



**SHIRE OF KULIN**

**2023-24**

# **ANNUAL REPORT**





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# ABOUT THE SHIRE OF KULIN



The progressive and vibrant community of Kulin is located 280km South East of Perth in the Central Wheatbelt. The Kulin Region comprises of four townsites, Kulin, Pingaring, Dudinin and Holt Rock.

The Shire of Kulin has excellent accessibility through its high standard of transport infrastructure including 240km of sealed roads and 1202km of unsealed roads. Local industry is based on broad acre farming, particularly wheat, barley, canola, oats and lupins and sheep and cattle production.



The Shire of Kulin offers quality community services through Doctor and Health Centre services and Child Care Services. Modern sporting facilities provide access to numerous sporting opportunities including indoor netball and basketball courts, well maintained football, hockey and cricket ovals, competition sized bowling rink, newly resurfaced tennis courts and 18 hole golf course. Kulin also boasts first class recreation facilities including an Aquatic Centre with the largest slide in regional Australia, a modern gymnasium with 24 hour access and a pump track, skate park and ninjawarrior course.



In addition to all the facilities and services that are provided by the Shire of Kulin there is also Kulin Community Bank, Kulin District High School, various visiting primary health specialists, Commonwealth Home Support Program, Police Station, supermarket, hotel, cafe, mechanics, tyre service, hardware stores, Post Office, Library, beauty therapist and hairdressers. You will find many sporting groups, personal interest and hobby groups and service organisations.



The Shire of Kulin welcomes all tourists and visitors to our region. The Tin Horse Highway is an open air art gallery for all to enjoy. Shire of Kulin provides high quality tourist amenity including 'You set the price' Caravan Park, 72 hour RV stop in Kulin, RV stops in Holt Rock and Pingaring, clean visitor amenities and RV Dump Point in Kulin. Our accredited Visitor Centre and Community Resource Centre offers information to explore the Kulin Region and events to connect with the community. Significant annual events in Kulin include the Kulin Bush Races and Blazing Swan.

# PRESIDENT'S REPORT

It is with pleasure that I provide this Annual Report which represents the 2023-24 financial year.

Kulin Shire Council has had another successful year, achieving many projects and initiatives for the benefit of the community as can be seen by the projects highlighted throughout this report. Through grants, we have invested in the infrastructure which will support our community's vibrancy and growth. These initiatives not only aim to improve the lifestyles and services we can provide to our residents but also maintain financial stability.

Our significant road program was delivered throughout the year including upgrading Kulin-Holt Rock Road, resealing Muller Road, upgrading intersections, and gravel sheeting across the Shire. We have continued to invest in our accessibility in town with upgrading of footpaths and access ramps. We have also made a long-term investment at our works depot with the construction of a new staff facility including office space, crib room and training facility.

Council also continues to carry out its core functions, including maintaining and improving our road assets, sport and recreation amenity, tourism development, childcare services and medical services.

Significant local government reforms to the Local Government Act 1995 passed through Parliament in 2023. This first tranche focused on electoral reform. These reforms were in place for the Shire of Kulin ordinary elections in October 2023, with the number of council members reducing from nine (9) to eight (8), and abolishing wards. Congratulations to Councillors Robbie Bowey, Brad Miller, Jarron Noble who were all elected unopposed, for four-year terms. I wish to thank Cr. Barry West and Cr. Lucia Varone, who did not re-nominate, for the service and effort they put in during their time on Council.

I would once again like to pass on my appreciation to my fellow Elected Members and all staff for their continued dedication to Kulin Shire Council.

Grant Robins  
Shire President





# CHIEF EXECUTIVE OFFICER'S REPORT

I am pleased to provide this report for 2023-24, which has been another big capital development year for Council with many projects completed.

We have once again delivered a large amount for a small rural Council with limited resources. As you peruse Council's Annual Report for 2023-24 you will see that Council continually strives to work in partnership with the community and our many key stakeholders.

Compliance and associated reporting requirements continue to be a real challenge and a significant cost for the Shire. The continual introduction of new accounting and risk management standards across the sector in effect, results in a net loss to the community in terms of funds Council has available to build upon and enhance community assets. Over the past five (5) financial years the Shire has expended in excess of \$260,000 on auditing, financial reporting and risk management requirements.

During 2023-24 we continued to deliver a large road construction program which improves and maintains our road network to a very high standard. The maintenance of our parks and gardens and community infrastructure is excellent. We also provide many additional services and our CRC and Visitor Centre, childcare centre, caravan park, aquatic centre and recreation centre support our community and visitors to our town.

I would like to thank all staff at the Shire for their work and commitment over the past year. Their care and pride in the wide and varied roles across the Shires operations really stands out when one sits back and views the parks and gardens, roads and other recreational and community infrastructure and the quality and standard of such. All of this is enabled and overseen by a very dedicated Management team. I take this opportunity of thanking the Shires Executive Management team for their support over the past year.

In 2023-24 the staff, executive team and Councillors continue to build on previous years strong foundations in ensuring key infrastructure and community assets are maintained and enhanced to the highest possible level.

Elections were held in October 2023 with the Shire welcoming newly elected member Cr. Brad Miller. Councillors Robbie Bowey, Jarron Noble and Grant Robins were all re-elected. I take this opportunity to thank and recognise the contribution of retired Councillors Barry West and Lucia Varone. Of particular note Barry West retired from Council after an amazing 34 years of service. Barry's passion and advocacy for the community never waned and is something he can be very proud of.

In closing, I wish to thank Shire President Cr Grant Robins, Deputy Shire President Cr Brad Smoker and all other Elected Members for their support and thank them for their significant contribution in representing this fantastic community.

Alan Leeson  
Chief Executive Officer

# ELECTED MEMBERS



**Grant Robins**  
**President**

Portfolio: Roads & Transport  
Committees: WALGA Central Country Zone, Audit, Regional Road, RoeROC, Wheatbelt Secondary Freight Network



**Brad Smoker**  
**Deputy President**

Portfolio: Health, Business Development, Town Planning, Townscape, Tidy Towns, Housing and Buildings  
Committees: Audit, RoeROC, Development Assessment Panel



**Robbie Bowey**  
**Councillor**

Portfolio: Health, Tourism, Housing and Buildings  
Committees: Australia Day, Audit, Roe Tourism, WALGA Central Country Zone



**Troy Gangell**  
**Councillor**

Portfolio: Business Development, Sport and Recreation, Townscape, Town Planning, Tidy Towns  
Committees: Audit, Tender Assessment Panel, Central Ag Care



**Michael Lucchesi**  
**Councillor**

Portfolio: Roads & Transport  
Committees: Audit, KCCC, CKC, Tender Assessment Panel



**Brad Miller**  
**Councillor**

Portfolio: Agriculture, Tourism  
Committees: Audit,



**Clinton Mullan**  
**Councillor**

Portfolio: Agriculture, Emergency Services  
Committees: Australia Day, Eastern Wheatbelt Biosecurity, Development Assessment Panel



**Jarron Noble**  
**Councillor**

Portfolio: Sport & Recreation, Emergency Services  
Committees: Freebairn Recreation Centre, Audit, LEMC



# MANAGEMENT TEAM



Alan Leeson

Chief Executive Officer  
ceo@kulin.wa.gov.au



Taryn Scadding

Executive Manager Community Services  
emcs@kulin.wa.gov.au



Fiona Murphy

Executive Manager Financial Services  
emfs@kulin.wa.gov.au



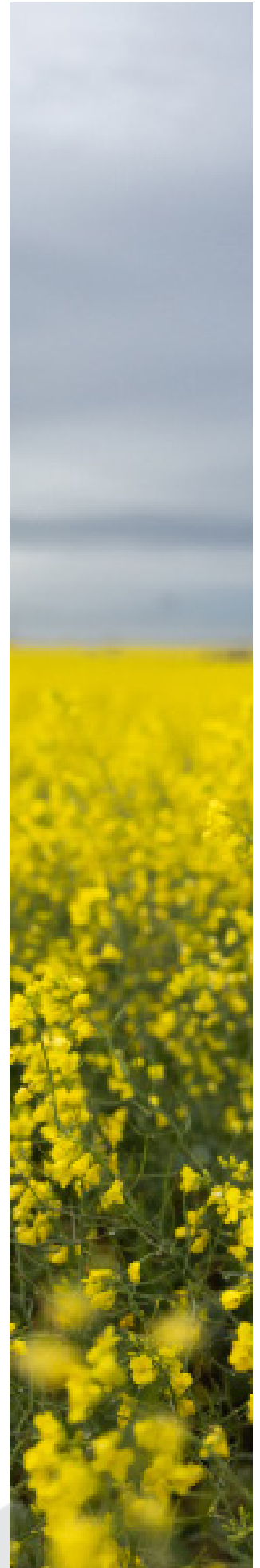
Cassi Lewis

Executive Manager Governance and Risk  
emgr@kulin.wa.gov.au



Judd Hobson

Executive Manager Works  
works@kulin.wa.gov.au



# PLANNING FOR THE FUTURE



## Strategic Community Plan

The Shire of Kulin's Strategic Community Plan 2021-2031 was the overarching strategy document for 2023-24 which reflects the long-term aspirations and goals of the Kulin Community and reinforces our commitment to the people who live, work and visit the Kulin Region.

The Strategic Community Plan 2021-2031 focuses on the following five themes

RECREATION & CULTURE

INFRASTRUCTURE

COMMUNITY

REGULATORY

CORPORATE

A review of the Strategic Community Plan will be undertaken in 2024-25.

## Corporate Business Plan

The Shire of Kulin Corporate Business Plan 2021-2025 defines five years of priorities, services, projects and actions to be implemented in order to fulfil the Strategic Community Plan.



# SCP25- STRATEGIC PRIORITIES

Governance	Transport	Community Development	Planning	Recreation Facilities
KULIN Shire Council provides good strategic decision making, governance, leadership, and professional management.	KULIN has connected communities through a safe and efficient transport network throughout the Shire.	KULIN is a strong and supportive community with a recognisable identity of being proactive, inclusive, resilient and welcoming.	KULIN will continue to deliver services that meet the current and future needs and expectations of the community, whilst maintaining statutory compliance.	KULIN's offers a variety of high-quality recreation and sporting facilities that provide accessible infrastructure meeting the changing needs of the growing and active communities.
Finance	Water	Economic Development	Building	Aquatic Centre
KULIN Shire Council manages the organisation in a responsible, accountable and consultative manner ensure Council decision making supports fair allocation of resources, services and facilities across the Shire.	KULIN ensures quality, long term water supply to meet the demands of existing industry requirements, future growth and challenging climatic conditions.	KULIN has a thriving, diverse and growing economy that provides commercial and industrial infrastructure aligned to economic needs and growth, offering a diverse range of job opportunities to actively support, develop and attract local as well as new businesses and new services to Kulin.	KULIN will ensure effective and efficient development and building services	The KULIN Shire Council will work with the community to maintain the Aquatic Centre and water slide.
Communication and Customer Service	Waste	Tourism	Public Health	Community Facilities
A range of effective communication tools engage the KULIN community to support transparent and accountable decision making and high standard customer service.	KULIN is committed to sustainable waste management focusing on waste minimisation and resource recovery.	KULIN offers a positive visitor experience founded on iconic major events, distinct local attractions and a collaborative approach to heritage, our stories and tourism.	KULIN will provide environmental health and safety services.	KULIN provides a variety of community facilities to meet the current and future needs and expectations of the community.
Information Technology	Housing	Education	Ranger Services	Public Open Space
KULIN advocates and lobbies for telecommunications infrastructure that is progressive and facilitates business growth and meets the needs of our community.	KULIN will facilitate diverse, inclusive housing options via encouraging the provision of affordable housing stock and investigating incentive or joint venture partnership arrangements to create private/community investment in quality housing.	KULIN is focused on lifelong learning with improved access to education, training and leadership development via opportunities to network, learn and share skills and experience through a range of local training and education pathways.	KULIN is a liveable and safe community where people are safe in their homes and in public.	KULIN offers a functional mix of open space and invites and promote the community to take a proactive role in improving the aesthetics of each town site.
Human Resources	Environment	Health	Emergency Services	Arts & Culture
KULIN Shire Council provides a safe, healthy and inclusive work environment that supports and enhances the productivity of Shire staff via provision of regular training opportunities and implementation of collaborative partnerships that support efficient use of resources.	KULIN is an environmentally aware community that endeavours to protect and value the natural environment and investigate sustainable alternative energy solutions.	KULIN provides access to a high standard of health and family support services to address the needs of all sectors of the community whilst embracing and providing for older residents.	KULIN has a community wide emergency management and recovery plan and encourages community participation in emergency service organisations.	KULIN support access to cultural and artistic activities and facilities in the community.

# STRATEGIC ACTIVITIES

Corporate Governance	Infrastructure Transport	Community Development	Regulatory Planning	Recreation & Culture Recreation Facilities
Communications	Transport Tin Horse Highway Town Street Lights Footpaths and Trails Car Parks Fuel Facility	Tin Horse Highway Commercial Buildings Town Street Lighting Recreation Precinct Signage Childcare Training Communications Public Art	Takeaway Food Outlet Mobile Phone Towers Accommodation Housing Aged Care Facility Public Art	Footpaths and Trails Water Non-potable Recreation Precinct Aquatic Centre Signage Playgrounds
Finance	Water	Economic Development Takeaway Food Outlet Mobile Phone Towers Internet Transport Accommodation Commercial Buildings Signage Housing Recycling Fuel Facility	Building	Aquatic Centre
Accommodation Commercial Buildings Aquatic Centre Childcare Centre Fuel Facility	Water Non-potable		Takeaway Food Outlet Accommodation Commercial Buildings Aquatic Centre Housing	Aquatic Centre Signage
Communication and Customer Service	Waste	Tourism Takeaway Food Outlets Mobile Towers Transport Accommodation Tin Horse Highway Tourist Amenities Footpaths and Trails Aquatic Centre Signage Fuel Facility Communications Public Art	Public Health	Community Facilities
Communications	Recycling		Tourist Amenities Aquatic Centre Playgrounds	Tourist Amenities Town Street Lighting Footpaths and Trails Recreation Precinct Aquatic Centre Signage Childcare Aged Care Playgrounds
Information Technology	Housing	Education	Ranger Services	Public Open Space
Mobile Phone Towers Internet Communications	Housing	Childcare Training Playgrounds		Tourist Amenities Footpaths Signage Aged Care Public Art Playgrounds
Human Resources	Environment	Health	Emergency Services	Arts & Culture
Housing Childcare	Tourist Amenities Footpaths and Trails Recycling	Medical Aged Care	Mobile Phone Towers Internet Water Non-potable Training	Tin Horse Highway Footpaths and Trails Public Art



# PROJECT UPDATE

In 2023-24 the Shire delivered a significant road construction program. The largest of these projects was the upgrade of 15.3km of the Kulin-Holt Rock Road from unsealed gravel to 8m wide sealed road. This is part of a 3-year project funded by the Department of Infrastructure's Remote Roads Upgrade Pilot Program. It will be completed in late 2024 with a total of 24.4km being sealed, providing improved east-west connectivity for farmers, transport operators and other road users in the eastern end of the Shire.

Other capital road projects completed during 2023-24 included:

- resealing 9km of Muller Road;
- asphaltting High Street between Day & Bull Streets;
- widening bitumen over 7km of the Kulin-Holt Rock Road (in addition to the project above);
- upgrading the intersection of the Kulin-Holt Rock Road and Lake Grace-Karlgarin Road
- realigning and improving the intersection of Yealering-Kulin Road and Kulin-Corrigin Road as part of the Black Spot Program;
- around 24km of gravel sheeting throughout the Shire.

The Shire also completed several other capital projects including:

- concrete footpaths and pram ramps along High and Price Streets up to Kulinda Village to improve accessibility for our senior residents;
- purchase of a generator for the Emergency Services Centre to ensure uninterrupted power supply for an Emergency Response Centre in the case of a natural disaster;
- new shade sails over the playgrounds at the Freebairn Recreation Centre and Kulin Tennis Club
- additional shades at the Kulin Aquatic Centre (funded by Kulin Bush Races);
- further repair work completed on the Aquatic Centre slide structure which will see the slide continue to entertain both locals and tourists for many years to come;
- construction of new crib room at the Kulin Works Depot;
- upgrades to Standpipe water equipment throughout the Shire



The Shire received the following capital grants to help fund projects in 2023-24:

Grant	Amount
Remote Roads Upgrade Pilot Program (total of \$3.07m over three years)	\$1.97m
Roads to Recovery	\$504k
Local Roads and Community Infrastructure Program (total of \$901k over two years)	\$350k
Black Spot Program	\$331k
Wheatbelt Secondary Freight Network (total of \$2.3m over two years)	\$304k
Regional Road Group	\$293k

There were no major land transactions or major trading undertakings during 2023-24.

### MAJOR INITIATIVES PLANNED FOR 2024-25

In 2024-25 the Shire's road construction program will total \$4.8m funded by \$3.6m in capital grants. This includes completion of the final 9.1km of the Kulin Holt Rock Road project predominantly funded by the Federal Government's Remote Roads Upgrade Pilot Program. In addition, the next 7km of the Fence Road North Road project funded by the Wheatbelt Secondary Freight Network grant will also be completed.

Phase 4 of the Local Roads and Community Infrastructure Program will allow the Shire to complete other major projects such as:

- resurfacing of the Kulin Tennis Courts (in partnership with Kulin Bush Races & Kulin Tennis Club);
- new slide splash down pool and landscaping at the Kulin Aquatic Centre;
- upgrades to the Freebairn Recreation Centre kitchen
- fans over the indoor courts at the Freebairn Recreation Centre;
- a toilet at the Kulin Cemetery
- air conditioning at the Pingaring Golf Club.





# STATUTORY STATEMENTS

## COMPLAINTS REPORT

There were no complaints recorded in the Register of Complaints during the 2023-24 financial year.

## DISABILITY ACCESS AND INCLUSION PLAN (DAIP)

Under the Disability Services Act 1993, all Western Australian Local Governments are required to have a Disability Access and Inclusion Plan (DAIP) to improve access to their services for people with disability. The Shire lodged their latest DAIP for 2020 - 2025 in May 2020. This plan will run until May 2025 and is available on the Shire's website. The Shire DAIP meets the requirements of the Disability Services Act 1993.

Since the adoption of the initial plan in 2007, the Shire has implemented many initiatives and made significant progress towards ensuring the community is accessible and inclusive for people of all ages and abilities and continues with this commitment. In 2023-24 the Shire installed new footpaths and pram ramps various locations around the Kulin townsite to improve accessibility.

## FREEDOM OF INFORMATION

In complying with the freedom of Information Act 1992, the Shire of Kulin is required to prepare and publish an information statement. The information statement is reviewed annually and is available on the Shire's website. During the year ended 30 June 2024, no Freedom of Information Applications were received.

## NATIONAL COMPETITION POLICY

The National Competition Policy was introduced by the Commonwealth Government in 1995, to promote competition for the benefit of business, consumers and the economy by removing unnecessary protection of monopolies of markets where competition can be enhanced. It affects local governments because factors such as exemption from company and income tax or possible local regulations and laws may give local government a potential advantage over private contractors.

The Shire is required to comply with certain policies contained within the National Competition Policy Statement, and report on the progress in connection with the National Competitive Neutrality Principles and review of Local Laws. During the financial year the Shire met its obligations under the National Competition Policy. The Shire continues to monitor Council policies and local laws for anticompetitive practices.

The Shire does not operate significant business activities which compete or could compete with private business sector business.

## RECORD KEEPING

In accordance with the State Records Act 2000, the Shire of Kulin is required to have an approved record keeping plan, which must be reviewed at least once in every 5 years. The Shire's Record Keeping Plan was reviewed in 2023-24 and submitted to the State Records Commission for approval in October 2024. The Record Keeping Plan details how records are maintained and disposed of, and how staff are trained to ensure they understand their roles and responsibilities in relation to the Record Keeping Plan.

## EMPLOYEE REMUNERATION

In accordance with the Local Government (Administration) Regulations 1996 19B, the Shire of Kulin is required to disclosure in bands of \$10,000 the number of employees entitled to an annual salary package of \$130,000 or more.

SALARY RANGE	2023-24
\$140,000 - \$149,999	1
\$170,000 - \$179,999	1
\$180,000 - \$189,999	1

## REMUNERATION PROVIDED TO THE CHIEF EXECUTIVE OFFICER

The Shire of Kulin's Chief Executive Officer was paid a total remuneration package of \$236,123 in the 2023-24 financial year. The total remuneration package is comprised of base salary, superannuation, housing, personal benefit value of motor vehicles, allowances, fringe benefits tax and memberships.

## ATTENDANCE AT COUNCIL AND COMMITTEE MEETINGS

The number of Council and Committee Meetings attended by Elected Members during 2023-24 is outlined in the table below:

Elected Member	Council Meeting	Special Council Meeting	Audit and Risk Committee Meeting
Cr Grant Robins	11	1	2
Cr Brad Smoker	11	1	2
Cr Robbie Bowey	11	1	2
Cr Troy Gangell	10	0	2
Cr Michael Lucchesi	10	1	2
Cr Brad Miller	7	1	1
Cr Clinton Mullan	11	1	2
Cr Jarron Noble	9	1	2
Cr Lucia Varone	3	0	0
Cr Barry West	4	0	0

## ELECTED MEMBER FEES AND ALLOWANCES

Elected Member	Presidents/Deputy President Allowance	Meeting Fees	Travel Allowance
Cr Grant Robins	\$7,700	\$5,980	\$0
Cr Brad Smoker	\$1,925	\$2,990	\$0
Cr Robbie Bowey	\$0	\$2,990	\$417
Cr Troy Gangell	\$0	\$2,530	\$0
Cr Michael Lucchesi	\$0	\$2,530	\$358
Cr Brad Miller	\$0	\$1,840	\$541
Cr Clinton Mullan	\$0	\$2,990	\$1,323
Cr Jarron Noble	\$0	\$2,530	\$144
Cr Lucia Varone	\$0	\$920	\$713
Cr Barry West	\$0	\$1,150	\$146

## ELECTED MEMBERS DEMOGRAPHICS

Elected members demographics as at 30 June 2024 is detailed below:

Gender	Female - 1: Male - 7
Linguistic background	English - 8
Country of Birth	Australia - 8
Identifying as Aboriginal or Torres Strait Islander	Nil
Age	Between 35 years and 44 years - 3 Between 45 years and 54 years - 2 Between 55 years and 64 years - 2 Over the age of 64 years - 1









# Financial Report



**SHIRE OF KULIN**  
**FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2024**

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The Shire of Kulin 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.*

Principal place of business:  
38 Johnston Street  
Kulin WA 6365



**SHIRE OF KULIN  
FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2024**

*Local Government Act 1995  
Local Government (Financial Management) Regulations 1996*

**STATEMENT BY CEO**

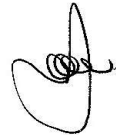
The accompanying financial report of the Shire of Kulin has been prepared in compliance with the provisions of the *Local Government Act 1995* from proper accounts and records to present fairly the financial transactions for the reporting period ended 30 June 2024 and the financial position as at 30 June 2024.

At the date of signing this statement the particulars included in the financial report are not misleading or inaccurate.

Signed on the

3rd day of

December 2024



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CEO

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Alan Leeson



**SHIRE OF KULIN**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2024**

	NOTE	2024 Actual \$	2024 Budget \$	2023 Actual \$
<b>Revenue</b>				
Rates	2(a),26	2,293,986	2,310,384	2,174,104
Grants, subsidies and contributions	2(a)	5,945,669	3,212,742	1,294,953
Fees and charges	2(a)	2,016,499	1,878,242	1,865,561
Interest revenue	2(a)	244,840	162,863	140,248
Other revenue	2(a)	350,938	126,992	240,154
		10,851,932	7,691,223	5,715,020
<b>Expenses</b>				
Employee costs	2(b)	(2,764,107)	(2,730,791)	(2,441,768)
Materials and contracts		(2,522,318)	(2,405,959)	(2,777,940)
Utility charges		(329,767)	(373,220)	(284,764)
Depreciation		(3,411,162)	(3,159,688)	(3,203,930)
Finance costs		(32,061)	(32,626)	(35,995)
Insurance		(357,320)	(347,156)	(314,561)
Other expenditure	2(b)	(22,610)	0	(37,895)
		(9,439,345)	(9,049,440)	(9,096,853)
		1,412,587	(1,358,217)	(3,381,833)
Capital grants, subsidies and contributions	2(a)	3,801,379	5,936,259	5,048,857
Profit on asset disposals		60,733	34,212	66,221
Loss on asset disposals		0	0	(72,222)
Fair value adjustments to financial assets at fair value through profit or loss	4(b)	1,681	0	3,686
Fair value adjustments to land through profit & loss	8(a)	10,000	0	0
Share of net profit/(loss) of associates accounted for using the equity method	23(c)	26,778	0	(5,898)
		3,900,571	5,970,471	5,040,644
<b>Net result for the period</b>		<b>5,313,158</b>	<b>4,612,254</b>	<b>1,658,811</b>
<b>Other comprehensive income for the period</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	16	135,696	0	(39,621,050)
<b>Total other comprehensive income for the period</b>	16	<b>135,696</b>	<b>0</b>	<b>(39,621,050)</b>
<b>Total comprehensive income for the period</b>		<b>5,448,854</b>	<b>4,612,254</b>	<b>(37,962,239)</b>

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



**SHIRE OF KULIN**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2024**

	NOTE	2024 \$	2023 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	2,885,819	3,211,692
Trade and other receivables	5	113,232	782,308
Other financial assets	4(a)	2,437,539	0
Inventories	6	126,454	64,574
Other assets	7	1,377,886	368,697
<b>TOTAL CURRENT ASSETS</b>		<b>6,940,930</b>	<b>4,427,271</b>
<b>NON-CURRENT ASSETS</b>			
Other financial assets	4(b)	88,171	86,490
Inventories - land held for resale	6	610,000	651,000
Investment in associate	23(a)	65,977	42,199
Property, plant and equipment	8	27,610,389	27,423,505
Infrastructure	9	76,264,685	73,644,309
<b>TOTAL NON-CURRENT ASSETS</b>		<b>104,639,222</b>	<b>101,847,503</b>
<b>TOTAL ASSETS</b>		<b>111,580,152</b>	<b>106,274,774</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	12	516,693	858,475
Other liabilities	13	647,119	199,690
Borrowings	14	102,201	99,144
Employee related provisions	15	442,817	429,989
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,708,830</b>	<b>1,587,298</b>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	14	682,357	784,558
Employee related provisions	15	17,817	44,928
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>700,174</b>	<b>829,486</b>
<b>TOTAL LIABILITIES</b>		<b>2,409,004</b>	<b>2,416,784</b>
<b>NET ASSETS</b>		<b>109,171,148</b>	<b>103,857,990</b>
<b>EQUITY</b>			
Retained surplus		52,971,768	48,088,149
Reserve accounts	29	2,437,539	1,872,304
Revaluation surplus	16	53,761,841	53,897,537
<b>TOTAL EQUITY</b>		<b>109,171,148</b>	<b>103,857,990</b>

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





**SHIRE OF KULIN  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2024**

	NOTE	RETAINED SURPLUS \$	RESERVE ACCOUNTS \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
<b>Balance as at 1 July 2022</b>		<b>45,983,791</b>	<b>2,283,327</b>	<b>93,518,587</b>	<b>141,785,705</b>
Comprehensive income for the period					
Net result for the period		1,658,811	0	0	1,658,811
Other comprehensive income for the period	16	34,524	0	(39,621,050)	(39,586,526)
Total comprehensive income for the period		1,693,335	0	(39,621,050)	(37,927,715)
Transfers from reserve accounts	29	610,700	(610,700)	0	0
Transfers to reserve accounts	29	(199,677)	199,677	0	0
<b>Balance as at 30 June 2023</b>		<b>48,088,149</b>	<b>1,872,304</b>	<b>53,897,537</b>	<b>103,857,990</b>
Comprehensive income for the period					
Net result for the period		5,313,158	0	0	5,313,158
Other comprehensive income for the period	16	135,696	0	(135,696)	0
Total comprehensive income for the period		5,448,854	0	(135,696)	5,313,158
Transfers from reserve accounts	29	150,000	(150,000)	0	0
Transfers to reserve accounts	29	(715,235)	715,235	0	0
<b>Balance as at 30 June 2024</b>		<b>52,971,768</b>	<b>2,437,539</b>	<b>53,761,841</b>	<b>109,171,148</b>

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 2024**

	NOTE	2024 Actual \$	2023 Actual \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>			
Rates		2,294,375	2,217,106
Grants, subsidies and contributions		5,945,669	1,294,953
Fees and charges		1,992,960	1,950,028
Interest revenue		247,376	137,943
Goods and services tax received		546,025	599,467
Other revenue		349,763	265,471
		11,376,168	6,464,968
<b>Payments</b>			
Employee costs		(2,776,221)	(2,470,113)
Materials and contracts		(2,887,461)	(2,445,292)
Utility charges		(331,237)	(284,764)
Finance costs		(32,715)	(36,490)
Insurance paid		(359,145)	(314,561)
Goods and services tax paid		(527,950)	(592,079)
Other expenditure		0	(37,895)
		(6,914,729)	(6,181,194)
<b>Net cash provided by operating activities</b>		4,461,439	283,774
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for investments in associates		(1,773)	
Payments for purchase of property, plant & equipment	8(a)	(1,518,807)	(1,553,700)
Payments for construction of infrastructure	9(a)	(4,848,347)	(5,355,311)
Capital grants, subsidies and contributions		3,902,389	5,231,760
Distributions from investments in associates		4,773	
Proceeds for financial assets at amortised cost		(2,437,539)	2,283,327
Proceeds from sale of property, plant & equipment		211,136	280,118
<b>Net cash provided by (used in) investing activities</b>		(4,688,168)	886,194
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of borrowings	28(a)	(99,144)	(96,179)
<b>Net cash (used in) financing activities</b>		(99,144)	(96,179)
<b>Net increase (decrease) in cash held</b>		(325,873)	1,073,789
Cash at beginning of year		3,211,692	2,137,903
<b>Cash and cash equivalents at the end of the year</b>		2,885,819	3,211,692

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 2024**

	NOTE	2024 Actual \$	2024 Budget \$	2023 Actual \$
<b>OPERATING ACTIVITIES</b>				
<b>Revenue from operating activities</b>				
General rates	26	2,266,751	2,283,149	2,148,471
Rates excluding general rates	26	27,235	27,235	25,633
Grants, subsidies and contributions		5,945,669	3,212,742	1,294,953
Fees and charges		2,016,499	1,878,242	1,865,561
Interest revenue		244,840	162,863	140,248
Other revenue		350,938	126,992	240,154
Profit on asset disposals		60,733	34,212	66,221
Fair value adjustments to financial assets at fair value through profit or loss	4(b)	1,681	0	3,686
Fair value adjustments to land through profit or loss	8(a)	10,000	0	0
Share of net profit of associates accounted for using the equity method	23(c)	26,778	0	0
		10,951,124	7,725,435	5,784,927
<b>Expenditure from operating activities</b>				
Employee costs		(2,764,107)	(2,730,791)	(2,441,768)
Materials and contracts		(2,522,318)	(2,405,959)	(2,777,939)
Utility charges		(329,767)	(373,220)	(284,764)
Depreciation		(3,411,162)	(3,159,688)	(3,203,930)
Finance costs		(32,061)	(32,626)	(35,995)
Insurance		(357,320)	(347,156)	(314,561)
Other expenditure		(22,610)	0	(37,895)
Loss on asset disposals		0	0	(72,222)
Share of net loss of associates accounted for using the equity method		0	0	(5,898)
		(9,439,345)	(9,049,440)	(9,174,972)
Non cash amounts excluded from operating activities	27(a)	3,334,188	3,125,476	3,207,120
<b>Amount attributable to operating activities</b>		4,845,967	1,801,471	(182,925)
<b>INVESTING ACTIVITIES</b>				
<b>Inflows from investing activities</b>				
Capital grants, subsidies and contributions		3,801,379	5,936,259	5,048,857
Proceeds from disposal of assets		211,136	188,000	280,118
Distributions from investments in associates	23(b)	4,773	0	0
		4,017,288	6,124,259	5,328,975
<b>Outflows from investing activities</b>				
Payments for investments in associates	23(b)	(1,773)	0	0
Purchase of property, plant and equipment	8(a)	(1,518,807)	(1,952,634)	(1,553,700)
Purchase and construction of infrastructure	9(a)	(4,848,347)	(6,636,451)	(5,355,311)
		(6,368,927)	(8,589,085)	(6,909,011)
<b>Amount attributable to investing activities</b>		(2,351,639)	(2,464,826)	(1,580,036)
<b>FINANCING ACTIVITIES</b>				
<b>Inflows from financing activities</b>				
Transfers from reserve accounts	29	150,000	270,000	610,700
		150,000	270,000	610,700
<b>Outflows from financing activities</b>				
Repayment of borrowings	28(a)	(99,144)	(99,144)	(96,179)
Transfers to reserve accounts	29	(715,235)	(601,362)	(199,677)
		(814,379)	(700,506)	(295,856)
<b>Amount attributable to financing activities</b>		(664,379)	(430,506)	314,844
<b>MOVEMENT IN SURPLUS OR DEFICIT</b>				
<b>Surplus or deficit at the start of the financial year</b>	27(b)	1,066,813	1,112,090	2,514,930
Amount attributable to operating activities		4,845,967	1,801,471	(182,925)
Amount attributable to investing activities		(2,351,639)	(2,464,826)	(1,580,036)
Amount attributable to financing activities		(664,379)	(430,506)	314,844
<b>Surplus or deficit after imposition of general rates</b>	27(b)	<b>2,896,762</b>	<b>18,229</b>	<b>1,066,813</b>

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





**SHIRE OF KULIN**  
**FOR THE YEAR ENDED 30 JUNE 2024**  
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**SHIRE OF KULIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2024**

**1. BASIS OF PREPARATION**

The financial report of the Shire of Kulin which is a Class 4 local government comprises general purpose financial statements which have 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 financial report be prepared in accordance with the *Local Government Act 1995* and, to the extent that they are not inconsistent with the *Local Government Act 1995*, 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 except for disclosure requirements of:

- AASB 7 Financial Instruments Disclosures
- AASB 16 Leases paragraph 58
- AASB 101 Presentation of Financial Statements paragraph 61
- AASB 107 Statement of Cash Flows paragraphs 43 and 45
- AASB 116 Property, Plant and Equipment paragraph 79
- AASB 137 Provisions, Contingent Liabilities and Contingent Assets paragraph 85
- AASB 140 Investment Property paragraph 75(f)
- AASB 1052 Disaggregated Disclosures paragraph 11
- AASB 1054 Australian Additional Disclosures paragraph 16

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 financial report have been consistently applied unless stated otherwise. Except for cash flow and rate setting information, the financial report 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.

**Critical accounting estimates and judgements**

The preparation of a financial report 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 amounts 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 - note 8
  - Infrastructure - note 9
- Impairment losses of non-financial assets - note 8
- Measurement of employee benefits - note 15

Fair value hierarchy information can be found in note 25

**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 financial report.

**Initial application of accounting standards**

During the current year, the following new or revised Australian Accounting Standards and Interpretations were applied for the first time.

- AASB 2021-2 *Amendments to Australian Accounting Standards - Disclosure of Accounting Policies or Definition of Accounting Estimates*

This standard resulted in terminology changes relating to material accounting policies (formerly referred to as significant accounting policies).

**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 2020-1 *Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-Current*
  - AASB 2021-7c *Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections [deferred AASB 10 and AASB 128 amendments in AASB 2014-10 apply]*
  - AASB 2022-5 *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*
- These amendments are not expected to have any material impact on the financial report on initial application.
- AASB 2022-10 *Amendments to Australian Accounting Standards - Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities*

These amendment may result in changes to the fair value of non-financial assets. The impact is yet to be quantified.

- AASB 2023-1 *Amendments to Australian Accounting Standards - Supplier Finance Arrangements*

These amendments may result in additional disclosures in the case of applicable finance arrangements.

**SHIRE OF KULIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2024**

**2. REVENUE AND EXPENSES**

**(a) Revenue**

**Contracts with customers**

Recognition of revenue 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, aquatic centre and community resource 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 of when invoice raised
Fees and charges - private works	Private works	Single point in time	14 days in arrears	None	When invoice raised

Consideration from contracts with customers is included in the transaction price.

**Revenue Recognition**

Revenue recognised during the year under each basis of recognition by nature of goods or services is provided in the table below:

**For the year ended 30 June 2024**

Nature	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	2,293,986	0	2,293,986
Grants, subsidies and contributions	169,733	0	0	5,775,936	5,945,669
Fees and charges	2,001,086	0	11,948	3,465	2,016,499
Interest revenue	0	0	7,503	237,337	244,840
Other revenue	0	0	0	350,938	350,938
Capital grants, subsidies and contributions	0	3,801,379	0	0	3,801,379
<b>Total</b>	<b>2,170,819</b>	<b>3,801,379</b>	<b>2,313,437</b>	<b>6,367,676</b>	<b>14,653,311</b>

**For the year ended 30 June 2023**

Nature	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	2,174,104	0	2,174,104
Grants, subsidies and contributions	239,305	0	0	1,055,648	1,294,953
Fees and charges	1,844,104	0	21,457	0	1,865,561
Interest revenue	0	0	4,450	135,798	140,248
Other revenue	0	0	0	240,154	240,154
Capital grants, subsidies and contributions	0	5,048,857	0	0	5,048,857
<b>Total</b>	<b>2,083,409</b>	<b>5,048,857</b>	<b>2,200,011</b>	<b>1,431,600</b>	<b>10,763,877</b>



**SHIRE OF KULIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2024**

**2. REVENUE AND EXPENSES (Continued)**

**(a) Revenue (Continued)**

<b>Note</b>	<b>2024 Actual \$</b>	<b>2023 Actual \$</b>
<b>Interest revenue</b>		
Interest on reserve account	110,595	70,313
Trade and other receivables overdue interest	7,503	4,450
Other interest revenue	126,742	65,485
	<b>244,840</b>	<b>140,248</b>

The 2024 original budget estimate in relation to:  
Trade and other receivables overdue interest was \$6,500.

**Fees and charges relating to rates receivable**

Charges on instalment plan	693	539
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The 2024 original budget estimate in relation to:  
Charges on instalment plan was \$500.

**(b) Expenses**

**Auditors remuneration**

- Audit of the Annual Financial Report	35,500	30,000
- Other services – grant acquittals	4,080	4,000
	<b>39,580</b>	<b>34,000</b>

**Employee Costs**

Employee benefit costs	2,764,107	2,441,768
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**Other expenditure**

Impairment losses on property, plant and equipment	8(a)	8,329	0
Write down of inventories to net realisable value	6	10,464	0
Sundry expenses		3,817	37,895
		<b>22,610</b>	<b>37,895</b>

**SHIRE OF KULIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2024**

**3. CASH AND CASH EQUIVALENTS**

Note	2024	2023
	\$	\$
Cash at bank and on hand	2,885,819	1,339,388
Term deposits	0	1,872,304
<b>Total cash and cash equivalents</b>	<b>2,885,819</b>	<b>3,211,692</b>
Held as		
- Unrestricted cash and cash equivalents	2,136,214	1,042,423
- Restricted cash and cash equivalents	749,605	2,169,269
	<b>2,885,819</b>	<b>3,211,692</b>

**MATERIAL ACCOUNTING POLICIES**

**Cash and cash equivalents**

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

Bank overdrafts are reported as short term borrowings in current liabilities in the statement of financial position.

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.

**Restricted financial assets**

Restricted financial asset balances are not available for general use by the local government due to externally imposed restrictions. Restrictions are specified in an agreement, contract or legislation. This applies to reserve accounts, unspent grants, subsidies and contributions and unspent loans that have not been fully expended in the manner specified by the contributor, legislation or loan agreement and for which no liability has been recognised.

**4. OTHER FINANCIAL ASSETS**

Note	2024	2023
	\$	\$
<b>(a) Current assets</b>		
Financial assets at amortised cost	2,437,539	0
	<b>2,437,539</b>	<b>0</b>
<b>Other financial assets at amortised cost</b>		
Term deposits	2,437,539	0
	<b>2,437,539</b>	<b>0</b>
Held as		
- Restricted other financial assets at amortised cost	17 2,437,539	0
	<b>2,437,539</b>	<b>0</b>
<b>(b) Non-current assets</b>		
Financial assets at fair value through profit or loss	88,171	86,490
	<b>88,171</b>	<b>86,490</b>
<b>Financial assets at fair value through profit or loss</b>		
Units in Local Government House Trust - opening balance	81,490	77,804
Movement attributable to fair value increment	1,681	3,686
Units in Local Government House Trust - closing balance	<b>83,171</b>	<b>81,490</b>
Shares in Kulin Community Financial Services	5,000	5,000
	<b>88,171</b>	<b>86,490</b>

Fair value of financial assets at fair value through profit or loss is determined from the net asset value of the units held in the Trust at balance date as compiled by WALGA.

**MATERIAL ACCOUNTING POLICIES**

**Other 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.

Fair values of financial assets at amortised cost are not materially different to their carrying amounts, since the interest receivable on those assets is either close to current market rates or the assets are of a short term nature. Non-current financial assets at amortised cost fair values are based on discounted cash flows using a current market rates. They are classified as level 2 fair values in the fair value hierarchy (see Note 25 (i)) due to the observable market rates).

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.

**Financial assets at fair value through profit or loss**

The Shire has elected to classify the following financial assets at fair value through profit or loss:

- debt investments which do not qualify for measurement at either amortised cost or fair value through other comprehensive income.
- equity investments which the Shire has elected to recognise as fair value gains and losses through profit or loss.

**SHIRE OF KULIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2024**

**5. TRADE AND OTHER RECEIVABLES**

Note	2024 \$	2023 \$
<b>Current</b>		
Rates and statutory receivables	45,034	45,423
Trade receivables	41,345	689,503
Other receivables	8,461	7,098
GST receivable	37,189	55,264
Allowance for credit losses of rates and statutory receivables	(18,797)	(14,980)
	113,232	782,308

**Disclosure of opening and closing balances related to contracts with customers**

Note	30 June 2024 Actual \$	30 June 2023 Actual \$	1 July 2022 Actual \$
Information about receivables from contracts with customers along with financial assets and associated liabilities arising from transfers to enable the acquisition or construction of recognisable non financial assets is:			
Trade and other receivables from contracts with customers	30,907	10,663	96,087
Total trade and other receivables from contracts with customers	30,907	10,663	96,087

**MATERIAL ACCOUNTING POLICIES**

**Rates and statutory receivables**

Rates and statutory receivables are non-contractual receivables arising from statutory requirements and include amounts due from ratepayers for unpaid rates and service charges and other statutory charges or fines.

Rates and statutory receivables are recognised when the taxable event has occurred and can be measured reliably.

**Trade receivables**

Trade receivables are amounts receivable from contractual arrangements with customers for goods sold, services performed or grants or contributions with sufficiently specific performance obligations or for the construction of recognisable non financial assets as part of the ordinary course of business.

**Other receivables**

Other receivables are amounts receivable from contractual arrangements with third parties other than contracts with customers and amounts received as grants for the construction of recognisable non financial assets.

**Measurement**

Trade and other receivables are recognised initially at the amount of the transaction price, unless they contain a significant financing component, and are to be recognised at fair value.

**Classification and subsequent measurement**

Receivables which are generally due for settlement within 30 days except rates receivables which are expected to be collected within 12 months are classified as current assets. All other receivables such as, deferred pensioner rates receivable after the end of the reporting period are classified as non-current assets.

Trade and other 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.

**SHIRE OF KULIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2024**

**6. INVENTORIES**

	Note	2024	2023
<b>Current</b>		\$	\$
Fuel		76,607	46,261
Freebairn Recreation Centre Bar Stock		19,311	18,313
Land held for resale			
Net realisable value		30,536	0
		126,454	64,574
<b>Non-current</b>			
Land held for resale			
Net realisable value		610,000	651,000
		610,000	651,000
The following movements in inventories occurred during the year:			
<b>Balance at beginning of year</b>		715,574	707,786
Inventories expensed during the year		(1,464,850)	(1,570,205)
Write down of inventories to net realisable value	2(b)	(10,464)	0
Additions to inventory		1,496,194	1,577,993
<b>Balance at end of year</b>		736,454	715,574

In the prior year financial report, land held for resale was classified as Assets classified as held for sale in Note 7 Other Assets. For 2023/24 land held for resale has been reclassified as inventory, which is considered more appropriate. Comparative figures have also been reclassified to conform with the current financial year.

**MATERIAL ACCOUNTING POLICIES**

**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.

**Land held for resale**

Land held for development and resale 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.

**Land held for resale (Continued)**

Borrowing 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 onto the buyer at this point.

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



**SHIRE OF KULIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2024**

**7. OTHER ASSETS**

**Other assets - current**

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
Prepayments	33,577	0
Accrued income	23,274	16,232
Contract assets	1,321,035	352,465
	<b>1,377,886</b>	<b>368,697</b>

**MATERIAL ACCOUNTING POLICIES**

**Other current assets**

Other non-financial assets include prepayments which represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period.

**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.

Impairment of assets associated with contracts with customers are detailed at Note 2(b).

**SHIRE OF KULIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**8. PROPERTY, PLANT AND EQUIPMENT**

**(a) Movements in Balances**

Movement in the balances of each class of property, plant and equipment between the beginning and the end of the current financial year.

	<b>Total Property</b>			<b>Plant and equipment</b>				<b>Total</b>
	<b>Land</b>	<b>Buildings</b>	<b>Work in progress</b>	<b>Total Property</b>	<b>Furniture and equipment</b>	<b>Plant and equipment</b>	<b>Motor Vehicles</b>	<b>property, plant and equipment</b>
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Balance at 1 July 2022</b>	604,000	19,590,126	90,666	20,284,792	254,198	3,555,521	1,273,984	25,368,495
Additions	0	249,448	305,807	555,255	14,551	411,396	572,498	1,553,700
Disposals	0	0	0	0	0	(52,979)	(233,140)	(286,119)
Revaluation increments / (decrements) transferred to revaluation surplus	33,000	1,696,291	0	1,729,291	0	0	0	1,729,291
Assets reclassified in from held for sale	92,000	0	0	92,000	0	0	0	92,000
Depreciation	0	(409,031)	0	(409,031)	(36,884)	(385,422)	(202,525)	(1,033,862)
Transfers	0	90,666	(90,666)	0	0	0	0	0
<b>Balance at 30 June 2023</b>	729,000	21,217,500	305,807	22,252,307	231,865	3,528,516	1,410,817	27,423,505
<b>Comprises:</b>								
Gross balance amount at 30 June 2023	729,000	21,217,500	305,807	22,252,307	302,722	4,552,428	1,883,029	28,990,486
Accumulated depreciation at 30 June 2023	0	0	0	0	(70,857)	(1,023,912)	(472,212)	(1,566,981)
<b>Balance at 30 June 2023</b>	729,000	21,217,500	305,807	22,252,307	231,865	3,528,516	1,410,817	27,423,505
Additions	0	452,332	238,223	690,555	71,908	583,568	172,776	1,518,807
Disposals	0	0	0	0	0	(47,774)	(102,629)	(150,403)
Fair value adjustment through profit or loss	10,000	0	0	10,000	0	0	0	10,000
Impairment (losses) / reversals *	0	0	0	0	0	(58,329)	50,000	(8,329)
Depreciation	0	(452,992)	0	(452,992)	(46,623)	(438,940)	(244,636)	(1,183,191)
Transfers	0	305,807	(305,807)	0	0	0	0	0
<b>Balance at 30 June 2024</b>	739,000	21,522,647	238,223	22,499,870	257,150	3,567,041	1,286,328	27,610,389
<b>Comprises:</b>								
Gross balance amount at 30 June 2024	739,000	21,975,638	238,223	22,952,861	374,630	4,960,997	1,975,677	30,264,165
Accumulated depreciation at 30 June 2024	0	(452,991)	0	(452,991)	(117,480)	(1,393,956)	(689,349)	(2,653,776)
<b>Balance at 30 June 2024</b>	739,000	21,522,647	238,223	22,499,870	257,150	3,567,041	1,286,328	27,610,389

**SHIRE OF KULIN  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2024**

**8. PROPERTY, PLANT AND EQUIPMENT (Continued)**

**(b) Carrying Amount Measurements**

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
<b>(i) Fair Value - as determined at the last valuation date</b>					
<b>Land and buildings</b>					
Land	2	Observable open market values of similar assets	Independent Valuer	June 2023	Market and sales data
Buildings	2	Observable open market values of similar assets	Independent Valuer	June 2023	Market & sales data
Buildings - specialised	3	Cost approach using depreciated replacement cost	Independent Valuer	June 2023	Construction costs and current conditions (Level 2) residual values and remaining useful life assessments (Level 3) inputs

Level 3 inputs are based on assumptions with regards to future values and patterns of consumption utilising current information. If the basis of these assumptions were varied, they have the potential to result in a significantly higher or lower fair value measurement.

During the period there were no changes in the valuation techniques used by the local government to determine the fair value of property, plant and equipment using either level 2 or level 3 inputs. The valuation techniques applied to property subject to lease was the same as that applied to property not subject to lease.

<b>(ii) Cost</b>					
<b>Furniture and equipment</b>	Cost	Cost	Purchase cost		
<b>Plant and equipment</b>	Cost	Cost	Purchase cost		
<b>Motor Vehicles</b>	Cost	Cost	Purchase cost		

**SHIRE OF KULIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**9. INFRASTRUCTURE**

**(a) Movements in Balances**

Movement in the balances of each class of infrastructure between the beginning and the end of the current financial year.

	<b>Roads</b>	<b>Footpaths</b>	<b>Recreation infrastructure</b>	<b>Other infrastructure</b>	<b>Total Infrastructure</b>
	\$	\$	\$	\$	\$
<b>Balance at 1 July 2022</b>	105,245,520	788,499	5,112,990	683,875	111,830,884
Additions	5,137,933	172,132	45,246	0	5,355,311
Revaluation increments / (decrements) transferred to revaluation surplus	(42,124,894)	(324,313)	510,775	566,614	(41,371,818)
Depreciation	(1,968,135)	(25,891)	(144,611)	(31,431)	(2,170,068)
Transfers	(185,365)			185,365	0
<b>Balance at 30 June 2023</b>	66,105,059	610,427	5,524,400	1,404,423	73,644,309
<b>Comprises:</b>					
Gross balance at 30 June 2023	66,105,059	610,427	5,524,400	1,404,423	73,644,309
<b>Balance at 30 June 2023</b>	66,105,059	610,427	5,524,400	1,404,423	73,644,309
Additions	4,668,101	161,413	7,825	11,008	4,848,347
Depreciation	(2,059,455)	(21,287)	(116,735)	(30,494)	(2,227,971)
<b>Balance at 30 June 2024</b>	68,713,705	750,553	5,415,490	1,384,937	76,264,685
<b>Comprises:</b>					
Gross balance at 30 June 2024	70,773,160	771,841	5,532,225	1,415,430	78,492,656
Accumulated depreciation at 30 June 2024	(2,059,455)	(21,288)	(116,735)	(30,493)	(2,227,971)
<b>Balance at 30 June 2024</b>	68,713,705	750,553	5,415,490	1,384,937	76,264,685

\* The Shire's road and footpath assets were independently revalued as at 30 June 2023 in line with AASB 13 *Fair Value Measurement* and the *Local Government (Financial Management) Regulations 1996*. The revaluation resulted in a material decrease in the fair value of the Shire's road and footpath assets. The independent valuation involved a visual road condition survey of the Shire's entire road and footpath network, which resulted in many roads being reclassified and their useful lives being adjusted. A detailed review of standard unit replacement costs was also undertaken, with the final unit costs used in the valuation reflecting the Shire's actual cost to construct roads and footpaths.



**SHIRE OF KULIN  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2024**

**9. INFRASTRUCTURE (Continued)**

**(b) Carrying Amount Measurements**

<b>Asset Class</b>	<b>Fair Value Hierarchy</b>	<b>Valuation Technique</b>	<b>Basis of Valuation</b>	<b>Date of Last Valuation</b>	<b>Inputs Used</b>
<b>(i) Fair Value - as determined at the last valuation date</b>					
<b>Roads</b>	3	Cost approach using depreciated replacement cost	Independent Valuation	June 2023	Construction costs and current condition, residual values and remaining useful life assessments.
<b>Footpaths</b>	3	Cost approach using depreciated replacement cost	Independent Valuation	June 2023	Construction costs and current condition, residual values and remaining useful life assessments.
<b>Recreation infrastructure</b>	3	Cost approach using depreciated replacement cost	Independent Valuation	June 2023	Construction costs and current condition, residual values and remaining useful life assessments.
<b>Other infrastructure</b>	3	Cost approach using depreciated replacement cost	Independent Valuation	June 2023	Construction costs and current condition, residual values and remaining useful life assessments.

Level 3 inputs are based on assumptions with regards to future values and patterns of consumption utilising current information. If the basis of these assumptions were varied, they have the potential to result in a significantly higher or lower fair value measurement.

During the period there were no changes in the valuation techniques used to determine the fair value of infrastructure using level 3 inputs.

**SHIRE OF KULIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**10. FIXED ASSETS**

**(a) Depreciation**

**Depreciation rates**

Typical estimated useful lives for the different asset classes for the current and prior years are included in the table below:

<b>Asset Class</b>	<b>Useful life</b>
Buildings	10 to 50 years
Furniture and equipment	5 to 15 years
Plant and equipment	5 to 20 years
Motor Vehicles	5 to 20 years
Sealed roads and streets	
formation	not depreciated
pavement	80 years
seal	
- bituminous seals	40 years
- asphalt surfaces	50 years
Gravel roads	
formation	not depreciated
pavement	80 years
Footpaths - slab	20 to 50 years
Sewerage piping	100 years
Water supply piping and drainage systems	40 to 80 years
Recreation infrastructure	20 to 50 years
Other infrastructure	10 to 100 years

**SHIRE OF KULIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**10. FIXED ASSETS (Continued)**

**(b) MATERIAL ACCOUNTING POLICIES**

**Initial recognition**

An item of property, plant and equipment or infrastructure that qualifies for recognition as an asset is measured at its cost.

Upon initial recognition, cost is determined as the amount paid (or other consideration given) to acquire the assets, plus costs incidental to the acquisition. The cost of non-current assets constructed by the Shire includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads. For assets acquired at zero cost or otherwise significantly less than fair value, cost is determined as fair value at the date of acquisition.

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 *Local Government (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.

Individual assets that are land, buildings and infrastructure acquired between scheduled revaluation dates of the asset class in accordance with the Shire's revaluation policy, are recognised at cost and disclosed as being at reportable value.

**Measurement after recognition**

Plant and equipment including furniture and equipment and right-of-use assets (other than vested improvements) are measured using the cost model as required under *Local Government (Financial Management) Regulation 17A(2)*. Assets held under the cost model are carried at cost less accumulated depreciation and any impairment losses being their reportable value.

**Reportable Value**

In accordance with *Local Government (Financial Management) Regulation 17A(2)*, the carrying amount of non-financial assets that are land and buildings classified as property, plant and equipment, investment properties, infrastructure or vested improvements that the local government controls.

Reportable value is for the purpose of *Local Government (Financial Management) Regulation 17A(4)* is the fair value of the asset at its last valuation date minus (to the extent applicable) the accumulated depreciation and any accumulated impairment losses in respect of the non-financial asset subsequent to its last valuation date.

**Revaluation**

Land and buildings classified as property, plant and equipment, infrastructure or vested improvements that the local government controls and measured at reportable value, are only required to be revalued every five years in accordance with the regulatory framework. This includes buildings and infrastructure items which were pre-existing improvements (i.e. vested improvements) on land vested in the Shire.

Whilst the regulatory framework only requires a revaluation to occur every five years, it also provides for the Shire to revalue earlier if it chooses to do so.

For land, buildings and infrastructure, increases in the carrying amount arising on revaluation of asset classes are credited to a revaluation surplus in equity.

Decreases that offset previous increases of the same class of asset are recognised against revaluation surplus directly in equity. All other decreases are recognised in profit or loss.

Subsequent increases are then recognised in profit or loss to the extent they reverse a net revaluation decrease previously recognised in profit or loss for the same class of asset.

**Depreciation**

The depreciable amount of all property, plant and equipment and infrastructure, 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.

**Depreciation on revaluation**

When an item of property, plant and equipment and infrastructure is revalued, any accumulated depreciation at the date of the revaluation is treated in one of the following ways:

- (i) The gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset.
- (ii) Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

**Impairment**

In accordance with *Local Government (Financial Management) Regulations 17A(4C)*, the Shire is not required to comply with *AASB 136 Impairment of Assets* to determine the recoverable amount of its non-financial assets that are land or buildings classified as property, plant and equipment, infrastructure or vested improvements that the local government controls in circumstances where there has been an impairment indication of a general decrease in asset values.

In other circumstances where it has been assessed that one or more of these non-financial assets are impaired, the 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.

**Gains or losses on disposal**

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income in the period in which they arise.

**SHIRE OF KULIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**11. LEASES**

**(a) Right-of-Use Assets**

The Shire of Kulin does not hold any Right of Use Assts at balance date.

**(b) Lessor - Property, Plant and Equipment Subject to Lease**

The table below represents a maturity analysis of the undiscounted lease payments to be received after the reporting date.

Less than 1 year

1 to 2 years

2 to 3 years

	2024 Actual	2023 Actual
	\$	\$
	43,680	40,720
	20,680	26,000
	15,016	3,000
	79,376	69,720
<b>Amounts recognised in profit or loss for Property, Plant and Equipment Subject to Lease</b>		
Rental income	152,663	139,244

The Shire leases houses to staff and aged persons with rentals payable fortnightly. These leases are classified as operating leases as they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets. The staff houses are not considered investment property as they are leased for use in the supply of services to the community. The aged persons housing are considered a joint operation and are not considered investment property as the primary purpose is provision of community housing.

Lease payments for some contracts include CPI increases, but there are not other variable lease payments that depend on an index or rate. Although the Shire is exposed to changes in the residual value at the end of the current leases, the Shire typically enters into new operating leases and therefore will not immediately realise any reduction in residual value at the end of these leases. Expectations about the future residual values are reflected in the fair value of the properties.

**MATERIAL ACCOUNTING POLICIES**

**The Shire as Lessor**

Upon entering into each contract as a lessor, the Shire assesses if the lease is a finance or operating lease.

The contract is classified as a finance lease when the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases not within this definition are classified as operating leases. Rental income received from operating leases is recognised on a straight-line basis over the term of the specific lease.

Initial direct costs incurred in entering into an operating lease (eg legal cost, cost to setup) are included in the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

When a contract is determined to include lease and non-lease components, the Shire applies AASB 15 *Revenue from Contracts with Customers* to allocate the consideration under the contract to each component.



**SHIRE OF KULIN**  
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**12. TRADE AND OTHER PAYABLES**

**Current**

Sundry creditors  
 Accrued payroll liabilities  
 ATO liabilities  
 Bonds and deposits held  
 Accrued Expenses  
 ESL Payable

<b>2024</b>	<b>2023</b>
<b>\$</b>	<b>\$</b>
213,644	394,800
54,391	61,101
70,039	160,959
102,486	97,275
72,937	142,498
3,196	1,842
<b>516,693</b>	<b>858,475</b>

**MATERIAL ACCOUNTING POLICIES**

**Financial liabilities**

Financial liabilities are initially recognised at fair value when the Shire becomes a party to the contractual provisions of the instrument.

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Financial liabilities are derecognised where the related obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and any consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

**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 usually 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.

**SHIRE OF KULIN**  
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**FOR THE YEAR ENDED 30 JUNE 2024**

**13. OTHER LIABILITIES**

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
<b>Current</b>		
Capital grant/contributions liabilities	647,119	199,690
	<b>647,119</b>	<b>199,690</b>
<b>Reconciliation of changes in capital grant/contribution liabilities</b>		
Opening balance	199,690	326,996
Additions	647,119	84,513
Revenue from capital grant/contributions held as a liability at the start of the period	(199,690)	(211,819)
	<b>647,119</b>	<b>199,690</b>

Performance obligations in relation to capital grant/contribution liabilities are satisfied as project milestones are met or completion of construction or acquisition of the asset.

**MATERIAL ACCOUNTING POLICIES**

**Capital grant/contribution liabilities**

Capital grant/contribution liabilities represent the Shire's obligations to construct recognisable non-financial assets to identified specifications to be controlled by the Shire which are yet to be satisfied. Capital grant/contribution liabilities are recognised as income when the obligations in the contract are satisfied.

Fair values for non-current capital grant/contribution liabilities, not expected to be extinguished within 12 months, are based on discounted cash flows of expected cashflows to satisfy the obligations using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 25(i)) due to the unobservable inputs, including own credit risk.

**SHIRE OF KULIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**14. BORROWINGS**

	Note	2024			2023		
		Current	Non-current	Total	Current	Non-current	Total
<b>Secured</b>		\$	\$	\$	\$	\$	\$
Bank loans		102,201	682,357	784,558	99,144	784,558	883,702
<b>Total secured borrowings</b>	28(a)	102,201	682,357	784,558	99,144	784,558	883,702

**Secured liabilities and assets pledged as security**

Bank loans are secured by a floating charges over the general funds of the Shire of Kulin.

**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. They are classified as level 3 fair values in the fair value hierarchy (see Note 25(i)) due to the unobservable inputs, including own credit risk.

**Risk**

Details of individual borrowings required by regulations are provided at Note 28(a).

**SHIRE OF KULIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**15. EMPLOYEE RELATED PROVISIONS**

**Employee Related Provisions**

**Current provisions**

**Employee benefit provisions**

Annual leave

Long service leave

**Total current employee related provisions**

**Non-current provisions**

**Employee benefit provisions**

Long service leave

**Total non-current employee related provisions**

**Total employee related provisions**

<b>2024</b>	<b>2023</b>
<b>\$</b>	<b>\$</b>
224,433	186,096
218,384	243,893
442,817	429,989
17,817	44,928
17,817	44,928
460,634	474,917

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave and associated on costs for services rendered up to the reporting date and recorded as an expense during the period the services are delivered.

Annual leave liabilities are classified as current, as there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period.

**MATERIAL ACCOUNTING POLICIES**

**Employee benefits**

The Shire's obligations for employees' annual leave, long service leave and other employee leave entitlements are recognised as employee related provisions in the Statement of Financial Position.

**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 statement of financial position.

**Other long-term employee benefits**

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

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



**SHIRE OF KULIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**16. REVALUATION SURPLUS**

	<b>2024 Opening Balance</b>	<b>Total Movement on Disposal of Assets</b>	<b>2024 Closing Balance</b>	<b>2023 Opening Balance</b>	<b>Total Movement on Revaluation</b>	<b>2023 Closing Balance</b>
	\$	\$	\$	\$	\$	\$
Revaluation surplus - Land and buildings	14,753,878	0	14,753,878	12,162,205	2,591,673	14,753,878
Revaluation surplus - Plant and equipment	1,597,499	(135,696)	1,461,803	1,677,638	(80,139)	1,597,499
Revaluation surplus - Infrastructure roads, footpaths, recreation & other infrastructure	37,546,160	0	37,546,160	79,678,744	(42,132,584)	37,546,160
	53,897,537	(135,696)	53,761,841	93,518,587	(39,621,050)	53,897,537

**SHIRE OF KULIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**17. RESTRICTIONS OVER FINANCIAL ASSETS**

	<b>Note</b>	<b>2024 Actual \$</b>	<b>2023 Actual \$</b>
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	3	749,605	2,169,269
- Financial assets at amortised cost	4	2,437,539	0
		<b>3,187,144</b>	<b>2,169,269</b>
The restricted financial assets are a result of the following specific purposes to which the assets may be used:			
Restricted reserve accounts	29	2,437,539	1,872,304
Capital grant liabilities	13	647,119	199,690
Bonds & deposits held	12	102,486	97,275
<b>Total restricted financial assets</b>		<b>3,187,144</b>	<b>2,169,269</b>

**18. UNDRAWN BORROWING FACILITIES AND CREDIT  
STANDBY ARRANGEMENTS**

Bank overdraft limit			
Bank overdraft at balance date			
Credit card limit		10,000	10,000
Credit card balance at balance date		(9,267)	(5,162)
<b>Total amount of credit unused</b>		<b>733</b>	<b>4,838</b>
<b>Loan facilities</b>			
Loan facilities - current		102,201	99,144
Loan facilities - non-current		682,357	784,558
<b>Total facilities in use at balance date</b>		<b>784,558</b>	<b>883,702</b>
<b>Unused loan facilities at balance date</b>		<b>1,000,000</b>	<b>0</b>

**SHIRE OF KULIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2024**

**19. CONTINGENT LIABILITIES**

The Department of Water and Environmental Regulation (DWER) issued a Category 64 licence for a putrescible landfill in 1997. The burial of putrescible waste ceased in 2009 and the Shire requested an amendment to the licence to replace the Category 64 licence with a Category 63 (Class I inert waste) licence. The Category 63 licence currently has an expiry date of the 18th of July 2026. The Shire is required to provide DWER with a Closure and Rehabilitation Plan when the premises is nearing closure or cessation of prescribed activities. As the Shire is not closing or ceasing the prescribed activities there is no requirement to provide DWER with a Closure and Rehabilitation Plan. At the time the Shire determines that the premises will close and/or cease prescribed activities, notification will be provided to DWER through a licence amendment application or licence surrender application. At that time, the specific circumstances surrounding the closure and rehabilitation of the landfill are reviewed by DWER, and as required, the submission of Closure and Rehabilitation Plan, to ensure that the premises is suitably managed and rehabilitated to prevent impacts to the environment post closure.

The Shire's 25% share in the Bendering Landfill site and the resulting liability for site rehabilitation has previously been disclosed as a contingent liability. This liability has been recorded as part of the net assets of the RoeROC investment in associate in Note 23.

**20. CAPITAL COMMITMENTS**

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
Contracted for:		
- capital expenditure projects	242,308	167,484
- plant & equipment purchases	0	19,594
	<b>242,308</b>	<b>187,078</b>
Payable:		
- not later than one year	242,308	187,078

At 30 June 2024, the Shire had committed \$200,305 for crushing and screening 15,000 tonnes of gravel for the Fence Road North road construction project to be completed in 2024/25. In addition, purchase orders had been written for a number of tourism, recreation and building projects not fully completed at year end.

Prior year capital commitments include \$117,240 in structural repairs to the Kulin Aquatic Centre Slide and \$50,244 for the purchase of playground shades. The Shire had also written a purchase order in July 2022 for a new Toyota Hilux utility with a changeover value after trade of \$19,594. This vehicle had not been delivered at 30 June 2023. Each of these prior year commitments were completed and paid for in 2023/24.

**SHIRE OF KULIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2024**

**21. RELATED PARTY TRANSACTIONS**

**(a) Elected Member Remuneration**

Fees, expenses and allowances to be paid or reimbursed to elected council members.

Note	2024 Actual \$	2024 Budget \$	2023 Actual \$
President's annual allowance	7,700	7,700	7,000
President's meeting attendance fees	5,980	5,060	5,040
President's ICT expenses	0	500	0
	13,680	13,260	12,040
Deputy President's annual allowance	1,925	1,925	1,750
Deputy President's meeting attendance fees	2,990	2,530	2,520
Deputy President's ICT expenses	0	500	0
	4,915	4,955	4,270
All other council member's meeting attendance fees	17,480	17,710	17,010
All other council member's ICT expenses	0	3,500	
All other council member's travel and accommodation expenses	3,642	3,677	4,485
	21,122	24,887	21,495
21(b)	39,717	43,102	37,805

**(b) Key Management Personnel (KMP) Compensation**

The total of compensation paid to KMP of the Shire during the year are as follows:

Short-term employee benefits	730,679	472,648
Post-employment benefits	82,106	65,834
Employee - other long-term benefits	67,068	52,722
Employee - termination benefits	0	244,321
Council member costs	39,717	37,805
21(a)	919,570	873,330

*Short-term employee benefits*

These amounts include all salary and fringe benefits awarded to KMP except for details in respect to fees and benefits paid to council members which may be separately found in the table above.

*Post-employment benefits*

These amounts are the current-year's cost of the Shire's superannuation contributions made during the year.

*Other long-term benefits*

These amounts represent annual leave and long service leave entitlements accruing during the year.

*Termination benefits*

These amounts represent termination benefits paid to KMP (Note: may or may not be applicable in any given year).

*Council member costs*

These amounts represent payments of member fees, expenses, allowances and reimbursements during the year.



**SHIRE OF KULIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2024**

**21. RELATED PARTY TRANSACTIONS**

**Transactions with related parties**

Transactions between related parties and the Shire are on normal commercial terms and conditions, no more favourable than those available to other parties, unless otherwise stated.

No outstanding balances or provisions for doubtful debts or guarantees exist in relation to related parties at year end.

In addition to KMP compensation above the following transactions occurred with related parties:

	<b>2024 Actual</b>	<b>2023 Actual</b>
	<b>\$</b>	<b>\$</b>
Sale of goods and services	14,624	7,258
Purchase of goods and services	306,192	526,689
<b>Amounts outstanding from related parties:</b>		
Trade and other receivables	1,398	0
<b>Amounts payable to related parties:</b>		
Trade and other payables	31,924	27,177

**Related Parties**

**The Shire's main related parties are as follows:**

*i. Key management personnel*

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the Shire, directly or indirectly, including any council member, are considered key management personnel and are detailed in Notes 21(a) and 21(b).

*ii. Other Related Parties*

Any entity that is controlled by or over which KMP, or close family members of KMP, have authority and responsibility for planning, directing and controlling the activity of the entity, directly or indirectly, are considered related parties of the Shire.

Sales and purchases of goods and services to and from related parties were from local businesses controlled by KMP or close family members of KMP, for ordinary activities of the Shire. These transactions were all subject to the Shire's procurement policy

Outside of normal citizen type transactions with the Shire, there were no other related party transactions involving key management personnel and/or their close family members and/or their controlled (or jointly controlled) entities.

*iii. Entities subject to significant influence by the Shire*

There were no such entities requiring disclosure during the current or previous year.

**SHIRE OF KULIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2024**

**22. JOINT ARRANGEMENTS**

**(a) Share of joint operations - Department of Housing**

The Shire of Kulin has joint venture agreements with the Department of Housing for the provision of housing at 25 Johnston Street, 19 Wright Street and 3 Bull Street, Kulin. Ownership of the assets is determined by the property title which includes the percentage of each parties equitable interest. The Shire contributed land, site works and some landscaping and the Department of Housing contributed the funds to construct the buildings. The Shire manages the properties and all rental income and housing expenditure are recorded in the respective line items of the financial statements.

	<b>2024 Actual</b>	<b>2023 Actual</b>
<b>Statement of Financial Position</b>	<b>\$</b>	<b>\$</b>
Land and Buildings	298,640	283,000
Less Accumulated Depreciation	(5,660)	0
<b>Total assets</b>	<b>292,980</b>	<b>283,000</b>
<b>Statement of Comprehensive Income</b>		
Rental income	47,674	41,540
Expenditure on Joint Venture Housing	(73,223)	(56,777)
Depreciation	(5,660)	(5,911)
<b>Profit/(loss) for the period</b>	<b>(31,209)</b>	<b>(21,148)</b>
<b>Statement of Cash Flows</b>		
Rental Income	47,674	41,540
Expenditure on Joint Venture Housing	(73,223)	(56,777)
<b>Net cash provided by (used in) operating activities</b>	<b>(25,549)</b>	<b>(15,237)</b>

**(b) Share of joint operations - Roe Environmental Health Service**

The Shire, together with the Shires of Corrigin, Kondinin, Narembreen & Lake Grace have a joint operation arrangement with regard to the provision of Environmental Health Services. The Shire's interest in the revenue and expenses have been included in the respective line items of the financial statements.

	<b>2024 Actual</b>	<b>2023 Actual</b>
<b>Statement of Financial Position</b>	<b>\$</b>	<b>\$</b>
<b>Statement of Comprehensive Income</b>		
Contribution to Roe EHS	(33,393)	(34,198)
<b>Profit/(loss) for the period</b>	<b>(33,393)</b>	<b>(34,198)</b>
<b>Statement of Cash Flows</b>		
Contribution to Roe EHS	(35,481)	(41,036)
<b>Net cash provided by (used in) operating activities</b>	<b>(35,481)</b>	<b>(41,036)</b>

**MATERIAL ACCOUNTING POLICIES**

**Joint operations**

A joint operation is a joint arrangement where the Shire has joint control with two or more parties to the joint arrangement. All parties to joint arrangement have rights to the assets, and obligations for the liabilities relating to the arrangement.

Assets, liabilities, revenues and expenses relating to the Shire's interest in the joint operation are accounted for in accordance with the relevant Australian Accounting Standard.

**SHIRE OF KULIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2024**

**23. INVESTMENT IN ASSOCIATES**

**(a) Investment in associates**

Set out in the table below are the associates of the Shire. All associates are measured using the equity method. Western Australia is the principal place of business for all associates.

Name of entity	% of ownership interest		2024	2023
	2024	2023	Actual	Actual
Bendering Landfill Facility	25.00%	25.00%	\$ 65,977	\$ 42,199
<b>Total equity-accounted investments</b>			<b>65,977</b>	<b>42,199</b>

**(b) Share of Investment**

The Shire together with the Shires of Corrigin, Kondinin & Narembeen form the Roe Regional Organisation of Councils (RoeROC). The RoeROC was formed to manage the provision of the Bendering Landfill Facility located at Narembeen-Kondinin Road, Kondinin. The Shire has a 25% interest in the investment and has determined that it has significant influence over RoeROC.

Summarised statement of comprehensive income	Note	2024 Actual \$	2023 Actual \$
Revenue		32,000	0
Expenditure		(55,744)	0
Depreciation		(30,343)	(23,590)
Profit/(loss) from continuing operations		(54,087)	(23,590)
Profit/(loss) for the period		(54,087)	(23,590)
Other comprehensive income		161,200	0
Total comprehensive income for the period		107,113	(23,590)
<b>Summarised statement of financial position</b>			
Non-current assets		1,099,322	168,796
Total assets		1,099,322	168,796
Other current liabilities		247,252	0
Total current liabilities		247,252	0
Other non-current liabilities		588,161	0
Total non-current liabilities		588,161	0
Total liabilities		835,413	0
<b>Net assets</b>		<b>263,909</b>	<b>168,796</b>
<b>Reconciliation to carrying amounts</b>			
Opening net assets 1 July		168,796	192,386
Changes in members contributions		(7,090)	0
Profit/(Loss) for the period		(54,087)	(23,590)
Other comprehensive income		161,200	0
Closing net assets 30 June		268,819	168,796
<b>Carrying amount at 1 July</b>		<b>42,199</b>	<b>48,097</b>
- Share of associates net profit/(loss) for the period	23(c)	26,778	(5,898)
- Distribution of equity by associate		(4,773)	0
- Contribution to equity in associate		1,773	0
<b>Carrying amount at 30 June (Refer to Note 23(a))</b>		<b>65,977</b>	<b>42,199</b>

**MATERIAL ACCOUNTING POLICIES**

**Investments in associates**

An associate is an entity over which the Shire has significant influence, that is it has the power to participate in the financial and operating policy decisions of the investee but not control or joint control of those policies.

Investments in associates are accounted for using the equity method. The equity method of accounting, is whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the Shire's share of net assets of the associate. In addition, the Shire's share of the profit or loss of the associate is included in the Shire's profit or loss.

**(c) Share of associates net profit/(loss) for the period**

	2024 Actual \$	2023 Actual \$
Investment in Bendering Landfill Facility	26,778	(5,898)
	<b>26,778</b>	<b>(5,898)</b>

**SHIRE OF KULIN  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2024**

**24. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD**

There were no events occurring after the end of the reporting period that require adjustments to or disclosure in the financial report.



**SHIRE OF KULIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2024**

**25. OTHER MATERIAL ACCOUNTING POLICIES**

**a) 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.

**b) 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.

**c) Rounding off figures**

All figures shown in this annual financial report, other than a rate in the dollar, are rounded to the nearest dollar. Amounts are presented in Australian Dollars.

**d) Comparative figures**

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

When the Shire applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements that has a material effect on the statement of financial position, an additional (third) Statement of Financial Position as at the beginning of the preceding period in addition to the minimum comparative financial report is presented.

**e) Budget comparative figures**

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

**f) 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.

**g) Fair value of assets and liabilities**

Fair value is the price that the Shire would receive to sell the asset or would have to pay to transfer a liability, in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, the market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

**h) Interest revenue**

Interest revenue is calculated by applying the effective interest rate to the gross carrying amount of a financial asset measured at amortised cost except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

**i) Fair value hierarchy**

*AASB 13 Fair Value Measurement* requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurement into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

**Level 1**

Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

**Level 2**

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

**Level 3**

Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

**Valuation techniques**

The Shire selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Shire are consistent with one or more of the following valuation approaches:

**Market approach**

Valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.

**Income approach**

Valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.

**Cost approach**

Valuation techniques that reflect the current replacement cost of the service capacity of an asset.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Shire gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

**j) Impairment of assets**

In accordance with Australian Accounting Standards the Shire's assets, other than inventories, are assessed at each reporting date to determine whether there is any indication they may be impaired.

Where such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount except for non-financial assets that are:

- land and buildings classified as property, plant and equipment;
- infrastructure; or
- vested improvements that the local government controls, in circumstances where there has been an impairment indication of a general decrease in asset values.

These non-financial assets are assessed in accordance with the regulatory framework detailed in Note 10.

Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. *AASB 116 Property, Plant and Equipment*) whereby any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

**SHIRE OF KULIN  
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FOR THE YEAR ENDED 30 JUNE 2024**

**26. RATING INFORMATION**

**(a) General Rates**

RATE TYPE	Rate Description	Basis of valuation	Number of Properties	2023/24 Actual Rateable Value*	2023/24 Actual Rate Revenue	2023/24 Actual Interim Rates	2023/24 Actual Total Revenue	2023/24 Budget Rate Revenue	2023/24 Budget Interim Rate	2023/24 Budget Total Revenue	2022/23 Actual Total Revenue
(i) General rates	Residential	Gross rental valuation	136	1,371,292	147,140	0	147,140	147,140	0	147,140	138,708
	Industrial	Gross rental valuation	12	115,440	12,387	0	12,387	12,387	0	12,387	11,643
	Commercial	Gross rental valuation	28	434,978	46,673	46	46,719	46,673	0	46,673	43,827
	Rural	Gross rental valuation	11	101,712	10,914	56	10,970	10,914	0	10,914	10,258
	Rural	Unimproved valuation	344	296,773,500	2,140,330	381	2,140,711	2,140,329	0	2,140,329	2,013,567
	Mining	Unimproved valuation	0	0	0	0	0	0	0	0	495
	<b>Total general rates</b>		531	298,796,922	2,357,444	483	2,357,927	2,357,443	0	2,357,443	2,218,498
	<b>Minimum Payment</b>										
(ii) Minimum payment	Residential	Gross rental valuation	9	11,174	4,680	0	4,680	4,680		4,680	4,404
	Industrial	Gross rental valuation	6	11,905	3,120	0	3,120	3,120		3,120	2,936
	Commercial	Gross rental valuation	4	8,280	2,080	0	2,080	2,080		2,080	1,958
	Rural	Gross rental valuation	7	8,125	3,640	0	3,640	3,640		3,640	3,426
	Rural	Unimproved valuation	16	652,200	8,319	0	8,319	8,319		8,319	7,830
	Mining	Unimproved valuation	34	373,318	17,679	717	18,396	17,679		17,679	16,536
	<b>Total minimum payments</b>		76	1,065,002	39,518	717	40,235	39,518	0	39,518	37,090
	<b>Total general rates and minimum payments</b>		607	299,861,924	2,396,962	1,200	2,398,162	2,396,961	0	2,396,961	2,255,588
(iii) Ex-gratia Rates	CBH										
	<b>Total amount raised from rates (excluding general rates)</b>		0	0	27,235	0	27,235	27,235	0	27,235	25,633
	Discounts										
	Concessions & Write offs										
	<b>Total Rates</b>										
Rate instalment interest											
Rate overdue interest											

The rate revenue was recognised from the rate record as soon as practicable after the Shire resolved to impose rates in the financial year as well as when the rate record was amended to ensure the information in the record was current and correct.

\*Rateable Value at time of raising of rate.

**SHIRE OF KULIN**  
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**27. DETERMINATION OF SURPLUS OR DEFICIT**

		<b>2023/24</b> <b>(30 June 2024</b> <b>Carried Forward)</b>	<b>2023/24</b> <b>Budget</b> <b>(30 June 2024</b> <b>Carried Forward)</b>	<b>2022/23</b> <b>(30 June 2023</b> <b>Carried Forward)</b>
	<b>Note</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>(a) Non-cash amounts excluded from operating activities</b>				
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 <i>Financial Management Regulation 32</i> .				
<b>Adjustments to operating activities</b>				
Less: Profit on asset disposals		(60,733)	(34,212)	(66,221)
Less: Non-cash grants and contributions for assets		(10,000)	0	0
Less: Fair value adjustments to financial assets at fair value through profit or loss		(1,681)	0	(3,686)
Less: Share of net profit of associates and joint ventures accounted for using the equity method		(26,778)	0	5,898
Add: Loss on disposal of assets		0	0	72,222
Add: Impairment of Plant and Equipment	8(a)	8,329	0	0
Add: Depreciation	10(a)	3,411,162	3,159,688	3,203,930
Non-cash movements in non-current assets and liabilities:				
Employee benefit provisions		(27,111)	0	(5,023)
Inventory		41,000	0	0
<b>Non-cash amounts excluded from operating activities</b>		<b>3,334,188</b>	<b>3,125,476</b>	<b>3,207,120</b>
<b>(b) Surplus or deficit after imposition of general rates</b>				
The following current assets and liabilities have been excluded from the net current assets used in the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.				
<b>Adjustments to net current assets</b>				
Less: Reserve accounts	29	(2,437,539)	(2,203,666)	(1,872,304)
Add: Current liabilities not expected to be cleared at end of year				
- Current portion of borrowings	14	102,201	0	99,144
<b>Total adjustments to net current assets</b>		<b>(2,335,338)</b>	<b>(2,203,666)</b>	<b>(1,773,160)</b>
<b>Net current assets used in the Statement of Financial Activity</b>				
Total current assets		6,940,930	3,242,020	4,427,271
Less: Total current liabilities		(1,708,830)	(1,020,125)	(1,587,298)
Less: Total adjustments to net current assets		(2,335,338)	(2,203,666)	(1,773,160)
<b>Surplus or deficit after imposition of general rates</b>		<b>2,896,762</b>	<b>18,229</b>	<b>1,066,813</b>

**SHIRE OF KULIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**28. BORROWING AND LEASE LIABILITIES**

**(a) Borrowings**

Purpose	Actual					Budget				
	Note	Principal at 1 July 2022	New Loans During 2022-23	Principal Repayments During 2022-23	Principal at 30 June 2023	New Loans During 2023-24	Principal Repayments During 2023-24	Principal at 30 June 2024	Principal at 1 July 2023	New Loans During 2023-24
		\$	\$	\$	\$	\$	\$	\$	\$	\$
Administration Buidling		979,881	0	(96,179)	883,702	0	(99,144)	784,558	883,702	0
<b>Total</b>		979,881	0	(96,179)	883,702	0	(99,144)	784,558	883,702	0
<b>Borrowing Finance Cost Payments</b>										
Purpose	Loan Number	Institution	Interest Rate	Date final payment is due	Actual for year ending 30 June 2024	Budget for year ending 30 June 2024				
Administration Buidling	1	WA Treasury Corporation	3.06%	10/06/2031	(32,061)	(32,626)				
<b>Total</b>					(32,061)	(32,626)				
<b>Total Finance Cost Payments</b>					(32,061)	(32,626)				

\* WA Treasury Corporation

**(b) New Borrowings - 2023/24**

Particulars/Purpose	Institution	Loan Type	Term Years	Interest Rate %	Amount Borrowed 2024		Amount (Used) 2024	
					Actual	Budget	Actual	Budget
					\$	\$	\$	\$
Cash Management for Infrastructure Programs	WA Treasury Corporation	Short-term Lending Facility	0.75	*	0	0	0	0
					0	0	0	0

\* Interest rate will be determined at time of draw down.

**(c) Unspent Borrowings**

Particulars	Institution	Date Borrowed	Unspent Balance 1 July 2023	Borrowed During Year	Expended During Year	Unspent Balance 30 June 2024
			\$	\$	\$	\$
Cash Management for Infrastructure Programs	WA Treasury Corporation	27/03/2024	0	1,000,000	0	1,000,000
			0	1,000,000	0	1,000,000

\* WA Treasury Corporation



**SHIRE OF KULIN  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2024**

**29. RESERVE ACCOUNTS**

**Restricted by Council**

	2024 Actual Opening Balance	2024 Actual Transfer to	2024 Actual Transfer (from)	2024 Actual Closing Balance	2024 Budget Opening Balance	2024 Budget Transfer to	2024 Budget Transfer (from)	2024 Budget Closing Balance	2023 Actual Opening Balance	2023 Actual Transfer to	2023 Actual Transfer (from)	2023 Actual Closing Balance
(a) Leave reserve	364,335	91,245	(50,000)	405,580	364,335	86,185	(25,000)	425,520	439,796	14,539	(90,000)	364,335
(b) Plant reserve	45,171	330,458	0	375,629	45,171	329,435	0	374,606	351,725	9,146	(315,700)	45,171
(c) Building reserve	393,241	119,768	0	513,009	393,241	22,143	(25,000)	390,384	535,537	17,704	(160,000)	393,241
(d) Admin Equipment reserve	30,383	51,527	0	81,910	30,383	51,216	0	81,599	29,411	972	0	30,383
(e) Natural Disaster reserve	148,362	6,669	(65,000)	90,031	148,362	5,938	(90,000)	64,300	143,614	4,748	0	148,362
(f) Joint Venture Housing reserve	79,147	3,978	0	83,125	79,147	3,168	(30,000)	52,315	76,614	2,533	0	79,147
(g) FRC Surface & Equipment reserve	44,573	2,241	0	46,814	44,573	1,784	0	46,357	43,147	1,426	0	44,573
(h) Medical Services reserve	119,855	6,024	0	125,879	119,855	4,797	(25,000)	99,652	116,019	3,836	0	119,855
(i) Fuel Facility reserve	9,261	20,466	0	29,727	9,261	21,172	0	30,433	52,525	1,736	(45,000)	9,261
(j) Sportsperson Scholarship reserve	14,199	714	0	14,913	14,199	568	0	14,767	13,745	454	0	14,199
(k) Freebairn Recreation reserve	215,076	10,812	0	225,888	215,076	8,608	(50,000)	173,684	208,194	6,882	0	215,076
(l) Short Stay Accommodation reserve	280,117	14,081	0	294,198	280,117	11,205	(25,000)	266,322	273,000	7,117	0	280,117
(m) Bendering Tip Rehabilitation reserve	128,584	6,463	0	135,047	128,584	5,143	0	133,727	0	128,584	0	128,584
(n) Independent Water reserve	0	50,789	(35,000)	15,789	0	50,000	0	50,000	0	0	0	0
	1,872,304	715,235	(150,000)	2,437,539	1,872,304	601,362	(270,000)	2,203,666	2,283,327	199,677	(610,700)	1,872,304

All reserves are supported by cash and cash equivalents and financial assets at amortised cost and are restricted within equity as Reserve accounts.

In accordance with Council resolutions or adopted budget in relation to each reserve account, the purpose for which the reserves are set aside and their anticipated date of use are as follows:

<b>Name of reserve account</b>	<b>Purpose of the reserve account</b>
<b>Restricted by council</b>	
(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) Admin 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 & Equipment 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 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 Rehabilitation reserve	to fund the rehabilitation of the Bendering tip site
(n) Independent Water reserve	to fund the replacement and maintenance of water infrastructure within the Shire



# Auditor General

## INDEPENDENT AUDITOR'S REPORT

2024

Shire of Kulin

To the Council of the Shire of Kulin

### Opinion

I have audited the financial report of the Shire of Kulin (Shire) which comprises:

- the statement of financial position as at 30 June 2024, the statement of comprehensive income, statement of changes in equity, statement of cash flows and statement of financial activity for the year then ended
- notes comprising a summary of material accounting policies and other explanatory information.

In my opinion, the financial report:

- is based on proper accounts and records
- presents fairly, in all material respects, the results of the operations of the Shire for the year ended 30 June 2024 and its financial position at the end of that period
- is in accordance with the *Local Government Act 1995* (the Act) and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards.

### Basis for opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial report section below.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### Other information

The Chief Executive Officer (CEO) is responsible for the preparation and the Council for overseeing the other information. The other information is the information in the entity's annual report for the year ended 30 June 2024, but not the financial report and my auditor's report.

My opinion on the financial report does not cover the other information and accordingly, I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I did not receive the other information prior to the date of this auditor's report. When I do receive it, I will read it and if I conclude that there is a material misstatement in this information, I am required to communicate the matter to the CEO and Council and request them to correct the misstated information. If the misstated information is not corrected, I may need to retract this auditor's report and re-issue an amended report.

## **Responsibilities of the Chief Executive Officer and Council for the financial report**

The Chief Executive Officer (CEO) of the Shire is responsible for:

- keeping proper accounts and records
- preparation and fair presentation of the financial report in accordance with the requirements of the Act, the Regulations and Australian Accounting Standards
- managing internal control as required by the CEO to ensure the financial report is free from material misstatement, whether due to fraud or error.

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In preparing the financial report, the CEO is responsible for:

- assessing the Shire's ability to continue as a going concern
- disclosing, as applicable, matters related to going concern
- using the going concern basis of accounting unless the State Government has made decisions affecting the continued existence of the Shire.

The Council is responsible for overseeing the Shire's financial reporting process.

## **Auditor's responsibilities for the audit of the financial report**

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial report. The objectives of my audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

A further description of my responsibilities for the audit of the financial report is located on the Auditing and Assurance Standards Board website. This description forms part of my auditor's report and can be found at [https://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf).

## **My independence and quality management relating to the report on the financial report**

I have complied with the independence requirements of the *Auditor General Act 2006* and the relevant ethical requirements relating to assurance engagements. In accordance with ASQM 1 Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements, the Office of the Auditor General maintains a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

## **Matters relating to the electronic publication of the audited financial report**

This auditor's report relates to the financial report of the Shire of Kulin for the year ended 30 June 2024 included in the annual report on the Shire's website. The Shire's management is responsible for the integrity of the Shire's website. This audit does not provide assurance on the integrity of the Shire's website. The auditor's report refers only to the financial report. It does not provide an opinion on any other information which may have been hyperlinked to/from the annual report. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to contact the Shire to confirm the information contained in the website version.

*Mark Ambrose*

Mark Ambrose  
Senior Director Financial Audit  
Delegate of the Auditor General for Western Australia  
Perth, Western Australia  
6 December 2024





# Shire of Kulin

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