

Minutes

Special Meeting

August 2025



ORDER OF BUSINESS

- 1 DECLARATION OF OPENING**
- 2 ANNOUCEMENTS FROM THE PRESIDING MEMBER**
- 3 RECORD OF ATTENDANCE**
- 4 DECLARATION OF INTEREST BY MEMBERS**
 - 4.1 Declarations of Financial Interest
 - 4.2 Declarations of Proximity Interest
 - 4.3 Declarations of Impartiality Interest
 - 4.4 Declarations of Indirect Financial Interest
- 5 PUBLIC QUESTION TIME**
- 6 APPLICATIONS FOR LEAVE OF ABSENCE**
- 7 CONFIRMATION OF MINUTES OF PREVIOUS MEETINGS**
- 8 PRESENTATIONS / DEPUTATIONS**
- 9 AGENDA BUSINESS - MATTERS REQUIRING DECISION**
 - 9.1 Adoption of 2025/26 Annual Budget
 - Attachment 1 – Shire of Kulin Annual Budget for the Year Ended 30 June 2026
- 10 COMPLIANCE**
- 11 MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN**
- 12 MOTIONS FROM MEMBERS WITHOUT NOTICE**
- 13 NEW BUSINESS OF AN URGENT NATURE INTRODUCED BY DECISION OF MEETING**
- 14 MEETING IS CLOSED TO THE PUBLIC**

Minutes of a Special Meeting of Council held in the Council Chambers on Wednesday 6 August 2025 commencing at 4:07pm

1. DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS

The President declares the meeting open at 4:07pm advising in accordance with *Regulation 12(3) of the Local Government (Administration) Regulations 1996*, a Special Council Meeting was called to adopt the 2025/2026 Shire of Kulin Budget.

2. ANNOUNCEMENTS FROM THE PRESIDING MEMBER

In accordance with *Section 5.23A of the Local Government Act 1995*, and *Part 2A of the Local Government (Administration) Regulations 1996*, this Council meeting is being digitally recorded (audio). All recordings will be retained as part of the Shire of Kulin's records and will be made available to the public via Council's website, excluding recordings of matters that Council take Behind Closed Doors.

3. RECORD OF ATTENDANCE/APOLOGIES/LEAVE OF ABSENCE

ATTENDANCE

G Robins	President
B Smoker	Deputy President
T Gangell	Councillor
J Noble	Councillor
C Mullan	Councillor
R Bowey	Councillor
B Miller	Councillor
M Lucchesi	Councillor
A Leeson	Chief Executive Officer
F Murphy	Executive Manager Financial Services
T Scadding	Executive Manager Community Services
C Lewis	Executive Manager Governance and Risk
N Thompson	Manager Executive Support Services

APOLOGIES

Nil

LEAVE OF ABSENCE

Nil

4. DECLARATIONS OF INTEREST BY MEMBERS

Nil

5. PUBLIC QUESTION TIME

Nil

6. APPLICATIONS FOR LEAVE OF ABSENCE

N/A

7. CONFIRMATION / RECEIVAL OF MINUTES OF PREVIOUS MEETINGS

N/A

8. PRESENTATIONS / DEPUTATIONS

N/A

9 AGENDA BUSINESS - MATTERS REQUIRING DECISION

9.1 Adoption of 2025/26 Annual Budget

Responsible Officer:	Chief Executive Officer
File Reference:	12.04
Author:	CEO
Strategic Reference:	Strategic Pillar 1: Economy
Disclosure of Interest:	Nil
Attachment:	Shire of Kulin Annual Budget for the Year Ended 30 June 2026

SUMMARY

To consider and adopt the Shire of Kulin Annual Budget for the 2025/26 financial year.

BACKGROUND

Section 6.2 of the *Local Government Act 1995* requires that a local government must, not later than 31 August in each financial year, or such extended time as the Minister allows, prepare, and adopt, in the form and manner prescribed, a budget for its municipal fund for the financial year ending on the next following 30 June.

The 2025/26 budget has been compiled based on the principles contained in the Strategic Integrated Plan. Council considered the broader outline and inclusion of the 2025/26 Budget at the Council Forum on 23 July 2025. The 2025/26 budget has been prepared in accordance with the presentations made to councillors in the budget workshop.

The budget has been prepared to include information required by the *Local Government Act 1995*, *Local Government (Financial Management) Regulations 1996* and Australian Accounting Standards.

Key features of the 2025/26 budget include:

- A surplus of \$2,148,056 is anticipated to be brought forward from 30 June 2025. This surplus is unaudited and may change. Any change will be addressed as part of a future budget review. The opening surplus includes \$1,623,907 being a 50% advance payment of 2025/26 Financial Assistance Grants, received on 24 June 2025.
- A 3.75% increase in rates revenue. UV Valuations increased by 20.38% and therefore the UV rate in the dollar has decreased from \$0.00576 to \$0.00497. There was no GRV Valuation completed therefore the rate in the dollar has increased from \$0.11159 to \$0.11564.
- Overall employee numbers are expected to be similar level with 2024/25. A 3.5% increase to the base pay rates has been applied, along with increases to allowances in line with Council policies adopted in May 2025 or by reference to current allowance rates in the Local Government Industry Award.
- User fees and charges are consistent with those adopted by Council in May 2025.
- Elected member remuneration has increased by 3.75% and is within SAT parameters.
- A capital works program of \$9.5m for investment in infrastructure, land and buildings, plant and equipment and furniture and equipment are planned. Expenditure on road and footpath infrastructure is the major component of capital works program (\$5.1m), along with the construction of new housing totalling \$2.4m.
- Loan borrowings of \$1.4m to fund the housing construction is proposed. This project will also use \$850k of reserve funds.
- Capital grant funding of \$4.3m will contribute to road construction program. The major sources of this funding are:

Wheatbelt Secondary Freight Network	\$2,525,710
Regional Road Group	\$605,334
Roads to Recovery	\$960,142

- A new reserve for tourism and visitor services is included.
- A closing surplus of \$20,052.

The 2025/26 budget continues to deliver on other strategies adopted by the Council and maintains a high level of service across all programs while ensuring an increased focus on roads and associated infrastructure as well as on renewing all assets at sustainable levels.

STATUTORY IMPLICATIONS

Section 6.2 of the *Local Government Act 1995* requires that not later than 31 August in each financial year, or such extended time as the Minister allows, each local government is to prepare and adopt (absolute majority required), in the form and manner prescribed, a budget for its Municipal Fund for the financial year ending on the next 30 June.

Division 5 and 6 of part 6 of the *Local Government Act 1995* refer to the setting of budgets and the raising of rates and charges. The *Local Government Act (Financial Management) Regulations 1996* details the form and content of the budget. The 2025/26 budget as presented is considered to meet statutory requirements.

FINANCIAL IMPLICATIONS

Specific financial implications are as outlined in the body of this report and as itemised in the 2025/26 budget attached for adoption.

POLICY IMPLICATIONS

There are no known policy implications arising from this report.

COMMUNITY CONSULTATION:

Other than calling for community budget submissions in May 2025, no other specific consultation has occurred on the 2025/26 budget. Community consultation and engagement has previously occurred during development of the Strategic Integrated Plan earlier this year. Extensive internal consultation has occurred with Managers from each business unit and through the budget workshop with Councillors.

OFFICERS RECOMMENDATIONS

That Council adopt the 2025/26 Budget in accordance with the following items:

1. Pursuant to the provisions of Section 6.2 of the *Local Government Act 1995* and Part 3 of the *Local Government (Financial Management) Regulations 1996*, Council adopt the Budget as contained in Attachment 1 of this agenda, for the Shire of Kulin for the 2025/26 financial year which includes the following:
 - Statement of Comprehensive Income
 - Statement of Cash Flows
 - Statement of Financial Activity
 - Notes to and Forming Part of the Budget
2. For the purpose of yielding the deficiency disclosed by the Municipal Fund Budget provided in the Statement of Financial Activity, Council pursuant to sections 6.32, 6.33, 6.34 and 6.35 of the *Local Government Act 1995* impose the following general rates and minimum payments on Gross Rental and Unimproved Values:

Valuation	Rate (cents per dollar)	Minimum Rate
Residential Zoning – GRV	11.564	\$ 561.05
Industrial Zoning – GRV	11.564	\$ 561.05
Commercial Zoning – GRV	11.564	\$ 561.05
Rural Zoning – UV	0.497	\$ 561.05
Mining Zoning – UV	0.497	\$ 561.05
Rural Zoning - GRV	11.564	\$ 561.05

3. Pursuant to section 6.45 of the *Local Government Act 1995* and regulation 64(2) of the *Local Government (Financial Management) Regulations 1996*, council nominates the following due dates for the payment in full by instalments:
 - Option 1 (Full payment)
Full amount of rates and charges including arrears, to be paid on or before 26 September 2025 or 35 days after the date of service appearing on the rate notice whichever is later.
 - Option 2 (Two instalments)
 - First instalment to be made on or before 26 September 2025 or 35 days after the date of service appearing on the rate notice whichever is later and including all arrears and half the current rates and service charges; and
 - Second instalment not due before 30 January 2026

- Option 3 (Four instalments)
 - First instalment to be made on or before 26 September 2025 or 35 days after the date of service appearing on the rate notice whichever is later and including all arrears and a quarter of the current rates and service charges
 - Second instalment not due before 28 November 2025
 - Third instalment not due before 30 January 2026
 - Fourth instalment not due before 1 April 2025
4. Pursuant to Section 6.46 of the *Local Government Act 1995*, Council offers a discount of 5.0% (on the rates portion only) to ratepayers who have paid their rates in full, including arrears, waste & service charges, on or before 26 September 2025 or 35 days after the date of service appearing on the rate notice, whichever is later.
 5. Pursuant to Section 6.45 of the *Local Government Act 1995* and regulation 67 of the *Local Government (Financial Management) Regulations 1996*, Council adopts an instalment administration charge where the owner has elected to pay rates (and service charges) through an instalment option of \$7 for each instalment after the initial instalment is paid.
 6. Pursuant to Section 6.45 of the *Local Government Act 1995* and regulation 68 of the *Local Government (Financial Management) Regulations 1996*, Council adopts an interest rate of 5.5% where the owner has elected to pay rates and service charges through an instalment option.
 7. Pursuant to Section 6.51(1) and subject to Section 6.51(4) of the *Local Government Act 1995* and regulation 70 of the *Local Government (Financial Management) Regulations 1996*, Council adopts an interest rate of 11% for rates (and service charges) and costs of proceedings to recover such charges that remains unpaid after becoming due and payable (excluding Deferred Pensioners' Rates).

VOTING REQUIREMENTS

Absolute majority required.

SM 01/0825

Moved Cr Miller Seconded Cr Bowey that Council:

1. Pursuant to the provisions of Section 6.2 of the *Local Government Act 1995* and Part 3 of the *Local Government (Financial Management) Regulations 1996*, Council adopt the Budget as contained in Attachment 1 of this agenda, for the Shire of Kulin for the 2025/26 financial year which includes the following:
 - Statement of Comprehensive Income
 - Statement of Cash Flows
 - Statement of Financial Activity
 - Notes to and Forming Part of the Budget
2. For the purpose of yielding the deficiency disclosed by the Municipal Fund Budget provided in the Statement of Financial Activity, Council pursuant to sections 6.32, 6.33, 6.34 and 6.35 of the *Local Government Act 1995* impose the following general rates and minimum payments on Gross Rental and Unimproved Values:

Valuation	Rate (cents per dollar)	Minimum Rate
Residential Zoning – GRV	11.564	\$ 561.05
Industrial Zoning – GRV	11.564	\$ 561.05
Commercial Zoning – GRV	11.564	\$ 561.05
Rural Zoning – UV	0.497	\$ 561.05
Mining Zoning – UV	0.497	\$ 561.05
Rural Zoning - GRV	11.564	\$ 561.05
3. Pursuant to section 6.45 of the *Local Government Act 1995* and regulation 64(2) of the *Local Government (Financial Management) Regulations 1996*, council nominates the following due dates for the payment in full by instalments:

Option 1 (Full payment)

Full amount of rates and charges including arrears, to be paid on or before 26 September 2025 or 35 days after the date of service appearing on the rate notice whichever is later.

Option 2 (Two instalments)

- First instalment to be made on or before 26 September 2025 or 35 days after the date of service appearing on the rate notice whichever is later and including all arrears and half the current rates and service charges; and
- Second instalment not due before 30 January 2026

Option 3 (Four instalments)

- First instalment to be made on or before 26 September 2025 or 35 days after the date of service appearing on the rate notice whichever is later and including all arrears and a quarter of the current rates and service charges
 - Second instalment not due before 28 November 2025
 - Third instalment not due before 30 January 2026
 - Fourth instalment not due before 1 April 2025
4. Pursuant to Section 6.46 of the Local Government Act 1995, Council offers a discount of 5.0% (on the rates portion only) to ratepayers who have paid their rates in full, including arrears, waste & service charges, on or before 26 September 2025 or 35 days after the date of service appearing on the rate notice, whichever is later.
5. Pursuant to Section 6.45 of the Local Government Act 1995 and regulation 67 of the Local Government (Financial Management) Regulations 1996, Council adopts an instalment administration charge where the owner has elected to pay rates (and service charges) through an instalment option of \$7 for each instalment after the initial instalment is paid.
6. Pursuant to Section 6.45 of the Local Government Act 1995 and regulation 68 of the Local Government (Financial Management) Regulations 1996, Council adopts an interest rate of 5.5% where the owner has elected to pay rates and service charges through an instalment option.
7. Pursuant to Section 6.51(1) and subject to Section 6.51(4) of the Local Government Act 1995 and regulation 70 of the Local Government (Financial Management) Regulations 1996, Council adopts an interest rate of 11% for rates (and service charges) and costs of proceedings to recover such charges that remains unpaid after becoming due and payable (excluding Deferred Pensioners' Rates).

Carried by Absolute Majority 8/0

For – Cr Robins, Cr Smoker, Cr Gangell, Cr Noble, Cr Mullan, Cr Bowey, Cr Miller & Cr Lucchesi

Against – Nil

10 COMPLIANCE

N/A

11 MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

N/A

12 MOTIONS FROM MEMBERS WITHOUT NOTICE

N/A

13 NEW BUSINESS OF AN URGENT NATURE INTRODUCED BY DECISION OF MEETING

N/A

14 MEETING IS CLOSED TO THE PUBLIC

N/A

15 CLOSURE / DATE AND TIME OF NEXT MEETING

There being no further business the President declared the meeting closed.

Ordinary Meeting 20 August 2025 at 4:16pm



2025-26 ANNUAL BUDGET



 38 Johnston Street, Kulin WA 6365
 (08) 9880 1204
 www.kulin.wa.gov.au

SHIRE OF KULIN
ANNUAL BUDGET
FOR THE YEAR ENDED 30 JUNE 2026

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	24

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

A healthy, harmonious and progressive community where all people are willing to contribute and enjoy opportunities to be successful.

SHIRE OF KULIN
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)	2,503,175	2,413,357	2,401,629
Grants, subsidies and contributions		2,268,841	2,683,448	1,089,353
Fees and charges	13	2,044,515	2,098,400	1,998,822
Interest revenue	9(a)	210,593	266,712	248,877
Other revenue		179,950	224,318	169,386
		7,207,074	7,686,235	5,908,067
Expenses				
Employee costs		(3,453,514)	(3,066,330)	(3,062,931)
Materials and contracts		(2,657,886)	(2,281,454)	(2,528,236)
Utility charges		(375,645)	(385,802)	(384,469)
Depreciation	6	(3,890,868)	(3,627,741)	(3,638,292)
Finance costs	9(c)	(45,407)	(28,354)	(28,526)
Insurance		(298,083)	(279,247)	(277,621)
Other expenditure		0	(50,795)	0
		(10,721,403)	(9,719,723)	(9,920,075)
		(3,514,329)	(2,033,488)	(4,012,008)
Capital grants, subsidies and contributions		4,287,827	4,130,991	4,365,339
Profit on asset disposals	5	64,415	22,691	73,400
Loss on asset disposals	5	(41,790)	(21,099)	(10,682)
Fair value adjustments to financial assets at fair value through profit or loss		0	(3,551)	0
		4,310,452	4,129,032	4,428,057
Net result for the period		796,123	2,095,544	416,049
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	44,014	0
Total other comprehensive income for the period		0	44,014	0
Total comprehensive income for the period		796,123	2,139,558	416,049

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

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

		2025/26	2024/25	2024/25
	Note	Budget	Actual	Budget
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		\$ 2,503,175	\$ 2,442,324	\$ 2,401,629
Grants, subsidies and contributions		2,404,826	3,154,246	1,806,299
Fees and charges		2,044,515	2,098,400	1,998,822
Interest revenue		210,593	266,712	248,877
Goods and services tax received		0	543,711	0
Other revenue		179,950	269,444	169,386
		7,343,059	8,774,837	6,625,013
Payments				
Employee costs		(3,453,514)	(3,053,898)	(3,062,931)
Materials and contracts		(2,657,886)	(2,061,406)	(2,969,180)
Utility charges		(375,645)	(385,802)	(384,469)
Finance costs		(45,407)	(28,354)	(28,526)
Insurance paid		(298,083)	(279,247)	(277,621)
Goods and services tax paid		0	(574,220)	0
Other expenditure		0	(6,154)	
		(6,830,535)	(6,389,081)	(6,722,727)
Net cash provided by (used in) operating activities	4	512,524	2,385,756	(97,714)
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment	5(a)	(4,062,348)	(1,313,377)	(1,925,999)
Payments for construction of infrastructure	5(b)	(5,421,074)	(4,804,957)	(5,195,644)
Capital grants, subsidies and contributions		4,287,827	4,130,991	4,365,339
Proceeds from sale of inventory - land held for resale	5(c)	0	48,013	30,318
Proceeds from sale of property, plant and equipment	5(a)	590,000	315,561	367,000
Net cash (used in) investing activities		(4,605,595)	(1,623,769)	(2,358,986)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	7(a)	(105,353)	(102,201)	(102,201)
Proceeds from new borrowings	7(a)	1,400,000	0	0
Proceeds on disposal of financial assets at amortised cost - term deposits		0	2,437,539	0
Net cash provided by (used in) financing activities		1,294,647	2,335,338	(102,201)
Net increase (decrease) in cash held		(2,798,424)	3,097,325	(2,558,901)
Cash at beginning of year		5,983,144	2,885,819	5,323,358
Cash and cash equivalents at the end of the year	4	3,184,720	5,983,144	2,764,457

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

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

OPERATING ACTIVITIES

Revenue from operating activities

General rates	
Rates excluding general rates	
Grants, subsidies and contributions	
Fees and charges	
Interest revenue	
Other revenue	
Profit on asset disposals	
Fair value adjustments to financial assets at fair value through profit or loss	

Expenditure from operating activities

Employee costs
Materials and contracts
Utility charges
Depreciation
Finance costs
Insurance
Other expenditure
Loss on asset disposals

Non cash amounts excluded from operating activities

Amount attributable to operating activities

INVESTING ACTIVITIES

Inflows from investing activities

Capital grants, subsidies and contributions
Proceeds from disposal of property, plant and equipment
Proceeds from disposal of inventory - land held for resale

Outflows from investing activities

Acquisition of property, plant and equipment
Acquisition of infrastructure

Amount attributable to investing activities

FINANCING ACTIVITIES

Inflows from financing activities

Proceeds from new borrowings
Transfers from reserve accounts

Outflows from financing activities

Repayment of borrowings
Transfers to reserve accounts

Amount attributable to financing activities

MOVEMENT IN SURPLUS OR DEFICIT

Surplus at the start of the financial year

Amount attributable to operating activities
Amount attributable to investing activities
Amount attributable to financing activities

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

Note	2025/26 Budget	2024/25 Actual	2024/25 Budget
	\$	\$	\$
2(a)(i)	2,544,179	2,453,336	2,451,414
2(a)	(41,004)	(39,979)	(49,785)
	2,268,841	2,683,448	1,089,353
13	2,044,515	2,098,400	1,998,822
9(a)	210,593	266,712	248,877
	179,950	224,318	169,386
5	64,415	22,691	73,400
	0	(3,551)	0
	7,271,489	7,705,375	5,981,467
	(3,453,514)	(3,066,330)	(3,062,931)
	(2,657,886)	(2,281,454)	(2,528,236)
	(375,645)	(385,802)	(384,469)
6	(3,890,868)	(3,627,741)	(3,638,292)
9(c)	(45,407)	(28,354)	(28,526)
	(298,083)	(279,247)	(277,621)
	0	(50,795)	0
5	(41,790)	(21,099)	(10,682)
	(10,763,193)	(9,740,822)	(9,930,757)
3(c)	3,868,243	3,677,842	3,575,574
	376,539	1,642,395	(373,716)
	4,287,827	4,130,991	4,365,339
5(a)	590,000	315,561	367,000
5(c)	0	48,013	30,318
	4,877,827	4,494,565	4,762,657
5(a)	(4,062,348)	(1,313,377)	(1,925,999)
5(b)	(5,421,074)	(4,804,957)	(5,195,644)
	(9,483,422)	(6,118,334)	(7,121,643)
	(4,605,595)	(1,623,769)	(2,358,986)
	1,400,000	0	0
8(a)	1,320,000	40,000	65,000
	2,720,000	40,000	65,000
7(a)	(105,353)	(102,201)	(102,201)
8(a)	(513,595)	(705,132)	(251,877)
	(618,948)	(807,333)	(354,078)
	2,101,052	(767,333)	(289,078)
3	2,148,056	2,896,764	3,059,332
	376,539	1,642,395	(373,716)
	(4,605,595)	(1,623,769)	(2,358,986)
	2,101,052	(767,333)	(289,078)
3	20,053	2,148,056	37,552

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

SHIRE OF KULIN
FOR THE YEAR ENDED 30 JUNE 2026
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	12
Note 5	Property, Plant and Equipment	13
Note 6	Depreciation	14
Note 7	Borrowings	15
Note 8	Reserve Accounts	17
Note 9	Other Information	18
Note 10	Council Members Remuneration	19
Note 11	Revenue and Expenditure	20
Note 12	Program Information	22
Note 13	Fees and Charges	23

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

1. BASIS OF PREPARATION

The annual budget of the Shire of Kulin 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 KULIN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2026

2. RATES

(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									
Residential	Gross rental valuation	0.11564	136	1,371,916	158,646		158,646	153,092	153,025
Industrial	Gross rental valuation	0.11564	12	115,440	13,349		13,349	12,882	12,883
Commercial	Gross rental valuation	0.11564	28	432,482	50,011		50,011	48,235	48,598
Rural	Gross rental valuation	0.11564	11	117,052	13,536		13,536	13,062	11,466
Rural	Unimproved valuation	0.00497	346	464,982,183	2,308,637		2,308,637	2,226,065	2,225,442
Mining	Unimproved valuation	0.00497	0	0	0		0		
Total general rates			533	467,019,073	2,544,179	0	2,544,179	2,453,336	2,451,414
(ii) Minimum payment									
		Minimum \$							
Residential	Gross rental valuation	561.05	12	13,094	6,733		6,733	5,898	4,867
Industrial	Gross rental valuation	561.05	5	11,455	2,805		2,805	2,704	2,704
Commercial	Gross rental valuation	561.05	4	8,280	2,244		2,244	2,163	2,163
Rural	Gross rental valuation	561.05	7	8,125	3,927		3,927	3,785	3,785
Rural	Unimproved valuation	561.05	24	1,622,117	13,465		13,465	10,815	10,815
Mining	Unimproved valuation	561.05	31	183,977	17,393		17,393	18,288	17,305
Total minimum payments			83	1,847,048	46,567	0	46,567	43,653	41,639
Total general rates and minimum payments			616	468,866,121	2,590,746	0	2,590,746	2,496,989	2,493,053
(iii) Ex-gratia rates									
CBH					29,386		29,386	28,325	28,324
					2,620,132	0	2,620,132	2,525,314	2,521,377
Discounts (Refer note 2(c))							(105,698)	(102,138)	(108,489)
Concessions (Refer note 2(d))							(11,259)	(9,819)	(11,259)
Total rates					2,620,132	0	2,503,175	2,413,357	2,401,629
Instalment plan charges							650	777	650
Instalment plan interest							2,000	2,516	2,000
Late payment of rate or service charge interest							5,000	5,113	5,000
							7,650	8,406	7,650

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

*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.

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

2. RATES (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.

Instalment options		Date due	Instalment plan admin charge	Instalment plan interest rate	Unpaid rates interest rates
			\$	%	%
Option one					
Single full payment	26-Sep-25		0	0.0%	11.0%
Option two					
First instalment	26-Sep-25		0	5.5%	11.0%
Second instalment	30-Jan-26		7	5.5%	11.0%
Option three					
First instalment	26-Sep-25		0	5.5%	11.0%
Second instalment	28-Nov-25		7	5.5%	11.0%
Third instalment	30-Jan-26		7	5.5%	11.0%
Fourth instalment	1-Apr-26		7	5.5%	11.0%

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

2. RATES (CONTINUED)

(c) Early payment discounts

Rate, fee or charge to which discount is granted	Type	Discount %	Discount (\$)	2025/26 Budget	2024/25 Actual	2024/25 Budget	Circumstances in which discount is granted
Early payment discount	Rate	5.0%	-	\$ 105,698	\$ 102,138	\$ 108,489	
				105,698	102,138	108,489	

(d) 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
Kulin Retirement Homes	Rate	Concession	100.0%		\$ 11,162	\$ 28,616	\$ 10,759	Waiver of rates for Kulin Retirement Homes	Support of Kulin Retirement Homes and locals having access to residential housing
Small Value Write offs	Rate	Concession		<\$5	97	0	500	Rates balances less than \$5	Reduction of administration
Provision for doubtful debts		Concession			0	(18,797)			
					11,259	9,819	11,259		

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

3. NET CURRENT ASSETS

(a) Composition of estimated net current assets

Current assets

Cash and cash equivalents
Receivables
Contract assets
Inventories
Other assets

Less: current liabilities

Trade and other payables
Contract liabilities
Long term borrowings
Employee provisions

Net current assets

Less: Total adjustments to net current assets

Net current assets used in the Statement of Financial Activity

Note	2025/26 Budget 30 June 2026	2024/25 Actual 30 June 2025	2024/25 Budget 30 June 2025
	\$	\$	\$
4	3,184,720	5,983,144	2,764,457
	212,287	212,287	605,249
	0	135,985	90,150
	68,185	68,185	95,918
	16,787	16,787	53,380
	3,481,979	6,416,388	3,609,154
	(602,326)	(602,326)	(508,956)
	(122,700)	(122,700)	0
7	(1,400,000)	(105,353)	(105,353)
	(440,635)	(440,635)	(438,230)
	(2,565,661)	(1,271,014)	(1,052,539)
	916,318	5,145,373	2,556,615
3(b)	(896,265)	(2,997,317)	(2,519,063)
	20,053	2,148,056	37,552

(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.

Adjustments to net current assets

Less: Cash - reserve accounts
Add: Current liabilities not expected to be cleared at end of year
- Current portion of borrowings

Total adjustments to net current assets

8	(2,296,265)	(3,102,670)	(2,624,416)
	1,400,000	105,353	105,353
	(896,265)	(2,997,317)	(2,519,063)

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
Less: Fair value adjustments to financial assets at fair value through profit and loss
Less: Fair value adjustments to investment property at fair value through profit or loss
Add: Loss on asset disposals
Add: Depreciation
Non-cash movements in non-current assets and liabilities:
- Employee provisions

Non cash amounts excluded from operating activities

Note	2025/26 Budget 30 June 2026	2024/25 Actual 30 June 2025	2024/25 Budget 30 June 2025
	\$	\$	\$
5	(64,415)	(22,691)	(73,400)
	0	3,551	
	0	40,000	
5	41,790	21,099	10,682
6	3,890,868	3,627,741	3,638,292
	0	8,142	
	3,868,243	3,677,842	3,575,574

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 KULIN
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		888,455	2,880,474	140,041
Term deposits		2,296,264	3,102,669	2,624,416
Total cash and cash equivalents		3,184,720	5,983,144	2,764,457
Held as				
- Unrestricted cash and cash equivalents		824,189	2,816,208	37,555
- Restricted cash and cash equivalents		2,360,531	3,166,936	2,726,902
	3(a)	3,184,720	5,983,144	2,764,457
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		2,360,531	3,166,936	2,726,902
		2,360,531	3,166,936	2,726,902
The assets are restricted as a result of the specified purposes associated with the liabilities below:				
Reserve accounts	8	2,296,265	3,102,670	2,624,416
Bonds and deposits held		64,266	64,266	102,486
		2,360,531	3,166,936	2,726,902
Reconciliation of net cash provided by operating activities to net result				
Net result		796,123	2,095,544	416,049
Depreciation	6	3,890,868	3,627,741	3,638,292
(Profit)/loss on sale of asset	5	(22,625)	(1,592)	(62,718)
Adjustments to fair value of financial assets at fair value through profit and loss		0	3,551	0
(Increase)/decrease in receivables		0	(19,346)	(492,018)
(Increase)/decrease in contract assets		135,985	1,185,050	1,208,964
(Increase)/decrease in inventories		0	98,267	0
(Increase)/decrease in other assets		0	6,487	0
Increase/(decrease) in payables		0	161,766	0
Increase/(decrease) in contract liabilities		0	(646,683)	(440,944)
Increase/(decrease) in employee provisions		0	5,960	0
Capital grants, subsidies and contributions		(4,287,827)	(4,130,991)	(4,365,339)
Net cash from operating activities		512,524	2,385,756	(97,714)

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

5. PROPERTY, PLANT AND EQUIPMENT

	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	2,863,348	(221,000)	220,000		(1,000)	883,612				0	868,794				0
Furniture and equipment	30,000				0	63,067				0	36,205				0
Plant and equipment	701,000	(141,881)	155,000	17,908	(4,789)	242,274	(21,435)	15,107		(6,327)	686,000	(121,000)	150,000	29,000	0
Motor Vehicles	468,000	(204,494)	215,000	46,507	(36,001)	344,766	(279,546)	300,454	22,691	(1,783)	335,000	(172,600)	217,000	44,400	0
Work in Progress					0	(220,343)				0					0
Total	4,062,348	(567,375)	590,000	64,415	(41,790)	1,313,377	(300,981)	315,561	22,691	(8,110)	1,925,999	(293,600)	367,000	73,400	0
(b) Infrastructure															
Infrastructure - roads	5,007,411				0	4,367,149				0	4,775,566				0
Infrastructure - footpaths	83,160				0	58,347				0	95,312				0
Infrastructure - recreation	15,000				0	248,611				0	309,766				0
Infrastructure - other	315,503				0	130,850				0	15,000				0
Total	5,421,074	0	0	0	0	4,804,957	0	0	0	0	5,195,644	0	0	0	0
(c) Inventory - Land held for resale															
Cost of acquisition					0		(61,002)	48,013		(12,989)		(41,000)	30,318		(10,682)
	0	0	0	0	0	0	(61,002)	48,013	0	(12,989)	0	(41,000)	30,318	0	(10,682)
Total	9,483,422	(567,375)	590,000	64,415	(41,790)	6,118,334	(361,983)	363,574	22,691	(21,099)	7,121,643	(334,600)	397,318	73,400	(10,682)

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

6. DEPRECIATION

By Class

Buildings
Furniture and equipment
Plant and equipment
Motor Vehicles
Infrastructure - roads
Infrastructure - footpaths
Infrastructure - recreation
Infrastructure - other

By Program

Governance
Law, order, public safety
Education and welfare
Housing
Community amenities
Recreation and culture
Transport
Economic services
Other property and services

2025/26 Budget	2024/25 Actual	2024/25 Budget
\$	\$	\$
589,130	471,458	470,000
64,347	58,033	50,000
469,194	464,194	450,000
251,709	250,209	250,000
2,330,265	2,210,852	2,238,292
25,912	24,249	25,000
124,310	119,104	120,000
36,000	29,641	35,000
3,890,868	3,627,741	3,638,292
151,071	144,720	146,571
58,107	55,367	54,607
1,479	1,479	1,479
18,060	16,349	16,560
22,398	22,366	22,398
411,258	397,185	394,758
2,512,168	2,270,689	2,292,092
85,659	83,345	82,659
630,668	636,240	627,168
3,890,868	3,627,741	3,638,292

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
Furniture and equipment
Plant and equipment
Motor Vehicles
Infrastructure - roads
Infrastructure - footpaths
Infrastructure - recreation
Infrastructure - other

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
				\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Administration Building	1	WA Treasury Corp	3.1%	682,894	0	(105,353)	577,541	(24,652)	785,095	0	(102,201)	682,894	(28,354)	785,095	0	(102,201)	682,894	(28,526)
Housing Construction	2	WA Treasury Corp	5.9%	0	1,400,000	0	1,400,000	(20,755)	0	0	0	0	0	0	0	0	0	0
				682,894	1,400,000	(105,353)	1,977,541	(45,407)	785,095	0	(102,201)	682,894	(28,354)	785,095	0	(102,201)	682,894	(28,526)

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

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
				%	\$	\$	\$	\$
Construction of four new dwellings	WATC	Debenture	20	5.9%	1,400,000	999,807	1,000,000	400,000
					1,400,000	999,807	1,000,000	400,000

(c) Credit Facilities

	2025/26 Budget	2024/25 Actual	2024/25 Budget
	\$	\$	\$
Undrawn borrowing facilities			
credit standby arrangements			
Short Term Loan with WATC	0	0	1,000,000
Bank overdraft at balance date			
Credit card limit	30,000	30,000	30,000
Credit card balance at balance date	0	12,552	0
Total amount of credit unused	30,000	42,552	1,030,000
Loan facilities			
Loan facilities in use at balance date	1,977,541	682,894	682,894
Unused loan facilities at balance date	0	0	1,000,000

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.

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

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	426,401	14,924		441,325	405,581	20,820		426,401	405,580	20,279		425,859
(b) Plant reserve	794,911	127,822	(400,000)	522,733	375,628	419,283		794,911	375,629	18,781		394,410
(c) Building reserve	639,344	242,377	(850,000)	31,721	513,009	126,335		639,344	513,009	75,650		588,659
(d) Administration Equipment reserve	136,115	19,764		155,879	81,910	54,205		136,115	81,910	54,096		136,006
(e) Natural Disaster reserve	94,653	3,313		97,966	90,031	4,622		94,653	90,031	4,502		94,533
(f) Joint Venture Housing reserve	47,393	1,659	(45,000)	4,052	83,126	4,267	(40,000)	47,393	83,125	4,156	(40,000)	47,281
(g) Freebairn Recreation Centre Surface & Equipment reserve	49,217	1,723		50,940	46,814	2,403		49,217	46,814	2,341		49,155
(h) Medical Facilities reserve	132,341	4,632		136,973	125,879	6,462		132,341	125,879	6,294		132,173
(i) Fuel Facility reserve	41,253	1,444		42,697	29,727	11,526		41,253	29,727	11,486		41,213
(j) Sportsperson Scholarship reserve	15,678	549		16,227	14,912	766		15,678	14,913	746		15,659
(k) Freebairn Recreation reserve	237,484	38,312		275,796	225,888	11,596		237,484	225,888	11,294		237,182
(l) Short Stay Accommodation reserve	309,300	10,826	(25,000)	295,126	294,197	15,103		309,300	294,198	14,710	(25,000)	283,908
(m) Bendering Tip reserve	141,980	14,969		156,949	135,047	6,933		141,980	135,047	6,752		141,799
(n) Independent Water reserve	36,600	21,281		57,881	15,789	20,811		36,600	15,789	20,790		36,579
(o) Visitor & Tourist Services	0	10,000		10,000	0			0				0
	3,102,670	513,595	(1,320,000)	2,296,265	2,437,538	705,132	(40,000)	3,102,670	2,437,539	251,877	(65,000)	2,624,416

(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	NA	to fund annual and long service leave requirements
(b) Plant reserve	NA	to fund the purchase of plant
(c) Building reserve	NA	to fund the construction of staff housing
(d) Administration Equipment reserve	NA	to fund the purchase of administration equipment
(e) Natural Disaster reserve	NA	to assist in the funding of preparations following a natural disaster
(f) Joint Venture Housing reserve	NA	to fund the upkeep of JV housing with the Department of Housing
(g) Freebairn Recreation Centre Surface & Equipment reserve	NA	to fund the replacement of equipment and court surface at the FRC
(h) Medical Facilities reserve	NA	to fund the upgrade of medical facilities and costs related to the recruitment of a doctor for the Shire
(i) Fuel Facility reserve	NA	to fund the replacement of the fuel facility
(j) Sportsperson Scholarship reserve	NA	to fund scholarships for local sportspersons
(k) Freebairn Recreation reserve	NA	to fund the ongoing asset management of the FRC
(l) Short Stay Accommodation reserve	NA	to fund the construction of short stay accommodation units
(m) Bendering Tip reserve	NA	to fund the rehabilitation of the Bendering tip site
(n) Independent Water reserve	NA	to fund the replacement and maintenance of water infrastructure within the Shire
(o) Visitor & Tourist Services	NA	to fund projects related to visitor and tourist services in the Shire

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

9. OTHER INFORMATION

	2025/26 Budget	2024/25 Actual	2024/25 Budget
The net result includes as revenues	\$	\$	\$
(a) Interest earnings			
Investments	203,593	259,083	241,877
Other interest revenue	7,000	7,629	7,000
	210,593	266,712	248,877
The net result includes as expenses			
(b) Auditors remuneration			
Audit services	38,000	37,870	35,500
Other services	4,200	4,480	4,080
	42,200	42,350	39,580
(c) Interest expenses (finance costs)			
Borrowings (refer Note 7(a))	45,407	28,354	28,526
	45,407	28,354	28,526
(d) Write offs			
General rate	11,259	28,616	11,259
	11,259	28,616	11,259

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

10. COUNCIL MEMBERS REMUNERATION

	2025/26 Budget	2024/25 Actual	2024/25 Budget
	\$	\$	\$
President Grant Robins			
President's allowance	8,300	8,000	8,000
Meeting attendance fees	5,976	5,520	5,760
ICT expenses	500		500
	14,776	13,520	14,260
Deputy President Bradley Smoker			
Deputy President's allowance	2,075	2,000	2,000
Meeting attendance fees	2,988	2,530	2,880
ICT expenses	500		500
	5,563	4,530	5,380
Cr Roberta Bowey			
Meeting attendance fees	2,988	2,760	2,880
ICT expenses	500		500
Travel and accommodation expenses	229	561	229
	3,717	3,321	3,609
Cr Troy Gangell			
Meeting attendance fees	2,988	2,530	2,880
ICT expenses	500		500
	3,488	2,530	3,380
Cr Michael Lucchesi			
Meeting attendance fees	2,988	2,070	2,880
ICT expenses	500		500
Travel and accommodation expenses	367	275	367
	3,855	2,345	3,747
Cr Brad Miller			
Meeting attendance fees	2,988	2,300	2,880
ICT expenses	500		500
Travel and accommodation expenses	733	611	733
	4,221	2,911	4,113
Cr Clinton Mullan			
Meeting attendance fees	2,988	2,300	2,880
ICT expenses	500		500
Travel and accommodation expenses	986	739	986
	4,474	3,039	4,366
Cr Jarron Noble			
Meeting attendance fees	2,988	2,760	2,880
ICT expenses	500		500
Travel and accommodation expenses	149	174	149
	3,637	2,934	3,529
Total Council Member Remuneration	43,731	35,130	42,384
President's allowance	8,300	8,000	8,000
Deputy President's allowance	2,075	2,000	2,000
Meeting attendance fees	26,892	22,770	25,920
ICT expenses	4,000	0	4,000
Travel and accommodation expenses	2,464	2,360	2,464
	43,731	35,130	42,384

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

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.

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

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
Grant contracts with customers	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Licences/ Registrations/ Approvals	Building, planning, development and animal management, having the same nature as a licence regardless of naming.	Single point in time	Full payment prior to issue	None	On payment and issue of the licence, registration or approval
Waste management entry fees	Waste treatment, recycling and disposal service at disposal sites	Single point in time	Payment in advance at gate or on normal trading terms if credit provided	None	On entry to facility
Airport landing charges	Permission to use facilities and runway	Single point in time	Monthly in arrears	None	On landing/departure event
Fees and charges for other goods and services	Cemetery services, library fees, reinstatements and private works	Single point in time	Payment in full in advance	None	Output method based on provision of service or completion of works
Sale of stock	Aviation fuel, kiosk and visitor centre stock	Single point in time	In full in advance, on 15 day credit	Refund for faulty goods	Output method based on goods

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

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.

Includes the activities of members of council and the administrative support available to the council for the provision of governance of the district. Other costs relate to the task of assisting elected members and ratepayers on matters which do not concern specific council services.

General purpose funding

To collect revenue to allow for the provision of services.

Rates, general purpose government grants and interest revenue.

Law, order, public safety

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

Supervision and enforcement of various local laws relating to fire prevention, animal control and other aspects of public safety including emergency services.

Health

To provide an operational framework for environmental and community health.

Inspection of food outlets and their control, provision of meat inspection services, noise control and waste disposal compliance.

Education and welfare

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

Operation of Kulin Childcare Centre and provision of services to senior citizens and the local school.

Housing

To provide and maintain general and elderly residents housing.

Provision and maintenance of housing.

Community amenities

To provide services required by the community.

Rubbish collection services, operation of rubbish disposal sites, litter control, construction and maintenance of urban storm water drains, protection of the environment and administration of town planning schemes, cemetery and public conveniences.

Recreation and culture

To establish and effectively manage infrastructure and resource which will help the social well being of the community.

Maintenance of public halls, aquatic centre, recreation centres and various sporting facilities. Provision and maintenance of parks, gardens and playgrounds. Operation of the museum and other cultural facilities.

Transport

To provide safe, effective and efficient transport services to the community

Construction and maintenance of roads, streets, footpaths, depots, cycleways, parking facilities and traffic control. Cleaning of streets and maintenance of street trees, street lighting etc.

Economic services

To help promote the shire and its economic wellbeing.

Tourism and area promotion including the maintenance and operation of Community Resource Centre, Visitors Centre, caravan park and hostel. Provision of rural services including weed control, vermin control, fuel and standpipes. Building Control.

Other property and services

To monitor and control council's overheads operating accounts.

Private works operation, plant repair and operation costs and engineering operation costs.

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

13. FEES AND CHARGES

	2025/26 Budget	2024/25 Actual	2024/25 Budget
	\$	\$	\$
By Program:			
Governance	13,920	13,749	8,941
General purpose funding	5,550	9,506	6,650
Law, order, public safety	2,600	3,265	2,600
Health	1,000	1,481	0
Education and welfare	396,822	314,082	280,350
Housing	130,355	114,489	110,344
Community amenities	122,989	134,945	120,713
Recreation and culture	262,824	279,227	240,594
Economic services	1,052,759	1,082,831	1,150,496
Other property and services	55,696	144,826	78,134
	2,044,515	2,098,400	1,998,822

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