SHIRE OF CARNARVON

ANNUAL BUDGET

FOR THE YEAR ENDED 30 JUNE 2027

LOCAL GOVERNMENT ACT 1995

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The Shire of Carnarvon a Class 2 local government 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

SHIRE OF CARNARVON
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2027

	Note	2026/27 Budget	2025/26 Actual	2025/26 Budget
Revenue		$	$	$
Rates	2(a)	8,469,423	7,814,396	7,772,846
Grants, subsidies and contributions		4,212,573	13,035,845	9,197,407
Fees and charges	15	4,321,500	3,867,915	3,695,402
Interest revenue	10(a)	527,000	363,799	492,000
Other revenue		1,586,251	675,998	322,550
		19,116,747	25,757,953	21,480,205
Expenses				
Employee costs		(12,911,681)	(11,253,842)	(11,613,172)
Materials and contracts		(8,356,030)	(7,366,291)	(10,858,217)
Utility charges		(973,659)	(838,528)	(879,208)
Depreciation	6	(8,722,886)	(8,722,886)	(8,815,610)
Finance costs	10(c)	(143,817)	(134,718)	(109,567)
Insurance		(724,079)	(701,582)	(697,887)
Other expenditure		(413,780)	(431,848)	(380,470)
		(32,245,932)	(29,449,695)	(33,354,131)
		(13,129,185)	(3,691,742)	(11,873,926)
Capital grants, subsidies and contributions		18,867,660	5,643,285	14,868,174
Fair value adjustments to financial assets at fair value through profit or loss		0	132,227	0
		18,867,660	5,775,512	14,868,174
Net result for the period		**5,738,475**	**2,083,770**	**2,994,248**
Total other comprehensive income for the period		**0**	**0**	**0**
Total comprehensive income for the period		**5,738,475**	**2,083,770**	**2,994,248**

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

SHIRE OF CARNARVON
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2027

	Note	2026/27 Budget	2025/26 Actual	2025/26 Budget
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts		$	$	$
Rates		8,469,423	7,485,445	9,022,846
Grants, subsidies and contributions		2,761,609	13,696,617	8,479,033
Fees and charges		4,321,500	3,867,915	3,695,402
Interest revenue		527,000	363,799	492,000
Goods and services tax received		712,684	677,973	600,000
Other revenue		1,586,251	675,998	322,550
		18,378,467	26,767,747	22,611,831
Payments				
Employee costs		(12,911,681)	(11,253,842)	(11,613,172)
Materials and contracts		(7,889,030)	(5,525,468)	(9,858,217)
Utility charges		(973,659)	(838,528)	(879,208)
Finance costs		(143,817)	(134,718)	(109,567)
Insurance paid		(724,079)	(701,582)	(697,887)
Goods and services tax paid		(712,684)	(627,706)	(600,000)
Other expenditure		(413,780)	(431,848)	(380,470)
		(23,768,730)	(19,513,692)	(24,138,521)
Net cash provided by (used in) operating activities	4	(5,390,263)	7,254,055	(1,526,690)
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment	5(a)	(2,684,618)	(1,109,743)	(1,441,691)
Payments for construction of infrastructure	5(b)	(18,694,651)	(7,638,669)	(15,583,462)
Proceeds from capital grants, subsidies and contributions		15,104,400	8,963,808	14,868,174
Net cash provided by (used in) investing activities		(6,274,869)	215,396	(2,156,979)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	8(a)	(5,570,902)	(464,694)	(464,694)
Proceeds from new borrowings	8(a)	6,250,000	365,000	365,000
Payments for principal portion of lease liabilities	7	(68,342)	(95,077)	(131,074)
Net cash provided by (used in) financing activities		610,756	(194,771)	(230,768)
Net increase (decrease) in cash held		(11,054,376)	7,274,680	(3,914,437)
Cash at beginning of year		13,063,019	5,788,339	5,133,147
Cash and cash equivalents at the end of the year	4	**2,008,643**	**13,063,019**	**1,218,710**

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

SHIRE OF CARNARVON
STATEMENT OF FINANCIAL ACTIVITY
FOR THE YEAR ENDED 30 JUNE 2027

	Note	2026/27 Budget	2025/26 Actual	2025/26 Budget
OPERATING ACTIVITIES				
Revenue from operating activities		$	$	$
General rates	2(a)(i)	7,355,303	6,785,289	6,775,754
Rates excluding general rates	2(a)	1,114,120	1,029,107	997,092
Grants, subsidies and contributions		4,212,573	13,035,845	9,197,407
Fees and charges	15	4,321,500	3,867,915	3,695,402
Interest revenue	10(a)	527,000	363,799	492,000
Other revenue		1,586,251	675,998	322,550
Fair value adjustments to financial assets at fair value through profit or loss		0	132,227	0
		19,116,747	25,890,180	21,480,205
Expenditure from operating activities				
Employee costs		(12,911,681)	(11,253,842)	(11,613,172)
Materials and contracts		(8,356,030)	(7,366,291)	(10,858,217)
Utility charges		(973,659)	(838,528)	(879,208)
Depreciation	6	(8,722,886)	(8,722,886)	(8,815,610)
Finance costs	10(c)	(143,817)	(134,718)	(109,567)
Insurance		(724,079)	(701,582)	(697,887)
Other expenditure		(413,780)	(431,848)	(380,470)
		(32,245,932)	(29,449,695)	(33,354,131)
Non cash amounts excluded from operating activities	3(c)	8,722,886	8,590,659	8,815,610
Amount attributable to operating activities		**(4,406,299)**	**5,031,144**	**(3,058,316)**
INVESTING ACTIVITIES				
Inflows from investing activities				
Proceeds from capital grants, subsidies and contributions		18,867,660	5,643,285	14,868,174
		18,867,660	5,643,285	14,868,174
Outflows from investing activities				
Right of use assets received - non cash	5(c)	0	(173,933)	0
Acquisition of property, plant and equipment	5(a)	(2,684,618)	(1,109,743)	(1,441,691)
Acquisition of infrastructure	5(b)	(18,694,651)	(7,638,669)	(15,583,462)
		(21,379,269)	(8,922,345)	(17,025,153)
Non-cash amounts excluded from investing activities	3(d)	0	173,933	0
Amount attributable to investing activities		**(2,511,609)**	**(3,105,127)**	**(2,156,979)**
FINANCING ACTIVITIES				
Inflows from financing activities				
Proceeds from new borrowings	8(a)	6,250,000	365,000	365,000
Proceeds from new leases - non cash	7	0	173,933	9,300
Transfers from reserve accounts	9(a)	865,000	0	1,311,260
		7,115,000	538,933	1,685,560
Outflows from financing activities				
Repayment of borrowings	8(a)	(5,570,902)	(464,694)	(464,694)
Payments for principal portion of lease liabilities	7	(68,342)	(95,077)	(131,074)
Transfers to reserve accounts	9(a)	0	(395,782)	(475,366)
		(5,639,244)	(955,553)	(1,071,134)
Non-cash amounts excluded from financing activities	3(e)	0	(173,933)	(9,300)
Amount attributable to financing activities		**1,475,756**	**(590,553)**	**605,126**
MOVEMENT IN SURPLUS OR DEFICIT				
Surplus remaining at the start of the financial year	3	5,442,152	4,106,688	4,219,463
Amount attributable to operating activities		(4,406,299)	5,031,144	(3,058,316)
Amount attributable to investing activities		(2,511,609)	(3,105,127)	(2,156,979)
Amount attributable to financing activities		1,475,756	(590,553)	605,126
Surplus/(deficit) remaining after the imposition of general rates	3	**0**	**5,442,152**	**(390,706)**

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

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

1 BASIS OF PREPARATION

The annual budget of the Shire of Carnarvon which is a Class 2 local government is a forward-looking document and has been prepared in accordance with the *Local Government Act 1995* and accompanying regulations.

Local Government Act 1995 requirements
Section 6.4(2) of the *Local Government Act 1995* read with the *Local Government (Financial Management) Regulations 1996* prescribe that the annual budget be prepared in accordance with the *Local Government Act 1995* and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards. The Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and Interpretations of the Australian Accounting Standards Board were applied where no inconsistencies exist.

The *Local Government (Financial Management) Regulations 1996* specify that vested land is a right-of-use asset to be measured at cost, and is considered a zero cost concessionary lease. All right-of-use assets under zero cost concessionary leases are measured at zero cost rather than at fair value, except for vested improvements on concessionary land leases such as roads, buildings or other infrastructure which continue to be reported at fair value, as opposed to the vested land which is measured at zero cost. The measurement of vested improvements at fair value is a departure from *AASB 16 Leases* which would have required the Shire to measure any vested improvements at zero cost.

Accounting policies which have been adopted in the preparation of this annual budget have been consistently applied unless stated otherwise. Except for cash flow and rate setting information, the annual budget has been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

The local government reporting entity
All funds through which the Shire controls resources to carry on its functions have been included in the financial statements forming part of this annual budget.

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 12 to the annual budget.

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

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

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

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

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

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

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

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

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

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

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

2. RATES AND SERVICE CHARGES

(a) Rating Information

Rate Description	Basis of valuation	Rate in dollar	Number of properties	Rateable value*	2026/27 Budgeted rate revenue	2026/27 Budgeted interim rates	2026/27 Budgeted total revenue	2025/26 Actual total revenue	2025/26 Budget total revenue
				$	$	$	$	$	$
(i) General rates									
Residential	Gross rental valuation	0.117000	1,421	28,665,540	3,353,867	10,000	3,363,867	3,108,564	3,098,123
Commercial/Industrial	Gross rental valuation	0.126180	262	17,044,078	2,150,622	5,000	2,155,622	2,021,241	1,990,210
Special Use/Rural	Gross rental valuation	0.125920	57	1,983,281	249,735	5,000	254,735	234,575	233,192
Mining	Unimproved valuation	0.318400	34	992,662	316,064	20,000	336,064	276,801	304,088
Pastoral	Unimproved valuation	0.140150	38	3,352,619	469,870	0	469,870	424,354	429,354
Intensive Horticultural	Unimproved valuation	0.029850	169	25,968,000	775,145	0	775,145	719,754	720,787
Total general rates			1,981	78,006,180	7,315,303	40,000	7,355,303	6,785,289	6,775,754
		Minimum $							
(ii) Minimum payment									
Residential	Gross rental valuation	1,580.00	265	2,303,285	418,700	0	418,700	383,856	383,856
Commercial/Industrial	Gross rental valuation	1,580.00	69	547,298	109,020	0	109,020	97,418	97,418
Special Use/Rural	Gross rental valuation	1,580.00	50	466,165	79,000	0	79,000	69,792	69,792
Mining	Unimproved valuation	1,580.00	27	48,296	42,660	0	42,660	46,528	46,528
Pastoral	Unimproved valuation	1,580.00	2	2,280	3,160	0	3,160	11,632	11,632
Intensive Horticultural	Unimproved valuation	1,580.00	1	38,050	1,580	0	1,580	0	0
Total minimum payments			414	3,405,374	654,120	0	654,120	609,226	609,226
Total general rates and minimum payments			2,395	81,411,554	7,969,423	40,000	8,009,423	7,394,515	7,384,980
(iii) Specified area rates									
GRV Coral Bay		0.088540	45	5,195,431	460,000	0	460,000	419,881	375,366
(iv) Ex-gratia rates									
Dampier-Bunbury Pipeline					0	0	0	0	14,000
					8,429,423	40,000	8,469,423	7,814,396	7,774,346
Concessions (Refer note 2(f))					0	0	0	0	(1,500)
Total rates					8,429,423	40,000	8,469,423	7,814,396	7,772,846
Instalment plan charges							10,850	11,210	10,000
Instalment plan interest							27,000	25,212	27,000
Late payment of rate or service charge interest							180,000	176,565	145,000
							217,850	212,987	182,000

*Rateable Value at time of adopting budget.

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

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

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

2. RATES AND SERVICE CHARGES (CONTINUED)

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

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

Option 1 (Full Payment)
Full amount of rates and charges including arrears, to be paid on or before 12 October 2026 or 35 days after the date of issue appearing on the rate notice whichever is the later.

Option 2 (Two Instalments)
First instalment to be made on or before 12 October 2026 or 35 days after the date of issue appearing on the rate notice whichever is later including all arrears and half the current rates and service charges; and
Second instalment to be made on or before 15 February 2027, or 2 months after the due date of the first instalment, whichever is later.

Option 3 (Four Instalments)
First instalment to be made on or before 12 October 2026 or 35 days after the date of issue appearing on the rate notice, whichever is later including all arrears and a quarter of the current rates and service charges;
Second instalment to be made on or before 14 December 2026, or 2 months after the due date of the first instalment, whichever is later;
Third instalment to be made on or before 15 February 2027, or 2 months after the due date of the second instalment, whichever is later; and
Fourth instalment to be made on or before 19 April 2027, or 2 months after the due date of the third instalment, whichever is later.

Instalment options	Date due	Instalment plan admin charge	Instalment plan interest rate	Unpaid rates interest rates
		$	%	%
Option one				
Single full payment	12/10/2026	0	0.0%	11.0%
Option two				
First instalment	12/10/2026	10	5.5%	11.0%
Second instalment	15/02/2027	10	5.5%	11.0%
Option three				
First instalment	12/10/2026	10	5.5%	11.0%
Second instalment	14/12/2026	10	5.5%	11.0%
Third instalment	15/02/2027	10	5.5%	11.0%
Fourth instalment	19/04/2027	10	5.5%	11.0%

2. RATES AND SERVICE CHARGES (CONTINUED)

(c) Objectives and Reasons for Differential Rating

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

Differential general rate

Description	Characteristics	Objects	Reasons
GRV Residential	GRV-valued land predominantly used for residential purposes.	To establish the principal GRV rate and raise an equitable contribution toward the broad range of local government services and infrastructure available to residential properties and the wider community.	Residential properties from the largest rating category and the core of the Shire's rate base. Households across Carnarvon and Coral Bay benefit from, or have access to, a wide range of local services, including local roads and drainage, parks and public spaces, libraries, recreation and community facilities, community safety, planning, environmental services and district-wide governance. The proposed rate is the reference point for the other GRV categories and is intended to protect the everyday services and local amenity that underpin liveability, community wellbeing and confidence in the district.
GRV Commercial	GRV-valued land predominantly used for commercial, town-centre or industrial purposes.	To raise an equitable contribution from commercial and industrial land toward the services and infrastructure that support business activity, employment and the operation of commercial areas.	Commercial and industrial properties across Carnarvon and Coral Bay benefit from and can generate demand for road access, parking and public-realm infrastructure, town presentation, drainage, environmental health, planning and building services, visitor amenity and economic-development capability. The proposed rate is 7.85% higher than the GRV Residential rate, reflecting this service and infrastructure profile rather than any assumption about business profitability. Costs recovered through separate fees or charges are not intended to be counted again in setting the differential.
GRV Special Use/Rural	GRV-valued land on larger lots within the greater townsite that is predominantly used for special-use or minor rural pursuits, including the keeping of stock or horses.	To raise a fair contribution from GRV land with a special-use or minor-rural land-use profile while recognising that it remains connected to the urban and district service network.	Properties in this category have a different use and development pattern from standard residential land. They benefit from road access, drainage, planning, emergency-management and district services, while their larger lots and rural-style uses require longer lengths of civil infrastructure per lot than smaller properties, and can create different access, amenity and regulatory requirements. The separate rate recognises those characteristics and maintains consistency between properties used for similar purposes.
UV Pastoral	UV-valued land held or used predominantly for pastoral or other rural purposes, excluding land classified as intensive horticulture or mining.	To raise an equitable contribution from pastoral and rural land toward the rural access network, emergency management capacity and district-wide local-government functions.	Pastoral and rural properties are dispersed across a large district. They benefit from the extensive local road network, station access, emergency coordination, land-use planning, governance, advocacy and other district services. While service access differs from urban areas, maintaining roads, response capability and organisational capacity across long distances carries significant fixed and distance-related costs. This category provides the principal reference point for land used for pastoral and general rural purposes.
UV Mining	UV-valued land held or used for mining, exploration or prospecting purposes.	To raise an equitable contribution from mining-related land toward the infrastructure and local-government capacity required to support and respond to those activities.	Mining, exploration and prospecting across remote parts of the district generate significant additional demand (including at times of the year when road damage can be heightened by adverse seasonal conditions) through heavy-vehicle movements, use of local and regional access roads, dispersed operations, emergency-management requirements and governance or compliance activity. The higher differential rate reflects that service and infrastructure profile and the relatively low valuation base of many mining interests. It is not based on an assumption about the profitability of individual operators, and costs recovered through agreements, conditions, fees or other charges should not be counted twice.
UV Intensive Horticulture	UV-valued land predominantly used for intensive horticulture, including the production of fruit, vegetables, vines or flowers.	To raise an equitable contribution from intensive horticulture land toward the infrastructure and local-government, planning, emergency and district services that support the sector, while recognising the comparatively high valuations applied to this land.	Intensive horticulture is central to Carnarvon's identity, economy and employment base. Horticultural properties benefit from and create demand for local roads, flood-mitigation and drainage infrastructure, emergency coordination, land-use planning, workforce-related facilitation and advocacy. Many properties are located on the Gascoyne River floodplain, where the Shire has responsibilities associated with levees, drainage and resilience. Because horticultural UVs are comparatively high, a lower rate in the dollar is proposed to avoid a disproportionate rates contribution while still recognising the sector's use of and benefit from Shire services. Under the current model, this category contributes 9.75% of estimated general rates revenue.

2. RATES AND SERVICE CHARGES (CONTINUED)

(d) Specified Area Rate

	Budgeted rate applied to costs	Budgeted rate set aside to reserve	Reserve Amount to be applied to costs	Purpose of the rate	Area or properties rate is to be imposed on
Specified area rate	$	$	$		
GRV Coral Bay	460,000	0	0	This rate is raised to contribute to the maintenance and future deliberations of the Coral Bay Refuse Site. The rate will be applied in full to the Coral Bay Refuse Site. Any surplus is required to be transferred to a specific purpose reserve. A surplus is not anticipated.	All properties in Coral Bay based on GRV at $0.08854 rate in the dollar.
	460,000	0	0		

(e) Service Charges

The Shire did not raise service charges for the year ended 30th June 2027.

(f) Waivers or concessions

Rate, fee or charge to which the waiver or concession is granted	Type	Waiver/ Concession	Discount %	Discount ($)	2026/27 Budget	2025/26 Actual	2025/26 Budget	Circumstances in which the waiver or concession is granted	Objects and reasons of the waiver or concession
					$	$	$		
OTC Dish rates levied	Rate	Concession	100.0%	0	0	0	1,500	Upon Application to Council	To assist an entities ability to refurbish a Council owned asset as per lease agreement.
					0	0	1,500		

3. NET CURRENT ASSETS

(a) Composition of estimated net current assets	Note	2026/27 Budget 30 June 2027 Carried forward	2025/26 Actual 30 June 2026 Carried forward	2025/26 Budget 30 June 2026 Carried forward
Current assets		$	$	$
Cash and cash equivalents	4	2,008,643	13,063,019	1,228,010
Receivables		3,153,285	3,153,285	814,012
Inventories		90,022	90,022	83,988
Other assets		0	0	266,249
		5,251,950	16,306,326	2,392,259
Less: current liabilities				
Trade and other payables		(3,252,178)	(2,785,178)	(1,140,569)
Contract liabilities		0	(1,450,964)	0
Capital grant/contributions liabilities		0	(3,763,260)	0
Lease liabilities	7	(50,446)	(68,342)	(9,300)
Long term borrowings	8	(617,247)	(570,902)	(365,000)
Employee provisions		(1,123,052)	(1,123,052)	(916,119)
		(5,042,923)	(9,761,698)	(2,430,988)
Net current assets		209,027	6,544,628	(38,729)
Less: Total adjustments to net current assets	3(b)	(209,027)	(1,102,476)	(351,977)
Net current assets used in the Statement of Financial Activity		0	5,442,152	(390,706)

(b) Current assets and liabilities excluded from budgeted deficiency

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

	Note	2026/27 Budget	2025/26 Actual	2025/26 Budget
Adjustments to net current assets				
Less: Reserve accounts	9	(1,999,772)	(2,864,772)	(1,633,096)
Add: Current liabilities not expected to be cleared at end of year				
- Current portion of borrowings		617,247	570,902	365,000
- Current portion of lease liabilities		50,446	68,342	0
Add: Current liabilities covered by funds held in reserve account				
- Current portion of employee benefit provisions		1,123,052	1,123,052	916,119
Total adjustments to net current assets		(209,027)	(1,102,476)	(351,977)

EXPLANATION OF DIFFERENCE IN SURPLUS/(DEFICIT)

Items excluded from calculation of budgeted deficiency

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

	Note	2026/27 Budget	2025/26 Actual	2025/26 Budget
(c) Amounts excluded from operating activities				
Less: Fair value adjustments to financial assets at fair value through profit and loss		0	(132,227)	0
Add: Depreciation	6	8,722,886	8,722,886	8,815,610
Non cash amounts excluded from operating activities		8,722,886	8,590,659	8,815,610
(d) Amounts excluded from investing activities				
Right of use assets recognised	5(c)	0	173,933	0
Non cash amounts excluded from investing activities		0	173,933	0
(e) Amounts excluded from financing activities				
Less: Lease liability recognised	7	0	(173,933)	(9,300)
Non cash amounts excluded from financing activities		0	(173,933)	(9,300)

3. NET CURRENT ASSETS (CONTINUED)

(f) MATERIAL ACCOUNTING POLICIES

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

4. RECONCILIATION OF CASH

(a) Reconciliation of cash

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

	Note	2026/27 Budget	2025/26 Actual	2025/26 Budget
		$	$	$
Cash and cash equivalents		2,008,643	13,063,019	1,228,010
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		1,999,772	8,078,996	365,000
Restricted financial assets at amortised cost - term deposits		0	0	1,633,096
		1,999,772	8,078,996	1,998,096
The restricted financial assets are a result of the following specific purposes to which the assets may be used:				
Reserve accounts	9	1,999,772	2,864,772	1,633,096
Contract liabilities		0	1,450,964	0
Capital grant/contributions liabilities		0	3,763,260	0
Unspent borrowings	8(c)	0	365,000	365,000
Unspent borrowings - held in plant reserve		0	(365,000)	0
Total restricted financial assets		1,999,772	8,078,996	1,998,096

(b) Reconciliation of net cash provided by operating activities

	Note	2026/27 Budget	2025/26 Actual	2025/26 Budget
Net result		5,738,475	2,083,770	2,994,248
Non-cash items:				
Depreciation	6	8,722,886	8,722,886	8,815,610
Adjustments to fair value of financial assets at fair value through profit and loss		0	(132,227)	0
Changes in assets and liabilities:				
(Increase)/decrease in receivables		0	(522,663)	1,449,999
(Increase) in inventories		0	(30,049)	0
Decrease in other assets		0	558,349	0
Increase in trade and other payables		467,000	1,312,523	1,000,000
Increase/(decrease) in contract liabilities		(1,450,964)	904,751	(918,373)
Increase/(decrease) in capital grant/contributions liabilities		(3,763,260)	3,320,523	0
Capital grants, subsidies and contributions		(15,104,400)	(8,963,808)	(14,868,174)
Net cash provided by/(used in) operating activities		(5,390,263)	7,254,055	(1,526,690)

MATERIAL ACCOUNTING POLICES

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

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

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

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

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

5. PROPERTY, PLANT AND EQUIPMENT

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

	2026/27 Budget	2025/26 Actual	2025/26 Budget
	Additions	Additions	Additions
(a) Property, Plant and Equipment	$	$	$
Buildings - non-specialised	786,009	850,771	880,331
Furniture and equipment	268,000	74,590	141,360
Plant and equipment	1,630,609	184,382	420,000
Total	2,684,618	1,109,743	1,441,691
(b) Infrastructure			
Infrastructure - roads	4,034,420	2,838,320	4,093,069
Infrastructure - footpaths	200,000	74,990	75,000
Infrastructure - drainage	175,000	40,790	40,790
Infrastructure - parks and ovals	0	3,058,263	0
Other infrastructure - airport	522,000	154,286	8,000,000
Other infrastructure	13,763,231	1,394,276	3,374,603
Other infrastructure - landfill	0	77,744	0
Total	18,694,651	7,638,669	15,583,462
(c) Right of Use Assets			
Right of use - buildings	0	120,693	0
Right of use - furniture and fittings	0	53,240	0
	0	173,933	0
Total	21,379,269	8,922,345	17,025,153

MATERIAL ACCOUNTING POLICIES

RECOGNITION OF ASSETS
Assets for which the fair value as at the date of acquisition is under $5,000 are not recognised as an asset in accordance with *Financial Management Regulation 17A (5)* . These assets are expensed immediately.

Where multiple individual low value assets are purchased together as part of a larger asset or collectively forming a larger asset exceeding the threshold, the individual assets are recognised as one asset and capitalised.

6. DEPRECIATION

	2026/27 Budget	2025/26 Actual	2025/26 Budget
	$	$	$
By Class			
Buildings - non-specialised	53,012	53,012	1,037,800
Buildings - specialised	651,912	651,912	0
Furniture and equipment	54,223	54,223	56,100
Plant and equipment	519,702	519,702	446,900
Infrastructure - roads	3,704,471	3,704,471	3,623,200
Infrastructure - footpaths	234,752	234,752	229,500
Infrastructure - bridges	128,025	128,025	128,200
Infrastructure - drainage	1,031,081	1,031,081	1,023,000
Infrastructure - parks and ovals	1,730	1,730	1,800
Infrastructure - levee	248,406	248,406	248,700
Other infrastructure - airport	1,060,188	1,060,188	1,060,000
Other infrastructure - carparks	44,122	44,122	44,300
Other infrastructure	865,502	865,502	825,500
Other infrastructure - landfill	1,500	1,500	0
Right of use - plant and equipment	68,782	68,782	16,000
Right of use - furniture and fittings	55,478	55,478	74,610
	8,722,886	8,722,886	8,815,610
By Program			
Governance	206,449	206,449	235,510
Law, order, public safety	78,079	78,079	115,900
Health	5,915	5,915	6,900
Education and welfare	46,638	46,638	66,800
Housing	15,974	15,974	14,300
Community amenities	358,795	358,795	366,300
Recreation and culture	1,219,340	1,219,340	1,423,100
Transport	6,295,460	6,295,460	6,242,100
Economic services	16,629	16,629	11,700
Other property and services	479,607	479,607	333,000
	8,722,886	8,722,886	8,815,610

MATERIAL ACCOUNTING POLICIES

DEPRECIATION
The depreciable amount of all fixed assets including buildings but excluding freehold land, are depreciated on a straight-line basis over the individual asset's useful life from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful life of the improvements.

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Major depreciation periods used for each class of depreciable asset are:

Buildings	20 - 90 years
Furniture and Equipment	5 years
Plant and Equipment	4 - 50 years
Footpaths	40 - 80 years
Other Infrastructure	10 - 90 years
Right of use - plant and equipment	Based on the remaining lease
Right of use - furniture and fittings	Based on the remaining lease
Sealed roads and streets	
- clearing and earthworks	not depreciated
- construction/road base	24 years
- kerbing	60 years
original surfacing and major re-surfacing	
- bituminous seals	14 years
- asphalt surfaces	14 years
Gravel roads	
- clearing and earthworks	not depreciated
- construction/road base	24 years
- gravel sheet	12 years
Formed roads (unsealed)	
- clearing and earthworks	not depreciated
- construction/road base	24 years

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

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

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

7. LEASE LIABILITIES

Purpose	Lease Number	Institution	Lease Interest Rate	Lease Term	Budget Lease Principal 1 July 2026	2026/27 Budget New Leases	2026/27 Budget Lease Principal Repayments	Budget Lease Principal outstanding 30 June 2027	2026/27 Budget Lease Interest Repayments	Actual Principal 1 July 2025	2025/26 Actual New Leases	2025/26 Actual Lease Principal repayments	Actual Lease Principal outstanding 30 June 2026	2025/26 Actual Lease Interest repayments	Budget Principal 1 July 2025	2025/26 Budget New Leases	2025/26 Budget Lease Principal repayments	Budget Lease Principal outstanding 30 June 2026	2025/26 Budget Lease Interest repayments
					$	$	$	$	$	$	$	$	$	$	$	$	$	$	$
Copier	NA	NA	NA	NA	0	0	0	0	0	0	0	0	0	0	1,851	2,800	(4,651)	0	(294)
Admin Copier	NA	NA	4.6%	5 years	15,250	0	(2,778)	12,472	(643)	0	15,250	0	15,250	0	0	0	0	0	0
IT Equipment	NA	Integrated ICT	3.5%	36 months	20,157	0	(20,157)	0	(116)	66,692	20,157	(66,692)	20,157	(1,257)	66,692	6,500	(73,192)	0	(1,822)
Fleet	NA	NA	NA	NA	0	0	0	0	0	0	0	0	0	0	53,231	0	(53,231)	0	(420)
Copier Plan Copier	**09AUS1	HP Financial Serv.	4.6%	36 months	6,613	0	(2,748)	3,865	(247)	0	8,376	(1,763)	6,613	(233)	0	0	0	0	0
IT Laptops	**83AUS2	Integrated ICT	4.6%	36 months	6,493	0	(2,342)	4,151	(250)	0	7,250	(757)	6,493	(107)	0	0	0	0	0
Fleet - P404	35180	Fleetcare	4.6%	36 months	97,035	0	(40,317)	56,718	(3,621)	0	122,900	(25,865)	97,035	(3,424)	0	0	0	0	0
					145,548	0	(68,342)	77,206	(4,877)	66,692	173,933	(95,077)	145,548	(5,021)	121,774	9,300	(131,074)	0	(2,536)

MATERIAL ACCOUNTING POLICIES

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

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

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

8. BORROWINGS

(a) Borrowing repayments

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

Purpose	Loan Number	Institution	Interest Rate	Budget Principal 1 July 2026	2026/27 Budget New Loans	2026/27 Budget Principal Repayments	Budget Principal outstanding 30 June 2027	2026/27 Budget Interest Repayments	Actual Principal 1 July 2025	2025/26 Actual New Loans	2025/26 Actual Principal Repayments	Actual Principal outstanding 30 June 2026	2025/26 Actual Interest Repayments	Budget Principal 1 July 2025	2025/26 Budget New Loans	2025/26 Budget Principal Repayments	Budget Principal outstanding 30 June 2026	2025/26 Budget Interest Repayments
				$	$	$	$	$	$	$	$	$	$	$	$	$	$	$
Airport Corrective Works	216	WATC	3.10%	25,880	0	(25,880)	0	(395)	76,481	0	(50,601)	25,880	(2,031)	76,480	0	(50,601)	25,879	(1,950)
Plant and Equipment	217	WATC	3.50%	970,316	0	(264,337)	705,979	(34,323)	1,224,905	0	(254,589)	970,316	(45,982)	1,224,905	0	(254,589)	970,316	(44,071)
Heavy Plant	219	WATC	4.30%	565,609	0	(103,631)	461,978	(23,412)	664,889	0	(99,280)	565,609	(33,124)	664,888	0	(99,280)	565,608	(27,764)
Light Fleet	220	WATC	4.30%	147,516	0	(47,117)	100,399	(5,782)	192,689	0	(45,173)	147,516	(9,097)	192,688	0	(45,173)	147,515	(7,725)
Housing (RED House)	221	WATC	5.20%	477,709	0	(15,847)	461,862	(24,726)	492,760	0	(15,051)	477,709	(35,920)	492,760	0	(15,051)	477,709	(25,521)
Plant	222	WATC	4.59%	365,000	0	(66,496)	298,504	(15,614)	0	365,000	0	365,000	(3,543)	0	365,000	0	365,000	0
Heavy Plant	TBA	WATC	5.55%	0	1,250,000	(47,594)	1,202,406	(34,688)	0	0	0	0	0	0	0	0	0	0
Short term capital funding	TBA	WATC	5.55%	0	5,000,000	(5,000,000)	0	0				0					0	
				2,552,030	6,250,000	(5,570,902)	3,231,128	(138,940)	2,651,724	365,000	(464,694)	2,552,030	(129,697)	2,651,721	365,000	(464,694)	2,552,027	(107,031)

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

8. BORROWINGS (CONTINUED)

(b) New borrowings - 2026/27

Particulars/Purpose	Institution	Loan type	Term (years)	Interest rate	Amount borrowed budget	Total interest & charges	Amount used budget	Balance unspent
				%	$	$	$	$
Purchase heavy plant and equipment	WATC	Debenture	10	5.55%	1,250,000	34,688	(1,250,000)	0
Short term capital funding	WATC	Short term	1	5.55%	5,000,000	variable	(5,000,000)	0
					6,250,000	34,688	(6,250,000)	0

(c) Unspent borrowings

Loan Details	Purpose of the loan	Year loan taken	Amount b/fwd.	Amount used 2026/27 Budget	New loans unspent at 30 June 2027	Amount as at 30 June 2027
			$	$	$	$
Loan 222	Purchase of plant	2025/26	365,000	(365,000)	0	0
			365,000	(365,000)	0	0

(d) Credit Facilities

	2026/27 Budget	2025/26 Actual	2025/26 Budget
	$	$	$
Undrawn borrowing facilities credit standby arrangements			
Bank overdraft limit	200,000	200,000	200,000
Bank overdraft at balance date	0	0	0
Credit card limit	20,000	20,000	20,000
Credit card balance at balance date	0	(19,289)	(5,000)
Total amount of credit unused	220,000	200,711	215,000
Loan facilities			
Loan facilities in use at balance date	3,231,128	2,552,030	2,552,027
Unused loan facilities at balance date	0	365,000	365,000

Overdraft details	Purpose overdraft was established	Year overdraft established	Amount b/fwd 1 July 2026	2026/27 Budgeted Increase/ (Decrease)	Amount as at 30th June 2027
			$	$	$
ANZ - Closure of Overdraft and transfer to CBA	Cashflow	1997	200,000	(200,000)	0
CBA - To replace ANZ Overdraft in 26/27	Cashflow	2026	0	200,000	200,000
			200,000	0	200,000

MATERIAL ACCOUNTING POLICIES

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

Fair values of borrowings are not materially different to their carrying amounts, since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short-term nature.
Borrowings fair values are based on discounted cash flows using a current borrowing rate.

9. RESERVE ACCOUNTS

(a) Reserve Accounts - Movement

	2026/27 Budget				2025/26 Actual				2025/26 Budget			
	Opening Balance	Transfer to	Transfer (from)	Closing Balance	Opening Balance	Transfer to	Transfer (from)	Closing Balance	Opening Balance	Transfer to	Transfer (from)	Closing Balance
	$	$	$	$	$	$	$	$	$	$	$	$
Restricted by legislation												
(a) Specified area rate reserve	79,640	0	0	79,640	78,683	957	0	79,640	78,683	375,366	(375,366)	78,683
	79,640	0	0	79,640	78,683	957	0	79,640	78,683	375,366	(375,366)	78,683
Restricted by council												
(b) Leave reserve	388,319	0	0	388,319	383,648	4,671	0	388,319	383,647	0	(100,570)	283,077
(c) Plant Reserve	431,876	0	(365,000)	66,876	65,355	366,521	0	431,876	65,356	0	0	65,356
(d) Waste Disposal Reserve	168,713	0	0	168,713	166,685	2,028	0	168,713	166,684	0	0	166,684
(e) Mosquito Management Reserve	11,253	0	0	11,253	11,118	135	0	11,253	11,118	0	0	11,118
(f) Airport Renewal and Upgrade Reserve	65,197	0	0	65,197	64,413	784	0	65,197	64,413	0	0	64,413
(g) Asset Upgrades and Renewal Reserve	281,903	0	(200,000)	81,903	278,512	3,391	0	281,903	278,512	0	(194,494)	84,018
(h) Emergency Management Reserve	293,307	0	0	293,307	289,779	3,528	0	293,307	289,779	0	0	289,779
(i) Fascine Upgrade and Renewal Reserve	266,684	0	0	266,684	263,476	3,208	0	266,684	263,476	0	0	263,476
(j) Strategic Projects Reserve	731,922	0	(300,000)	431,922	723,119	8,803	0	731,922	723,119	0	(640,830)	82,289
(k) Blowholes Reserve Management Funds	145,958	0	0	145,958	144,202	1,756	0	145,958	144,203	0	0	144,203
(l) Enterprise Resource Planning System	0	0	0	0	0	0	0	0	0	100,000	0	100,000
	2,785,132	0	(865,000)	1,920,132	2,390,307	394,825	0	2,785,132	2,390,307	100,000	(935,894)	1,554,413
	2,864,772	0	(865,000)	1,999,772	2,468,990	395,782	0	2,864,772	2,468,990	475,366	(1,311,260)	1,633,096

(b) Reserve Accounts - Purposes

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

Reserve name	Anticipated date of use	Purpose of the reserve
Restricted by legislation		
(a) Specified area rate reserve	Ongoing	To be used for maintenance and capital costs associated with Coral Bay Refuse Site. Annual transfer being revenue as raised by Specified Area Rate raised less expenditure at Coral Bay Waste facility and services, (excludes depreciation).
Restricted by council		
(b) Leave reserve	Ongoing	To fund the current annual and long service leave requirements.
(c) Plant Reserve	Ongoing	To fund the acquisition of new plant as per the Plant Replacement program.
(d) Waste Disposal Reserve	Ongoing	To be used for maintenance or capital expenditure at Browns 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	Ongoing	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) Airport Renewal and Upgrade Reserve	Ongoing	To fund upgrades and renewal at the Carnarvon Airport.
(g) Asset Upgrades and Renewal Reserve	Ongoing	To fund the upgrade and renewal of existing assets.
(h) Emergency Management Reserve	Ongoing	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.
(i) Fascine Upgrade and Renewal Reserve	Ongoing	To fund the upgrades and renewal of Fascine Infrastructure.
(j) Strategic Projects Reserve	Ongoing	To fund development of strategic projects and new infrastructure.
(k) Blowholes Reserve Management Funds	Ongoing	To fund the implementation of the Blowholes Reserve management plan.
(l) Enterprise Resource Planning System	2029	To fund the replacement of the Shire's current Enterprise Resource Planning System as the current system will no longer be supported by 2029.

10. OTHER INFORMATION

The net result includes as revenues	2026/27 Budget	2025/26 Actual	2025/26 Budget
	$	$	$
(a) Interest earnings			
Investments	320,000	162,022	320,000
Other interest revenue	207,000	201,777	172,000
	527,000	363,799	492,000
The net result includes as expenses			
(b) Auditors remuneration			
Audit services	75,000	56,475	63,375
Other services	3,000	12,164	0
	78,000	68,639	63,375
(c) Interest expenses (finance costs)			
Borrowings (refer Note 8(a))	138,940	129,697	107,031
Interest on lease liabilities (refer Note 7)	4,877	5,021	2,536
	143,817	134,718	109,567

11. COUNCIL MEMBERS REMUNERATION

	2026/27 Budget	2025/26 Actual	2025/26 Budget
	$	$	$
President			
President's allowance	22,474	42,911	51,492
Meeting attendance fees	8,724	16,657	19,988
Other expenses	3,750	1,293	1,250
Travel and accommodation expenses	625	0	1,250
Superannuation contribution payments	3,744	0	2,524
	39,317	60,861	76,504
Deputy President			
Deputy President's allowance	5,620	11,801	12,876
Meeting attendance fees	8,724	18,322	19,988
Other expenses	3,750	1,293	1,250
Travel and accommodation expenses	625	0	1,250
Superannuation contribution payments	1,721	2,629	2,524
	20,440	34,045	37,888
Council member 3			
Meeting attendance fees	8,724	16,656	19,988
Other expenses	3,750	1,293	1,250
Travel and accommodation expenses	625	0	1,250
Superannuation contribution payments	1,047	1,399	2,524
	14,146	19,348	25,012
Council member 4			
Meeting attendance fees	8,724	16,656	19,988
Other expenses	3,750	1,293	1,250
Travel and accommodation expenses	625	0	1,250
Superannuation contribution payments	1,047	1,399	2,523
	14,146	19,348	25,011
Council member 5			
Meeting attendance fees	8,724	4,997	19,987
Other expenses	3,750	2,983	1,250
Travel and accommodation expenses	625	352	1,250
Superannuation contribution payments	1,047	0	2,523
	14,146	8,332	25,010
Council member 6			
Meeting attendance fees	8,724	11,660	19,987
Other expenses	3,750	1,773	1,250
Travel and accommodation expenses	625	3,881	1,250
Superannuation contribution payments	1,047	1,865	2,523
	14,146	19,179	25,010
Council member 7			
Meeting attendance fees	8,724	3,331	19,987
Other expenses	3,750	1,293	1,250
Travel and accommodation expenses	625	0	1,250
Superannuation contribution payments	1,047	0	2,523
	14,146	4,624	25,010
Council member 8			
Meeting attendance fees	8,724	18,322	19,987
Other expenses	3,750	1,293	1,250
Travel and accommodation expenses	625	0	1,250
Superannuation contribution payments	1,047	1,599	2,523
	14,146	21,214	25,010
Council member 9			
Meeting attendance fees	0	16,656	0
Superannuation contribution payments	0	1,399	0
	0	18,055	0
Council member 10			
Meeting attendance fees	0	4,997	0
Superannuation contribution payments	0	352	0
	0	5,349	0
Commissioner			
Meeting attendance fees	135,402	20,533	0
Travel and accommodation expenses	25,000	0	0
Superannuation contribution payments	16,248	2,464	0
	176,650	22,997	0
Total Council Member Remuneration	321,283	233,352	264,455
President's allowance	22,474	42,911	51,492
Deputy President's allowance	5,620	11,801	12,876
Meeting attendance fees	205,194	148,787	159,900
Other expenses	30,000	12,514	10,000
Travel and accommodation expenses	30,000	4,233	10,000
Superannuation contribution payments	27,995	13,106	20,187
	321,283	233,352	264,455

12. TRUST FUNDS

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

Detail	Balance 1 July 2026	Estimated amounts received	Estimated amounts paid	Estimated balance 30 June 2027
	$	$	$	$
Public Open Space Deposits	140,374	0	0	140,374
	140,374	0	0	140,374

13. REVENUE AND EXPENDITURE

(a) Revenue and Expenditure Classification

REVENUES

RATES
All rates levied under the *Local Government Act 1995*. Includes general, differential, specific area rates, minimum payment, interim rates, back rates, ex-gratia rates, less discounts offered.
Exclude administration fees, interest on instalments, interest on arrears, service charges and sewerage rates.

GRANTS, SUBSIDIES AND CONTRIBUTIONS
All amounts received as grants, subsidies and contributions that are not capital grants.

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

REVENUE FROM CONTRACTS WITH CUSTOMERS
Revenue from contracts with customers is recognised when the local government satisfies its performance obligations under the contract.

FEES AND CHARGES
Revenues (other than service charges) from the use of facilities and charges made for local government services, sewerage rates, rentals, hire charges, fee for service, photocopying charges, licences, sale of goods or information, fines, penalties and administration fees.
Local governments may wish to disclose more detail such as rubbish collection fees, rental of property, fines and penalties, other fees and charges.

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

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

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

PROFIT ON ASSET DISPOSAL
Gain on the disposal of assets including gains on the disposal of long-term investments.

EXPENSES

EMPLOYEE COSTS
All costs associated with the employment of person such as salaries, wages, allowances, benefits such as vehicle and housing, superannuation, employment expenses, removal expenses, relocation expenses, worker's compensation insurance, training costs, conferences, safety expenses, medical examinations, fringe benefit tax, etc.
Note: *AASB 119 Employee Benefits* provides a definition of employee benefits which should be considered.

MATERIALS AND CONTRACTS
All expenditures on materials, supplies and contracts not classified under other headings. These include supply of goods and materials, legal expenses, consultancy, maintenance agreements, communication expenses (such as telephone and internet charges), advertising expenses, membership, periodicals, publications, hire expenses, rental, leases, postage and freight etc.
Local governments may wish to disclose more detail such as contract services, consultancy, information technology and rental or lease expenditures.

UTILITIES (GAS, ELECTRICITY, WATER)
Expenditures made to the respective agencies for the provision of power, gas or water.
Exclude expenditures incurred for the reinstatement of roadwork on behalf of these agencies.

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

LOSS ON ASSET DISPOSAL
Loss on the disposal of fixed assets.

DEPRECIATION ON NON-CURRENT ASSETS
Depreciation and amortisation expenses raised on all classes of assets.

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

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

13. REVENUE AND EXPENDITURE (CONTINUED)

(b) Revenue Recognition

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/ Warranties	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
Licences/ Registrations/ Approvals	Building, planning, development and animal management, having the same nature as a licence regardless of naming.	Single point in time	Full payment prior to issue	None	On payment and issue of the licence, registration or approval
Waste management entry fees	Waste treatment, recycling and disposal service at disposal sites	Single point in time	Payment in advance at gate or on normal trading terms if credit provided	None	On entry to facility
Airport landing charges	Permission to use facilities and runway	Single point in time	Monthly in arrears	None	On landing/departure event
Fees and charges for other goods and services	Cemetery services, library fees, reinstatements and private works	Single point in time	Payment in full in advance	None	Output method based on provision of service or completion of works
Sale of stock	Kiosk and visitor centre stock	Single point in time	In full in advance, on 15 day credit	Refund for faulty goods	Output method based on goods

14. PROGRAM INFORMATION

Key Terms and Definitions - Reporting Programs

In order to discharge its responsibilities to the community, Council has developed a set of operational and financial objectives. These objectives have been established both on an overall basis, reflected by the Shire's Community Vision, and for each of its broad activities/programs.

OBJECTIVE	ACTIVITIES
Governance To provide a decision making process for the efficient allocation of scarce resources.	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 including rent, maintenance and utilities and construction of residential housings for rent
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 effectively manage 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 safe, effective and efficient transport services to the community.	Maintenance of streets, roads, footpaths, street lighting, airport. Agency for Department of Planning and Infrastructure's on line vehicle licensing services.
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.

15. FEES AND CHARGES

	2026/27 Budget	2025/26 Actual	2025/26 Budget
	$	$	$
By Program:			
Governance	0	4,113	100
General purpose funding	72,350	97,962	81,200
Law, order, public safety	38,000	47,920	29,500
Health	17,900	17,702	20,402
Education and welfare	5,000	21,939	5,000
Community amenities	2,310,500	1,951,796	1,898,453
Recreation and culture	66,750	62,262	85,020
Transport	1,495,000	1,240,653	1,207,242
Economic services	316,000	359,913	368,485
Other property and services	0	63,655	0
	4,321,500	3,867,915	3,695,402

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