SHIRE OF THREE SPRINGS

ANNUAL BUDGET

FOR THE YEAR ENDED 30 JUNE 2026

LOCAL GOVERNMENT ACT 1995

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The Shire of Three Springs a Class 4 local government conducts the operations of a local government with the following community vision:

SHIRE'S VISION
Three Springs becomes a Healthy and Unified Community with a bright future
HEART OF NORTH MIDLANDS

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

	Note	2025/26 Budget	2024/25 Actual	2024/25 Budget
Revenue		$	$	$
Rates	2(a)	3,066,690	2,913,261	2,909,850
Grants, subsidies and contributions		1,793,531	1,330,547	1,027,916
Fees and charges	13	281,867	369,640	291,281
Interest revenue	9(a)	228,418	233,401	182,061
Other revenue		125,396	91,839	99,530
		5,495,902	4,938,688	4,510,638
Expenses				
Employee costs		(2,458,327)	(2,028,829)	(2,458,586)
Materials and contracts		(2,472,791)	(1,320,263)	(1,957,702)
Utility charges		(402,594)	(384,354)	(333,896)
Depreciation	6	(2,733,772)	(2,670,354)	(2,542,724)
Finance costs	9(c)	(20,000)	0	0
Insurance		(195,676)	(254,963)	(182,084)
Other expenditure		(108,822)	(66,377)	(108,729)
		(8,391,982)	(6,725,140)	(7,583,721)
		(2,896,080)	(1,786,452)	(3,073,083)
Capital grants, subsidies and contributions		7,558,346	7,747,157	14,467,299
Profit on asset disposals	5	5,650	7,197	82,636
Loss on asset disposals	5	(2,464)	(5,055)	(49,885)
Fair value adjustments to financial assets at fair value through profit or loss		0	(3,551)	0
		7,561,532	7,745,748	14,500,050
Net result for the period		**4,665,452**	**5,959,296**	**11,426,967**
Other comprehensive income for the period				
Items that will not be reclassified subsequently to profit or loss				
Changes in asset revaluation surplus		0	12,528,170	0
Total other comprehensive income for the period		**0**	**12,528,170**	**0**
Total comprehensive income for the period		**4,665,452**	**18,487,466**	**11,426,967**

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

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

CASH FLOWS FROM OPERATING ACTIVITIES	Note	2025/26 Budget	2024/25 Actual	2024/25 Budget
Receipts		$	$	$
Rates		3,116,715	2,888,268	2,950,075
Grants, subsidies and contributions		1,793,531	1,483,205	1,088,141
Fees and charges		281,867	369,640	291,281
Interest revenue		228,418	233,401	182,061
Goods and services tax received		577,697	552,760	405,186
Other revenue		125,396	91,839	99,530
		6,123,624	5,619,113	5,016,274
Payments				
Employee costs		(2,458,327)	(2,039,690)	(2,458,586)
Materials and contracts		(2,425,736)	(1,349,219)	(1,739,677)
Utility charges		(402,594)	(384,354)	(333,896)
Finance costs		(20,000)	5,595	0
Insurance paid		(195,676)	(254,963)	(182,084)
Goods and services tax paid		(577,697)	(577,697)	(405,186)
Other expenditure		(108,822)	(66,377)	(108,729)
		(6,188,852)	(4,666,705)	(5,228,158)
Net cash provided by (used in) operating activities	4	(65,228)	952,408	(211,884)
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment	5(a)	(3,722,471)	(990,563)	(3,614,625)
Payments for construction of infrastructure	5(b)	(7,609,083)	(7,807,446)	(13,662,617)
Capital grants, subsidies and contributions		7,763,346	7,199,824	15,069,299
Proceeds from sale of property, plant and equipment	5(a)	203,650	57,045	331,250
Net cash (used in) investing activities		(3,364,558)	(1,541,140)	(1,876,693)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	7(a)	(1,000,000)	0	(1,000,000)
Proceeds from new borrowings	7(a)	1,000,000	0	1,000,000
Proceeds on disposal of financial assets at amortised cost - term deposits		0	(147,027)	0
Net cash (used in) financing activities		0	(147,027)	0
Net (decrease) in cash held		(3,429,786)	(735,759)	(2,088,577)
Cash at beginning of year		3,676,121	4,411,880	4,417,651
Cash and cash equivalents at the end of the year	4	**246,335**	**3,676,121**	**2,329,074**

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

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

	Note	2025/26 Budget	2024/25 Actual	2024/25 Budget
OPERATING ACTIVITIES		$	$	$
Revenue from operating activities				
General rates	2(a)(i)	3,056,464	2,903,034	2,899,838
Rates excluding general rates	2(a)	10,226	10,227	10,012
Grants, subsidies and contributions		1,793,531	1,330,547	1,027,916
Fees and charges	13	281,867	369,640	291,281
Interest revenue	9(a)	228,418	233,401	182,061
Other revenue		125,396	91,839	99,530
Profit on asset disposals	5	5,650	7,197	82,636
Fair value adjustments to financial assets at fair value through profit or loss		0	(3,551)	0
		5,501,552	4,942,334	4,593,274
Expenditure from operating activities				
Employee costs		(2,458,327)	(2,028,829)	(2,458,586)
Materials and contracts		(2,472,791)	(1,320,263)	(1,957,702)
Utility charges		(402,594)	(384,354)	(333,896)
Depreciation	6	(2,733,772)	(2,670,354)	(2,542,724)
Finance costs	9(c)	(20,000)	0	0
Insurance		(195,676)	(254,963)	(182,084)
Other expenditure		(108,822)	(66,377)	(108,729)
Loss on asset disposals	5	(2,464)	(5,055)	(49,885)
		(8,394,446)	(6,730,195)	(7,633,606)
Non cash amounts excluded from operating activities	3(c)	2,653,972	2,686,485	2,515,247
Amount attributable to operating activities		**(238,922)**	**898,624**	**(525,085)**
INVESTING ACTIVITIES				
Inflows from investing activities				
Capital grants, subsidies and contributions		7,558,346	7,747,157	14,467,299
Proceeds from disposal of property, plant and equipment	5(a)	203,650	57,045	331,250
		7,761,996	7,804,202	14,798,549
Outflows from investing activities				
Payments for property, plant and equipment	5(a)	(3,722,471)	(990,563)	(3,614,625)
Payments for construction of infrastructure	5(b)	(7,609,083)	(7,807,446)	(13,662,617)
		(11,331,554)	(8,798,009)	(17,277,242)
Amount attributable to investing activities		**(3,569,558)**	**(993,807)**	**(2,478,693)**
FINANCING ACTIVITIES				
Inflows from financing activities				
Proceeds from new borrowings	7(a)	1,000,000	0	1,000,000
Transfers from reserve accounts	8(a)	781,195	0	0
		1,781,195	0	1,000,000
Outflows from financing activities				
Repayment of borrowings	7(a)	(1,000,000)	0	(1,000,000)
Transfers to reserve accounts	8(a)	(277,912)	(147,027)	(363,056)
		(1,277,912)	(147,027)	(1,363,056)
Amount attributable to financing activities		**503,283**	**(147,027)**	**(363,056)**
MOVEMENT IN SURPLUS OR DEFICIT				
Surplus at the start of the financial year	3	3,305,197	3,547,407	3,366,834
Amount attributable to operating activities		(238,922)	898,624	(525,085)
Amount attributable to investing activities		(3,569,558)	(993,807)	(2,478,693)
Amount attributable to financing activities		503,283	(147,027)	(363,056)
Surplus/(deficit) remaining after the imposition of general rates	3	**0**	**3,305,197**	**0**

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

SHIRE OF THREE SPRINGS
FOR THE YEAR ENDED 30 JUNE 2026
INDEX OF NOTES TO THE BUDGET

1 BASIS OF PREPARATION

The annual budget of the Shire of Three Springs which is a Class 4 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 10 to the annual budget.

2024/25 actual balances
Balances shown in this budget as 2024/25 Actual are estimates as forecast at the time of preparation of the annual budget and are subject to final adjustments.

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

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

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

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

Initial application of accounting standards
During the budget year, the below revised Australian Accounting Standards and Interpretations are expected to be compiled, become mandatory and be applicable to its operations.
• *AASB 2020-1 Amendments to Australian Accounting Standards*
 - Classification of Liabilities as Current or Non-current
• *AASB 2022-5 Amendments to Australian Accounting Standards*
 - Lease Liability in a Sale and Leaseback
• *AASB 2022-6 Amendments to Australian Accounting Standards*
 - Non-current Liabilities with Covenants
• *AASB 2023-1 Amendments to Australian Accounting Standards*
 - Supplier Finance Arrangements
• *AASB 2023-3 Amendments to Australian Accounting Standards*
- Disclosure of Non-current Liabilities with Covenants: Tier 2
• *AASB 2024-1 Amendments to Australian Accounting Standards*
- Supplier Finance Arrangements: Tier 2 Disclosures
It is not expected these standards will have an impact on the annual budget.

• *AASB 2022-10 Amendments to Australian Accounting Standards*
 - Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities, became mandatory during the budget year. Amendments to AASB 13 *Fair Value Measurement* impacts the future determination of fair value when revaluing assets using the cost approach. Timing of future revaluations is defined by regulation 17A of *Local Government (Financial Management) Regulations 1996*. Impacts of this pronouncement are yet to be quantified and are dependent on the timing of future revaluations of asset classes. No material impact is expected in relation to the 2025-26 statutory budget.

New accounting standards for application in future years
The following new accounting standards will have application to local government in future years:
• *AASB 2014-10 Amendments to Australian Accounting Standards*
 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
• *AASB 2024-4b Amendments to Australian Accounting Standards*
 - Effective Date of Amendments to AASB 10 and AASB 128 [deferred AASB 10 and AASB 128 amendments in AASB 2014-10 apply]
• *AASB 2022-9 Amendments to Australian Accounting Standards*
- Insurance Contracts in the Public Sector
• *AASB 2023-5 Amendments to Australian Accounting Standards*
- Lack of Exchangeability
• *AASB 18 (FP) Presentation and Disclosure in Financial Statements*
- (Appendix D) [for for-profit entities]
• *AASB 18 (NFP/super) Presentation and Disclosure in Financial Statements*
- (Appendix D) [for not-for-profit and superannuation entities]
• *AASB 2024-2 Amendments to Australian Accounting Standards*
- Classification and Measurement of Financial Instruments
• *AASB 2024-3 Amendments to Australian Accounting Standards*
- Standards – Annual Improvements Volume 11
It is not expected these standards will have an impact on the annual budget.

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

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

As with all estimates, the use of different assumptions could lead to material changes in the amounts reported in the financial report.

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

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

2. RATES AND SERVICE CHARGES

(a) Rating Information

Rate Description	Basis of valuation	Rate in dollar	Number of properties	Rateable value*	2025/26 Budgeted rate revenue	2025/26 Budgeted interim rates	2025/26 Budgeted total revenue	2024/25 Actual total revenue	2024/25 Budget total revenue
				$	$	$	$	$	$
(i) General rates									
GRV Residential	Gross rental valuations	0.127549	202	2,267,492	289,216	0	289,216	289,977	289,084
GRV Mining	Gross rental valuations	0.239212	1	247,000	59,085	0	59,085	59,085	59,085
UV Rural and Arrino Town	Unimproved valuations	0.007964	182	327,542,000	2,608,544	0	2,608,544	2,472,356	2,472,356
UV Mining	Unimproved valuations	0.060800	20	880,239	53,519	0	53,519	50,116	47,813
Non-Ratebale	Non-Ratebale	0.000000	69	52,802	0	0	0	0	0
Total general rates			474	330,989,533	3,010,364	0	3,010,364	2,871,534	2,868,338
		Minimum							
(ii) Minimum payment		$							
GRV Residential	Gross rental valuations	750.00	23	29,414	17,250	0	17,250	11,000	11,000
GRV Mining	Gross rental valuations	750.00	0	0	0	0	0	0	0
UV Rural and Arrino Town	Unimproved valuations	750.00	26	817,050	19,500	0	19,500	12,000	12,000
UV Mining	Unimproved valuations	550.00	17	67,507	9,350	0	9,350	8,500	8,500
Total minimum payments			66	913,971	46,100	0	46,100	31,500	31,500
Total general rates and minimum payments			540	331,903,504	3,056,464	0	3,056,464	2,903,034	2,899,838
(iii) Ex-gratia rates									
Co-operative Bulk Handling	Tonnage	0.054350	1	151,100	8,213	0	8,213	8,214	8,213
Murchison Region Aboriginal Corporation	Gross Rental Valuation				0	0	0	0	236
Dampier to Bunbury Natural Gas Pipeline Corridor based on annual rate equivalent	As advised by DPNG				2,013	0	2,013	2,013	1,563
Total ex-gratia rates			1	151,100	10,226	0	10,226	10,227	10,012
Total rates					3,066,690	0	3,066,690	2,913,261	2,909,850
Instalment plan charges							3,600	3,645	3,200
Instalment plan interest							15,000	13,239	10,500
Interest on ESL							350	415	350
Interest on deferred rates							350	0	350
Late payment of rate or service charge interest							10,000	10,789	10,000
							29,300	28,088	24,400

The Shire did not raise specified area rates for the year ended 30th June 2026.

*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 2025/26 financial year have been determined by Council on the basis of raising the revenue required to meet the estimated deficiency between the total estimated expenditure proposed in the budget and the estimated revenue to be received from all sources other than general rates and also considering the extent of any increase in rating over the level adopted in the previous year.

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

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 8 October 2025 or 35 days after the date of issue appearing on the rate notice, whichever is the later.

Option 2 (Four Instalments)
First instalment to be made on or before 8 October 2025 or 35 days after the date of issue appearing on the rate notice, whichever is the later including all arrears and a quarter of the current rates and service charges;
Second instalment to be made on or before 15 December 2025 or 2 months after the first instalment, whichever is the later;
Third instalment to be made on or before 19 February 2026 or 2 months after the second instalment, whichever is the later; and
Fourth instalment to be made on or before 27 April 2026 or 2 months after the third instalment, whichever is the later.

Instalment options	Date due	Instalment plan admin charge	Instalment plan interest rate	Unpaid rates interest rates
		$	%	%
Option one				
Single full payment	8/10/2025	0	0.0%	11.0%
Option two				
First instalment	8/10/2025	0	0.0%	11.0%
Second instalment	15/12/2025	15	5.5%	11.0%
Third instalment	19/02/2026	15	5.5%	11.0%
Fourth instalment	27/04/2026	15	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.

(i) Differential general rate

Description	Characteristics	Objects	Reasons
GRV - Town	Properties within the townsite boundaries	To provide an equitable contribution from townsite properties toward the provision and maintenance of essential services, community infrastructure, and facilities.	The rate reflects the benefit town residents and businesses derive from Shire services. It also considers the need to maintain affordability and long-term sustainability for ratepayers within the town.
GRV - Mining	Mine with capital improvements.	To ensure mining operations contribute fairly to the upkeep of infrastructure, particularly roads and bridges that support significant heavy vehicle use.	Mining activities often involve high-frequency, high-tonnage transport that impacts Shire roads and services. The GRV mining rate reflects the need for enhanced infrastructure maintenance and the additional demand placed on Shire resources by mining operations.
UV Rural & Arrino Town	Properties that are outside of the townsite that are used in farming activities and/or agricultural production.	To ensure agricultural and rural-residential properties contribute a fair share toward Shire services while recognising their lower impact on infrastructure compared to mining operations.	This rate class generally comprises broadacre farming, which is subject to weather and market volatility. The lower rate reflects the relatively lower use of infrastructure, while still maintaining revenue parity with prior years. Valuations from the Valuer General have significantly increased over three consecutive years—30.08% in 2023/24, 34.41% in 2024/25 and 22.12% in 2025/26. The rate in the dollar has been reduced to mitigate the impact of these increases, while maintaining necessary revenue levels.

2. RATES AND SERVICE CHARGES (CONTINUED)

(c) Objectives and Reasons for Differential Rating (Continued)

Differential general rate (Continued)

Description	Characteristics	Objects	Reasons
UV Mining	Properties that are used for mining, exploration or prospecting purposes	To ensure mining tenements contribute appropriately to the maintenance and renewal of Shire infrastructure and services they utilise, and to reflect their generally short-term and high impact presence in the district.	Mining, exploration, and prospecting activities benefit from infrastructure and services that have been established and maintained by long-term ratepayers. The UV Mining rate reflects: • Significant wear and tear on the Shire's extensive unsealed road network. • The extraction of non-renewable resources with long-term impacts. • Increased administrative demands related to mining tenements (applications, valuations, enquiries, etc.). • Limited direct benefit to the broader community due to transient operations Given the often-transitory nature of mining operations and the potential for high financial return, this sector is expected to make a higher contribution to ensure fair and sustainable use of local resources.

(d) Differential Minimum Payment

Minimum payments ensure all ratepayers contribute a baseline amount toward Shire services, even where the calculated rate would otherwise be very low due to land valuation.

For 2025/26, the following minimum payments are proposed:

• $750 for all categories except UV Mining

• $550 for UV Mining

The lower minimum for UV Mining ensures compliance with legislative thresholds in Section 6.35 of the Local Government Act 1995, which limits the proportion of properties on minimum rates in any one category unless Ministerial approval is obtained.

2. RATES AND SERVICE CHARGES (CONTINUED)

(d) Service Charges

The Shire did not raise service charges for the year ended 30th June 2026.

(e) Waivers or concessions

Rate, fee or charge to which the waiver or concession is granted	Type	Waiver/ Concession	Discount %	Discount ($)	2025/26 Budget	2024/25 Actual	2024/25 Budget	Circumstances in which the waiver or concession is granted	Objects and reasons of the waiver or concession
					$	$	$		
Community Bus	Fee and charge	Waiver	100.0%	0	800	782	800	TS Primary School	Promote Educational Activities & Support Local Primary School
Pool Charges	Fee and charge	Waiver	100.0%	0	4,000	3,600	1,500	TS Primary School	Promote Educational Activities & Support Local Primary School
Community Hall Charges	Fee and charge	Waiver	100.0%	0	1,500	1,140	2,000	Wildflower Committee, Hospital Fete Committee & TS Primary School	Promote School and Community activities in the Shire
Photocopying Charges	Fee and charge	Waiver	100.0%	0	200	120	720	Certain Community Groups such as: St John Ambulance, Volunteer Bush Fire Brigade & Wildflower Committee	Support Local Community Group for overall community benefit
Yakabout Advertising	Fee and charge	Waiver	100.0%	0	13,000	12,660	10,600	Not for Profit Organisations and Community Groups	Assist Community Groups and Not for Profit Organisations in promoting their activities within the Shire.
					19,500	18,302	15,620		

3. NET CURRENT ASSETS

(a) Composition of estimated net current assets

	Note	2025/26 Budget 30 June 2026	2024/25 Actual 30 June 2025	2024/25 Budget 30 June 2025
Current assets		$	$	$
Cash and cash equivalents	4	246,335	3,676,121	2,329,074
Financial assets		2,279,729	2,279,729	2,132,702
Receivables		159,253	209,278	62,717
Inventories		4,724	3,199	2,604
Other assets		2,658	2,658	0
		2,692,699	6,170,985	4,527,097
Less: current liabilities				
Trade and other payables		(299,064)	(250,484)	(480,030)
Contract liabilities		(11,760)	(11,760)	(29,490)
Capital grant/contribution liability		(446,988)	(241,988)	(1,391,322)
Employee provisions		(166,779)	(166,779)	(209,893)
Other provisions		(27,695)	(27,695)	(33,142)
		(952,286)	(698,706)	(2,143,877)
Net current assets		1,740,413	5,472,279	2,383,220
Less: Total adjustments to net current assets	3(b)	(1,740,413)	(2,167,082)	(2,383,220)
Net current assets used in the Statement of Financial Activity		0	3,305,197	0

(b) Current assets and liabilities excluded from budgeted deficiency

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

	Note	2025/26 Budget 30 June 2026	2024/25 Actual 30 June 2025	2024/25 Budget 30 June 2025
Adjustments to net current assets				
Less: Cash - reserve accounts	8	(1,776,445)	(2,279,728)	(2,495,757)
Add: Current liabilities not expected to be cleared at end of year				
- Current portion of employee benefit provisions held in reserve		36,032	112,646	112,537
Total adjustments to net current assets		(1,740,413)	(2,167,082)	(2,383,220)

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

Items excluded from calculation of budgeted deficiency

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

(c) Non-cash amounts excluded from operating activities

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

	Note	2025/26 Budget 30 June 2026	2024/25 Actual 30 June 2025	2024/25 Budget 30 June 2025
Adjustments to operating activities		$	$	$
Less: Profit on asset disposals	5	(5,650)	(7,197)	(82,636)
Less: Fair value adjustments to financial assets at fair value through profit and loss		0	3,551	0
Add: Loss on asset disposals	5	2,464	5,055	49,885
Add: Depreciation	6	2,733,772	2,670,354	2,542,724
Movement in current employee provisions associated with restricted cash		(76,614)	5,383	5,274
Non-cash movements in non-current assets and liabilities:				
- Pensioner deferred rates		0	9,339	0
Non cash amounts excluded from operating activities		2,653,972	2,686,485	2,515,247

3. NET CURRENT ASSETS

(d) MATERIAL ACCOUNTING POLICIES

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

4. RECONCILIATION OF CASH

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

	Note	2025/26 Budget	2024/25 Actual	2024/25 Budget
		$	$	$
Cash at bank and on hand		(2,106,924)	1,322,862	2,696
Term deposits		2,353,259	2,353,259	2,326,378
Total cash and cash equivalents		246,335	3,676,121	2,329,074
Held as				
- Unrestricted cash and cash equivalents		232,371	3,363,874	486,707
- Restricted cash and cash equivalents		13,964	312,247	1,842,367
	3(a)	246,335	3,676,121	2,329,074
Restrictions				
The following classes of assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:				
- Cash and cash equivalents		13,964	312,247	1,842,367
- Restricted financial assets at amortised cost - term deposits		2,279,729	2,279,729	2,132,702
		2,293,693	2,591,976	3,975,069
The assets are restricted as a result of the specified purposes associated with the liabilities below:				
Reserve accounts	8	1,776,445	2,279,728	2,495,757
Unspent capital grants, subsidies and contribution liabilities		505,488	300,488	1,449,822
Contract liabilities		11,760	11,760	29,490
		2,293,693	2,591,976	3,975,069
Reconciliation of net cash provided by operating activities to net result				
Net result		4,665,452	5,959,296	11,426,967
Depreciation	6	2,733,772	2,670,354	2,542,724
(Profit)/loss on sale of asset	5	(3,186)	(2,142)	(32,751)
Adjustments to fair value of financial assets at fair value through profit and loss		0	3,551	0
(Increase)/decrease in receivables		50,025	(22,442)	100,450
(Increase)/decrease in contract assets		0	125,872	0
(Increase)/decrease in inventories		(1,525)	2,430	3,025
(Increase)/decrease in other assets		0	377	0
Increase/(decrease) in payables		48,580	(37,029)	215,000
Increase/(decrease) in contract liabilities		0	(702)	0
Increase/(decrease) in unspent capital grants		205,000	(547,333)	602,000
Capital grants, subsidies and contributions		(7,763,346)	(7,199,824)	(15,069,299)
Net cash from operating activities		(65,228)	952,408	(211,884)

MATERIAL ACCOUNTING POLICES

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

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

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

5. PROPERTY, PLANT AND EQUIPMENT

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

	2025/26 Budget					2024/25 Actual					2024/25 Budget				
	Additions	Disposals - Net Book Value	Disposals - Sale Proceeds	Disposals - Profit	Disposals - Loss	Additions	Disposals - Net Book Value	Disposals - Sale Proceeds	Disposals - Profit	Disposals - Loss	Additions	Disposals - Net Book Value	Disposals - Sale Proceeds	Disposals - Profit	Disposals - Loss
(a) Property, Plant and Equipment	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$
Buildings - non-specialised	853,662	0	0	0	0	122,630	0	0	0	0	181,675	0	0	0	0
Buildings - specialised	1,485,721	0	0	0	0	424,518	0	0	0	0	1,738,705	0	0	0	0
Plant and equipment	1,383,088	(200,464)	203,650	5,650	(2,464)	443,415	(54,903)	57,045	7,197	(5,055)	1,694,245	(298,499)	331,250	82,636	(49,885)
Total	3,722,471	(200,464)	203,650	5,650	(2,464)	990,563	(54,903)	57,045	7,197	(5,055)	3,614,625	(298,499)	331,250	82,636	(49,885)
(b) Infrastructure															
Infrastructure - roads	7,254,193	0	0	0	0	7,547,079	0	0	0	0	13,262,406	0	0	0	0
Infrastructure - footpaths	27,418	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Infrastructure - parks and ovals	327,472	0	0	0	0	260,367	0	0	0	0	400,211	0	0	0	0
Total	7,609,083	0	0	0	0	7,807,446	0	0	0	0	13,662,617	0	0	0	0
Total	11,331,554	(200,464)	203,650	5,650	(2,464)	8,798,009	(54,903)	57,045	7,197	(5,055)	17,277,242	(298,499)	331,250	82,636	(49,885)

MATERIAL ACCOUNTING POLICIES

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

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

GAINS AND LOSSES ON DISPOSAL
Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in profit or loss in the period which they arise.

6. DEPRECIATION

	2025/26 Budget	2024/25 Actual	2024/25 Budget
	$	$	$
By Class			
Buildings - non-specialised	98,775	96,484	94,166
Buildings - specialised	353,625	345,422	334,305
Furniture and equipment	34,556	33,754	42,578
Plant and equipment	307,499	300,366	265,841
Infrastructure - roads	1,670,298	1,631,550	1,583,268
Infrastructure - footpaths	24,598	24,027	24,394
Infrastructure - airfield	31,192	30,468	30,933
Infrastructure - parks and ovals	213,229	208,283	167,239
	2,733,772	2,670,354	2,542,724
By Program			
Governance	779	773	773
Law, order, public safety	62,998	62,731	83,438
Health	28,569	28,335	28,320
Education and welfare	34,786	34,502	34,483
Housing	105,196	104,338	100,513
Community amenities	17,223	17,083	16,419
Recreation and culture	427,630	426,254	363,511
Transport	1,724,002	1,709,659	1,636,979
Economic services	34,942	34,657	15,179
Other property and services	297,647	252,022	263,109
	2,733,772	2,670,354	2,542,724

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:

Asset Class	Useful life
Buildings - non-specialised	20 to 80 years
Buildings - specialised	20 to 80 years
Furniture and equipment	4 to 10 years
Plant and equipment	5 to 15 years
Sealed roads and streets	
Formation	not depreciated
Pavement	60 to 100 years
Seal	
- Bituminous seals	15 to 40 years
- Asphalt surfaces	15 to 40 years
- Concrete	60 years
Gravel roads	
Formation	not depreciated
Pavement	60 to 100 years
Gravel sheet	15 to 60 years
Footpaths - slab	10 to 40 years
Sewerage piping	30 to 80 years
Water supply piping and drainage systems	10 to 80 years
Infrastructure - parks and ovals	15 to 40 years
Other infrastructure - airfields	15 to 80 years

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

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

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

7. BORROWINGS

(a) Borrowing repayments

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

Purpose	Loan Number	Institution	Interest Rate	Budget Principal 1 July 2025	2025/26 Budget New Loans	2025/26 Budget Principal Repayments	Budget Principal outstanding 30 June 2026	2025/26 Budget Interest Repayments	Actual Principal 1 July 2024	2024/25 Actual New Loans	2024/25 Actual Principal Repayments	Actual Principal outstanding 30 June 2025	2024/25 Actual Interest Repayments	Budget Principal 1 July 2024	2024/25 Budget New Loans	2024/25 Budget Principal Repayments	Budget Principal outstanding 30 June 2025	2024/25 Budget Interest Repayments
				$	$	$	$	$	$	$	$	$	$	$	$	$	$	$
Short-term loan	163	WATC*	4.7%	0	1,000,000	(1,000,000)	0	(20,000)	0	0	0	0	0	0	1,000,000	(1,000,000)	0	0
				0	1,000,000	(1,000,000)	0	(20,000)	0	0	0	0	0	0	1,000,000	(1,000,000)	0	0

All borrowing repayments will be financed by general purpose revenue.

* WA Treasury Corporation

7. BORROWINGS

(b) New borrowings - 2025/26

Particulars/Purpose	Institution	Loan type	Term (years)	Interest rate	Amount borrowed budget	Total interest & charges	Amount used budget	Balance unspent
				%	$	$	$	$
Short-term loan	WATC*	Short lend facility	1	4.70	1,000,000	Unknown	1,000,000	0
					1,000,000	0	1,000,000	0

* WA Treasury Corporation

(c) Unspent borrowings

The Shire had no unspent borrowing funds as at 30th June 2025 nor is it expected to have unspent borrowing funds as at 30th June 2026.

(d) Credit Facilities

	2025/26 Budget	2024/25 Actual	2024/25 Budget
	$	$	$
Undrawn borrowing facilities			
credit standby arrangements			
Credit card limit	10,000	10,000	10,000
Credit card balance at balance date	0	(611)	0
Total amount of credit unused	10,000	9,389	10,000

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.

8. RESERVE ACCOUNTS

(a) Reserve Accounts - Movement

		2025/26 Budget				2024/25 Actual				2024/25 Budget			
		Opening Balance	Transfer to	Transfer (from)	Closing Balance	Opening Balance	Transfer to	Transfer (from)	Closing Balance	Opening Balance	Transfer to	Transfer (from)	Closing Balance
		$	$	$	$	$	$	$	$	$	$	$	$
	Restricted by council												
(a)	Leave reserve	112,646	4,581	(81,195)	36,032	107,263	5,383	0	112,646	107,263	5,274	0	112,537
(b)	Plant reserve	214,798	8,736	0	223,534	204,534	10,264	0	214,798	204,534	10,058	0	214,592
(c)	Housing and building reserve	582,930	158,902	(600,000)	141,832	540,791	42,139	0	582,930	540,791	259,784	0	800,575
(d)	Joint venture housing reserve	195,226	7,940	0	203,166	185,897	9,329	0	195,226	185,897	9,140	0	195,037
(e)	Gravel pit reserve	57,648	2,345	0	59,993	54,893	2,755	0	57,648	54,893	2,699	0	57,592
(f)	Swimming pool reserve	31,172	1,268	0	32,440	29,682	1,490	0	31,172	29,682	1,459	0	31,141
(g)	Lovelock soak reserve	198,547	8,075	0	206,622	165,254	33,293	0	198,547	165,254	33,125	0	198,379
(h)	Road reserve	117,652	4,785	0	122,437	112,030	5,622	0	117,652	112,030	5,508	0	117,538
(i)	Drainage reserve	420,482	17,101	(100,000)	337,583	400,389	20,093	0	420,482	400,389	19,686	0	420,075
(j)	Refuse reserve	67,189	2,733	0	69,922	63,979	3,210	0	67,189	63,978	3,146	0	67,124
(k)	Glyde Street redevelopment reserve	281,438	11,446	0	292,884	267,989	13,449	0	281,438	267,990	13,177	0	281,167
(l)	Recreation reserve	0	50,000	0	50,000	0	0	0	0	0	0	0	0
		2,279,728	277,912	(781,195)	1,776,445	2,132,701	147,027	0	2,279,728	2,132,701	363,056	0	2,495,757

(b) Reserve Accounts - Purposes

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

	Reserve name	Anticipated date of use	Purpose of the reserve
	Restricted by legislation		
	Restricted by council		
(a)	Leave reserve	Ongoing	To be used to fund annual and long service leave requirements.
(b)	Plant reserve	Ongoing	To be used for the purchase of major plant.
(c)	Housing and building reserve	Ongoing	To be used to fund housing/accommodation and building projects.
(d)	Joint venture housing reserve	Ongoing	To be used to maintain the joint Ministry of Housing/Local Government properties.
(e)	Gravel pit reserve	Ongoing	To be used for the rehabilitation of disused gravel pits.
(f)	Swimming pool reserve	Ongoing	To be used to fund capital works and purchase recreational equipment for the swimming pool.
(g)	Lovelock soak reserve	Ongoing	To be used to upgrade potable water infrastructure.
(h)	Road reserve	Ongoing	To be used for future capital road works.
(i)	Drainage reserve	Ongoing	To be used for construction of proper town drainage system.
(j)	Refuse reserve	Ongoing	To be used for the future development and maintenance of the refuse site.
(k)	Glyde Street redevelopment reserve	Ongoing	To be used to create a subdivision for future housing needs.
(l)	Recreation reserve	Ongoing	To be used for the purpose of renewing existing sporting facilities (eg Netball Court surface renewal, Pavilion buiding capital works) or providing new.

9. OTHER INFORMATION

The net result includes as revenues	2025/26 Budget	2024/25 Actual	2024/25 Budget
	$	$	$
(a) Interest earnings			
Investments	202,718	208,958	160,861
Other interest revenue	25,700	24,443	21,200
	228,418	233,401	182,061
The net result includes as expenses			
(b) Auditors remuneration			
Audit services	39,604	37,100	37,100
Other services	3,000	4,500	3,000
	42,604	41,600	40,100
(c) Interest expenses (finance costs)			
Borrowings (refer Note 7(a))	20,000	0	0
	20,000	0	0
(d) Write offs			
General rate	0	1,393	0
	0	1,393	0

10. COUNCIL MEMBERS REMUNERATION

	2025/26 Budget	2024/25 Actual	2024/25 Budget
	$	$	$
President's			
President's allowance	16,852	16,282	16,282
Meeting attendance fees	5,712	5,816	5,504
Annual allowance for ICT expenses	2,100	2,100	2,100
Travel and accommodation expenses	214	0	429
	24,878	24,198	24,315
Deputy President's			
Deputy President's allowance	4,213	4,073	4,071
Meeting attendance fees	3,024	3,536	2,912
Annual allowance for ICT expenses	2,100	2,100	2,100
Travel and accommodation expenses	214	0	429
	9,551	9,709	9,512
Council member 1			
Meeting attendance fees	3,024	2,184	2,912
Annual allowance for ICT expenses	2,100	2,100	2,100
Travel and accommodation expenses	214	0	428
	5,338	4,284	5,440
Council member 2			
Meeting attendance fees	3,024	2,288	2,912
Annual allowance for ICT expenses	2,100	2,100	2,100
Travel and accommodation expenses	214	0	429
	5,338	4,388	5,441
Council member 3			
Meeting attendance fees	3,024	2,496	2,912
Annual allowance for ICT expenses	2,100	2,100	2,100
Travel and accommodation expenses	215	0	429
	5,339	4,596	5,441
Council member 4			
Meeting attendance fees	3,024	2,912	2,912
Annual allowance for ICT expenses	2,100	2,100	2,100
Travel and accommodation expenses	215	0	428
	5,339	5,012	5,440
Council member 5			
Meeting attendance fees	3,024	1,664	2,912
Annual allowance for ICT expenses	2,100	2,100	2,100
Travel and accommodation expenses	214	0	428
	5,338	3,764	5,440
Total Council Member Remuneration	61,121	55,951	61,029
President's allowance	16,852	16,282	16,282
Deputy President's allowance	4,213	4,073	4,071
Meeting attendance fees	23,856	20,896	22,976
Annual allowance for ICT expenses	14,700	14,700	14,700
Travel and accommodation expenses	1,500	0	3,000
	61,121	55,951	61,029

11. REVENUE AND EXPENDITURE

(a) Revenue and Expenditure Classification

REVENUES

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

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

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

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

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

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

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

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

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

EXPENSES

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

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

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

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

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

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

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

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

11. REVENUE AND EXPENDITURE

(b) Revenue Recognition

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/ Warranties	Timing of Revenue recognition
Grants, subsidies and contributions	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
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 of the licence, registration or approval
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
Fees and charges - sale of stock	Gravel, bluemetal and water from standpipes	Single point in time	In full in advance, on 15 day credit	Refund for faulty goods	Output method based on goods

12. 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 operation of facilities and services to members of Council: Other costs that relate to the tasks of assisting elected members and taypayers on matters which do not concern specific Council services.
General purpose funding To collect revenue to fund provision of services.	Rates, general purpose government grants and interest revenue.
Law, order, public safety To ensure a safer community in which to live.	Supervision of various local laws, fire prevention, emergency services and animal control.
Health To provide an operational framework for good community health.	Food quality and pest control, maintenance of child health centre, medical centre, dental clinic and administration of group health scheme.
Education and welfare To support the needs of the community in education and welfare.	Assistance to Early Childhood Learning Centre, Playgroup, Youth activities and other voluntary services.
Housing Provide adequate housing to attract and retain staff and non-staff.	Maintenance of Council owned housing
Community amenities Provide services as required by the community.	Rubbish collection services, tip operation and town planning administration.
Recreation and culture To establish and efficiently manage infrastructure and resources which will help the community.	Maintenance of halls, swimming pool, library, parks, ovals, gardens and reserves.
Transport To provide effective and efficient transport services to the community.	Construction and maintenance of streets, roads, bridges, cleaning and lighting of streets, traffic lights, depot maintenance and airstrip maintenance
Economic services To help promote the shire and improve its economic well being.	Regulation and provision of tourism, area promotion, building control, noxious weeds, vermin control and standpipes.
Other property and services Private works, plant repairs and operation costs, fuel stock and materials.	Private works, plant repairs and operation costs, fuel stock and materials.

13. FEES AND CHARGES

	2025/26 Budget	2024/25 Actual	2024/25 Budget
	$	$	$
By Program:			
General purpose funding	9,809	9,455	7,209
Law, order, public safety	3,450	1,849	2,750
Health	17,672	17,035	17,672
Housing	81,250	80,038	103,700
Community amenities	120,340	223,304	115,241
Recreation and culture	27,805	24,583	24,109
Economic services	19,441	11,441	18,500
Other property and services	2,100	1,935	2,100
	281,867	369,640	291,281

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