



Shire of West Arthur

Budget

2024-2025

Adopted 29 August 2024

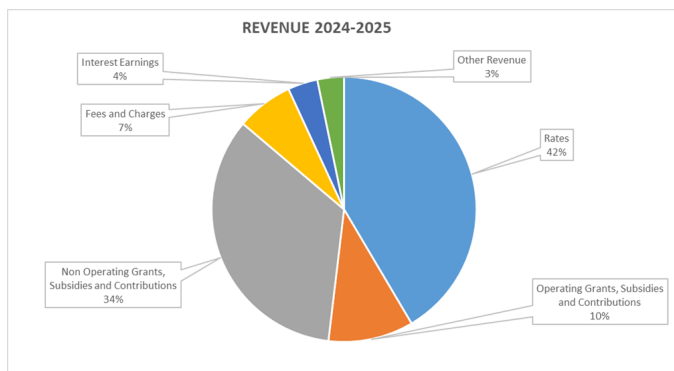
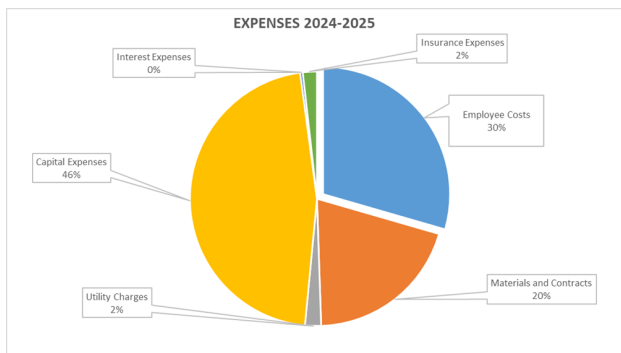


Forest to Wheatbelt

REVENUE & EXPENSES

QUICKSTATS

FACTS & STATS 2024/25



SHIRE OF WEST ARTHUR

2021 Census Quickstats



People773

Male 53.5%

Female..... 46.5%

Median Age 50



Families206

Average children per family..... 1.4

For all families..... 0.64



Dwellings285

Average people per dwelling 2.2

Median weekly income \$1,708

Median monthly mortgage \$915

Median weekly rent \$143

Average motor vehicles/dwelling 4

Shire of West Arthur
 PO Box 112
 31 Burrowes Street
 DARKAN WA 6392
 T: (08) 9736 2400
 E: shire@westarthur.wa.gov.au
 www.westarthur.wa.gov.au



| | |
|---|---------|
| Number of Elected Members | 7 |
| Distance from Perth | 204km |
| Area of Shire (sq km) | 2,850 |
| Length of Sealed Roads (km) | 208 |
| Length of Unsealed Roads (km)..... | 652 |
| Population (2021 Census)..... | 773 |
| Number of Electors..... | 612 |
| Number of Dwellings | 376 |
| Number of Rateable Assessments..... | 654 |
| Total Rates Levied | \$2.12m |
| Total Revenue..... | \$3.35m |
| Number of Employees | 33 |
| Employees (FTEs)..... | 28 |
| Volunteers | 261 |
| Net Assets under Management (Equity) | \$139m |
| Total Debt..... | \$711k |
| Total Cash Backed Reserves | \$2.8m |
| Percentage of Total Budget spend on employees.... | 30% |

Forest to Wheatbelt

Key Projects

Grant Funding

Rates

Key Projects

Land and Buildings

| | |
|-----------------------------------|---------------|
| Housing..... | \$241k |
| Subdivision..... | \$177k |
| Industrial Land Development | \$27k |
| Total | \$445k |

Plant and Equipment

| | |
|----------------------------------|----------------|
| Excavator | \$380k |
| 6 Wheeler Tipper..... | \$300k |
| Fuel Trailer..... | \$20k |
| Portable Traffic Light | \$25k |
| Mower | \$30k |
| Fast-Fill Trailer for VFBF | \$9k |
| Other..... | \$397k |
| Total | \$1.16m |

Equipment

| | |
|--------------------|--------------|
| CCTV Network..... | \$79k |
| Total | \$79k |

Roads and Footpaths

| | |
|--------------------------------|--------|
| Bowelling-Duranillin Rd | \$367k |
| Boyup Brook Rd | \$361k |
| Darkan Williams Rd..... | \$118k |
| Cordering North Rd..... | \$390k |
| Carpark (Coalfields Hwy) | \$80k |
| Footpaths..... | \$70k |

| | |
|--------------------|----------------|
| Other | \$209k |
| Total | \$1.58m |

Other Infrastructure

| | |
|--------------------------------|---------------|
| Community Water Supply..... | \$50k |
| Playground & landscaping | \$122k |
| Town Dam | \$28k |
| Heritage Trail..... | \$36k |
| Total | \$236k |

| | |
|--------------------------|---------------|
| Grand Total | \$3.5m |
|--------------------------|---------------|

Grant Funding

| | |
|----------------------|--------------|
| LRCI..... | \$370K |
| RRG..... | \$485K |
| R2R | \$581K |
| WSFN..... | \$110K |
| HSP | \$177K |
| Heritage Trail..... | \$19k |
| Fire Equipment | \$9k |
| Total | 1.75m |

Other Funding

| | |
|--------------------------|---------------|
| Reserves | \$1.24m |
| Municipal | \$316k |
| Proceeds from Sale | \$195k |
| Total | \$1.75 |

| | |
|--------------------------|---------------|
| Grand Total | \$3.5m |
|--------------------------|---------------|

Rates

Payment Due Dates

OPTION 1 (Full Payment)

| | |
|---------------------------|-----------|
| Single Full Payment | 1/11/2024 |
|---------------------------|-----------|

OPTION 2 (Four Installments)

| | |
|-------------------------|------------|
| First Installment..... | 1/11/2024 |
| Second Installment..... | 31/12/2024 |
| Third Installment | 3/03/2025 |
| Fourth Installment..... | 2/05/2025 |

Rates in Dollar

| | |
|----------------------------|------------|
| GRV | \$0.088276 |
| UV | \$0.003254 |
| Minimum Payment (GRV)..... | \$632 |
| Minimum Payment (UV)..... | \$442 |

Pensioner and Senior Concessions

If you have a valid concession card you could qualify for a rebate or deferment on paying your rates.

To qualify, ratepayers must meet the following criteria:

- You must be the owner and occupier of the property at 1 July 2024.
- You must hold a valid Pensioner Concession Card, State Concession Card, WA Seniors Card, or both a WA Seniors Card and Commonwealth Seniors Health Card.

SHIRE OF WEST ARTHUR
ANNUAL BUDGET
FOR THE YEAR ENDED 30 JUNE 2025

LOCAL GOVERNMENT ACT 1995

TABLE OF CONTENTS

| | |
|-----------------------------------|----|
| Statement of Comprehensive Income | 2 |
| Statement of Cash Flows | 3 |
| Statement of Financial Activity | 4 |
| Index of Notes to the Budget | 5 |
| Schedule of Fees and Charges | 26 |

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

| | Note | 2024/25 Budget | 2023/24 Actual | 2023/24 Budget |
|---|------|--------------------|--------------------|--------------------|
| Revenue | | \$ | \$ | \$ |
| Rates | 2(a) | 2,118,003 | 1,997,367 | 1,998,156 |
| Grants, subsidies and contributions | | 530,944 | 1,677,502 | 417,215 |
| Fees and charges | 14 | 353,890 | 338,311 | 336,840 |
| Interest revenue | 9(a) | 185,748 | 204,389 | 201,900 |
| Other revenue | | 166,640 | 178,625 | 109,470 |
| | | 3,355,225 | 4,396,194 | 3,063,581 |
| Expenses | | | | |
| Employee costs | | (2,222,894) | (2,147,250) | (2,169,272) |
| Materials and contracts | | (1,509,750) | (1,324,388) | (1,416,780) |
| Utility charges | | (153,690) | (139,983) | (118,152) |
| Depreciation | 6 | (3,077,887) | (3,075,045) | (2,269,487) |
| Finance costs | 9(c) | (25,446) | (26,790) | (27,016) |
| Insurance | | (134,430) | (122,840) | (130,039) |
| Other expenditure | | (66,300) | (102,776) | (65,800) |
| | | (7,190,397) | (6,939,072) | (6,196,546) |
| | | (3,835,172) | (2,542,878) | (3,132,965) |
| Capital grants, subsidies and contributions | | 1,750,780 | 938,684 | 1,310,628 |
| Profit on asset disposals | 5 | 14,339 | 196,978 | 11,124 |
| Loss on asset disposals | 5 | (16,137) | (14,873) | (5,034) |
| | | 1,748,982 | 1,120,789 | 1,316,718 |
| Net result for the period | | (2,086,190) | (1,422,089) | (1,816,247) |
| Other comprehensive income for the period | | | | |
| <i>Items that will not be reclassified subsequently to profit or loss</i> | | | | |
| Changes in asset revaluation surplus | | 0 | 0 | 0 |
| Share of comprehensive income of associates accounted for using the equity method | | 0 | 0 | 0 |
| Total other comprehensive income for the period | | 0 | 0 | 0 |
| Total comprehensive income for the period | | (2,086,190) | (1,422,089) | (1,816,247) |

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

SHIRE OF WEST ARTHUR
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2025

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts

| | 2024/25 Budget | 2023/24 Actual | 2023/24 Budget |
|-------------------------------------|-------------------|-------------------|-------------------|
| Rates | 2,135,003 | 1,977,684 | 2,028,156 |
| Grants, subsidies and contributions | 470,356 | 1,879,029 | 530,465 |
| Fees and charges | 353,890 | 338,311 | 336,840 |
| Interest revenue | 185,748 | 204,389 | 201,900 |
| Goods and services tax received | 223,000 | 246,402 | 300,000 |
| Other revenue | 166,640 | 178,625 | 109,470 |
| | 3,534,637 | 4,824,440 | 3,506,831 |

Payments

| | | | |
|-----------------------------|--------------------|--------------------|--------------------|
| Employee costs | (2,222,894) | (2,148,229) | (2,169,272) |
| Materials and contracts | (1,420,172) | (1,354,453) | (1,391,349) |
| Utility charges | (153,690) | (139,983) | (118,152) |
| Finance costs | (25,446) | (26,790) | (27,016) |
| Insurance paid | (134,430) | (122,840) | (130,039) |
| Goods and services tax paid | (223,000) | (223,778) | (270,000) |
| Other expenditure | (66,300) | (102,776) | (65,800) |
| | (4,245,932) | (4,118,849) | (4,171,628) |

Net cash provided by (used in) operating activities 4 **(711,295)** 705,591 (664,797)

CASH FLOWS FROM INVESTING ACTIVITIES

| | | | |
|--|--------------------|------------------|--------------------|
| Payments for purchase of property, plant & equipment | 5(a) (1,684,634) | (1,005,548) | (1,419,371) |
| Payments for construction of infrastructure | 5(b) (1,813,572) | (1,168,878) | (1,564,245) |
| Capital grants, subsidies and contributions | 1,603,169 | 1,079,545 | 1,310,628 |
| Proceeds from sale of property, plant and equipment | 5(a) 195,000 | 452,205 | 125,000 |
| Proceeds on financial assets at amortised cost - self supporting loans | 7(a) 31,016 | 30,007 | 30,007 |
| Net cash (used in) investing activities | (1,669,021) | (612,669) | (1,517,981) |

CASH FLOWS FROM FINANCING ACTIVITIES

| | | | |
|--|------------------|---------------|---------------|
| Repayment of borrowings | 7(a) (137,156) | (124,763) | (125,119) |
| Proceeds from new borrowings | 7(a) 0 | 150,000 | 150,000 |
| Net cash provided by (used in) financing activities | (137,156) | 25,237 | 24,881 |

Net increase (decrease) in cash held (2,517,472) 118,159 (2,157,897)

Cash at beginning of year 4,375,428 4,257,269 4,257,269

Cash and cash equivalents at the end of the year 4 **1,857,956** **4,375,428** **2,099,372**

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

**SHIRE OF WEST ARTHUR
STATEMENT OF FINANCIAL ACTIVITY
FOR THE YEAR ENDED 30 JUNE 2025**

OPERATING ACTIVITIES

Revenue from operating activities

| | Note | 2024/25 Budget | 2023/24 Actual | 2023/24 Budget |
|-------------------------------------|-------------|---------------------------|---------------------------|---------------------------|
| | | \$ | \$ | \$ |
| General rates | 2(a)(i) | 2,010,668 | 1,901,488 | 1,901,685 |
| Rates excluding general rates | 2(a) | 107,335 | 95,879 | 96,471 |
| Grants, subsidies and contributions | | 530,944 | 1,677,502 | 417,215 |
| Fees and charges | 14 | 353,890 | 338,311 | 336,840 |
| Interest revenue | 9(a) | 185,748 | 204,389 | 201,900 |
| Other revenue | | 166,640 | 178,625 | 109,470 |
| Profit on asset disposals | 5 | 14,339 | 196,978 | 11,124 |
| | | 3,369,564 | 4,593,172 | 3,074,705 |

Expenditure from operating activities

| | | | | |
|-------------------------|------|--------------------|--------------------|--------------------|
| Employee costs | | (2,222,894) | (2,147,250) | (2,169,272) |
| Materials and contracts | | (1,509,750) | (1,324,388) | (1,416,780) |
| Utility charges | | (153,690) | (139,983) | (118,152) |
| Depreciation | 6 | (3,077,887) | (3,075,045) | (2,269,487) |
| Finance costs | 9(c) | (25,446) | (26,790) | (27,016) |
| Insurance | | (134,430) | (122,840) | (130,039) |
| Other expenditure | | (66,300) | (102,776) | (65,800) |
| Loss on asset disposals | 5 | (16,137) | (14,873) | (5,034) |
| | | (7,206,534) | (6,953,945) | (6,201,580) |

Non cash amounts excluded from operating activities

| | | | | |
|--|------|-----------|-----------|-----------|
| | 3(c) | 3,079,685 | 2,835,009 | 2,263,397 |
|--|------|-----------|-----------|-----------|

Amount attributable to operating activities

(757,285) 474,236 (863,478)

INVESTING ACTIVITIES

Inflows from investing activities

| | | | | |
|--|------|------------------|------------------|------------------|
| Capital grants, subsidies and contributions | | 1,750,780 | 938,684 | 1,310,628 |
| Proceeds from disposal of assets | 5 | 195,000 | 452,205 | 125,000 |
| Proceeds from financial assets at amortised cost - self supporting loans | 7(a) | 31,016 | 30,007 | 30,007 |
| | | 1,976,796 | 1,420,896 | 1,465,635 |

Outflows from investing activities

| | | | | |
|---|------|--------------------|--------------------|--------------------|
| Payments for property, plant and equipment | 5(a) | (1,684,634) | (1,005,548) | (1,419,371) |
| Payments for construction of infrastructure | 5(b) | (1,813,572) | (1,168,878) | (1,564,245) |
| | | (3,498,206) | (2,174,426) | (2,983,616) |

Amount attributable to investing activities

(1,521,410) (753,530) (1,517,981)

FINANCING ACTIVITIES

Inflows from financing activities

| | | | | |
|---------------------------------|------|------------------|------------------|------------------|
| Proceeds from new borrowings | 7(a) | 0 | 150,000 | 150,000 |
| Transfers from reserve accounts | 8(a) | 1,469,241 | 855,747 | 1,146,546 |
| | | 1,469,241 | 1,005,747 | 1,296,546 |

Outflows from financing activities

| | | | | |
|-------------------------------|------|------------------|--------------------|------------------|
| Repayment of borrowings | 7(a) | (137,156) | (124,763) | (125,119) |
| Transfers to reserve accounts | 8(a) | (479,505) | (929,514) | (478,654) |
| | | (616,661) | (1,054,277) | (603,773) |

Amount attributable to financing activities

852,580 (48,530) 692,773

MOVEMENT IN SURPLUS OR DEFICIT

Surplus at the start of the financial year

| | | | | |
|---|---|----------------|-----------------|----------------|
| Amount attributable to operating activities | 3 | 1,426,115 | 1,753,939 | 1,688,686 |
| Amount attributable to investing activities | | (757,285) | 474,236 | (863,478) |
| Amount attributable to financing activities | | (1,521,410) | (753,530) | (1,517,981) |
| | | 852,580 | (48,530) | 692,773 |

Surplus/(deficit) remaining after the imposition of general rates

3 0 1,426,115 0

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

**SHIRE OF WEST ARTHUR
FOR THE YEAR ENDED 30 JUNE 2025
INDEX OF NOTES TO THE BUDGET**

| | | |
|---------|-------------------------------|----|
| Note 1 | Basis of Preparation | 6 |
| Note 2 | Rates and Service Charges | 7 |
| Note 3 | Net Current Assets | 10 |
| Note 4 | Reconciliation of cash | 13 |
| Note 5 | Property, Plant and Equipment | 14 |
| Note 6 | Depreciation | 15 |
| Note 7 | Borrowings | 16 |
| Note 8 | Reserve Accounts | 18 |
| Note 9 | Other Information | 19 |
| Note 10 | Elected Members Remuneration | 20 |
| Note 11 | Trust Funds | 21 |
| Note 12 | Revenue and Expenditure | 22 |
| Note 13 | Program Information | 24 |
| Note 14 | Fees and Charges | 25 |

1 BASIS OF PREPARATION

The annual budget 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* 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 11 to the annual budget.

2023/24 actual balances

Balances shown in this budget as 2023/24 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*
- 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 2024-25 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 2021-7c Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections [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*

It is not expected these standards will have an impact on the annual budget.

Judgements, estimates and assumptions

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.

The balances, transactions and disclosures impacted by accounting estimates are as follows:

- estimated fair value of certain financial assets
- estimation of fair values of land and buildings and investment property
- impairment of financial assets
- estimation uncertainties and judgements made in relation to lease accounting
- estimated useful life of assets
- estimation of provisions
- estimation of fair value of leases

**SHIRE OF WEST ARTHUR
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2025**

2. RATES AND SERVICE CHARGES

(a) Rating Information

| Rate Description | Basis of valuation | Rate in | Number of properties | Rateable value | 2024/25 Budgeted rate revenue | 2024/25 Budgeted interim rates | 2024/25 Budgeted total revenue | 2023/24 Actual total revenue | 2023/24 Budget total revenue |
|---|---------------------------|----------------|-----------------------------|-----------------------|--------------------------------------|---------------------------------------|---------------------------------------|-------------------------------------|-------------------------------------|
| | | \$ | | \$ | \$ | \$ | \$ | \$ | \$ |
| (i) General rates | | | | | | | | | |
| GRV Townsite | | 0.088276 | 85 | 744,156 | 65,691 | | 65,691 | 61,973 | 61,973 |
| GRV Commercial | | 0.088276 | 12 | 232,024 | 20,482 | | 20,482 | 19,951 | 19,951 |
| GRV Industrial | | 0.088276 | 7 | 112,580 | 9,938 | | 9,938 | 9,376 | 9,376 |
| GRV Other Townsite | | 0.088276 | 15 | 95,888 | 8,465 | | 8,465 | 7,986 | 7,986 |
| UV Rural | | 0.003254 | 366 | 585,769,000 | 1,906,092 | | 1,906,092 | 1,802,202 | 1,802,399 |
| Total general rates | | | 485 | 586,953,648 | 2,010,668 | 0 | 2,010,668 | 1,901,488 | 1,901,685 |
| (ii) Minimum payment | | | | | | | | | |
| | | \$ | | | | | | | |
| GRV Townsite | | 632.00 | 47 | 179,944 | 29,704 | | 29,704 | 28,059 | 28,059 |
| GRV Commercial | | 632.00 | 9 | 22,440 | 5,688 | | 5,688 | 5,373 | 5,373 |
| GRV Industrial | | 632.00 | 3 | 9,690 | 1,896 | | 1,896 | 1,791 | 1,791 |
| GRV Other Townsite | | 442.00 | 19 | 20,820 | 8,398 | | 8,398 | 7,923 | 7,923 |
| UV Rural | | 632.00 | 69 | 9,599,800 | 43,608 | | 43,608 | 35,820 | 35,820 |
| UV Industrial | | 632.00 | 5 | 227,000 | 3,160 | | 3,160 | 2,985 | 2,985 |
| UV Mining | | 632.00 | 17 | 182,914 | 10,744 | | 10,744 | 9,998 | 10,746 |
| Total minimum payments | | | 169 | 10,242,608 | 103,198 | 0 | 103,198 | 91,949 | 92,697 |
| Total general rates and minimum payments | | | 654 | 597,196,256 | 2,113,866 | 0 | 2,113,866 | 1,993,437 | 1,994,382 |
| (iii) Ex-gratia rates | | | | | | | | | |
| Ex-gratia rates | | | | | 4,137 | 0 | 4,137 | 3,930 | 3,774 |
| | | | | | 2,118,003 | 0 | 2,118,003 | 1,997,367 | 1,998,156 |
| Total rates | | | | | 2,118,003 | 0 | 2,118,003 | 1,997,367 | 1,998,156 |

The Shire did not raise specified area rates for the year ended 30th June 2025.

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 2024/25 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 rates have been determined by Council on the basis that all ratepayers must make a reasonable contribution to the cost of local government services/facilities.

**SHIRE OF WEST ARTHUR
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2025**

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)

| | | | | |
|---------------------|-----------|---|-------|-------|
| Single full payment | 1/11/2024 | 0 | 3.00% | 7.00% |
|---------------------|-----------|---|-------|-------|

Option 2 (Four Instalments)

| | | | | |
|-------------------|------------|---|-------|-------|
| First instalment | 1/11/2024 | 0 | 3.00% | 7.00% |
| Second instalment | 31/12/2024 | 7 | 3.00% | 7.00% |
| Third instalment | 3/03/2025 | 7 | 3.00% | 7.00% |
| Fourth instalment | 2/05/2025 | 7 | 3.00% | 7.00% |

| | 2024/25 Budget revenue | 2023/24 Actual revenue | 2023/24 Budget revenue |
|---|---------------------------------------|---------------------------------------|---------------------------------------|
| | \$ | \$ | \$ |
| Instalment plan admin charge revenue | 3,500 | 1,143 | 750 |
| Instalment plan interest earned | 1,800 | 2,124 | 1,800 |
| Unpaid rates and service charge interest earned | 17,700 | 19,223 | 15,200 |
| | <u>23,000</u> | <u>22,490</u> | <u>17,750</u> |

**SHIRE OF WEST ARTHUR
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2025**

2. RATES AND SERVICE CHARGES (CONTINUED)

(c) Service Charges

The Shire did not raise service charges for the year ended 30th June 2025.

(d) Waivers or concessions

The Shire does not anticipate any waivers or concessions for the year ended 30th June 2025.

SHIRE OF WEST ARTHUR
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2025

3. NET CURRENT ASSETS

(a) Composition of estimated net current assets

| | | 2024/25 Budget | 2023/24 Actual | 2023/24 Budget |
|---|-------------|---------------------------|---------------------------|---------------------------|
| | Note | 30 June 2025 | 30 June 2024 | 30 June 2024 |
| Current assets | | \$ | \$ | \$ |
| Cash and cash equivalents | 4 | 1,857,956 | 4,375,428 | 2,099,372 |
| Financial assets | | 31,016 | 31,016 | 31,016 |
| Receivables | | 197,081 | 214,081 | 178,809 |
| Inventories | | 18,855 | 21,855 | 13,485 |
| Other assets | | 11,579 | 91,157 | 0 |
| | | 2,116,487 | 4,733,537 | 2,322,682 |
| Less: current liabilities | | | | |
| Trade and other payables | | (310,130) | (303,130) | (260,094) |
| Contract liabilities | | 0 | (60,588) | 0 |
| Capital grant/contribution liability | | 0 | (147,611) | 0 |
| Long term borrowings | 7 | (92,358) | (137,156) | (135,795) |
| Employee provisions | | (309,447) | (309,447) | (316,845) |
| | | (711,935) | (957,932) | (712,734) |
| Net current assets | | 1,404,552 | 3,775,605 | 1,609,948 |
| Less: Total adjustments to net current assets | 3(b) | (1,404,552) | (2,349,490) | (1,609,948) |
| Net current assets used in the Statement of Financial Activity | | 0 | 1,426,115 | 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 <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates. | | | | |
| Adjustments to net current assets | | | | |
| Less: Cash - reserve accounts | 8 | (1,838,909) | (2,828,645) | (2,086,986) |
| Less: Current assets not expected to be received at end of year | | | | |
| - Current financial assets at amortised cost - self supporting loans | | (31,016) | (31,016) | (31,016) |
| Add: Current liabilities not expected to be cleared at end of year | | | | |
| - Current portion of borrowings | | 92,358 | 137,156 | 135,795 |
| - Employee benefit provisions | | 373,015 | 373,015 | 372,259 |
| Total adjustments to net current assets | | (1,404,552) | (2,349,490) | (1,609,948) |

SHIRE OF WEST ARTHUR
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2025

3. NET CURRENT ASSETS

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

Items excluded from calculation of budgeted deficiency

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

(c) Non-cash amounts excluded from operating activities

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

Adjustments to operating activities

Less: Profit on asset disposals

Add: Loss on asset disposals

Add: Depreciation

Movement in assets held for sale

Movement in accrued wages

Non cash amounts excluded from operating activities

| Note | 2024/25 Budget 30 June 2025 | 2023/24 Actual 30 June 2024 | 2023/24 Budget 30 June 2024 |
|-------------|--|--|--|
| | \$ | \$ | \$ |
| 5 | (14,339) | (196,978) | (11,124) |
| 5 | 16,137 | 14,873 | 5,034 |
| 6 | 3,077,887 | 3,075,045 | 2,269,487 |
| | 0 | (65,107) | 0 |
| | 0 | 7,176 | 0 |
| | 3,079,685 | 2,835,009 | 2,263,397 |

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.

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.

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

GOODS AND SERVICES TAX (GST)

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

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

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

CONTRACT LIABILITIES

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

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

TRADE AND OTHER RECEIVABLES

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

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

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

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

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

PROVISIONS

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

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

EMPLOYEE BENEFITS

Short-term employee benefits

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

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

The Shire's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the determination of the net current asset position.

Other long-term employee benefits

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

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

**SHIRE OF WEST ARTHUR
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2025**

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 | 2024/25 Budget | 2023/24 Actual | 2023/24 Budget | |
|--|-------------------|-------------------|-------------------|-------------|
| | \$ | \$ | \$ | |
| Cash at bank and on hand | 1,857,956 | 4,375,428 | 2,099,372 | |
| Total cash and cash equivalents | 1,857,956 | 4,375,428 | 2,099,372 | |
| Held as | | | | |
| - Unrestricted cash and cash equivalents | 19,047 | 1,399,172 | 12,386 | |
| - Restricted cash and cash equivalents | 1,838,909 | 2,976,256 | 2,086,986 | |
| 3(a) | 1,857,956 | 4,375,428 | 2,099,372 | |
| 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 | 1,838,909 | 2,976,256 | 2,086,986 | |
| | 1,838,909 | 2,976,256 | 2,086,986 | |
| The assets are restricted as a result of the specified purposes associated with the liabilities below: | | | | |
| Reserve accounts | 1,838,909 | 2,828,645 | 2,086,986 | |
| Unspent capital grants, subsidies and contribution liabilities | 0 | 147,611 | 0 | |
| | 1,838,909 | 2,976,256 | 2,086,986 | |
| Reconciliation of net cash provided by operating activities to net result | | | | |
| Net result | (2,086,190) | (1,422,089) | (1,816,247) | |
| Depreciation | 6 | 3,077,887 | 3,075,045 | 2,269,487 |
| (Profit)/loss on sale of asset | 5 | 1,798 | (182,105) | (6,090) |
| (Increase)/decrease in receivables | | 17,000 | 144,466 | 180,000 |
| (Increase)/decrease in inventories | | 3,000 | (6,870) | 1,500 |
| (Increase)/decrease in other assets | | 79,578 | (91,157) | 0 |
| Increase/(decrease) in payables | | 7,000 | 67,962 | 23,931 |
| Increase/(decrease) in contract liabilities | | (60,588) | 60,002 | (6,750) |
| Increase/(decrease) in unspent capital grants | | (147,611) | 140,861 | 0 |
| Increase/(decrease) in employee provisions | | 0 | (979) | 0 |
| Capital grants, subsidies and contributions | | (1,603,169) | (1,079,545) | (1,310,628) |
| Net cash from operating activities | (711,295) | 705,591 | (664,797) | |

MATERIAL ACCOUNTING POLICES

CASH AND CASH EQUIVALENTS

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

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

FINANCIAL ASSETS AT AMORTISED COST

The Shire classifies financial assets at amortised cost if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cashflows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

SHIRE OF WEST ARTHUR
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2025

5. PROPERTY, PLANT AND EQUIPMENT

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

| | 2024/25 Budget | | | | | 2023/24 Actual | | | | | 2023/24 Budget | | | | |
|--|------------------|----------------------------|---------------------------|--------------------|------------------|------------------|----------------------------|---------------------------|--------------------|------------------|------------------|----------------------------|---------------------------|--------------------|------------------|
| | Additions | Disposals - Net Book Value | Disposals - Sale Proceeds | Disposals - Profit | Disposals - Loss | Additions | Disposals - Net Book Value | Disposals - Sale Proceeds | Disposals - Profit | Disposals - Loss | Additions | Disposals - Net Book Value | Disposals - Sale Proceeds | Disposals - Profit | Disposals - Loss |
| (a) Property, Plant and Equipment | | | | | | | | | | | | | | | |
| Land - freehold land | \$ 203,765 | \$ (64,059) | \$ 50,000 | \$ 0 | \$ (14,059) | \$ 39,397 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 120,620 | \$ (46,000) | \$ 50,000 | \$ 4,000 | \$ 0 |
| Buildings - non-specialised | 241,106 | 0 | 0 | 0 | 0 | 496,986 | 0 | 0 | 0 | 0 | 606,000 | 0 | 0 | 0 | 0 |
| Buildings - specialised | 0 | 0 | 0 | 0 | 0 | 18,134 | 0 | 0 | 0 | 0 | 25,000 | 0 | 0 | 0 | 0 |
| Furniture and equipment | 78,647 | 0 | 0 | 0 | 0 | 133,892 | 0 | 0 | 0 | 0 | 188,000 | 0 | 0 | 0 | 0 |
| Plant and equipment | 1,161,116 | (132,739) | 145,000 | 14,339 | (2,078) | 317,139 | (270,100) | 452,205 | 196,978 | (14,873) | 479,751 | (72,910) | 75,000 | 7,124 | (5,034) |
| Total | 1,684,634 | (196,798) | 195,000 | 14,339 | (16,137) | 1,005,548 | (270,100) | 452,205 | 196,978 | (14,873) | 1,419,371 | (118,910) | 125,000 | 11,124 | (5,034) |
| (b) Infrastructure | | | | | | | | | | | | | | | |
| Infrastructure - roads | 1,577,058 | 0 | 0 | 0 | 0 | 1,084,796 | 0 | 0 | 0 | 0 | 1,153,551 | 0 | 0 | 0 | 0 |
| Infrastructure - Other | 236,514 | 0 | 0 | 0 | 0 | 84,082 | 0 | 0 | 0 | 0 | 410,694 | 0 | 0 | 0 | 0 |
| Total | 1,813,572 | 0 | 0 | 0 | 0 | 1,168,878 | 0 | 0 | 0 | 0 | 1,564,245 | 0 | 0 | 0 | 0 |
| Total | 3,498,206 | (196,798) | 195,000 | 14,339 | (16,137) | 2,174,426 | (270,100) | 452,205 | 196,978 | (14,873) | 2,983,616 | (118,910) | 125,000 | 11,124 | (5,034) |

MATERIAL ACCOUNTING POLICIES

RECOGNITION OF ASSETS

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

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

GAINS AND LOSSES ON DISPOSAL

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

**SHIRE OF WEST ARTHUR
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2025**

6. DEPRECIATION

By Class

Buildings - non-specialised
Buildings - specialised
Furniture and equipment
Plant and equipment
Infrastructure - roads
Other infrastructure [describe]
Other infrastructure [describe]

By Program

Governance
General purpose funding
Law, order, public safety
Health
Housing
Community amenities
Recreation and culture
Transport
Economic services
Other property and services

| 2024/25 Budget | 2023/24 Actual | 2023/24 Budget |
|---------------------------|---------------------------|---------------------------|
| \$ | \$ | \$ |
| 34,726 | 31,880 | 34,726 |
| 216,121 | 203,443 | 212,802 |
| 6,373 | 7,482 | 5,937 |
| 375,099 | 386,672 | 375,077 |
| 1,763,490 | 1,763,490 | 1,003,050 |
| 182,237 | 182,237 | 138,054 |
| 499,841 | 499,841 | 499,841 |
| 3,077,887 | 3,075,045 | 2,269,487 |
| 0 | 2,032 | 0 |
| 437 | 0 | 0 |
| 78,313 | 71,901 | 78,313 |
| 44,700 | 41,036 | 50,655 |
| 11,892 | 10,918 | 11,892 |
| 8,053 | 7,935 | 16,046 |
| 270,390 | 264,140 | 227,007 |
| 2,286,284 | 2,286,661 | 1,519,129 |
| 35,744 | 34,056 | 24,394 |
| 342,074 | 356,366 | 342,051 |
| 3,077,887 | 3,075,045 | 2,269,487 |

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 | 30 to 100 years |
| Furniture and equipment | 4 to 10 years |
| Plant and equipment | 5 to 15 years |
| Sealed roads and streets formation | not depreciated |
| pavement seal | 70 years |
| bituminous seals | 15 to 25 years |
| asphalt surfaces | 15 to 25 years |
| Gravel roads formation | not depreciated |
| pavement | 50 years |
| gravel sheeting | 10 to 15 years |
| Formed roads (unsealed) formation | not depreciated |
| pavement | 50 years |
| Footpaths - slab | 20 years |
| Sewerage piping | 100 years |
| Water supply piping and drainage system | 75 years |
| Bridges | 60 to 90 years |

AMORTISATION

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

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

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

SHIRE OF WEST ARTHUR
 NOTES TO AND FORMING PART OF THE BUDGET
 FOR THE YEAR ENDED 30 JUNE 2025

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 | 2024/25 | 2024/25 | Budget | 2024/25 | Actual | 2023/24 | 2023/24 | Actual | 2023/24 | Budget | 2023/24 | 2023/24 | Budget | 2023/24 |
|------------------------------|-------------|-------------|---------------|--------------------------|------------------------|-----------------------------------|--|----------------------------------|--------------------------|------------------------|-----------------------------------|--|----------------------------------|--------------------------|------------------------|-----------------------------------|--|----------------------------------|
| | | | | Principal 1 July 2024 | Budget New Loans | Budget Principal Repayments | Principal outstanding 30 June 2025 | Budget Interest Repayments | Principal 1 July 2023 | Actual New Loans | Actual Principal Repayments | Principal outstanding 30 June 2024 | Actual Interest Repayments | Principal 1 July 2023 | Budget New Loans | Budget Principal Repayments | Principal outstanding 30 June 2024 | Budget Interest Repayments |
| GROH Housing | 70 | WATC | 6.6% | \$ 42,521 | \$ 0 | \$ (42,521) | \$ 0 | \$ (1,402) | \$ 96,079 | \$ 0 | \$ (53,558) | \$ 42,521 | \$ (5,003) | \$ 96,079 | \$ 0 | \$ (53,558) | \$ 42,521 | \$ (5,003) |
| Industrial Land | 72 | WATC | 3.3% | 17,109 | 0 | (11,312) | 5,797 | (421) | 28,059 | 0 | (10,950) | 17,109 | (784) | 28,059 | 0 | (10,950) | 17,109 | (784) |
| ERP | 75 | WATC | 4.1% | 143,575 | 0 | (27,518) | 116,057 | (5,940) | 0 | 150,000 | (6,425) | 143,575 | (1,345) | 0 | 150,000 | (6,781) | 143,219 | (1,571) |
| Loader | 74 | WATC | 4.0% | 228,923 | 0 | (24,789) | 204,134 | (8,791) | 252,746 | 0 | (23,823) | 228,923 | (9,758) | 252,746 | 0 | (23,823) | 228,923 | (9,758) |
| | | | | 432,128 | 0 | (106,140) | 325,988 | (16,554) | 376,884 | 150,000 | (94,756) | 432,128 | (16,890) | 376,884 | 150,000 | (95,112) | 431,772 | (17,116) |
| Self Supporting Loans | | | | | | | | | | | | | | | | | | |
| WA Cottage Homes | 73 | WATC | 3.3% | 279,367 | 0 | (31,016) | 248,351 | (8,892) | 309,374 | 0 | (30,007) | 279,367 | (9,900) | 309,374 | 0 | (30,007) | 279,367 | (9,900) |
| | | | | 279,367 | 0 | (31,016) | 248,351 | (8,892) | 309,374 | 0 | (30,007) | 279,367 | (9,900) | 309,374 | 0 | (30,007) | 279,367 | (9,900) |
| | | | | 711,495 | 0 | (137,156) | 574,339 | (25,446) | 686,258 | 150,000 | (124,763) | 711,495 | (26,790) | 686,258 | 150,000 | (125,119) | 711,139 | (27,016) |

All borrowing repayments, other than self supporting loans, will be financed by general purpose revenue.
 The self supporting loan(s) repayment will be fully reimbursed.

**SHIRE OF WEST ARTHUR
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2025**

7. BORROWINGS

(b) New borrowings - 2024/25

The Shire does not intend to undertake any new borrowings for the year ended 30th June 2025

(c) Unspent borrowings

The Shire had no unspent borrowing funds as at 30th June 2024 nor is it expected to have unspent borrowing funds as at 30th June 2025.

(d) Credit Facilities

| | 2024/25 Budget | 2023/24 Actual | 2023/24 Budget |
|---|---------------------------|---------------------------|---------------------------|
| | \$ | \$ | \$ |
| Undrawn borrowing facilities credit standby arrangements | | | |
| Bank overdraft limit | 150,000 | 150,000 | 150,000 |
| Bank overdraft at balance date | 0 | 0 | 0 |
| Credit card limit | 15,000 | 15,000 | 15,000 |
| Credit card balance at balance date | 0 | 5,336 | (6,089) |
| Total amount of credit unused | 165,000 | 170,336 | 158,911 |
| Loan facilities | | | |
| Loan facilities in use at balance date | 574,339 | 711,495 | 711,139 |

MATERIAL ACCOUNTING POLICIES

BORROWING COSTS

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

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

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

SHIRE OF WEST ARTHUR
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2025

8. RESERVE ACCOUNTS

(a) Reserve Accounts - Movement

| | 2024/25 Budget | | | | 2023/24 Actual | | | | 2023/24 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 | 131,460 | 5,686 | 0 | 137,146 | 125,105 | 6,355 | 0 | 131,460 | 125,105 | 5,972 | 0 | 131,077 |
| (b) Plant Reserve | 1,037,504 | 344,878 | (1,007,116) | 375,266 | 556,752 | 751,299 | (270,547) | 1,037,504 | 556,751 | 326,576 | (376,926) | 506,401 |
| (c) Building Reserve | 176,231 | 7,623 | (179,106) | 4,748 | 691,759 | 34,672 | (550,200) | 176,231 | 691,759 | 33,021 | (694,620) | 30,160 |
| (d) Town Development Reserve | 1,658 | 72 | 0 | 1,730 | 1,578 | 80 | 0 | 1,658 | 1,578 | 75 | 0 | 1,653 |
| (e) Recreation Reserve | 177,182 | 7,664 | (143,019) | 41,827 | 168,617 | 8,565 | 0 | 177,182 | 168,617 | 8,049 | 0 | 176,666 |
| (f) Heritage Reserve | 7,047 | 455 | 0 | 7,502 | 6,564 | 483 | 0 | 7,047 | 6,563 | 463 | 0 | 7,026 |
| (g) Community Housing Reserve | 200,920 | 9,691 | (50,000) | 160,611 | 191,208 | 9,712 | 0 | 200,920 | 191,208 | 10,127 | (1,000) | 200,335 |
| (h) Waste Management Reserve | 122,945 | 5,318 | 0 | 128,263 | 117,002 | 5,943 | 0 | 122,945 | 117,002 | 5,585 | (35,000) | 87,587 |
| (i) Darkan Swimming Pool Reserve | 63,662 | 7,754 | (30,000) | 41,416 | 55,826 | 7,836 | 0 | 63,662 | 55,826 | 7,665 | 0 | 63,491 |
| (j) Information Technology Reserve | 35,654 | 1,542 | 0 | 37,196 | 57,723 | 2,931 | (25,000) | 35,654 | 57,723 | 2,755 | (25,000) | 35,478 |
| (k) Darkan Sport and Community Centre Reserve | 240,632 | 50,409 | 0 | 291,041 | 184,875 | 55,757 | 0 | 240,632 | 184,875 | 38,825 | 0 | 223,700 |
| (l) Arthur River Country Club Reserve | 55,871 | 8,417 | 0 | 64,288 | 47,461 | 8,410 | 0 | 55,871 | 47,461 | 8,266 | 0 | 55,727 |
| (m) Museum Reserve | 134,654 | 5,825 | (5,000) | 135,479 | 132,904 | 6,750 | (5,000) | 134,654 | 132,904 | 6,344 | (5,000) | 134,248 |
| (n) Moodiarrup Sports Club Reserve | 28,281 | 6,223 | 0 | 34,504 | 22,156 | 6,125 | 0 | 28,281 | 22,156 | 6,058 | 0 | 28,214 |
| (o) Landcare Reserve | 25,543 | 1,105 | (5,000) | 21,648 | 29,067 | 1,476 | (5,000) | 25,543 | 29,067 | 1,388 | (5,000) | 25,455 |
| (p) Corporate Planning and Valuation Reserve | 4,829 | 209 | 0 | 5,038 | 4,596 | 233 | 0 | 4,829 | 4,596 | 219 | 0 | 4,815 |
| (q) Kids Central Reserve | 7,866 | 340 | 0 | 8,206 | 7,088 | 778 | 0 | 7,866 | 7,088 | 338 | (2,000) | 5,426 |
| (r) The Shed Reserve | 14,130 | 611 | 0 | 14,741 | 13,103 | 1,027 | 0 | 14,130 | 13,103 | 625 | 0 | 13,728 |
| (s) Recreation Trails Reserve | 2,712 | 117 | 0 | 2,829 | 1,257 | 1,455 | 0 | 2,712 | 1,258 | 60 | 0 | 1,318 |
| (t) Community Gym Reserve | 11,336 | 490 | 0 | 11,826 | 8,558 | 2,778 | 0 | 11,336 | 8,558 | 409 | (2,000) | 6,967 |
| (u) Economic Development Reserve | 94,451 | 4,086 | (50,000) | 48,537 | 89,885 | 4,566 | 0 | 94,451 | 89,885 | 4,291 | 0 | 94,176 |
| (v) Road Reserve | 254,077 | 10,990 | 0 | 265,067 | 241,794 | 12,283 | 0 | 254,077 | 241,795 | 11,543 | 0 | 253,338 |
| | 2,828,645 | 479,505 | (1,469,241) | 1,838,909 | 2,754,878 | 929,514 | (855,747) | 2,828,645 | 2,754,878 | 478,654 | (1,146,546) | 2,086,986 |

(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 |
|---|-------------------------|---|
| (a) Leave Reserve | Ongoing | To be used to fund long service leave and annual leave requirements |
| (b) Plant Reserve | Ongoing | To be used for the purchase of major plant |
| (c) Building Reserve | Ongoing | To be used for the construction and maintenance of Council buildings |
| (d) Town Development Reserve | Ongoing | To be used to enhance town infrastructure |
| (e) Recreation Reserve | Ongoing | To be used to enhance recreation infrastructure |
| (f) Heritage Reserve | Ongoing | To be used to maintain and improve the heritage buildings of the Shire |
| (g) Community Housing Reserve | Ongoing | To be used for the maintenance and provision of housing within the Shire |
| (h) Waste Management Reserve | Ongoing | To be used to assist with funding future infrastructure requirements for waste management |
| (i) Darkan Swimming Pool Reserve | Ongoing | To be used to assist with funding works at the Darkan swimming pool |
| (j) Information Technology Reserve | Ongoing | To be used for upgrades to computers and office equipment |
| (k) Darkan Sport and Community Centre Reserve | Ongoing | To be used to maintain and improve the Darkan Sport and Community Centre |
| (l) Arthur River Country Club Reserve | Ongoing | To be used to maintain and improve the Arthur River Country Club |
| (m) Museum Reserve | Ongoing | To be used to maintain and to provide new displays in the Museum |
| (n) Moodiarrup Sports Club Reserve | Ongoing | To be used to maintain and improve the Moodiarrup Sports Club Reserve |
| (o) Landcare Reserve | Ongoing | To be used to fund the landcare expenditure of the Shire |
| (p) Corporate Planning and Valuation Reserve | Ongoing | To be used to fund the corporate planning and valuation expenditure of the Shire |
| (q) Kids Central Reserve | Ongoing | To be used to fund the renewal of equipment and infrastructure |
| (r) The Shed Reserve | Ongoing | To be used to fund the renewal of equipment and infrastructure |
| (s) Recreation Trails Reserve | Ongoing | To be used for the construction and maintenance of recreation trails |
| (t) Community Gym Reserve | Ongoing | To be used for the renewal of gym equipment and activities |
| (u) Economic Development Reserve | Ongoing | To be used for economic development initiatives that benefit the Shire |
| (v) Road Reserve | Ongoing | To be used to fund road improvements or urgent repairs |

**SHIRE OF WEST ARTHUR
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2025**

9. OTHER INFORMATION

| | 2024/25 Budget | 2023/24 Actual | 2023/24 Budget |
|--|---------------------------|---------------------------|---------------------------|
| | \$ | \$ | \$ |
| The net result includes as revenues | | | |
| (a) Interest earnings | | | |
| Investments | 166,248 | 183,042 | 184,900 |
| Other interest revenue | 19,500 | 21,347 | 17,000 |
| | <u>185,748</u> | <u>204,389</u> | <u>201,900</u> |
| The net result includes as expenses | | | |
| (b) Auditors remuneration | | | |
| Audit services | 47,000 | 33,390 | 33,600 |
| | <u>47,000</u> | <u>33,390</u> | <u>33,600</u> |
| (c) Interest expenses (finance costs) | | | |
| Borrowings (refer Note 7(a)) | 25,446 | 26,790 | 27,016 |
| | <u>25,446</u> | <u>26,790</u> | <u>27,016</u> |

SHIRE OF WEST ARTHUR
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2025

10. ELECTED MEMBERS REMUNERATION

| | 2024/25 Budget | 2023/24 Actual | 2023/24 Budget |
|--|---------------------------|---------------------------|---------------------------|
| | \$ | \$ | \$ |
| Cr Neil Morrell | | | |
| President's allowance | 6,240 | 6,000 | 6,000 |
| Meeting attendance fees | 4,700 | 4,600 | 4,200 |
| Annual allowance for ICT expenses | 500 | 500 | 500 |
| Travel and accommodation expenses | 1,900 | 1,881 | 1,220 |
| | 13,340 | 12,981 | 11,920 |
| Cr Graeme Peirce | | | |
| Deputy President's allowance | 0 | 481 | 1,500 |
| Meeting attendance fees | 3,000 | 2,900 | 3,000 |
| Annual allowance for ICT expenses | 500 | 500 | 500 |
| Travel and accommodation expenses | 1,100 | 1,076 | 694 |
| | 4,600 | 4,957 | 5,694 |
| Cr Adam Squires | | | |
| Meeting attendance fees | 2,650 | 2,500 | 2,500 |
| Annual allowance for ICT expenses | 500 | 500 | 500 |
| | 3,150 | 3,000 | 3,000 |
| Cr Neil Manuel | | | |
| Meeting attendance fees | 0 | 400 | 2,700 |
| Annual allowance for ICT expenses | 0 | 125 | 500 |
| Travel and accommodation expenses | 0 | 91 | 365 |
| | 0 | 616 | 3,565 |
| Cr Karen Harrington | | | |
| Deputy President's allowance | 1,560 | 1,019 | 0 |
| Meeting attendance fees | 5,750 | 5,700 | 3,100 |
| Annual allowance for ICT expenses | 500 | 500 | 500 |
| Travel and accommodation expenses | 500 | 435 | 251 |
| | 8,310 | 7,654 | 3,851 |
| Cr Robyn Lubcke | | | |
| Meeting attendance fees | 3,600 | 3,500 | 3,200 |
| Annual allowance for ICT expenses | 500 | 500 | 500 |
| Travel and accommodation expenses | 900 | 840 | 732 |
| | 5,000 | 4,840 | 4,432 |
| Cr Duncan South | | | |
| Meeting attendance fees | 2,650 | 2,400 | 2,600 |
| Annual allowance for ICT expenses | 500 | 500 | 500 |
| Travel and accommodation expenses | 300 | 219 | 238 |
| | 3,450 | 3,119 | 3,338 |
| Cr Lucy Hall | | | |
| Meeting attendance fees | 0 | 1,200 | 0 |
| Annual allowance for ICT expenses | 0 | 235 | 0 |
| Travel and accommodation expenses | 0 | 305 | 0 |
| | 0 | 1,740 | 0 |
| Cr Russell Prowse | | | |
| Meeting attendance fees | 2,650 | 0 | 0 |
| Annual allowance for ICT expenses | 500 | 0 | 0 |
| Travel and accommodation expenses | 300 | 0 | 0 |
| | 3,450 | 0 | 0 |
| Total Elected Member Remuneration | 41,300 | 38,907 | 35,800 |
| President's allowance | 6,240 | 6,000 | 6,000 |
| Deputy President's allowance | 1,560 | 1,500 | 1,500 |
| Meeting attendance fees | 25,000 | 23,200 | 21,300 |
| Annual allowance for ICT expenses | 3,500 | 3,360 | 3,500 |
| Travel and accommodation expenses | 5,000 | 4,847 | 3,500 |
| | 41,300 | 38,907 | 35,800 |

**SHIRE OF WEST ARTHUR
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2025**

11. TRUST FUNDS

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

| Detail | Balance 30 June 2024 | Estimated amounts received | Estimated amounts paid | Estimated balance 30 June 2025 |
|--------------------------------|-------------------------|----------------------------------|------------------------------|--------------------------------------|
| | \$ | \$ | \$ | \$ |
| Councillor nomination deposits | 0 | 100 | (100) | 0 |
| | 0 | 100 | (100) | 0 |

SHIRE OF WEST ARTHUR
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2025

12. REVENUE AND EXPENDITURE

(a) Revenue and Expenditure Classification

REVENUES

RATES

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

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

GRANTS, SUBSIDIES AND CONTRIBUTIONS

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

CAPITAL GRANTS, SUBSIDIES AND CONTRIBUTIONS

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

REVENUE FROM CONTRACTS WITH CUSTOMERS

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

FEES AND CHARGES

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

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

SERVICE CHARGES

Service charges imposed under *Division 6 of Part 6 of the Local Government Act 1995*. Regulation 54 of the *Local Government (Financial Management) Regulations 1996* identifies the charges which can be raised. These are television and radio broadcasting, underground electricity and neighbourhood surveillance services and water.

Exclude rubbish removal charges which should not be classified as a service charge. Interest and other items of a similar nature received from bank and investment accounts, interest on rate instalments, interest on rate arrears and interest on debtors.

INTEREST REVENUE

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

OTHER REVENUE / INCOME

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

PROFIT ON ASSET DISPOSAL

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

EXPENSES

EMPLOYEE COSTS

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

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

MATERIALS AND CONTRACTS

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

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

UTILITIES (GAS, ELECTRICITY, WATER)

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

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

INSURANCE

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

LOSS ON ASSET DISPOSAL

Loss on the disposal of fixed assets.

DEPRECIATION ON NON-CURRENT ASSETS

Depreciation and amortisation expenses raised on all classes of assets.

FINANCE COSTS

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

OTHER EXPENDITURE

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

**SHIRE OF WEST ARTHUR
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2025**

12. 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 |
|---|--|---|--|---|--|
| Grant contracts with customers | Community events, minor facilities, research, design, planning evaluation and services | Over time | Fixed terms transfer of funds based on agreed milestones and reporting | Contract obligation if project not complete | Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared |
| Grants, subsidies or contributions for the construction of non-financial assets | Construction or acquisition of recognisable non-financial assets to be controlled by the local government | Over time | Fixed terms transfer of funds based on agreed milestones and reporting | Contract obligation if project not complete | Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared |
| Grants with no contractual commitments | General appropriations and contributions with no specific contractual commitments | No obligations | Not applicable | Not applicable | When assets are controlled |
| 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 collections | Kerbside collection service | Over time | Payment on an annual basis in advance | None | Output method based on regular weekly and fortnightly period as proportionate to collection service |
| Fees and charges for other goods and services | Cemetery services, 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 |

**SHIRE OF WEST ARTHUR
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2025**

13. 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 set and achieve Council's goals and objectives for the ratepayers by providing high level direction, co-ordination and management policy.

Cost associated with meetings, elections, preparing annual reports and other statutory reporting requirements, public relations and policy development and review.

General purpose funding

To collect revenue to allow for the provision of services.

Costs associated with raising and collecting rates, rate enquiries, preparing general purpose grant returns and investing the Shire's surplus funds.

Law, order, public safety

To provide services to help ensure a safer and environmentally conscious community.

Fire control and prevention, and animal control.

Health

To provide an operational framework for environmental and community health.

Provision and maintenance of medical buildings and subsidies to health services, services of an Environmental Health Officer including food control.

Education and welfare

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

School bus routes, support to families and childrens services including schools, support for seniors and welfare services.

Housing

To provide housing for employees of local industry and government departments.

Maintenance and provision of GROH and community housing.

Community amenities

To provide services required by the community.

Rubbish collection services, operation of refuse site, administration of the town planning scheme, storm water drainage, protection of the environment, cemetery maintenance.

Recreation and culture

To establish and effectively manage infrastructure and resources which will help the social wellbeing of the community.

Maintenance of halls, provision of library services, maintenance of historical buildings and maintenance of reserves and recreation facilities.

Transport

To provide a smooth, safe, efficient and clearly defined road network that is environmentally acceptable and which enhances travels throughout the Shire.

Maintenance of roads, drainage works, footpaths, street lighting, median strips, traffic management, parking facilities and roadworks program.

Economic services

To help promote the local government and its economic wellbeing.

Tourism and area promotion, caravan park, standpipes, pest control services and implementation of building controls.

Other property and services

To monitor and control operating accounts.

Public works overheads, plant/vehicle operations, stock and materials, depot operations and private works.

**SHIRE OF WEST ARTHUR
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2025**

14. FEES AND CHARGES

| | 2024/25 Budget | 2023/24 Actual | 2023/24 Budget |
|-----------------------------|---------------------------|---------------------------|---------------------------|
| | \$ | \$ | \$ |
| By Program: | | | |
| Governance | 0 | 77 | 0 |
| General purpose funding | 6,200 | 3,726 | 2,800 |
| Law, order, public safety | 1,700 | 2,919 | 2,700 |
| Health | 1,000 | 1,038 | 1,250 |
| Education and welfare | 11,400 | 11,684 | 13,500 |
| Housing | 97,000 | 92,264 | 97,700 |
| Community amenities | 81,890 | 71,229 | 66,790 |
| Recreation and culture | 13,750 | 13,748 | 12,400 |
| Economic services | 101,100 | 114,220 | 116,600 |
| Other property and services | 39,850 | 27,406 | 23,100 |
| | 353,890 | 338,311 | 336,840 |

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