets

2025	2024
\$	\$
558,349	303,327
558,349	303,327

MATERIAL ACCOUNTING POLICIES

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.

SHIRE OF CARNARVON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

8. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in Balances

Movement in the balances of each class of property, plant and equipment between the beginning and the end of the current financial year.

	Land	Buildings - specialised	Buildings - non-specialised	Total land and buildings	Furniture and equipment	Plant and equipment	Buildings - work in progress	Total property, plant and equipment
	\$	\$	\$		\$	\$	\$	\$
Balance at 1 July 2023	5,343,500	22,943,629	1,512,496	29,799,625	270,015	2,254,206	-	32,323,846
Additions	-	500,931	-	500,931	54,183	898,582	-	1,453,696
Disposals	-	-	-	-	-	(31,826)	-	(31,826)
Depreciation	-	(981,458)	(36,667)	(1,018,125)	(50,930)	(367,020)	-	(1,436,075)
Balance at 30 June 2024	5,343,500	22,463,102	1,475,829	29,282,431	273,268	2,753,942	-	32,309,641
Comprises:								
Gross balance amount at 30 June 2024	5,343,500	26,254,477	1,601,300	33,199,277	532,489	4,144,648	-	37,876,414
Accumulated depreciation at 30 June 2024	-	(3,791,375)	(125,471)	(3,916,846)	(259,221)	(1,390,706)	-	(5,566,773)
Balance at 30 June 2024	5,343,500	22,463,102	1,475,829	29,282,431	273,268	2,753,942	-	32,309,641
Additions	-	655,117	17,854	672,971	37,340	1,108,412	926,583	2,745,306
Disposals	-	-	-	-	-	(84,123)	-	(84,123)
Revaluation increments / (decrements) transferred to revaluation surplus	4,674,700	8,415,308	(440,677)	12,649,331	-	-	-	12,649,331
Depreciation	-	(1,003,693)	(32,096)	(1,035,789)	(55,840)	(501,266)	-	(1,592,895)
Transfers	(231,700)	(57,446)	-	(289,146)	-	-	57,446	(231,700)
Balance at 30 June 2025	9,786,500	30,472,388	1,020,910	41,279,798	254,768	3,276,965	984,029	45,795,560
Comprises:								
Gross balance amount at 30 June 2025	9,786,500	30,472,388	1,020,910	41,279,798	569,828	4,913,542	984,029	47,747,197
Accumulated depreciation at 30 June 2025	-	-	-	-	(315,060)	(1,636,577)	-	(1,951,637)
Balance at 30 June 2025	9,786,500	30,472,388	1,020,910	41,279,798	254,768	3,276,965	984,029	45,795,560

SHIRE OF CARNARVON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

8. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value					
Land and buildings					
Land	2	Market approach using recent observable or estimated market data for similar properties.	Independent Valuation	June 2025	Price per hectare/market borrowing rate
Land - Subject to usage restriction	3	Market approach using recent observable or estimated market data for similar properties.	Independent Valuation	June 2025	Price per square metre, discounted due to usage restrictions
Buildings - specialised	3	Cost approach using current replacement cost.	Independent Valuation	June 2025	Construction costs and current conditions (level 2), residual values and remaining useful life assessments (level 3) inputs
Buildings - non- specialised	2	Market approach using recent observable or estimated market data for similar properties.	Independent Valuation	June 2025	Observable or estimated open market values / price per square metre
Level 3 inputs are based on assumptions with regards to future values and patterns of consumption utilising current information. If the basis of these assumptions were varied, they have the potential to result in a significantly higher or lower fair value measurement.					
During the period there were no changes in the valuation techniques used by the local government to determine the fair value of property, plant and equipment using either level 2 or level 3 inputs.					
(ii) Cost					
Furniture and equipment	N/A	Cost	Not Applicable		Not Applicable
Plant and equipment	N/A	Cost	Not Applicable		Not Applicable

SHIRE OF CARNARVON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

9. INFRASTRUCTURE

(a) Movements in Balances

Movement in the balances of each class of infrastructure between the beginning and the end of the current financial year.

	Infrastructure - roads	Other infrastructure drainage	Other infrastructure bridges	Other infrastructure footpaths	Other infrastructure carparks	Other infrastructure	Other infrastructure airport	Other infrastructure - works in progress	Other infrastructure levee system	Total Infrastructure
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2023	160,478,645	39,836,577	7,937,582	4,772,146	552,108	25,036,188	10,502,890	137,528	25,031,278	274,284,942
Additions	4,097,402	357,935	-	245,250	-	1,401,056	22,643	-	-	6,124,286
Depreciation	(3,926,169)	(995,502)	(134,024)	(224,091)	(44,122)	(753,044)	(1,058,028)	-	(248,406)	(7,383,386)
Transfers	-	-	-	40,829	-	96,699	-	(137,528)	-	-
Balance at 30 June 2024	160,649,878	39,199,010	7,803,558	4,834,134	507,986	25,780,899	9,467,505	-	24,782,872	273,025,842
Comprises:										
Gross balance at 30 June 2024	241,660,218	77,450,656	10,242,042	11,463,679	803,250	43,822,538	16,728,323	-	49,681,203	451,851,909
Accumulated depreciation at 30 June 2024	(81,010,340)	(38,251,646)	(2,438,484)	(6,629,545)	(295,264)	(18,041,639)	(7,260,818)	-	(24,898,331)	(178,826,067)
Balance at 30 June 2024	160,649,878	39,199,010	7,803,558	4,834,134	507,986	25,780,899	9,467,505	-	24,782,872	273,025,842
Additions	2,094,362	90,492	-	273,956	-	2,499,750	1,216	-	-	4,959,776
Depreciation	(3,619,831)	(1,022,032)	(128,025)	(229,273)	(44,122)	(825,873)	(1,058,934)	-	(248,406)	(7,176,496)
Transfers	-	-	-	-	231,700	-	-	-	-	231,700
Balance at 30 June 2025	159,124,409	38,267,470	7,675,533	4,878,817	695,564	27,454,776	8,409,787	-	24,534,466	271,040,822
Comprises:										
Gross balance at 30 June 2025	243,754,580	77,541,148	10,242,042	11,737,635	1,034,950	46,322,288	16,729,539	-	49,681,203	457,043,385
Accumulated depreciation at 30 June 2025	(84,630,171)	(39,273,678)	(2,566,509)	(6,858,818)	(339,386)	(18,867,512)	(8,319,752)	-	(25,146,737)	(186,002,563)
Balance at 30 June 2025	159,124,409	38,267,470	7,675,533	4,878,817	695,564	27,454,776	8,409,787	-	24,534,466	271,040,822

SHIRE OF CARNARVON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

9. INFRASTRUCTURE (Continued)

(b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value					
Infrastructure - roads	3	Cost approach using current replacement cost (Gross revaluation method)	Management Valuation	June 2023	Construction costs and current condition, residual values and remaining useful life assessments inputs
Other infrastructure drainage	3	Cost approach using current replacement cost (Gross revaluation method)	Management Valuation	June 2023	Construction costs and current condition, residual values and remaining useful life assessments inputs
Other infrastructure bridges	3	Cost approach using current replacement cost (Gross revaluation method)	Management Valuation	June 2023	Construction costs and current condition, residual values and remaining useful life assessments inputs
Other infrastructure footpaths	3	Cost approach using current replacement cost (Gross revaluation method)	Management Valuation	June 2023	Construction costs and current condition, residual values and remaining useful life assessments inputs
Other infrastructure parks and ovals	3	Cost approach using current replacement cost (Gross revaluation method)	Independent Valuation	June 2023	Construction costs and current condition, residual values and remaining useful life assessments inputs
Other infrastructure carparks	3	Cost approach using current replacement cost (Gross revaluation method)	Independent Valuation	June 2023	Construction costs and current condition, residual values and remaining useful life assessments inputs
Other infrastructure	3	Cost approach using current replacement cost (Gross revaluation method)	Independent Valuation	June 2023	Construction costs and current condition, residual values and remaining useful life assessments inputs
Other infrastructure airport	3	Cost approach using current replacement cost (Gross revaluation method)	Independent Valuation	June 2023	Construction costs and current condition, residual values and remaining useful life assessments inputs
Other infrastructure levee system	3	Cost approach using current replacement cost (Gross revaluation method)	Independent Valuation	June 2023	Construction costs and current condition, residual values and remaining useful life assessments inputs

Level 3 inputs are based on assumptions with regards to future values and patterns of consumption utilising current information. If the basis of these assumptions were varied, they have the potential to result in a significantly higher or lower fair value measurement.

During the period there were no changes in the valuation techniques used to determine the fair value of infrastructure using level 3 inputs.

SHIRE OF CARNARVON
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FOR THE YEAR ENDED 30 JUNE 2025

10. FIXED ASSETS

(a) Depreciation

	2025	2024
	\$	\$
Buildings - specialised	1,003,693	981,458
Buildings - non- specialised	32,096	36,667
Furniture and equipment	55,840	50,930
Plant and equipment	501,266	367,020
Infrastructure - roads	3,619,831	3,926,169
Other infrastructure drainage	1,022,032	995,502
Other infrastructure bridges	128,025	134,024
Other infrastructure footpaths	229,273	224,091
Other infrastructure carparks	44,122	44,122
Other infrastructure	825,873	753,044
Other infrastructure airport	1,058,934	1,058,028
Other infrastructure levee system	248,406	248,406
Right-of-use assets - furniture and equipment	74,396	74,396
Right-of-use assets - plant and equipment	170,017	241,087
	9,013,804	9,134,944

(a) Depreciation rates

Typical estimated useful lives for the different asset classes for the current and prior years are included in the table below:

Asset Class	Useful life
Buildings	10 to 80 years
Furniture and equipment	1 to 25 years
Plant and equipment	1 to 25 years
Sealed roads and streets	
- formation	Not depreciated
- pavement	50 years
Seal	
- bituminous seals	20 years
- asphalt surfaces	25 years
Gravel roads	
- formation	Not depreciated
- pavement	50 years
- gravel sheet	12 years
Formed roads	
- clearing and earthworks	Not depreciated
- construction/roadbase	50 years
Infrastructure - Footpaths	50 to 90 years
Infrastructure - Drainage	20 to 75 years
Infrastructure - Parks & Ovals	10 to 50 years
Infrastructure - Other Infrastructure	Various
Infrastructure - Bridges	50 years
Infrastructure - Levee System	200 years
Infrastructure - Airport	25 to 75 years
Right of use assets - plant and equipment	Based on remaining term of lease
Right of use assets - furniture and equipment	Based on remaining term of lease

(b) Fully Depreciated Assets in Use

	2025	2024
	\$	\$
The gross carrying value of assets held by the Shire which are currently in use yet fully depreciated are shown in the table below.		
Buildings - specialised	-	16,847
Furniture and equipment	54,382	54,382
	54,382	71,229

SHIRE OF CARNARVON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

10. FIXED ASSETS (Continued)

MATERIAL ACCOUNTING POLICIES

Initial recognition

An item of property, plant and equipment or infrastructure that qualifies for recognition as an asset is measured at its cost.

Upon initial recognition, cost is determined as the amount paid (or other consideration given) to acquire the assets, plus costs incidental to the acquisition. The cost of non-current assets constructed by the Shire includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads. For assets acquired at zero cost or otherwise significantly less than fair value, cost is determined as fair value at the date of acquisition.

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 *Local Government (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.

Individual assets that are land, buildings and infrastructure acquired between scheduled revaluation dates of the asset class in accordance with the Shire's revaluation policy, are recognised at cost and disclosed as being at reportable value.

Measurement after recognition

Plant and equipment including furniture and equipment and right-of-use assets (other than vested improvements) are measured using the cost model as required under *Local Government (Financial Management) Regulation 17A(2)*. Assets held under the cost model are carried at cost less accumulated depreciation and any impairment losses being their reportable value.

Reportable value

In accordance with *Local Government (Financial Management) Regulation 17A(2)*, the carrying amount of non-financial assets that are land and buildings classified as property, plant and equipment, investment properties, infrastructure or vested improvements that the local government controls.

Reportable value is for the purpose of *Local Government (Financial Management) Regulation 17A(4)* is the fair value of the asset at its last valuation date minus (to the extent applicable) the accumulated depreciation and any accumulated impairment losses in respect of the non-financial asset subsequent to its last valuation date.

Revaluation

Land and buildings classified as property, plant and equipment, infrastructure or vested improvements that the local government controls and measured at reportable value, are only required to be revalued every five years in accordance with the regulatory framework. This includes buildings and infrastructure items which were pre-existing improvements (i.e. vested improvements) on land vested in the Shire.

Whilst the regulatory framework only requires a revaluation to occur every five years, it also provides for the Shire to revalue earlier if it chooses to do so.

For land, buildings and infrastructure, increases in the carrying amount arising on revaluation of asset classes are credited to a revaluation surplus in equity.

Decreases that offset previous increases of the same class of asset are recognised against revaluation surplus directly in equity. All other decreases are recognised in profit or loss.

Subsequent increases are then recognised in profit or loss to the extent they reverse a net revaluation decrease previously recognised in profit or loss for the same class of asset.

Depreciation

The depreciable amount of all property, plant and equipment and infrastructure, 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.

Depreciation on revaluation

When an item of property, plant and equipment and infrastructure is revalued, any accumulated depreciation at the date of the revaluation is treated in one of the following ways:

- (i) The gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset; or
- (ii) Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

Impairment

In accordance with *Local Government (Financial Management) Regulations 17A(4C)*, the Shire is not required to comply with *AASB 136 Impairment of Assets* to determine the recoverable amount of its non-financial assets that are land or buildings classified as property, plant and equipment, infrastructure or vested improvements that the local government controls in circumstances where there has been an impairment indication of a general decrease in asset values.

In other circumstances where it has been assessed that one or more of these non-financial assets are impaired, the 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.

Gains or losses on disposal

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income in the period in which they arise.

SHIRE OF CARNARVON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

11. LEASES

(a) Right-of-Use Assets

Movement in the balance of each class of right-of-use asset between the beginning and the end of the current financial year.	Note	Right-of-use assets - furniture and equipment	Right-of-use assets - plant and equipment	Right-of-use assets Total
		\$	\$	\$
Balance at 1 July 2023		214,883	301,801	516,684
Additions		-	3,256	3,256
Depreciation		(74,396)	(241,087)	(315,483)
Balance at 30 June 2024		140,487	63,970	204,457
Gross balance amount at 30 June 2024		227,403	881,656	1,109,059
Accumulated depreciation at 30 June 2024		(86,916)	(817,686)	(904,602)
Balance at 30 June 2024		140,487	63,970	204,457
Additions		-	158,882	158,882
Depreciation		(74,396)	(170,017)	(244,413)
Balance at 30 June 2025		66,091	52,835	118,926
Gross balance amount at 30 June 2025		227,403	126,240	353,643
Accumulated depreciation at 30 June 2025		(161,313)	(73,404)	(234,717)
Balance at 30 June 2025		66,090	52,836	118,926

The following amounts were recognised in the statement of comprehensive income during the period in respect of leases where the entity is the lessee:

	2025 Actual	2024 Actual
	\$	\$
Depreciation on right-of-use assets	(244,413)	(315,483)
Finance charge on lease liabilities	(5,858)	(12,329)
Total amount recognised in the statement of comprehensive income	(250,271)	(327,812)
Total cash outflow from leases	(249,447)	(355,312)
(b) Lease Liabilities		
Current	121,774	137,938
Non-current	-	68,543
	121,774	206,481

Secured liabilities and assets pledged as security

Lease liabilities are effectively secured, as the rights to the leased assets recognised in the financial statements revert to the lessor in the event of default.

MATERIAL ACCOUNTING POLICIES

Leases

At inception of a contract, the Shire assesses if the contract contains or is 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 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.

All contracts that are classified as short-term leases (i.e. a lease with a term of 12 months or less) and leases of low value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Details of individual lease liabilities required by regulations are provided at Note 27(d).

Right-of-use assets - measurement

Right-of-use assets are measured at cost. All right-of-use assets (other than vested improvements) under zero cost concessionary leases are measured at zero cost (i.e. not recognised in the Statement of Financial Position). The exception is vested improvements on concessionary land leases such as roads, buildings or other infrastructure which are reported at fair value.

Refer to Note 10 under revaluation for details on the material accounting policies applying to vested improvements.

Right-of-use assets - depreciation

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shorter. Where a lease transfers ownership of the underlying asset, or the cost of the right-of-use asset reflects that the Shire anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

SHIRE OF CARNARVON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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12. TRADE AND OTHER PAYABLES

Current

Sundry creditors
Prepaid rates
Accrued payroll liabilities
Statutory Liabilities
Bonds and deposits held
Other payables - Accrued Expenses

2025	2024
\$	\$
821,699	2,048,263
220,123	149,218
66,320	43,659
-	66,438
110,744	104,550
253,769	70,858
1,472,655	2,482,986

MATERIAL ACCOUNTING POLICIES

Financial liabilities

Financial liabilities are initially recognised at fair value when the Shire becomes a party to the contractual provisions of the instrument.

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Financial liabilities are derecognised where the related obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and any consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

Statutory liabilities

Statutory liabilities, are amounts owed to regulatory authorities due to statutory obligations such as FBT and PAYG. GST payable is offset against GST receivable and any net GST payable is included as a statutory liability.

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 usually 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 income for the prepaid rates that have not been refunded.

SHIRE OF CARNARVON
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FOR THE YEAR ENDED 30 JUNE 2025

13. OTHER LIABILITIES

Current

Contract liabilities
Capital grant/contributions liabilities
Other Liabilities - Visitor Centre deposits

Reconciliation of changes in contract liabilities

Opening balance
Additions
Revenue from contracts with customers included as a contract liability at the start of the period

The Shire expects to satisfy the performance obligations, from contracts with customers unsatisfied at the end of the reporting period, within the next 12 months.

Reconciliation of changes in capital grant/contribution liabilities

Opening balance
Additions
Revenue from capital grant/contributions held as a liability at the start of the period

2025	2024
\$	\$
546,213	1,300,437
442,737	1,006,279
-	410
988,950	2,307,126
1,300,437	1,113,113
546,213	1,300,437
(1,300,437)	(1,113,113)
546,213	1,300,437
1,006,279	847,005
442,737	1,006,279
(1,006,279)	(847,005)
442,737	1,006,279

Performance obligations in relation to capital grant/contribution liabilities are satisfied as project milestones are met or completion of construction or acquisition of the asset.

MATERIAL ACCOUNTING POLICIES

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.

Capital grant/contribution liabilities

Capital grant/contribution liabilities represent the Shire's obligations to construct recognisable non-financial assets to identified specifications to be controlled by the Shire which are yet to be satisfied. Capital grant/contribution liabilities are recognised as income when the obligations in the contract are satisfied.

Fair values for non-current capital grant/contribution liabilities, not expected to be extinguished within 12 months, are based on discounted cash flows of expected cashflows to satisfy the obligations using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 23(i)) due to the unobservable inputs, including own credit risk.

SHIRE OF CARNARVON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

14. BORROWINGS

	Note	2025			2024		
		Current	Non-current	Total	Current	Non-current	Total
Secured		\$	\$	\$	\$	\$	\$
WATC Loans		464,694	2,187,030	2,651,724	432,714	2,158,964	2,591,678
Total secured borrowings	27(a)	464,694	2,187,030	2,651,724	432,714	2,158,964	2,591,678

Secured liabilities and assets pledged as security

Debentures, bank overdrafts and bank loans are secured by a floating charge over the general funds of the Shire of Carnarvon.

The Shire of Carnarvon has complied with the financial covenants of its borrowing facilities during the 2025 and 2024 years.

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. They are classified as level 3 fair values in the fair value hierarchy (see Note 23(i)) due to the unobservable inputs, including own credit risk.

Risk

Details of individual borrowings required by regulations are provided at Note 27(a).

Information regarding exposure to risk can be found at Note 21.

SHIRE OF CARNARVON
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FOR THE YEAR ENDED 30 JUNE 2025

15. EMPLOYEE RELATED PROVISIONS

Employee Related Provisions

	2025	2024
	\$	\$
Current provisions		
Employee benefit provisions		
Annual leave	606,701	500,074
Long service leave	378,632	411,246
	985,333	911,320
Employee related other provisions		
Employment on-costs	137,719	121,762
	137,719	121,762
Total current employee related provisions	1,123,052	1,033,082
Non-current provisions		
Employee benefit provisions		
Long service leave	125,923	121,419
Employment on-costs	15,188	14,976
	141,111	136,395
Total non-current employee related provisions	141,111	136,395
Total employee related provisions	1,264,163	1,169,477

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave and associated on costs for services rendered up to the reporting date and recorded as an expense during the period the services are delivered.

Annual leave liabilities are classified as current, as there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period. Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

	Note	2025	2024
		\$	\$
Amounts are expected to be settled on the following basis:			
Less than 12 months after the reporting date		1,083,481	989,971
More than 12 months from reporting date		125,923	136,574
Expected reimbursements from other WA local governments	5	54,759	42,932
		1,264,163	1,169,477

MATERIAL ACCOUNTING POLICIES

Employee benefits

The Shire's obligations for employees' annual leave, long service leave and other employee leave entitlements are recognised as employee related provisions in the Statement of Financial Position.

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 statement of financial 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 CARNARVON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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16. REVALUATION SURPLUS

	2025 Opening Balance	Total Movement on Revaluation	2025 Closing Balance	2024 Opening Balance	Total Movement on Revaluation	2024 Closing Balance
	\$	\$	\$	\$	\$	\$
Revaluation surplus - Land - freehold land	13,702,208	4,674,700	18,376,908	13,702,208	-	13,702,208
Revaluation surplus - Buildings - non- specialised	3,119,068	7,974,631	11,093,699	3,119,068	-	3,119,068
Revaluation surplus - Furniture and equipment	246,839	-	246,839	246,839	-	246,839
Revaluation surplus - Plant and equipment	1,436,222	-	1,436,222	1,436,222	-	1,436,222
Revaluation surplus - Infrastructure - roads	157,686,308	-	157,686,308	157,686,308	-	157,686,308
Revaluation surplus - Other infrastructure drainage	39,925,224	-	39,925,224	39,925,224	-	39,925,224
Revaluation surplus - Other infrastructure bridges	4,153,062	-	4,153,062	4,153,062	-	4,153,062
Revaluation surplus - Other infrastructure footpaths	4,165,174	-	4,165,174	4,165,174	-	4,165,174
Revaluation surplus - Other infrastructure carparks	116,204	-	116,204	116,204	-	116,204
Revaluation surplus - Other infrastructure	902,784	-	902,784	902,784	-	902,784
Revaluation surplus - Other infrastructure airport	10,218,408	-	10,218,408	10,218,408	-	10,218,408
Revaluation surplus - Other infrastructure levee system	17,019,149	-	17,019,149	17,019,149	-	17,019,149
	252,690,650	12,649,331	265,339,981	252,690,650	-	252,690,650

SHIRE OF CARNARVON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

17. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

For the purposes of the Statement of Cash Flows, cash includes cash and cash equivalents, net of outstanding bank overdrafts. Cash at the end of the reporting period is reconciled to the related items in the Statement of Financial Position as follows:

	Note	2025 Actual \$	2024 Actual \$
Cash and cash equivalents	3	5,788,339	13,493,183
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	3,457,940	6,275,974
		3,457,940	6,275,974
The restricted financial assets are a result of the following specific purposes to which the assets may be used:			
Restricted reserve accounts		2,468,990	3,244,258
Unspent loans (held in reserves)	27(c)	-	725,000
Total restricted reserve accounts	28	2,468,990	3,969,258
Contract liabilities	13	546,213	1,300,437
Capital grant liabilities	13	442,737	1,006,279
Total restricted financial assets		3,457,940	6,275,974

(b) Reconciliation of Net Result to Net Cash Provided By Operating Activities

Net result	(5,701,798)	(2,817,944)
Non-cash items:		
Adjustments to fair value of financial assets at fair value through profit or loss	6,215	(2,942)
Depreciation/amortisation	9,013,804	9,134,944
(Profit)/loss on sale of asset	(88,149)	(3,045)
Changes in assets and liabilities:		
(Increase)/decrease in trade and other receivables	(723,975)	418,473
(Increase)/decrease in other assets	(255,022)	521,108
(Increase)/decrease in inventories	(5,745)	(18,271)
Increase/(decrease) in trade and other payables	(1,010,331)	1,069,361
Increase/(decrease) in employee related provisions	94,686	93,955
Increase/(decrease) in other liabilities	(1,318,176)	320,046
Capital grants, subsidies and contributions	(3,350,334)	(5,165,585)
Net cash provided by/(used in) operating activities	(3,338,825)	3,550,100

(c) Undrawn Borrowing Facilities

Credit Standby Arrangements		
Bank overdraft limit	200,000	200,000
Bank overdraft at balance date	-	-
Credit card limit	13,000	13,000
Credit card balance at balance date	(5,101)	(10,998)
Total amount of credit unused	207,899	202,002

Loan facilities		
Loan facilities - current	464,694	432,714
Loan facilities - non-current	2,187,030	2,158,964
Total facilities in use at balance date	2,651,724	2,591,678

Unused loan facilities at balance date	-	725,000
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SHIRE OF CARNARVON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

18. CONTINGENT LIABILITIES

In compliance with the Contaminated Sites Act 2003 Section 11, the Shire of Carnarvon has one registered contamination site and two other sites with possible sources of contamination.

The Shire of Carnarvon Airport is a registered contamination site, with the classification "contaminated - restricted use". The current use of the site as an airport fits within this classification and is deemed a suitable use. Remediation works were conducted in 2012 removed the primary sources of contamination, and remaining hydrocarbon concentration levels are decreasing over time through biodegradation and are expected to continue to reduce naturally.

Possible sites of contamination are:

- Shire of Carnarvon Coral Bay Landfill Site
- Shire of Carnarvon Brown Range Landfill Site

The Shire has a licence to operate the Coral Bay Landfill site that expires in 2036. An assessment was undertaken in 2023/2024 that required action to increase the lifespan of the site. The Shire received approval from Department of Water and Environmental Regulation to reduce the buffer zone increasing the capacity of the landfill facility by approximately 3-5 years, noting that the lifespan increase is only an estimate at this stage and could increase or decrease depending on a variety of factors.

The Shire has a licence to operate the Brown Range Landfill site that expires in 2034 however the Shire projects the capacity of the facility will not be reached for approximately 14 years, based on current intake volumes and current available space. The Shire will apply to extend the licence at the appropriate time.

While the licences do not have a specific requirement to rehabilitate the sites at the end of their useful lives, the Shire has been progressively capping active cells at Brown Range therefore remediation on decommissioning of this site is unlikely to be extensive. It is likely that the site will become registered a contaminated site on decommissioning with use restrictions applicable.

Until the Shire conducts these investigations to determine the presence and scope of contamination, assess the risk, and agree with the Department of Environment Regulation on the need and criteria for remediation of a risk based approach, the Shire is unable to estimate the potential costs associated with remediation of these sites. This approach is consistent with the Department of Environment Regulation Guidelines.

19. CAPITAL COMMITMENTS

	2025	2024
	\$	\$
Contracted for:		
- capital expenditure projects	1,578,913	534,289
- plant & equipment purchases	-	737,769
	1,578,913	1,272,058
Payable:		
- not later than one year	1,578,913	1,272,058
The capital expenditure projects relate to:		
Blowholes Development	-	45,189
Fascine Projects	-	3,570
Administration Roof Replacement	-	32,930
Housing Development - Northwater	364,337	-
Civic Centre Refurbishment	354,821	-
Tramway Bridge Improvements	3,066	179,600
CCTV Server & Security Upgrades	33,934	-
Carnarvon Activation Plan	652,593	273,000
Pump Station Upgrades	40,790	-
Rural Roadworks	106,757	-
Depot Storage Improvements & Storage Project	11,070	-
Refuse Site Development at Coral Bay	7,910	-
Shire Residences	3,635	-
	1,578,913	534,289

SHIRE OF CARNARVON
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FOR THE YEAR ENDED 30 JUNE 2025

20. RELATED PARTY TRANSACTIONS

(a) Elected Member Remuneration

Fees, expenses and allowances to be paid or reimbursed to elected council members.

	Note	2025 Actual \$	2025 Budget \$	2024 Actual \$
President's annual allowance		49,752	49,752	48,303
President's meeting attendance fees		19,312	19,312	18,750
		69,064	69,064	67,053
Deputy President's annual allowance		12,438	12,438	12,076
Deputy President's meeting attendance fees		19,312	19,312	18,750
		31,750	31,750	30,826
All other council member's meeting attendance fees		115,872	117,261	112,501
All other council member's travel and accommodation expenses		672	25,000	784
		116,544	142,261	113,285
20(b)		217,358	243,075	211,164

(b) Key Management Personnel (KMP) Compensation

The total of compensation paid to KMP of the Shire during the year are as follows:

	Note	2025 Actual \$	2024 Actual \$
Short-term employee benefits		1,043,116	633,702
Post-employment benefits		148,758	88,778
Employee - other long-term benefits		14,906	11,270
Employee - termination benefits		67,691	73,406
Council member costs	20(a)	217,358	211,164
		1,491,829	1,018,320

Short-term employee benefits

These amounts include all salary and fringe benefits awarded to KMP except for details in respect to fees and benefits paid to council members which may be separately found in the table above.

Post-employment benefits

These amounts are the current-year's cost of the Shire's superannuation contributions made during the year.

Other long-term benefits

These amounts represent annual leave and long service leave entitlements accruing during the year.

Termination benefits

These amounts represent termination benefits paid to KMP (Note: may or may not be applicable in any given year).

Council member costs

These amounts represent payments of member fees, expenses, allowances and reimbursements during the year.

SHIRE OF CARNARVON
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20. RELATED PARTY TRANSACTIONS

Transactions with related parties

Transactions between related parties and the Shire are on normal commercial terms and conditions, no more favourable than those available to other parties, unless otherwise stated.

No outstanding balances or provisions for doubtful debts or guarantees exist in relation to related parties at year end.

In addition to KMP compensation above the following transactions occurred with related parties:

	2025 Actual \$	2024 Actual \$
Materials and contracts (Property Management)	31,680	-
Short term employee benefits - other related parties	330,597	55,644

Related Parties

The Shire's main related parties are as follows:

i. Key management personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any council member, are considered key management personnel.

ii. Other Related Parties

An associate person of KMP employed by the Shire under normal employment terms and conditions.

Any entity that is controlled by or over which KMP, or close family members of KMP, have authority and responsibility for planning, directing and controlling the activity of the entity, directly or indirectly, are considered related parties in relation to the Shire.

Outside of normal citizen type transactions with the Shire, there were no other related party transactions involving key management personnel and/or their close family members and/or their controlled (or jointly controlled) entities.

iii. Entities subject to significant influence by the Shire

There were no such entities requiring disclosure during the current or previous year.

SHIRE OF CARNARVON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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21. FINANCIAL RISK MANAGEMENT

This note explains the Shire's exposure to financial risks and how these risks could affect the Shire's future financial performance.

Risk	Exposure arising from	Measurement	Management
Market risk - interest rates	Long term borrowings at variable rates	Sensitivity analysis	Utilise fixed interest rate borrowings
Credit risk	Cash and cash equivalents, trade receivables, financial assets and debt investments	Aging analysis Credit analysis	Diversification of bank deposits, credit limits. Investment policy
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities

The Shire does not engage in transactions expressed in foreign currencies and is therefore not subject to foreign currency risk.

Financial risk management is carried out by the finance department under policies approved by the council. The finance department identifies, evaluates and manages financial risks in close co-operation with the operating divisions. Council have approved the overall risk management policy and provide policies on specific areas such as investment policy.

(a) Interest rate risk

Cash and cash equivalents

The Shire's main interest rate risk arises from cash and cash equivalents with variable interest rates, which exposes the Shire to cash flow interest rate risk. Short term overdraft facilities also have variable interest rates however these are repaid within 12 months, reducing the risk level to minimal.

Excess cash and cash equivalents are invested in fixed interest rate term deposits which do not expose the Shire to cash flow interest rate risk. Cash and cash equivalents required for working capital are held in variable interest rate accounts and non-interest bearing accounts. Carrying amounts of cash and cash equivalents at the 30 June and the weighted average interest rate across all cash and cash equivalents, term deposits, and Treasury bonds held disclosed as financial assets at amortised cost are reflected in the table below.

	Weighted Average Interest Rate	Carrying Amounts	Fixed Interest Rate	Variable Interest Rate	Non Interest Bearing
	%	\$	\$	\$	\$
2025					
Cash and cash equivalents	1.58%	5,788,339	-	2,739,758	3,048,581
2024					
Cash and cash equivalents	1.29%	13,493,183	-	7,491,015	6,002,168

Sensitivity

Profit or loss is sensitive to higher/lower interest income from cash and cash equivalents as a result of changes in interest rates.

	2025	2024
	\$	\$
Impact of a 1% movement in interest rates on profit or loss and equity*	27,398	74,910

* Holding all other variables constant

Borrowings

Borrowings are subject to interest rate risk - the risk that movements in interest rates could adversely affect funding costs.

The Shire manages this risk by borrowing long term and fixing the interest rate to the situation considered the most advantageous at the time of negotiation. The Shire does not consider there to be any interest rate risk in relation to borrowings. Details of interest rates applicable to each borrowing may be found at Note 27(a).

SHIRE OF CARNARVON
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21. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

Trade and Other Receivables

The Shire's major trade and other receivables comprise contractual non-statutory user fees and charges, grants, contributions and reimbursements. The major risk associated with these receivables is credit risk – the risk that the debts may not be repaid. The Shire manages this risk by monitoring outstanding debt and employing debt recovery policies.

The level of outstanding receivables is reported to council monthly and benchmarks are set and monitored for acceptable collection performance.

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

The expected loss rates are based on the payment profiles of trade and other receivables over a period of 36 months before 1 July 2024 or 1 July 2025 respectively and the corresponding historical losses experienced within this period. Historical credit loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors such as the ability of users to settle the receivables.

The loss allowance as at 30 June 2025 and 30 June 2024 was determined as follows for trade receivables.

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
30 June 2025					
Trade receivables					
Expected credit loss	32%	0%	31%	100%	
Gross carrying amount	295,817	26,174	8,540	391,660	722,191
Loss allowance	95,188	0	2,676	391,660	489,524

30 June 2024

Trade receivables					
Expected credit loss	25%	90%	96%	100%	
Gross carrying amount	409,424	101,251	102,784	1,390	614,849
Loss allowance	102,449	91,553	98,224	1,390	293,616

	Less than 1 year past due	More than 1 year past due	More than 2 years past due	More than 3 years past due	Total
30 June 2025					
Other receivables (Rates)					
Expected credit loss	0%	0%	0%	37%	
Gross carrying amount	1,079,818	500,307	197,704	361,182	2,139,011
Loss allowance	-	-	-	134,384	134,384

30 June 2024

Other receivables (Rates)					
Expected credit loss	0%	0%	0%	41%	
Gross carrying amount	712,344	273,542	172,777	324,470	1,483,133
Loss allowance	-	-	-	134,384	134,384

SHIRE OF CARNARVON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

21. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

The loss allowances for trade, other receivables and contract assets as at 30 June reconcile to the opening loss allowances as follows:

	Trade receivables		Rates receivables		Contract Assets	
	2025 Actual	2024 Actual	2025 Actual	2024 Actual	2025 Actual	2024 Actual
Opening loss allowance as at 1 July	\$ 293,616	\$ 20,809	\$ 134,384	\$ -	\$ -	\$ -
Increase in loss allowance recognised in profit or loss during the year	103,959	286,748	91,950	138,749	-	-
Receivables written off during the year as uncollectible	-	-	-	4,365	-	-
Unused amount reversed	91,949	(13,941)	(91,950)	(8,730)	-	-
Closing loss allowance at 30 June	489,524	293,616	134,384	134,384	-	-

Trade, other receivables and contract assets are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Shire, and a failure to make contractual payments for a period of greater than 120 days past due.

Impairment losses on rates and statutory receivables, trade, other receivables and contract assets are presented as net impairment losses within other expenditure. Subsequent recoveries of amounts previously written off are credited against the same line item.

Contract Assets

The Shire's contract assets represent work completed, which have not been invoiced at year end. This is due to the Shire not having met all the performance obligations in the contract which give an unconditional right to receive consideration. The Shire applies the simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all contract assets. To measure the expected credit losses, contract assets have been grouped based on shared credit risk characteristics and the days past due. Contract assets have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Shire has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

SHIRE OF CARNARVON
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21. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk

Payables and borrowings

Payables and borrowings are both subject to liquidity risk – that is the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. The Shire manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer. Payment terms can be extended and overdraft facilities drawn upon if required and disclosed in Note 17(c).

The contractual undiscounted cash flows of the Shire's payables and borrowings are set out in the liquidity table below. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
<u>2025</u>	\$	\$	\$	\$	\$
Trade and other payables	1,472,655	-	-	1,472,655	1,472,655
Borrowings	571,825	1,900,746	826,837	3,299,408	2,651,724
Lease liabilities	121,774	-	-	121,774	121,774
	2,166,254	1,900,746	826,837	4,893,837	4,246,153
<u>2024</u>					
Trade and other payables	2,482,986	-	-	2,482,986	2,482,986
Borrowings	531,152	2,396,649	-	2,927,801	2,591,678
Lease liabilities	137,938	68,543	-	206,481	206,481
	3,152,076	2,465,192	-	5,617,268	5,281,145

SHIRE OF CARNARVON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

22. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

There have been no material events after the reporting period which would affect the financial report of the Shire for the year ended 30th June 2025 or which would require a separate disclosure.

SHIRE OF CARNARVON
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FOR THE YEAR ENDED 30 JUNE 2025

23. OTHER MATERIAL ACCOUNTING POLICIES

a) 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.

b) 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.

c) Rounding off figures

All figures shown in this annual financial report, other than a rate in the dollar, are rounded to the nearest dollar. Amounts are presented in Australian Dollars.

d) Comparative figures

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

When the Shire applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements that has a material effect on the statement of financial position, an additional (third) Statement of Financial Position as at the beginning of the preceding period in addition to the minimum comparative financial report is presented.

e) Budget comparative figures

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

f) 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.

g) Fair value of assets and liabilities

Fair value is the price that the Shire would receive to sell the asset or would have to pay to transfer a liability, in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

h) Interest revenue

Interest revenue is calculated by applying the effective interest rate to the gross carrying amount of a financial asset measured at amortised cost except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

i) Fair value hierarchy

AASB 13 *Fair Value Measurement* requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurement into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1

Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3

Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

Valuation techniques

The Shire selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Shire are consistent with one or more of the following valuation approaches:

Market approach

Valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.

Income approach

Valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.

Cost approach

Valuation techniques that reflect the current replacement cost of the service capacity of an asset.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Shire gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

j) Impairment of assets

In accordance with Australian Accounting Standards the Shire's assets, other than inventories, are assessed at each reporting date to determine whether there is any indication they may be impaired.

Where such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount except for non-financial assets that are:

- land and buildings classified as property, plant and equipment;
- infrastructure; or
- vested improvements that the local government controls, in circumstances where there has been an impairment indication of a general decrease in asset values.

These non-financial assets are assessed in accordance with the regulatory framework detailed in Note 10.

Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. AASB 116 *Property, Plant and Equipment*) whereby any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

SHIRE OF CARNARVON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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24. FUNCTION AND ACTIVITY

(a) Service objectives and descriptions

Shire operations as disclosed in this financial report encompass the following service orientated functions and activities.

Objective	Description
Governance To provide a decision making process for the efficient allocation of scarce resources.	Administration and operations of facilities and services to members of Council. Other costs which relate to the tasks of assisting elected members and ratepayers on matters which do not concern specific council services.
General purpose funding To collect general revenue to allow for the provision of services.	Rates activity, general purpose grants, banking costs and interest revenue.
Law, order, public safety To provide services to help ensure a safer community.	Supervision of various local laws, fire prevention, emergency services, CBD security, administration of the Crime Prevention Plan.
Health To provide an operational framework for good community health.	Food quality and pest control, inspections and infant health. This function also provides for the implementation of the Healthy Lifestyles model.
Education and welfare To meet the needs of the community in these areas.	Support pre-school facilities and assistance of seniors and retirement villages. This function also provides for Youth Strategy and the accounting of the Carnarvon Youth Co-Ordinating Networks finance as part of the agreement.
Housing To meet the needs of the Shire of Carnarvon Staff.	Staff Housing.
Community amenities To provide sanitary and essential services required by the community. To provide land development strategies and to process land development activities. Environmental sustainability.	Refuse collection services, operation of refuse site, administration of town planning scheme, cemetery services and maintenance, environmental protection services and land development services.
Recreation and culture To establish and manage efficiently infrastructure and resources which will help the social well being of the community.	Operations of the Civic Centre (Camel Lane), aquatic centre and beach areas, regional library service, cultural and heritage services and facilities, reserves, parks and gardens.
Transport To provide effective and efficient transport services to the community.	Maintenance of streets, roads, footpaths, street lighting, airport.
Economic services To help promote and market the Shire of Carnarvon to the world and improve the economic well being. To ensure building development regulations are adhered to.	Noxious weed control, tourism and area promotion, building control and services.
Other property and services To ensure works programs are operating efficiently.	Private works operations, public works operations and plant operations.

SHIRE OF CARNARVON
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24. FUNCTION AND ACTIVITY (Continued)

(b) Income and expenses

	2025 Actual \$	2024 Actual \$
Income excluding grants, subsidies and contributions and capital grants, subsidies and contributions		
Governance	54,506	131,629
General purpose funding	7,561,878	7,376,040
Law, order, public safety	82,789	54,411
Education And Welfare	11,498	183
Health	20,342	18,329
Housing	16,566	9,403
Community amenities	2,128,088	2,201,840
Recreation and culture	135,344	121,997
Transport	1,310,623	1,105,158
Economic services	362,903	441,804
Other property and services	124,922	140,498
	11,809,459	11,601,292
Grants, subsidies and contributions and capital grants, subsidies and contributions		
Governance	457,742	174,358
General purpose funding	4,334,899	5,863,034
Law, order, public safety	481,834	506,004
Education And Welfare	483,470	534,442
Health	2,180	13,547
Housing	144,000	48,000
Community amenities	145,254	219,124
Recreation and culture	1,835,468	1,240,942
Transport	3,197,251	7,539,241
Economic services	28,747	189,643
Other property and services	-	-
	11,110,845	16,328,335
Total Income	22,920,304	27,929,627
Expenses		
Governance	(1,931,636)	(1,895,164)
General purpose funding	(389,807)	(490,779)
Law, order, public safety	(1,740,522)	(1,506,721)
Education And Welfare	(1,326,377)	(1,297,433)
Health	(568,596)	(544,316)
Housing	(123,086)	(92,035)
Community amenities	(2,843,316)	(2,751,424)
Recreation and culture	(5,434,122)	(5,211,873)
Transport	(11,212,493)	(13,821,812)
Economic services	(1,335,940)	(1,607,854)
Other property and services	(1,716,207)	(1,528,160)
Total expenses	(28,622,102)	(30,747,571)
Net result for the period	(5,701,798)	(2,817,944)
(c) Total Assets		
Governance	7,770,451	5,093,723
General purpose funding	3,572,000	9,817,272
Law, order, public safety	1,292,411	1,411,680
Health	267,535	124,041
Education and welfare	474,213	1,750,072
Housing	370,000	647,063
Community amenities	29,722,549	28,188,416
Recreation and culture	41,222,938	36,731,933
Transport	224,344,728	227,850,359
Economic services	469,275	374,427
Other property and services	4,915,909	2,315,476
Unallocated	11,823,233	7,251,729
	326,245,242	321,556,191

SHIRE OF CARNARVON
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FOR THE YEAR ENDED 30 JUNE 2025

25. RATING INFORMATION

(a) General Rates

RATE TYPE Rate Description	Basis of valuation	Rate in \$	Number of Properties	2024/25 Actual Rateable Value *	2024/25 Actual Rate Revenue	2024/25 Actual Interim Rates	2024/25 Actual Total Revenue	2024/25 Budget Rate Revenue	2024/25 Budget Interim Rate	2024/25 Budget Total Revenue	2023/24 Actual Total Revenue
		\$		\$	\$		\$	\$	\$	\$	\$
Residential	Gross rental valuation	0.098174	1,424	28,658,610	2,813,530	3,402	2,816,932	2,813,530	10,000	2,823,530	2,704,930
Commercial/Industrial	Gross rental valuation	0.111138	279	16,717,038	1,857,898	(25,050)	1,832,848	1,856,437	10,000	1,866,437	1,828,056
Special Use/Rural	Gross rental valuation	0.110600	74	2,163,281	239,259	309	239,568	239,259	-	239,259	219,590
Mining	Unimproved valuation	0.266372	48	1,814,671	483,378	4,572	487,950	483,378	20,000	503,378	423,285
Pastoral	Unimproved valuation	0.127344	32	3,247,320	413,527	-	413,527	413,527	5,000	418,527	378,966
Intensive Horticultural	Unimproved valuation	0.026491	170	24,798,000	656,924	1,576	658,500	656,924	10,000	666,924	628,628
Total general rates			2,027	77,398,920	6,464,516	(15,191)	6,449,325	6,463,055	55,000	6,518,055	6,183,455
Minimum payment											
Residential	Gross rental valuation	1,322	260	2,299,557	343,720	-	343,720	343,720	-	343,720	498,410
Commercial/Industrial	Gross rental valuation	1,322	55	360,538	72,710	-	72,710	74,032	-	74,032	82,225
Special Use/Rural	Gross rental valuation	1,322	30	225,925	39,660	-	39,660	39,660	-	39,660	60,720
Mining	Unimproved valuation	485	17	12,560	8,245	-	8,245	8,245	-	8,245	6,960
Pastoral	Unimproved valuation	1,322	8	20,700	10,576	-	10,576	10,576	-	10,576	11,385
Intensive Horticultural	Unimproved valuation	1,322	-	-	-	-	-	-	-	-	-
Total minimum payments			370	2,919,280	474,911	-	474,911	476,233	-	476,233	659,700
Total general rates and minimum payments			2,397	80,318,200	6,939,427	(15,191)	6,924,236	6,939,288	55,000	6,994,288	6,843,155
Specified Area Rates											
Coral Bay	Gross rental valuation	0.7517			326,343	-	326,343	311,100	-	311,100	297,736
Ex-gratia Rates											
Dampier Bunbury Pipeline					13,739	-	13,739	7,665	-	7,665	14,231
Total amount raised from rates (excluding general rates)					340,082	-	340,082	318,765	-	318,765	311,967
Concessions							-	(1,500)	-	(1,500)	-
Total Rates							7,264,318	7,256,553	55,000	7,311,553	7,155,122
Rate instalment interest							24,343			25,000	24,603
Rate overdue interest							150,024			100,000	97,580

The rate revenue was recognised from the rate record as soon as practicable after the Shire resolved to impose rates in the financial year as well as when the rate record was amended to ensure the information in the record was current and correct.

*Rateable Value at time of raising of rate.

SHIRE OF CARNARVON
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FOR THE YEAR ENDED 30 JUNE 2025

26. DETERMINATION OF SURPLUS OR DEFICIT

		2024/25 Budget	2024/25	2023/24
	(30 June 2025	(30 June 2025	(1 July 2024	(30 June 2024
	Carried	Carried	Brought	Carried
Note	Forward)	Forward)	Forward)	Forward
	\$	\$	\$	\$
(a) 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 <i>Financial Management Regulation 32</i> .				
Adjustments to operating activities				
Less: Profit on asset disposals	(101,544)	(84,560)	(13,006)	(13,006)
Less: Fair value adjustments to financial assets at fair value through profit or loss	6,215	-	(2,942)	(2,942)
Add: Loss on disposal of assets	13,395	98,870	9,961	9,961
Add: Depreciation	9,013,804	8,895,780	9,134,944	9,134,944
Non-cash movements in non-current assets and liabilities:				
Pensioner deferred rates	-	-	(20,799)	(20,799)
Employee benefit provisions	129,167	-	93,955	93,955
Non-cash amounts excluded from operating activities	9,061,037	8,910,090	9,202,113	9,202,113
(b) Surplus or deficit after imposition of general rates				
The following current assets and liabilities have been excluded from the net current assets used in the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.				
Adjustments to net current assets				
Less: Reserve accounts	28	(2,468,990)	(2,055,206)	(3,969,258)
Add: Current liabilities not expected to be cleared at end of year				
- Current portion of borrowings	14	464,694	-	432,714
- Current portion of lease liabilities	11(b)	121,774	18,901	137,938
- Employee benefit provisions	15	1,123,052	992,491	1,033,082
Total adjustments to net current assets		(759,470)	(1,043,814)	(2,365,524)
Net current assets used in the Statement of Financial Activity				
Total current assets		9,037,283	5,821,915	15,722,904
Less: Total current liabilities		(4,171,125)	(4,778,101)	(6,393,846)
Less: Total adjustments to net current assets		(759,470)	(1,043,814)	(2,365,524)
Surplus or deficit after imposition of general rates		4,106,688	-	6,963,534

SHIRE OF CARNARVON
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27. BORROWING AND LEASE LIABILITIES

(a) Borrowings

Purpose	Note	Actual							Budget			
		Principal at 1 July 2023	New Loans During 2023-24	Principal Repayments During 2023-24	Principal at 30 June 2024	New Loans During 2024-25	Principal Repayments During 2024-25	Principal at 30 June 2025	Principal at 1 July 2024	New Loans During 2024-25	Principal Repayments During 2024-25	Principal at 30 June 2025
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Airport Corrective Works		173,201	-	(47,628)	125,573	-	(49,092)	76,481	125,573	-	(49,091)	76,482
Plant and Equipment		1,706,261	-	(236,156)	1,470,105	-	(245,200)	1,224,905	1,470,105	-	(245,199)	1,224,906
Heavy Plant		-	760,000	-	760,000	-	(95,111)	664,889	760,000	-	(95,112)	664,888
Light Fleet		-	236,000	-	236,000	-	(43,311)	192,689	236,000	-	(43,311)	192,689
Housing		-	-	-	-	500,000	(7,240)	492,760	-	500,000	(7,240)	492,760
Plant		-	-	-	-	-	-	-	-	365,000	-	365,000
Total Borrowings	14	1,879,462	996,000	(283,784)	2,591,678	500,000	(439,954)	2,651,724	2,591,678	865,000	(439,953)	3,016,725

All loan repayments were financed by general purpose revenue.

Borrowing Finance Cost Payments

Purpose	Note	Loan Number	Institution	Interest Rate	Date final payment is due	Actual for year ending 30 June 2025	Budget for year ending 30 June 2025	Actual for year ending 30 June 2024
						\$	\$	\$
Airport Corrective Works		216	WATC	3.05%	24/11/2026	(3,063)	(3,063)	(13,363)
Plant and Equipment		217	WATC	3.79%	12/12/2029	(50,566)	(50,566)	(76,878)
Heavy Plant		219	WATC	4.34%	12/04/2031	(24,729)	(24,730)	(8,369)
Light Fleet		220	WATC	4.26%	12/04/2029	(7,392)	(7,392)	(2,557)
Housing		221	WATC	5.22%	31/07/2044	(13,047)	(13,047)	-
Total Finance Cost Payments						(98,797)	(98,798)	(101,167)

* WA Treasury Corporation

SHIRE OF CARNARVON
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27. BORROWING AND LEASE LIABILITIES (Continued)

(b) New Borrowings - 2024/25

Particulars/Purpose	Institution	Loan Type	Term Years	Interest Rate	Amount Borrowed		Amount (Used)		Total Interest & Charges	Actual Balance Unspent
					2025 Actual	2025 Budget	2025 Actual	2025 Budget		
				%	\$	\$	\$	\$	\$	\$
Housing	WATC	Debenture	20	5.22%	500,000	500,000	(500,000)	-	(13,047)	-
Plant	WATC	Debenture	7	5.22%	-	365,000	-	-	-	-
					500,000	865,000	(500,000)	-	-	-

* WA Treasury Corporation

(c) Unspent Borrowings

Particulars	Institution	Date Borrowed	Unspent Balance 1 July 2024	Borrowed During Year	Expended During Year	Unspent Balance 30 June 2025
			\$	\$	\$	\$
Plant and Equipment	WATC	12/12/2022	725,000	-	(725,000)	-
			725,000	-	(725,000)	-

* WA Treasury Corporation

(d) Lease Liabilities

Purpose	Note	Actual							Budget			
		Principal at 1 July 2023	New Leases During 2023-24	Principal Repayments During 2023-24	Principal at 30 June 2024	New Leases During 2024-25	Principal Repayments During 2024-25	Principal at 30 June 2025	Principal at 1 July 2024	New Leases During 2024-25	Principal Repayments During 2024-25	Principal at 30 June 2025
Plant and equipment		330,792	3,256	(270,819)	63,229	158,882	(168,880)	53,231	73,026	33,979	(88,104)	18,901
Furniture and equipment		10,423	-	(4,222)	6,201	-	(4,350)	1,851	6,201	-	(4,350)	1,851
IT Equipment		204,993	-	(67,942)	137,051	-	(70,359)	66,692	137,051	-	(70,359)	66,692
Total Lease Liabilities	11(b)	546,208	3,256	(342,983)	206,481	158,882	(243,589)	121,774	216,278	33,979	(162,813)	87,444

Lease Finance Cost Payments

Purpose	Note	Lease Number	Institution	Interest Rate	Date final payment is due	Actual for year ending 30 June 2025	Budget for year ending 30 June 2025	Actual for year ending 30 June 2024	Lease Term
						\$	\$	\$	
Photocopier			Richo		30/11/2025	(126)	(126)	(671)	4 years
IT Equipment			Integrated ITC		30/05/2026	(3,675)	(3,675)	(5,675)	3 years
Vehicles and Plant			Easifleet/SGFleet		Various	(2,057)	(926)	(5,983)	Various
Total Finance Cost Payments						(5,858)	(4,727)	(12,329)	

SHIRE OF CARNARVON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

28. RESERVE ACCOUNTS

	2025 Actual Opening Balance	2025 Actual Transfer to	2025 Actual Transfer (from)	2025 Actual Closing Balance	2025 Budget Opening Balance	2025 Budget Transfer to	2025 Budget Transfer (from)	2025 Budget Closing Balance	2024 Actual Opening Balance	2024 Actual Transfer to	2024 Actual Transfer (from)	2024 Actual Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Restricted by legislation/agreement												
(a) Sar Coral Bay Waste Reserve Equity	75,397	314,386	(311,100)	78,683	75,397	312,620	(311,100)	76,917	72,477	280,853	(277,933)	75,397
	75,397	314,386	(311,100)	78,683	75,397	312,620	(311,100)	76,917	72,477	280,853	(277,933)	75,397
Restricted by council												
(b) Leave Reserve	367,629	16,019	-	383,648	367,628	7,410	-	375,038	353,388	14,241	-	367,629
(c) Plant Reserve	1,010,458	27,152	(972,255)	65,355	1,010,457	20,366	(990,769)	40,054	940,529	69,929	-	1,010,458
(d) Waste Disposal Reserve	159,724	6,960	-	166,684	159,724	3,219	-	162,943	153,537	6,187	-	159,724
(e) Mosquito Management Reserve	10,653	464	-	11,117	10,653	215	-	10,868	10,240	413	-	10,653
(f) Asset Upgrades and Renewal Reserve	470,094	20,419	(212,000)	278,513	470,095	9,475	(162,500)	317,070	565,314	121,780	(217,000)	470,094
(g) Emergency Management Reserve	300,659	13,094	(23,974)	289,779	300,659	6,060	(60,000)	246,719	289,013	11,646	-	300,659
(h) Fascine Upgrade and Renewal Reserve	410,948	17,856	(165,328)	263,476	410,949	8,283	(100,000)	319,232	395,030	15,918	-	410,948
(i) Strategic Projects Reserve	963,792	41,910	(282,583)	723,119	963,792	19,425	(678,000)	305,217	926,460	37,332	-	963,792
(j) Blowholes Reserve Management Funds	138,181	6,022	-	144,203	138,181	-	-	138,181	132,829	5,352	-	138,181
(k) Airport Renewal and Upgrade Reserve	61,723	2,690	-	64,413	61,723	1,244	-	62,967	59,332	2,391	-	61,723
	3,893,861	152,586	(1,656,140)	2,390,307	3,893,861	75,697	(1,991,269)	1,978,289	3,825,672	285,189	(217,000)	3,893,861
	3,969,258	466,972	(1,967,240)	2,468,990	3,969,258	388,317	(2,302,369)	2,055,206	3,898,149	566,042	(494,933)	3,969,258

All reserves are supported by cash and cash equivalents and financial assets at amortised cost and are restricted within equity as Reserve accounts.

In accordance with council resolutions or adopted budget in relation to each reserve account, the purpose for which the reserves are set aside and their anticipated date of use are as follows:

SHIRE OF CARNARVON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

28. RESERVE ACCOUNTS (Continued)

Name of reserve account Restricted by legislation/agreement	Purpose of the reserve account
(a) Sar Coral Bay Waste Reserve Equity	To be used for maintenance and capital costs associated with Coral Bay refuse site.
Restricted by council	
(b) Leave Reserve	To fund the current annual and long service leave requirements.
(c) Plant Reserve	To fund the acquisition of new plant as per the Plant Replacement program.
(d) Waste Disposal Reserve	To be used for maintenance or capital expenditure at Brown Range Refuse Site. Annual transfer being revenue as raised by waste charge, less actual expenditure (excluding depreciation) on Carnarvon waste management facilities and service.
(e) Mosquito Management Reserve	To be used for the purpose of delivering services to assist in mosquito management within the Shire of Carnarvon, which includes funding from the Department of Health.
(f) Asset Upgrades and Renewal Reserve	To fund the upgrade and renewal of existing assets.
(g) Emergency Management Reserve	To be used in the preparation for and providing immediate assistance, relief and recovery to the community in response to an emergency within the Shire of Carnarvon.
(h) Fascine Upgrade and Renewal Reserve	To fund the upgrades and renewal of Fascine Infrastructure.
(i) Strategic Projects Reserve	To fund development of strategic projects and new infrastructure.
(j) Blowholes Reserve Management Funds	To fund the implementation of the Blowholes Reserve management plan
(k) Airport Renewal and Upgrade Reserve	To fund upgrades and renewal at the Carnarvon Airport.

SHIRE OF CARNARVON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

29. TRUST FUNDS

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

	1 July 2024	Amounts Received	Amounts Paid	30 June 2025
	\$	\$	\$	\$
Public Open Space Deposits	140,374	-	-	140,374
Private Works	138,034	-	-	138,034
	278,408	-	-	278,408



Auditor General

INDEPENDENT AUDITOR'S REPORT

2025

Shire of Carnarvon

To the Council of the Shire of Carnarvon

Opinion

I have audited the financial report of the Shire of Carnarvon (Shire) which comprises:

- the statement of financial position as at 30 June 2025, the statement of comprehensive income, statement of changes in equity, statement of cash flows and statement of financial activity for the year then ended
- notes comprising a summary of material accounting policies and other explanatory information.

In my opinion, the financial report :

- is based on proper accounts and records
- presents fairly, in all material respects, the results of the operations of the Shire for the year ended 30 June 2025 and its financial position at the end of that period
- is in accordance with the *Local Government Act 1995* (the Act) and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards.

Basis for opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial report section below.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other information

The Chief Executive Officer (CEO) is responsible for the preparation and the Council for overseeing the other information. The other information is the information in the entity's annual report for the year ended 30 June 2025, but not the financial report and my auditor's report.

My opinion on the financial report does not cover the other information and accordingly, I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I did not receive the other information prior to the date of this auditor's report. When I do receive it, I will read it and if I conclude that there is a material misstatement in this information, I am required to communicate the matter to the CEO and Council and request them to correct the misstated information. If the misstated information is not corrected, I may need to retract this auditor's report and re-issue an amended report.

Responsibilities of the Chief Executive Officer and Council for the financial report

The Chief Executive Officer (CEO) of the Shire is responsible for:

- keeping proper accounts and records
- preparation and fair presentation of the financial report in accordance with the requirements of the Act, the Regulations and Australian Accounting Standards
- managing internal control as required by the CEO to ensure the financial report is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the CEO is responsible for:

- assessing the Shire's ability to continue as a going concern
- disclosing, as applicable, matters related to going concern
- using the going concern basis of accounting unless the State Government has made decisions affecting the continued existence of the Shire.

The Council is responsible for overseeing the Shire's financial reporting process.

Auditor's responsibilities for the audit of the financial report

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial report. The objectives of my audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

A further description of my responsibilities for the audit of the financial report is located on the Auditing and Assurance Standards Board website. This description forms part of my auditor's report and can be found at https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf.

My independence and quality management relating to the report on the financial report

I have complied with the independence requirements of the *Auditor General Act 2006* and the relevant ethical requirements relating to assurance engagements. In accordance with ASQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements*, the Office of the Auditor General maintains a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Matters relating to the electronic publication of the audited financial report

This auditor's report relates to the financial report of the Shire of Carnarvon for the year ended 30 June 2025 included in the annual report on the Shire's website. The Shire's management is responsible for the integrity of the Shire's website. This audit does not provide assurance on the integrity of the Shire's website. The auditor's report refers only to the financial report. It does not provide an opinion on any other information which may have been hyperlinked to/from the annual report. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to contact the Shire to confirm the information contained in the website version.

Tim Sanya
Senior Director Financial Audit
Delegate of the Auditor General for Western Australia
Perth, Western Australia
5 December 2025

