2026-27

Annual Budget

Shire of Kulin

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

SHIRE OF KULIN

ANNUAL BUDGET

FOR THE YEAR ENDED 30 JUNE 2027

LOCAL GOVERNMENT ACT 1995

TABLE OF CONTENTS

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 2027

	Note	2026/27 Budget	2025/26 Actual	2025/26 Budget
Revenue		$	$	$
Rates	2(a)	2,686,042	2,500,349	2,503,175
Grants, subsidies and contributions		1,282,857	5,467,427	2,268,841
Fees and charges	14	2,172,989	2,046,706	2,044,515
Interest revenue	9(a)	219,222	240,350	210,593
Other revenue		182,168	529,468	179,950
		6,543,278	10,784,300	7,207,074
Expenses				
Employee costs		(3,699,374)	(3,442,612)	(3,453,514)
Materials and contracts		(2,903,877)	(3,055,490)	(2,657,886)
Utility charges		(383,725)	(378,065)	(375,645)
Depreciation	6	(4,434,065)	(4,328,172)	(3,890,868)
Finance costs	9(c)	(119,057)	(28,684)	(45,407)
Insurance		(302,080)	(276,228)	(298,083)
Other expenditure		0	(36,123)	0
		(11,842,178)	(11,545,374)	(10,721,403)
		(5,298,900)	(761,074)	(3,514,329)
Capital grants, subsidies and contributions		1,961,400	4,103,732	4,287,827
Profit on asset disposals	5	100,375	116,655	64,415
Loss on asset disposals	5	(25,982)	(236,675)	(41,790)
		2,035,793	3,983,712	4,310,452
Net result for the period		**(3,263,107)**	**3,222,638**	**796,123**
Total other comprehensive income for the period		**0**	**0**	**0**
Total comprehensive income for the period		**(3,263,107)**	**3,222,638**	**796,123**

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 2027

CASH FLOWS FROM OPERATING ACTIVITIES	Note	2026/27 Budget	2025/26 Actual	2025/26 Budget
Receipts		$	$	$
Rates		2,686,042	2,500,023	2,503,175
Grants, subsidies and contributions		1,268,484	5,453,467	2,404,826
Fees and charges		2,172,989	2,046,706	2,044,515
Interest revenue		219,222	240,350	210,593
Goods and services tax received		0	10,201	0
Other revenue		182,168	529,468	179,950
		6,528,905	10,780,215	7,343,059
Payments				
Employee costs		(3,793,977)	(3,387,560)	(3,453,514)
Materials and contracts		(2,834,387)	(3,037,673)	(2,657,886)
Utility charges		(383,725)	(378,065)	(375,645)
Finance costs		(119,057)	(28,684)	(45,407)
Insurance paid		(302,080)	(276,228)	(298,083)
Other expenditure		0	(36,123)	0
		(7,433,226)	(7,144,333)	(6,830,535)
Net cash provided by (used in) operating activities	4	(904,321)	3,635,882	512,524
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment	5(a)	(4,691,970)	(1,896,659)	(4,062,348)
Payments for construction of infrastructure	5(b)	(2,754,075)	(4,878,005)	(5,421,074)
Proceeds from capital grants, subsidies and contributions		1,961,400	4,103,732	4,287,827
Proceeds from disposal of inventory - land held for resale	5(c)	0	181,350	0
Proceeds from disposal of property, plant and equipment	5(a)	355,000	773,052	590,000
Net cash (used in) investing activities		(5,129,645)	(1,716,530)	(4,605,595)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	7(a)	(147,578)	(105,353)	(105,353)
Proceeds from new borrowings	7(a)	300,000	1,400,000	1,400,000
Net cash provided by financing activities		152,422	1,294,647	1,294,647
Net increase (decrease) in cash held		(5,881,544)	3,213,999	(2,798,424)
Cash at beginning of year		9,197,143	5,983,143	5,983,143
Cash and cash equivalents at the end of the year	4	**3,315,599**	**9,197,143**	**3,184,719**

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 2027

	Note	2026/27 Budget	2025/26 Actual	2025/26 Budget
OPERATING ACTIVITIES				
Revenue from operating activities		$	$	$
General rates	2(a)(i)	2,675,172	2,547,605	2,544,179
Rates excluding general rates	2(a)	10,870	(47,256)	(41,004)
Grants, subsidies and contributions		1,282,857	5,467,427	2,268,841
Fees and charges	14	2,172,989	2,046,706	2,044,515
Interest revenue	9(a)	219,222	240,350	210,593
Other revenue		182,168	529,468	179,950
Profit on asset disposals	5	100,375	116,655	64,415
		6,643,653	10,900,955	7,271,489
Expenditure from operating activities				
Employee costs		(3,699,374)	(3,442,612)	(3,453,514)
Materials and contracts		(2,903,877)	(3,055,490)	(2,657,886)
Utility charges		(383,725)	(378,065)	(375,645)
Depreciation	6	(4,434,065)	(4,328,172)	(3,890,868)
Finance costs	9(c)	(119,057)	(28,684)	(45,407)
Insurance		(302,080)	(276,228)	(298,083)
Other expenditure		0	(36,123)	0
Loss on asset disposals	5	(25,982)	(236,675)	(41,790)
		(11,868,160)	(11,782,049)	(10,763,193)
Non cash amounts excluded from operating activities	3(c)	4,372,672	4,451,148	3,868,243
Amount attributable to operating activities		**(851,835)**	**3,570,054**	**376,539**
INVESTING ACTIVITIES				
Inflows from investing activities				
Proceeds from capital grants, subsidies and contributions		1,961,400	4,103,732	4,287,827
Proceeds from disposal of property, plant and equipment	5(a)	355,000	773,052	590,000
Proceeds from disposal of inventory - land held for resale	5(c)	0	181,350	0
		2,316,400	5,058,134	4,877,827
Outflows from investing activities				
Acquisition of property, plant and equipment	5(a)	(4,691,970)	(1,896,659)	(4,062,348)
Acquisition of infrastructure	5(b)	(2,754,075)	(4,878,005)	(5,421,074)
Payments for financial assets at amortised cost - term deposits		0	0	
		(7,446,045)	(6,774,664)	(9,483,422)
Non-cash amounts excluded from investing activities	3(d)	0	(13,000)	0
Amount attributable to investing activities		**(5,129,645)**	**(1,729,530)**	**(4,605,595)**
FINANCING ACTIVITIES				
Inflows from financing activities				
Proceeds from new borrowings	7(a)	300,000	1,400,000	1,400,000
Transfers from reserve accounts	8(a)	1,660,952	400,000	1,320,000
		1,960,952	1,800,000	2,720,000
Outflows from financing activities				
Repayment of borrowings	7(a)	(147,578)	(105,353)	(105,353)
Transfers to reserve accounts	8(a)	(198,927)	(1,348,691)	(513,595)
		(346,505)	(1,454,044)	(618,948)
Amount attributable to financing activities		**1,614,447**	**345,956**	**2,101,052**
MOVEMENT IN SURPLUS OR DEFICIT				
Surplus remaining at the start of the financial year	3	4,345,228	2,158,747	2,148,056
Amount attributable to operating activities		(851,835)	3,570,054	376,539
Amount attributable to investing activities		(5,129,645)	(1,729,530)	(4,605,595)
Amount attributable to financing activities		1,614,447	345,956	2,101,052
Surplus/(deficit) remaining after the imposition of general rates	3	**(21,805)**	**4,345,228**	**20,052**

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

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

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 11 to the annual budget.

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

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

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

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

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

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

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

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

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

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

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

2. RATES AND SERVICE CHARGES

(a) Rating Information

Rate Description	Basis of valuation	Rate in dollar	Number of properties	Rateable value*	2026/27 Budgeted rate revenue	2026/27 Budgeted interim rates	2026/27 Budgeted total revenue	2025/26 Actual total revenue	2025/26 Budget total revenue
				$	$	$	$	$	$
(i) General rates									
Residential	Gross rental valuation	0.120150	140	1,418,860	170,476	0	170,476	160,163	158,646
Industrial	Gross rental valuation	0.120150	12	115,440	13,870	0	13,870	15,226	13,349
Commercial	Gross rental valuation	0.120150	28	432,482	51,963	0	51,963	50,011	50,011
Rural	Gross rental valuation	0.120150	11	117,052	14,064	0	14,064	13,377	13,536
Rural	Unimproved valuation	0.004320	348	561,296,000	2,424,799	0	2,424,799	2,308,827	2,308,637
Mining	Unimproved valuation	0.004320	0	0	0	0	0		0
Total general rates			539	563,379,834	2,675,172	0	2,675,172	2,547,605	2,544,179
		Minimum $							
(ii) Minimum payment									
Residential	Gross rental valuation	589.10	14	16,015	8,247	0	8,247	7,779	6,733
Industrial	Gross rental valuation	589.10	5	11,455	2,946	0	2,946	2,805	2,805
Commercial	Gross rental valuation	589.10	5	9,545	2,946	0	2,946	2,244	2,244
Rural	Gross rental valuation	589.10	9	8,435	5,302	0	5,302	5,319	3,927
Rural	Unimproved valuation	589.10	24	1,958,870	14,138	0	14,138	13,466	13,465
Mining	Unimproved valuation	589.10	19	125,824	11,193	0	11,193	10,879	17,393
Total minimum payments			76	2,130,144	44,772	0	44,772	42,492	46,567
Total general rates and minimum payments			615	565,509,978	2,719,944	0	2,719,944	2,590,097	2,590,746
(iii) Ex-gratia rates									
CBH						34,031	34,031	29,386	29,386
					2,719,944	34,031	2,753,975	2,619,483	2,620,132
Discounts (Refer note 2(d))							(56,674)	(107,951)	(105,698)
Concessions (Refer note 2(e))							(11,259)	(11,183)	(11,259)
Total rates					2,719,944	34,031	2,686,042	2,500,349	2,503,175
Instalment plan charges							750	791	650
Instalment plan interest							2,000	3,434	2,000
Late payment of rate or service charge interest							5,000	2,700	5,000
							7,750	6,925	7,650

The Shire did not raise specified area rates for the year ended 30th June 2027.

*Rateable Value at time of adopting budget.

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

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

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

2. RATES AND SERVICE CHARGES (CONTINUED)

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

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

Option 1 (Full Payment)
Friday, 25 September 2026

Option 2 (Two Instalments)
Friday, 25 September 2026
Friday, 29 January 2027

Option 3 (Four Instalments)
Friday, 25 September 2026
Friday, 27 November 2026
Friday, 29 January 2027
Friday, 26 March 2027

Instalment options	Date due	Instalment plan admin charge	Instalment plan interest rate	Unpaid rates interest rates
		$	%	%
Option one				
Single full payment	25/09/2026	0	0.0%	11.0%
Option two				
First instalment	25/09/2026	0	5.5%	11.0%
Second instalment	29/01/2027	7	5.5%	11.0%
Option three				
First instalment	25/09/2026	0	5.5%	11.0%
Second instalment	27/11/2026	7	5.5%	11.0%
Third instalment	29/01/2027	7	5.5%	11.0%
Fourth instalment	26/03/2027	7	5.5%	11.0%

2. RATES AND SERVICE CHARGES (CONTINUED)

(c) Service Charges

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

(d) Early payment discounts

Rate, fee or charge to which discount is granted	Type	Discount %	Discount ($)	2026/27 Budget	2025/26 Actual	2025/26 Budget	Circumstances in which discount is granted
				$	$	$	
Early payment discount	Rate	2.5%		56,674	107,951	105,698	A discount of 2.5% applies where rates are paid in full by Friday, 25 September 2026.
				56,674	107,951	105,698	

(e) Waivers or concessions

Rate, fee or charge to which the waiver or concession is granted	Type	Waiver/ Concession	Discount %	Discount ($)	2026/27 Budget	2025/26 Actual	2025/26 Budget	Circumstances in which the waiver or concession is granted	Objects and reasons of the waiver or concession
					$	$	$		
Kulin Retirement Homes	Rate	Concession	100.0%		11,162	11,148	11,162	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	35	97	Rates balances less than $5	Reduction of administration
					11,259	11,183	11,259		

3. NET CURRENT ASSETS

(a) Composition of estimated net current assets

	Note	2026/27 Budget 30 June 2027 Carried forward	2025/26 Actual 30 June 2026 Carried forward	2025/26 Budget 30 June 2026 Carried forward
Current assets		$	$	$
Cash and cash equivalents	4	3,315,599	9,197,143	3,184,719
Receivables		208,751	208,751	212,287
Inventories		105,298	118,298	68,185
Other assets		0	56,490	16,787
		3,629,648	9,580,682	3,481,978
Less: current liabilities				
Trade and other payables		(517,210)	(611,813)	(602,326)
Capital grant liabilities		0	(14,373)	(122,700)
Accrued expenses		(86,094)	(86,094)	
Long term borrowings	7	(188,270)	(147,578)	(1,400,000)
Employee provisions		(458,814)	(458,814)	(440,635)
		(1,250,388)	(1,318,672)	(2,565,661)
Net current assets		2,379,260	8,262,010	916,317
Less: Total adjustments to net current assets	3(b)	(2,401,065)	(3,916,782)	(896,265)
Net current assets used in the Statement of Financial Activity		(21,805)	4,345,228	20,052

(b) Current assets and liabilities excluded from budgeted deficiency

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

	Note	2026/27	2025/26 Actual	2025/26 Budget
Adjustments to net current assets				
Less: Reserve accounts	8	(2,589,335)	(4,051,360)	(2,296,265)
Less: Current assets not expected to be received at end of year				
- Inventory - land held for resale		0	(13,000)	0
Add: Current liabilities not expected to be cleared at end of year				
- Current portion of borrowings		188,270	147,578	1,400,000
Total adjustments to net current assets		(2,401,065)	(3,916,782)	(896,265)

EXPLANATION OF DIFFERENCE IN SURPLUS/(DEFICIT)

Items excluded from calculation of budgeted deficiency

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

(c) Amounts excluded from operating activities

	Note	2026/27 Budget 30 June 2027 Carried forward	2025/26 Actual 30 June 2026 Carried forward	2025/26 Budget 30 June 2026 Carried forward
		$	$	$
Less: Profit on asset disposals	5	(100,375)	(116,655)	(64,415)
Add: Loss on asset disposals	5	25,982	236,675	41,790
Add: Depreciation	6	4,434,065	4,328,172	3,890,868
Movement in current liabilities associated funds held in reserve account:				
Non-cash movements in non-current assets and liabilities:				
- Employee benefit provisions		0	24,956	0
Cost of inventory sold		13,000	(22,000)	0
Non cash amounts excluded from operating activities		4,372,672	4,451,148	3,868,243
Non-cash movements in non-current assets and liabilities:				
- Inventory - land held for resale		0	(13,000)	0
Non cash amounts excluded from investing activities		0	(13,000)	0

3. NET CURRENT ASSETS (CONTINUED)

(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 right to defer settlement beyond 12 months, such as vested long service leave, the liability is classified as current even if not expected to be settled within the next 12 months. Inventories held for trading are classified as current or non-current based on the Shire's intentions to release for sale.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

4. RECONCILIATION OF CASH

(a) Reconciliation of cash

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

	Note	2026/27 Budget	2025/26 Actual	2025/26 Budget
		$	$	$
Cash and cash equivalents		3,315,599	9,197,143	3,184,719
Restrictions				
The following classes of financial assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:				
Cash and cash equivalents		2,700,653	5,577,051	2,360,531
		2,700,653	5,577,051	2,360,531
The restricted financial assets are a result of the following specific purposes to which the assets may be used:				
Reserve accounts	8	2,589,335	4,051,360	2,296,265
Capital grant liabilities		0	14,373	0
Unspent borrowings	7(c)	0	1,400,000	0
Bonds and deposits held		111,318	111,318	64,266
Total restricted financial assets		2,700,653	5,577,051	2,360,531

(b) Reconciliation of net cash provided by operating activities

	Note	2026/27 Budget	2025/26 Actual	2025/26 Budget
Net result		(3,263,107)	3,222,638	796,123
Non-cash items:				
Depreciation	6	4,434,065	4,328,172	3,890,868
(Profit)/loss on sale of assets	5	(74,393)	120,020	(22,625)
Changes in assets and liabilities:				
(Increase) in receivables		0	(18,458)	0
(Increase)/decrease in inventories		13,000	(37,113)	0
Decrease in other assets		56,490	143,834	135,985
(Decrease) in trade and other payables		(94,603)	(73,197)	0
Increase/(decrease) in contract liabilities		(14,373)	14,373	0
Increase in employee related provisions		0	39,345	0
Capital grants, subsidies and contributions		(1,961,400)	(4,103,732)	(4,287,827)
Net cash provided by/(used in) operating activities		(904,321)	3,635,882	512,524

MATERIAL ACCOUNTING POLICES

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

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

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

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

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

5. PROPERTY, PLANT AND EQUIPMENT

	2026/27 Budget					2025/26 Actual					2025/26 Budget				
	Additions	Disposals - Net Book Value	Disposals - Sale Proceeds	Disposals - Profit	Disposals - Loss	Additions	Disposals - Net Book Value	Disposals - Sale Proceeds	Disposals - Profit	Disposals - Loss	Additions	Disposals - Net Book Value	Disposals - Sale Proceeds	Disposals - Profit	Disposals - Loss
(a) Property, Plant and Equipment	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$
Buildings - non-specialised	3,091,629	0	0	0	0	291,058	(295,866)	279,003	15,580	(32,443)	2,863,348	(221,000)	220,000	0	(1,000)
Furniture and equipment	30,441	0	0	0	0	-	0	0	0		30,000	0	0	0	0
Plant and equipment	885,000	(127,107)	200,000	95,178	(22,285)	871,678	(198,344)	165,045	70,789	(104,088)	701,000	(141,881)	155,000	17,908	(4,789)
Motor Vehicles	684,900	(153,500)	155,000	5,197	(3,697)	486,430	(402,211)	329,004	11,995	(85,202)	468,000	(204,494)	215,000	46,507	(36,001)
Work in Progress	0	0	0	0	0	247,493	0	0	0	0	0	0	0	0	0
Total	4,691,970	(280,607)	355,000	100,375	(25,982)	1,896,659	(896,421)	773,052	98,364	(221,734)	4,062,348	(567,375)	590,000	64,415	(41,790)
(b) Infrastructure															
Infrastructure - roads	2,494,627	0	0	0	0	4,682,721	0	0	0	0	5,007,411	0	0	0	0
Infrastructure - footpaths	90,818	0	0	0	0	9,096	0	0	0	0	83,160	0	0	0	0
Infrastructure - Recreation	100,000	0	0	0	0	74,574	0	0	0	0	15,000	0	0	0	0
Infrastructure - Other	68,630	0	0	0	0	111,614	0	0	0	0	315,503	0	0	0	0
Total	2,754,075	0	0	0	0	4,878,005	0	0	0	0	5,421,074	0	0	0	0
(c) Inventory - Land held for resale															
Cost of acquisition	0	0	0	0	0	0	(178,000)	181,350	18,291	(14,941)	0	0	0	0	0
	0	0	0	0	0	0	(178,000)	181,350	18,291	(14,941)	0	0	0	0	0
Total	7,446,045	(280,607)	355,000	100,375	(25,982)	6,774,664	(1,074,421)	954,402	116,655	(236,675)	9,483,422	(567,375)	590,000	64,415	(41,790)

MATERIAL ACCOUNTING POLICIES

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

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

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

6. DEPRECIATION

	2026/27 Budget	2025/26 Actual	2025/26 Budget
	$	$	$
By Class			
Buildings - non-specialised	923,281	916,111	589,131
Furniture and equipment	58,506	56,540	64,347
Plant and equipment	526,159	502,956	469,194
Motor Vehicles	265,488	232,680	251,709
Infrastructure - roads	2,407,013	2,369,977	2,330,265
Infrastructure - footpaths	28,101	26,659	25,912
Infrastructure - Recreation	182,272	180,890	124,310
Infrastructure - Other	43,245	42,361	36,000
	4,434,065	4,328,172	3,890,868
By Program			
Governance	186,042	180,205	151,071
Law, order, public safety	66,445	64,604	58,107
Education and welfare	600	0	1,479
Housing	53,892	52,390	18,060
Community amenities	34,620	33,633	22,398
Recreation and culture	704,905	685,275	411,258
Transport	2,520,158	2,457,670	2,512,168
Economic services	131,502	127,615	85,659
Other property and services	735,901	726,781	630,668
	4,434,065	4,328,172	3,890,868

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	15 to 50 years
Plant and equipment	5 to 20 years
Motor Vehicles	5 to 20 years
Sealed roads and streets	
- asphalt surfaces	50 years
Gravel roads	
formation	not depreciated
pavement	80 years
Footpaths	20 to 50 years
Recreation infrastructure	20 to 50 years
Other infrastructure	10 to 100 years

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

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

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

7. BORROWINGS

(a) Borrowing repayments

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

Purpose	Loan Number	Institution	Interest Rate	Budget Principal 1 July 2026	2026/27 Budget New Loans	2026/27 Budget Principal Repayments	Budget Principal outstanding 30 June 2027	2026/27 Budget Interest Repayments	Actual Principal 1 July 2025	2025/26 Actual New Loans	2025/26 Actual Principal Repayments	Actual Principal outstanding 30 June 2026	2025/26 Actual Interest Repayments	Budget Principal 1 July 2025	2025/26 Budget New Loans	2025/26 Budget Principal Repayments	Budget Principal outstanding 30 June 2026	2025/26 Budget Interest Repayments
				$	$	$	$	$	$	$	$	$	$	$	$	$	$	$
Administration Building	1	WA Treasury Corp	3.1%	577,004		(108,601)	468,403	(20,659)	682,357		(105,353)	577,004	(28,684)	682,357		(105,353)	577,004	(24,652)
Housing Construction	2	WA Treasury Corp	5.7%	1,400,000	300,000	(38,977)	1,661,023	(98,398)		1,400,000	0	1,400,000	0	0	1,400,000		1,400,000	(20,755)
				1,977,004	300,000	(147,578)	2,129,426	(119,057)	682,357	1,400,000	(105,353)	1,977,004	(28,684)	682,357	1,400,000	(105,353)	1,977,004	(45,407)

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

7. BORROWINGS (CONTINUED)

(b) New borrowings - 2026/27

Particulars/Purpose	Institution	Loan type	Term (years)	Interest rate	Amount borrowed budget	Total interest & charges	Amount used budget	Balance unspent
				%	$	$	$	$
Housing Construction	WATC	Debenture	20	5.7%	300,000	218,023	300,000	0
					300,000	218,023	300,000	0

(c) Unspent borrowings

Loan Details	Purpose of the loan	Year loan taken	Amount b/fwd.	Amount used 2026/27 Budget	New loans unspent at 30 June 2027	Amount as at 30 June 2027
			$	$	$	$
Housing Construction	Housing constructi	2026	1,400,000	1,400,000	0	0
			1,400,000	1,400,000	0	0

(d) Credit Facilities

	2026/27 Budget	2025/26 Actual	2025/26 Budget
	$	$	$
Undrawn borrowing facilities			
credit standby arrangements			
Credit card limit	30,000	30,000	30,000
Credit card balance at balance date	3,000	3,190	0
Total amount of credit unused	27,000	26,810	30,000
Loan facilities			
Loan facilities in use at balance date	2,129,426	1,977,004	1,977,004

MATERIAL ACCOUNTING POLICIES

BORROWING COSTS

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

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

8. RESERVE ACCOUNTS

(a) Reserve Accounts - Movement

	2026/27 Budget				2025/26 Actual				2025/26 Budget			
	Opening Balance	Transfer to	Transfer (from)	Closing Balance	Opening Balance	Transfer to	Transfer (from)	Closing Balance	Opening Balance	Transfer to	Transfer (from)	Closing Balance
	$	$	$	$	$	$	$	$	$	$	$	$
Restricted by council												
(a) Leave reserve	444,729	17,783	(42,757)	419,755	426,400	18,329		444,729	426,401	14,924		441,325
(b) Plant reserve	930,405	18,603	(650,000)	299,008	794,912	535,493	(400,000)	930,405	794,911	127,822	(400,000)	522,733
(c) Building reserve	960,825	19,212	(780,000)	200,037	639,344	321,481		960,825	639,344	242,377	(850,000)	31,721
(d) Administration equipment reserve	201,966	8,077	(10,000)	200,043	136,115	65,851		201,966	136,115	19,764		155,879
(e) Natural disaster reserve	98,721	1,974	(100,695)	0	94,652	4,069		98,721	94,653	3,313		97,966
(f) Joint venture housing reserve	49,430	1,976	(35,000)	16,406	47,393	2,037		49,430	47,393	1,659	(45,000)	4,052
(g) FRC surface and equipment replacement reserve	51,333	2,053		53,386	49,217	2,116		51,333	49,217	1,723		50,940
(h) Medical services reserve	138,030	5,519		143,549	132,341	5,689		138,030	132,341	4,632		136,973
(i) Fuel facility reserve	53,026	12,120		65,146	41,253	11,773		53,026	41,253	1,444		42,697
(j) Sportsperson scholarship reserve	16,352	654		17,006	15,678	674		16,352	15,678	549		16,227
(k) Freebairn Recreation Centre reserve	277,692	11,136		288,828	237,484	40,208		277,692	237,484	38,312		275,796
(l) Short stay accommodation reserve	322,595	12,899		335,494	309,300	13,295		322,595	309,300	10,826	(25,000)	295,126
(m) Bendering tip reserve	148,083	5,921		154,004	141,980	6,103		148,083	141,980	14,969		156,949
(n) Independent water reserve	58,173	12,326		70,499	36,600	21,573		58,173	36,600	21,281		57,881
(o) Tourism and visitor services reserve	80,000	3,200		83,200	0	80,000		80,000	0	10,000		10,000
(p) Land development reserve	220,000	8,800	(42,500)	186,300	0	220,000		220,000	0			0
(q) Infrastructure & Public Building Development Reserve	0	56,674		56,674	0			0				0
	4,051,360	198,927	(1,660,952)	2,589,335	3,102,669	1,348,691	(400,000)	4,051,360	3,102,670	513,595	(1,320,000)	2,296,265

(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		to fund annual and long service leave requirements
(b) Plant reserve		to fund the purchase of plant
(c) Building reserve		to fund the construction of staff housing
(d) Administration equipment reserve		to fund the purchase of administration equipment
(e) Natural disaster reserve		to assist in the funding of preparations following a natural disaster
(f) Joint venture housing reserve		to fund the upkeep of JV housing with the Department of Housing
(g) FRC surface and equipment replacement reserve		to fund the replacement of equipment and court surface at the FRC
(h) Medical services reserve		to fund the upgrade of medical facilities and costs related to the recruitment of a doctor for the Shire
(i) Fuel facility reserve		to fund the replacement of the fuel facility
(j) Sportsperson scholarship reserve		to fund scholarships for local sportspersons
(k) Freebairn Recreation Centre reserve		to fund the ongoing asset management of the FRC
(l) Short stay accommodation reserve		to fund the construction of short stay accommodation units
(m) Bendering tip reserve		to fund the rehabilitation of the Bendering tip site
(n) Independent water reserve		fo fund the replacement and maintenance of water infrastructure within the Shire
(o) Tourism and visitor services reserve		to fund projects related to visitor and tourist services in the Shire
(p) Land development reserve		
(q) Infrastructure & Public Building Development Reserve		to provide funds for the planning, construction, renewal and upgrade of Shire infrastructure, including roads, drainage, footpaths, public buildings and community facilities.

9. OTHER INFORMATION

The net result includes as revenues	2026/27 Budget	2025/26 Actual	2025/26 Budget
	$	$	$
(a) Interest earnings			
Investments	212,222	234,216	203,593
Other interest revenue	7,000	6,134	7,000
	219,222	240,350	210,593
The net result includes as expenses			
(b) Auditors remuneration			
Audit services	38,000	39,000	38,000
Other services	4,200	4,727	4,200
	42,200	43,727	42,200
(c) Interest expenses (finance costs)			
Borrowings (refer Note 7(a))	119,057	28,684	45,407
	119,057	28,684	45,407
(d) Write offs			
General rate	11,259	11,183	11,259
	11,259	11,183	11,259

SHIRE OF KULIN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2027

10. COUNCIL MEMBERS REMUNERATION

	2026/27 Budget	2025/26 Actual	2025/26 Budget
	$	$	$
President			
President's allowance	9,303	8,300	8,300
Meeting attendance fees	6,498	7,470	5,976
Annual allowance for ICT expenses	500		500
	16,301	15,770	14,776
Deputy President			
Deputy President's allowance	2,326	2,076	2,075
Meeting attendance fees	3,192	3,735	2,988
Annual allowance for ICT expenses	500		500
	6,018	5,811	5,563
Clinton Mullan			
Meeting attendance fees	3,192	3,486	2,988
Annual allowance for ICT expenses	500	0	500
Travel and accommodation expenses	1,032	0	986
	4,724	3,486	4,474
Robbie Bowey			
Meeting attendance fees	3,192	3,735	2,988
Annual allowance for ICT expenses	500	0	500
Travel and accommodation expenses	240	395	229
	3,932	4,130	3,717
Brad Miller			
Meeting attendance fees	3,192	3,486	2,988
Annual allowance for ICT expenses	500	0	500
Travel and accommodation expenses	768	733	733
	4,460	4,219	4,221
Jarron Noble			
Meeting attendance fees	3,192	3,735	2,988
Annual allowance for ICT expenses	500	0	500
Travel and accommodation expenses	156	344	149
	3,848	4,079	3,637
Lachie Siviour			
Meeting attendance fees	3,192	2,241	0
Annual allowance for ICT expenses	500	0	0
Travel and accommodation expenses	600	0	0
	4,292	2,241	0
Troy Gangell			
Meeting attendance fees	0	920	2,988
Annual allowance for ICT expenses	0	0	500
	0	920	3,488
Michael Lucchesi			
Meeting attendance fees	0	0	2,988
ICT expenses	0	0	500
Annual allowance for ICT expenses	0	0	367
	0	0	3,855
Total Council Member Remuneration	43,575	40,657	43,731
President's allowance	9,303	8,300	8,300
Deputy President's allowance	2,326	2,076	2,075
Meeting attendance fees	25,650	28,808	26,892
ICT expenses	0	0	500
Annual allowance for ICT expenses	3,500	0	3,867
Travel and accommodation expenses	2,796	1,473	2,097
	43,575	40,657	43,731

11. MAJOR LAND TRANSACTIONS

Ellson Street GROH Workforce Housing Development

(a) Current year transactions

	Note	2026/27 Budget	2025/26 Actual	2025/26 Budget
		$	$	$
Capital revenue				
Current year loan proceeds		300,000	0	0
Capital expenditure				
Construction and site works	5(a)	(1,852,214)		
Debt Servicing Costs		(137,375)		
		(1,689,589)	0	0

(b) Expected future cash flows

	2026/27	2027/28	2028/29	2029/30	2030/31	Total
	$	$	$	$	$	$
Cash outflows						
Construction & Site Works	(1,852,214)	0	0	0	0	(1,852,214)
Debt Servicing Costs	(137,375)	(136,806)	(135,567)	(134,893)	(134,180)	(678,820)
	(1,989,589)	(136,806)	(135,567)	(134,893)	(134,180)	(2,531,034)
Cash Inflows						
GROH Rental Income*	0	182,000	182,000	182,000	182,000	728,000
Current year loan proceeds	300,000	0	0	0	0	300,000
	300,000	182,000	182,000	182,000	182,000	1,028,000
Net cash flows	(1,689,589)	45,194	46,433	47,107	47,820	(1,503,034)

*Subject to the actual completion date, commencement date and final rental agreement.

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
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.

12. REVENUE AND EXPENDITURE (CONTINUED)

(b) Revenue Recognition

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/ Warranties	Timing of Revenue recognition
Grants, subsidies and contributions	Bush Fire Brigade, Childcare & Community Resource Centre Operating Grants	Over time	Quarterly or biannual instalments	Contract obligation if project not complete	When payment received
Fees and charges - childcare fees	Childcare services	Over time	Payment within 14 days	None	When payment received
Fees and charges - waste management collections	Kerbside collection services	Over time	Payment on annual basis in advance	None	When rates notices issued
Fees and charges - property hire and entry fees	Use of facilities	Single point in time	Payment in advance	None	When payment received
Fees and charges - memberships	Recreation centre and aquatic centre memberships	Over time	Payment in advance	None	When payment received
Fees and charges - rental income	Housing & office space rental	Over time	Payment in advance	None	When payment received
Fees and charges - sale of stock	Fuel, standpipe water, merchandise and bar stock	Single point in time	Full payment prior to issue or for account sales 14 days in arrears	None	When payment received or when invoice raised
Fees and charges - private works	Private works	Single point in time	14 days in arrears	None	When invoice raised

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 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.

14. FEES AND CHARGES

	2026/27 Budget	2025/26 Actual	2025/26 Budget
	$	$	$
By Program:			
Governance	21,668	16,145	13,920
General purpose funding	5,550	6,787	5,550
Law, order, public safety	2,600	3,435	2,600
Health	1,000	1,283	1,000
Education and welfare	400,781	330,897	396,822
Housing	89,197	107,403	130,355
Community amenities	128,864	125,683	122,989
Recreation and culture	287,324	310,098	262,824
Economic services	1,179,060	1,052,987	1,052,759
Other property and services	56,944	91,988	55,696
	2,172,989	2,046,706	2,044,515

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