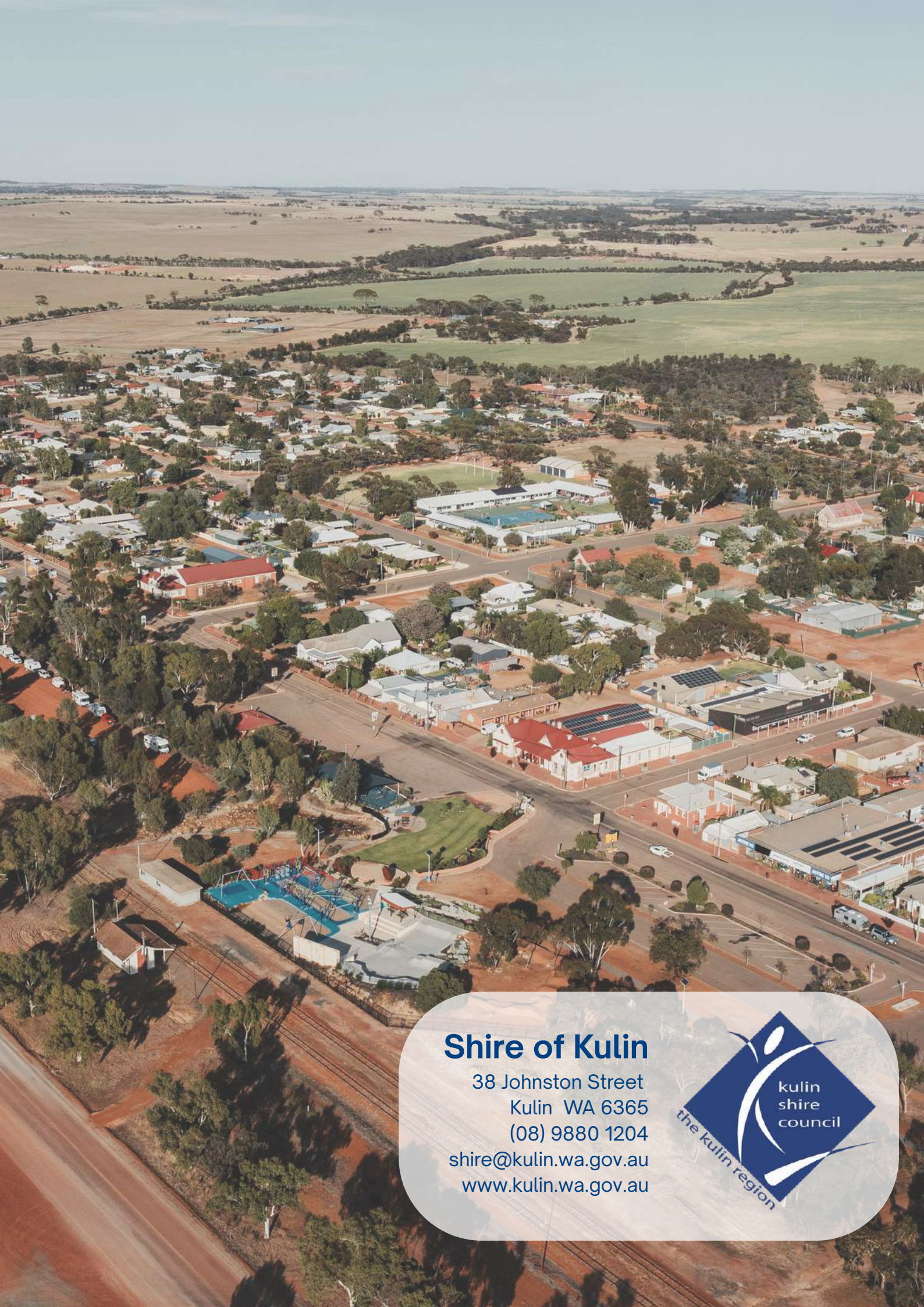


SHIRE OF KULIN
2024-25

ANNUAL
REPORT





Shire of Kulin

38 Johnston Street

Kulin WA 6365

(08) 9880 1204

shire@kulin.wa.gov.au

www.kulin.wa.gov.au



Contents

Introduction to the Shire of Kulin	4
President's Report	6
Chief Executive Officer's Report	8
Our Team	10
Strategic Community Plan	13
Major Projects 2024-2025	15
Major Initiatives Planned for 2025-2026	15
Statutory Statements	17
Financial Statements	18
Independent Auditor's Report	58

Introduction to the Shire of Kulin

The progressive and vibrant community of Kulin is located 280 km southeast of Perth in the Central Wheatbelt. The Kulin region comprises four townsites: Kulin, Pingaring, Dudinin, and Holt Rock. The Shire of Kulin is easily accessible, with a high standard of transport infrastructure that includes 240 km of sealed roads and 1,202 km of unsealed roads.

Local industry in the Shire is primarily based on broadacre farming, with wheat, barley, canola, oats and lupins being the main crops, alongside sheep and cattle production. This agricultural focus supports a thriving regional economy and contributes to the strong sense of community within the Shire.

The Shire of Kulin offers a wide range of quality community services. Health and well-being are supported through local doctor and health centre services, as well as visiting primary health specialists. Families benefit from child care services and educational opportunities through Kulin District High School.

Sport and recreation play a central role in community life. Residents have access to modern facilities, including indoor netball and basketball courts, well-maintained football, hockey, and cricket ovals, a competition-sized bowling rink, newly resurfaced tennis courts, and an 18-hole golf course. The Shire is home to the largest waterslide in regional Australia at its modern Aquatic Centre, a well equipped gymnasium with 24-hour access, and outdoor facilities such as a pump track, skate park, and ninja warrior course.

Kulin offers a variety of local amenities to meet the needs of residents and visitors. These include a community bank, supermarket, hotel, cafe, mechanics, tyre service, hardware stores, post office, library, beauty therapist, and hairdressers. Community engagement is further enhanced by numerous sporting groups, hobby and interest groups, and service organisations, creating a welcoming and active environment for all.

Tourism is an important part of the Shire, with attractions such as the Tin Horse Highway, an open-air art gallery, and high-quality tourist amenities. Visitors can enjoy our Caravan Park, a 72-hour RV stop in Kulin, additional RV stops in Holt Rock and Pingaring, clean visitor amenities, and an RV Dump Point. The accredited Visitor Centre and Community Resource Centre provides information to help visitors explore the region and connect with the community.

The Shire of Kulin hosts significant annual events that attract visitors from across the region. Key events include the Kulin Bush Races and Blazing Swan, which celebrate the local culture, community spirit, and unique artistic expression. These events, combined with the Shire's services, facilities, and attractions, make Kulin a dynamic and inviting place to live, work, and visit.



Our Vision

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

For the Shire of Kulin to play a significant role in assisting the community to achieve this vision, it will be: A professional and progressive organisation where people enjoy working together to serve the community to achieve this vision, it will be: A professional and progressive organisation where people enjoy working together to serve the community

President's Report



The Shire of Kulin continues to build a resilient, forward-looking community, strengthening essential services, investing in strategic growth, and delivering practical, people-focused solutions that ensure our district remains a vibrant place to live, work, and visit.

It gives me great pleasure to present the Shire of Kulin's Annual Report for the 2024/2025 financial year. This year marks another successful chapter in Kulin's ongoing story of steady progress, sound governance, and community-driven leadership. Council has continued to build upon its solid foundation, maintaining high-quality infrastructure and services while responding to emerging challenges.

The Shire of Kulin continues to be recognised for the quality of its essential infrastructure and services. Our extensive road network, recreation facilities, and community amenities are well maintained and improved each year. Ongoing investment in road renewal, supported by state and federal partnerships, ensures safe and efficient connectivity for residents, businesses, and visitors. The Freebairn Recreation Centre and Kulin Aquatic Centre remain invaluable community hubs, offering strong social and health benefits. Continued maintenance and planning for future upgrades ensure these facilities remain modern, safe, and accessible.

During the year, Council faced a significant challenge in reviewing the delivery of local medical services. After careful consideration, and with the community's best interests at heart, Council made the difficult but necessary decision to discontinue its partnership with the Shire of Kondinin. This allowed the Shire to secure more reliable General Practitioner services through a new arrangement with St Luke's Family Practice, maintaining the long-standing provision of two GP days per week. This outcome reflects Council's commitment to safeguarding essential healthcare access in a challenging regional environment. Childcare also remains a cornerstone of community wellbeing and economic participation. Reliable childcare supports local employment, business continuity, and population stability, and Council will continue to advocate for long-term sustainability in this area.

The year highlighted the increasing cost and complexity of compliance and risk management across local government. While these requirements are important, they continue to divert limited resources away from community projects and infrastructure. Council remains committed to transparency and accountability, but acknowledges the strain these obligations place on discretionary funding. This reinforces the need for efficiency, shared service models, and ongoing advocacy for fairer funding arrangements for rural communities.

Kulin's economy continues to be supported by agriculture, tourism, and local enterprise. Council remains focused on maintaining and improving conditions that allow these sectors to thrive. Work on the Restricted Access Vehicle Network continues to ensure safe and practical heavy-vehicle access, supporting freight, farming, and industry needs. Tourism also remains a key contributor to local diversification. The Shire continues to support the Tin Horse Highway, Kulin Bush Races, and other initiatives that strengthen the town's visitor economy, with signage, infrastructure improvements, and event support helping position Kulin as a vibrant and welcoming destination.

Council has continued to stimulate housing and investment, particularly for key workers and seasonal employees who are vital to local businesses and services. Encouraging development through flexible planning policies and support for builders and investors has been a focus. The past 12–18 months have seen renewed confidence in the property market, with strong movement in residential and rural-residential land sales. This positive trend highlights the district's appeal and the strength of the community. Council now faces the challenge of planning for future land development to ensure ongoing availability of housing for new families and residents choosing to call Kulin home. Progress on reviewing the Local Planning Scheme, aligned with the RoeROC Combined Local Planning Strategy, continues to reduce barriers to development and enable future growth. RoeROC itself has strengthened through collaborative efforts in shared services, regional housing, and strategic advocacy, demonstrating the advantages of regional cooperation.

Water security remains a strategic priority. The Pingaring Water Infrastructure Projects, including transfer of the Pingaring Tank, inlet upgrades, and catchment improvements under the DWER Community Water Supply Program, reinforce Council's commitment to drought resilience, emergency water access, and long-term sustainability in the face of changing climatic conditions.

The fabric of the Kulin community continues to be strengthened by the dedication of its volunteers. Council extends sincere appreciation to local Bush Fire Brigades, St John Ambulance, sporting associations, and numerous community volunteers who contribute their time and energy selflessly. Their service underpins the district's safety, wellbeing, and community spirit. Council also acknowledges the vital partnership with DFES and other agencies in enhancing preparedness, capacity, and resilience across the Shire.

Looking ahead, the review and adoption of the Shire of Kulin Strategic Community Plan 2025–2035 reaffirms the community's long-term vision for a progressive, connected, and sustainable future. Council remains focused on balancing financial sustainability with community aspirations while maintaining the high standards expected of local government.

I extend my sincere thanks to my fellow Elected Members for their professionalism, integrity, and dedication to the community of Kulin. Together, we have navigated complex decisions with respect, openness, and a shared commitment to the district's best interests. I also thank our Chief Executive Officer, Mr Alan Leeson, and the Shire staff for their commitment and teamwork across all service areas. Their efforts form the foundation of Council's achievements. Finally, I acknowledge our volunteers, local businesses, and community groups for their passion and pride in Kulin. Their spirit of collaboration and community ownership continues to make the Shire an outstanding place to live and visit.

Grant Robins, Shire President

Chief Executive Officer's Report



Guided by sound fiscal management and strategic priorities, the Shire of Kulin continues to strengthen its roads, facilities and essential services, ensuring long-term sustainability for the community.

The 2024/2025 financial year has been another year of achievement for the Shire of Kulin, guided by principles of sound fiscal management, strategic investment in core infrastructure, and a commitment to maintaining high quality services and facilities across the district. Council's approach has been deliberate and disciplined balancing the delivery of major capital projects with the day-to-day services that support our residents and underpin the liveability of our towns.

Fiscal Management and Sustainability

Fiscal responsibility continues to be a cornerstone of our operations. Despite cost escalation pressures in the construction sector, increases in materials and plant costs, and the broader challenges facing local government across Western Australia, the Shire has managed its finances prudently.

The annual budget has been carefully balanced to ensure operating sustainability, while at the same time progressing significant capital works programs. Long-term financial planning, supported by detailed asset management strategies, has ensured that the community's investments are not only maintained but enhanced for future generations.

Roads and Transport Infrastructure

As always, roads remain one of Council's highest priorities. The Shire of Kulin manages an extensive network that is central to the functioning of local agriculture, freight movement, and community connectivity.

In 2024/2025, Council delivered another significant program of road construction, resealing and widening. Projects funded through the Wheatbelt South Regional Road Group and Roads to Recovery have been successfully completed, improving safety and extending the lifespan of our key transport routes.

The Shire also achieved important progress under the Wheatbelt Secondary Freight Network (WSFN) program, with the upgrade of Fence Road. This investment has strengthened a critical east-west freight corridor, providing safer and more efficient passage for oversized and heavy vehicles, and ensuring that Kulin remains well connected to regional markets and supply chains. Notably, works along Kulin-Holt Rock Road and other regional freight routes have contributed to improving heavy haulage efficiency, ensuring that our road network remains capable of supporting the agricultural sector and broader Wheatbelt economy.

New Works and Services Centre

A highlight of the year has been the completion of the new Shire Works and Services Centre. This project is a landmark investment for the community, providing a fit for purpose facility that will support the delivery of local government services well into the future.

The new Centre will consolidate operations, improve safety and efficiency for staff, and provide the Shire with modern infrastructure to manage plant, equipment and works programs. This development reflects Council's forward-looking approach to asset renewal, ensuring that our workforce is equipped to meet the demands of an evolving community.

Community Services and Amenities

While roads and capital projects have been front of mind, Council has not lost sight of the importance of everyday services and community amenity. The Freebairn Recreation Centre continues to provide a hub for sport and recreation, supported by ongoing investment into facility upgrades and asset management planning. The aquatic centre remains a vital community service, offering health, wellbeing and lifestyle benefits.

Our commitment to well-maintained gardens, streetscapes, playgrounds and public open space ensures our communities retain their character and continue to be places that residents are proud to call home.

Further investment in water infrastructure including projects at Pingaring Rock and new drought resilience initiatives highlight Council's focus on sustainable water management, which is critical in supporting both amenity and emergency water supplies across the Shire.

Governance, Partnerships and Regional Leadership

The Shire of Kulin continues to be active in regional forums, recognising that many challenges from workforce housing shortages, to health services, to major road funding are best tackled collaboratively.

Through RoeROC, the Shire has worked closely with member Shires (Corrigin, Kondinin & Narembeen) on key initiatives such as strategic planning and key worker housing. Active participation in the Wheatbelt South Regional Road Group (RRG) has ensured that Kulin Shires transport priorities are clearly understood and supported at a regional level.

Importantly, the Shire has also remained an engaged member of the WALGA Central Country Zone, contributing to state-level advocacy on issues such as local government reform, funding sustainability, and essential service delivery in rural communities. These forums strengthen the Shire's ability to influence decisions that affect not only Kulin but the wider Wheatbelt.

Strategic planning has also remained a focus, with Council finalising the new Strategic Integrated Plan 2025–2035. This document will serve as a blueprint for future decision-making, aligning community aspirations with practical strategies and measurable outcomes.

Acknowledgements

The achievements of the past year would not have been possible without the dedicated leadership of Council's elected members. I extend my sincere thanks to the Shire President Cr Grant Robins, Deputy Shire President Cr Brad Smoker and all Councillors for their support and commitment to serving the community.

Equally, I acknowledge the professionalism and hard work of the Shire's staff. From our Executive Management team, outside works crew delivering critical road projects, to our administration staff managing governance and community services, and importantly our childcare, recreation and aquatic services staff who provide vital community programs and support, each team member plays a vital role in ensuring that the Shire of Kulin continues to thrive.

Alan Leeson, Chief Executive Officer

Elected Members



Cr Grant Robins
President
Term Expiry: 2027



Cr Brad Smoker
Deputy President
Term Expiry: 2025



Cr Robbie Bowey
Councillor
Term Expiry: 2027



Cr Jarron Noble
Councillor
Term Expiry: 2027



Cr Clinton Mullan
Councillor
Term Expiry: 2025



Cr Michael Lucchesi
Councillor
Term Expiry: 2025



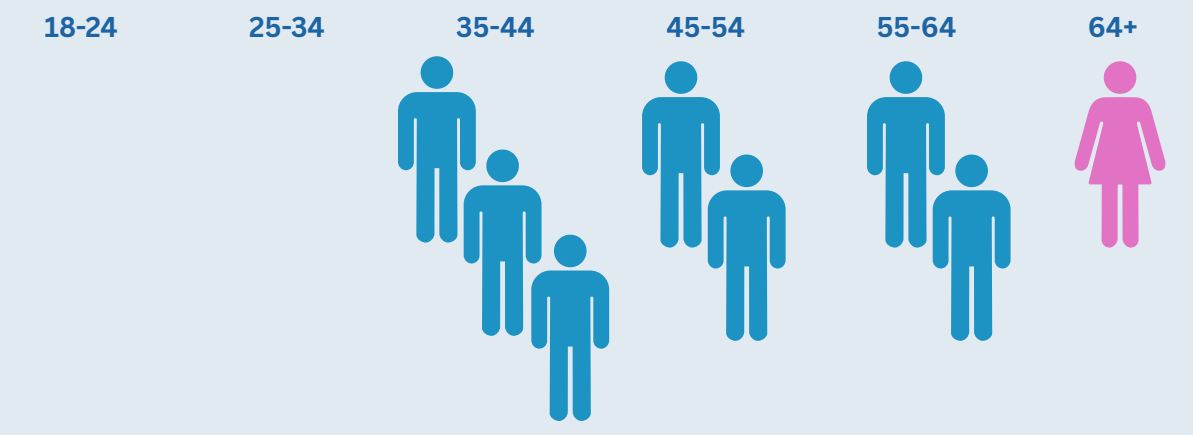
Cr Troy Gangell
Councillor
Term Expiry: 2025



Cr Brad Miller
Councillor
Term Expiry: 2027

Elected Member Diversity Data

The Council comprised seven male and one female elected members in the following age ranges:



Elected Member Meeting Attendance

The number of Council and Committee Meetings attended by Elected Members during 2024/25 is outlined below:

Elected Member	Council Meetings	Audit & Risk Committee Meetings
Cr Grant Robins	11	4
Cr Brad Smoker	10	4
Cr Robbie Bowey	11	4
Cr Troy Gangell	10	2
Cr Michael Lucchesi	8	3
Cr Brad Miller	9	4
Cr Clinton Mullan	10	2
Cr Jarron Noble	11	4

Elected Members Fees & Allowances

In accordance with regulation 19BD of the Local Government (Administration) Regulations 1996 the following table outlines fees, expenses and allowances paid to elected members in 2024/25.

Elected Member	Presidents/Deputy President Allowance	Meeting Fees	Travel Allowance
Cr Grant Robins	\$8,000	\$5,520	0
Cr Brad Smoker	\$2,000	\$2,530	0
Cr Robbie Bowey	0	\$2,760	\$561
Cr Troy Gangell	0	\$2,530	0
Cr Michael Lucchesi	0	\$2,070	\$275
Cr Brad Miller	0	\$2,300	\$611
Cr Clinton Mullan	0	\$2,300	\$739
Cr Jarron Noble	0	\$2,760	\$174

Executive Management Team



Alan Leeson
Chief Executive
Officer



Fiona Murphy
Executive Manager
Financial Services



Judd Hobson
Executive Manager
Works



Taryn Scadding
Executive Manager
Community Services



Cassi Lewis
Executive Manager
Governance & Risk

Employee Remuneration Disclosure

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

Salary Range	Number of Employees
\$150,000 - \$159,000	1
\$180,000 - \$189,999	1
\$190,000 - \$199,999	1

Remuneration provided to Chief Executive Officer

The Shire of Kulin’s Chief Executive Officer was provided with a total remuneration package of \$275,299 in the 2024/25 financial year. The total remuneration package comprises base salary, superannuation, housing, personal benefit of motor vehicle, allowances, fringe benefits tax and memberships.

Strategic Community Plan

The Strategic Community Plan 2025 (Kulin SCP 25) is based on a shared vision between the Shire's communities (Kulin, Dudinin, Holt Rock and Pingaring) and Council for the Shire of Kulin local government area. It focuses on a 4-year period from 2021 to 2025, as well as a long-term plan (2021 – 2031) that sets out the communities' vision and Council's strategies to achieve it. The terminology Kulin SCP 25 focuses on 2025 being the final year of this plan with 25 being a recurring theme throughout the Integrated Planning (IPR) documents. IPR documents help local governments set the community's vision, plan how resources are used, and track progress. These documents include a Strategic Community Plan, a Corporate Business Plan, and a long-term plan for the future.

Kulin SCP 25 is the culmination of a process of identifying current and emerging issues facing the communities within the Shire, as well as making approaches to improve the overall wellbeing of the Council area. It is a collective community vision that focuses not only on the physical infrastructure but also on the ideals of the community, way of living, doing business and the sense of community and wellbeing. The aim of the Kulin SCP 25 process was to allow the whole community to share in their vision for the Shire of Kulin, by outlining the strategic priorities, community captured initiatives, endorsed projects and broad strategies related to their achievement. The Kulin SCP 25 document belongs to the community and the community engagement process provided opportunities to participate in achieving determining the Kulin SCP 25 – Strategic Priorities.

In June 2025 Kulin Shire Council adopted the Strategic Integrated Plan 2025-2035.

Achievements of the Strategic Community Plan 2025

Economic	<ul style="list-style-type: none">• Kulin Caravan Park Upgrades• RV 72 Hour free parking• Advocacy for Telecommunications• Member of Wheatbelt Secondary Freight Network• Development of Visit Kulin Branding• Supporting Kulin Child Care Centre to assist local families work in the region
Community	<ul style="list-style-type: none">• Kulin Aquatic Centre and Waterslide upgrades• Freebairn Recreation Centre Court Resurfacing• Hockey and Bowling Club Lighting• Kulin Tennis Club Court Resurfacing• All Ages Precinct• Footpath improvements
Environment	<ul style="list-style-type: none">• Community Garden• Solar Panels at Freebairn Recreation Centre and Shire of Kulin Administration building• Water catchment improvements• Installation of Generator at Emergency Services Building
Civic Leadership	<ul style="list-style-type: none">• Annual Compliance Audit Returns submitted• Audits successfully completed by Auditor General• Asset Revaluations undertaken• Social media presence to promote Council awareness in community• Staff and Councillor training

Strategic Integrated Plan

The Shire of Kulin Strategic Integrated Plan 2025-2035 focuses on a long-term plan (2025– 2035) and 4yr Delivery Plan (2025/26 – 30/31) that sets out Council’s strategies to achieve it.

Strategic Priorities

From the voices of the community in 2025 the following priorities were highlighted as the most important and have been continued into the Strategic Integrated Plan:

ECONOMIC	COMMUNITY
<ul style="list-style-type: none"> ▪ Roads can accommodate the freight task ▪ Housing options and availability ▪ Reliable power at telecommunication towers ▪ Delivery of events that are not relied upon by volunteers ▪ Main street aesthetics ▪ Activation of Shire owned assets ▪ Building the visitor experience ▪ Assembly of residential and industrial land ▪ Childcare services 	<ul style="list-style-type: none"> ▪ Population retention and attraction ▪ Retention and succession of volunteers to lead community and business groups ▪ Joint partnerships with sports clubs for renewal or upgrade to recreation facilities ▪ Facilitation of visiting primary health care and retention of a GP service
ENVIRONMENT	CIVIC LEADERSHIP
<ul style="list-style-type: none"> ▪ Disaster preparedness and response ▪ Water infrastructure and supply ▪ Waste management in outlying towns 	<ul style="list-style-type: none"> ▪ Attraction and retention of skilled local workforce ▪ Collaboration amongst ROEROC ▪ Cybersecurity ▪ Technology integration into Council processes and services

There are four strategic pillars to our Strategic Integrated Plan. Within each pillar, there is a statement of strategic outcome and there are details of what we will focus on (strategic priorities), aside from our ‘business as usual’ approach and desire for continuous improvement. We will report against the strategic priorities.

Strategic Pillar	Economy	Community	Environment	Civic Leadership
Statement of Strategic Outcome	<i>Key enabling infrastructure and services to support the local and regional economy.</i>	<i>Our communities have a sustainable population, whilst maintaining our community values.</i>	<i>Protection of the natural and built environment for future generations.</i>	<i>Responsible, accountable and transparent leadership to deliver our priorities</i>

Major Projects 2024-2025

The 2024/25 financial year has been a landmark period for the Shire of Kulin, with significant capital projects enhancing infrastructure, services, and community facilities. Highlights include the completion of the new Shire Works and Services Centre, major road construction and upgrades across the district, and key improvements to regional freight routes such as Fence Road and Kulin–Holt Rock Road. Strategic investments in water infrastructure at Pingaring Rock have also strengthened drought resilience and emergency water access. These projects reflect Council’s commitment to building a modern, connected, and resilient community for current and future generations.

Two major capital road upgrades were completed in 2024/25:

- Kulin-Holt Rock Road – 9km was upgraded from gravel to an 8m-wide sealed surface. This project, 80% funded through the Federal Government’s Remote Roads Upgrade Pilot Program, marks the completion of a 24.4km sealed section, greatly improving east-west connectivity for users in the eastern part of the Shire.
- Rabbit Proof Fence Road – 7km north of the Williams-Kondinin Road was upgraded using Wheatbelt Secondary Freight Network funding.

With these and other capital road projects, a total of \$4.37m was spent upgrading roads throughout the Shire during the year.

Other key projects delivered during the year include:

- Resurfacing of the Kulin tennis courts
- Construction of a new walk path connecting Kulin town to the Macrocarpa Trail
- Upgrade of the slide splash pool at the Kulin Aquatic Centre
- Kitchen and changeroom refurbishments at the Freebairn Recreation Centre
- Redevelopment of the old skate park into a recreational zone for Free RV area visitors
- Installation of new air-conditioning at the Pingaring Golf Club
- Installation of a toilet at the Kulin Cemetery

Capital Grants, Subsidies & Contributions

As per regulation 19BE of the Local Government (Administration) Regulations 1996, below are the amounts of capital grants, subsidies and contributions received by the Shire of Kulin in the last three financial years for replacing and renewing assets.

Financial year 2024/25
\$1,535,021
Financial Year 2023/24
\$759,156
Financial Year 2022/23
\$586,141

Major Initiatives Planned for 2025-2026

In 2025-26 a road construction program totalling \$5 million will be delivered by the Shire's works crew. This will be funded with \$4m of capital grants. The major projects involve the upgrade of a further 7.9km of Fence Road North and 18.3km of improvement works across various sections of Kulin-Holt Rock Road.

Recognising the ongoing housing shortage, the Shire is pleased to announce the commencement of a housing construction project that will see four new houses built in Kulin in 2025/26. The Shire will borrow \$1.4m to fund this project, with an arrangement with Department of Communities helping to fund loan repayments over the next 10 years.

The budget also includes minor upgrades to existing employee housing to support long-term asset management. Streetscape and tourism initiatives in this year's budget include Shire signage design and development, Jilakin Rock signage installation and trail improvements, Macrocarpa Trail gazebo and signage installation, completion of new picnic facilities south of the public toilets and upgraded bin enclosures along the main street. Both the Kulin and Pingaring public toilets will receive upgrades this year, with Kulin's toilet building receiving some minor repairs and Pingaring's toilet block having a shower facility installed.

Our Emergency Services building will have a new roof installed partly funded by DFES.

We are also excited to welcome St Luke's Family Practice into Kulin providing GP services 2 days per week.

The budget also incorporates projects for which funding applications have been submitted but are yet to be confirmed. If successful, these will include increasing the capacity of the town oval dam to further drought-proof the community and installing lighting at the Kulin Tennis Courts.

Trading Undertakings

There is no information about trading undertakings to be included in the Annual Report in accordance with regulation 19BB of the Local Government (Administration) Regulations 1996.

Land Transactions

There is no information about land transactions to be included in the Annual Report in accordance with regulation 19BC of the Local Government (Administration) Regulations 1996.



Complaints Report

There were no complaints recorded in the Shire's Register of Complaints during the 2024/25 financial year.

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 2025, the Shire received one Freedom of Information Application.

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 with 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.

State Records Compliance

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 approved by the State Records Office in December 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.

Disability Access and Inclusion Plan

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 Disability Services Act 1993 requires public authorities to lodge a DAIP to the Disability Services Commission.

The Shire of Kulin endorsed the DAIP in May 2020 for the period 2020-2025. Council is required to report on activities as they relate to the seven desired DAIP outcomes. A copy of the Shire of Kulin DAIP 2020-2025 is available on the Shire website or at the Shire Administration.

Since the adoption of the initial plan, the Shire has implemented numerous initiatives and made significant progress toward creating an accessible and inclusive community for people of all ages and abilities. The Shire remains committed to continuing this focus.

Financial Statements

SHIRE OF KULIN
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

Statement by CEO	2
Statement of comprehensive income	3
Statement of financial position	4
Statement of changes in equity	5
Statement of cash flows	6
Statement of financial activity	7
Index of notes to the financial report	8
Independent auditor's report	40

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.

For the Shire of Kulin to play a significant role in assisting the community to achieve this vision, it will be: A professional and progressive organisation where people enjoy working together to serve the community

Principal place of business:
38 Johnston Street
Kulin WA 6365



**SHIRE OF KULIN
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025**

*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 2025 and the financial position as at 30 June 2025.

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

Signed on the

5th day of

December 2025



CEO
Alan Leeson



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

	Note	2025 Actual \$	2025 Budget \$	2024 Actual \$
Revenue				
Rates	2(a),26	2,413,358	2,401,629	2,293,986
Grants, subsidies and contributions	2(a)	2,683,448	1,089,353	5,945,669
Fees and charges	2(a)	2,098,402	1,998,822	2,016,499
Interest revenue	2(a)	266,714	248,877	244,840
Other revenue	2(a)	224,321	169,386	350,938
		7,686,243	5,908,067	10,851,932
Expenses				
Employee costs	2(b)	(3,059,447)	(3,062,931)	(2,764,107)
Materials and contracts		(2,304,881)	(2,528,236)	(2,522,318)
Utility charges		(385,803)	(384,469)	(329,767)
Depreciation		(3,627,741)	(3,638,292)	(3,411,162)
Finance costs	2(b)	(28,354)	(28,526)	(32,061)
Insurance		(279,247)	(277,621)	(357,320)
Other expenditure	2(b)	(57,630)	0	(22,610)
		(9,743,103)	(9,920,075)	(9,439,345)
		(2,056,860)	(4,012,008)	1,412,587
Capital grants, subsidies and contributions	2(a)	4,124,843	4,365,339	3,801,379
Profit on asset disposals		22,691	73,400	60,733
Loss on asset disposals		(8,110)	(10,682)	0
Fair value adjustments to financial assets at fair value through profit or loss	4(b)	(3,551)	0	1,681
Fair value adjustments to land through profit & loss	8(a)	0	0	10,000
Share of net profit/(loss) of associates accounted for using the equity method	23(c)	(30,927)	0	26,778
		4,104,946	4,428,057	3,900,571
Net result for the period		2,048,086	416,049	5,313,158
Other comprehensive income for the period				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	16	6,870,744	0	135,696
Total other comprehensive income for the period	16	6,870,744	0	135,696
Total comprehensive income for the period		8,918,830	416,049	5,448,854

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



SHIRE OF KULIN
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2025

	Note	2025	2024
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	3	2,880,475	2,885,819
Trade and other receivables	5	190,283	128,137
Other financial assets	4(a)	3,102,670	2,437,539
Inventories	6	103,185	126,454
Other assets	7	200,324	1,377,886
TOTAL CURRENT ASSETS		6,476,937	6,955,835
NON-CURRENT ASSETS			
Other financial assets	4(b)	84,620	88,171
Inventories	6	474,000	610,000
Investment in associate	23(a)	41,554	65,977
Property, plant and equipment	8	33,059,537	27,610,389
Infrastructure	9	79,919,934	76,264,685
TOTAL NON-CURRENT ASSETS		113,579,645	104,639,222
TOTAL ASSETS		120,056,582	111,595,057
CURRENT LIABILITIES			
Trade and other payables	12	771,097	531,598
Capital grant/contributions liabilities	13	0	647,119
Borrowings	14	105,353	102,201
Employee related provisions	15	444,424	442,817
TOTAL CURRENT LIABILITIES		1,320,874	1,723,735
NON-CURRENT LIABILITIES			
Borrowings	14	577,004	682,357
Employee related provisions	15	24,685	17,817
TOTAL NON-CURRENT LIABILITIES		601,689	700,174
TOTAL LIABILITIES		1,922,563	2,423,909
NET ASSETS		118,134,019	109,171,148
EQUITY			
Retained surplus		54,398,764	52,971,768
Reserve accounts	29	3,102,670	2,437,539
Revaluation surplus	16	60,632,585	53,761,841
TOTAL EQUITY		118,134,019	109,171,148

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 2025

	Note	Retained surplus	Reserve accounts	Revaluation surplus	Total equity
		\$	\$	\$	\$
Balance as at 1 July 2023		48,088,149	1,872,304	53,897,537	103,857,990
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
Balance as at 30 June 2024		52,971,768	2,437,539	53,761,841	109,171,148
Comprehensive income for the period					
Net result for the period		2,048,086	0	0	2,048,086
Other comprehensive income for the period	16	44,041	0	6,870,744	6,914,785
Total comprehensive income for the period		2,092,127	0	6,870,744	8,962,871
Transfers from reserve accounts	29	40,000	(40,000)	0	0
Transfers to reserve accounts	29	(705,131)	705,131	0	0
Balance as at 30 June 2025		54,398,764	3,102,670	60,632,585	118,134,019

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 2025**

	Note	2025 Actual \$	2024 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Rates		2,444,697	2,294,375
Grants, subsidies and contributions		2,683,448	5,945,669
Fees and charges		2,083,251	1,992,960
Interest revenue		263,476	247,376
Goods and services tax received		485,980	546,025
Other revenue		222,321	349,763
		8,183,173	11,376,168
Payments			
Employee costs		(3,044,716)	(2,776,221)
Materials and contracts		(1,990,041)	(2,887,461)
Utility charges		(387,285)	(331,237)
Finance costs		(28,892)	(32,715)
Insurance paid		(279,247)	(359,145)
Goods and services tax paid		(516,489)	(527,950)
		(6,246,670)	(6,914,729)
Net cash provided by operating activities		1,936,503	4,461,439
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for investments in associates		(6,504)	(1,773)
Payments for purchase of property, plant & equipment	8(a)	(1,533,719)	(1,518,807)
Payments for construction of infrastructure	9(a)	(4,584,614)	(4,848,347)
Proceeds from capital grants, subsidies and contributions		4,634,761	3,902,389
Distributions from investments in associates		0	4,773
Proceeds for financial assets at amortised cost		(665,131)	(2,437,539)
Proceeds from sale of property, plant & equipment		315,561	211,136
Net cash (used in) investing activities		(1,839,646)	(4,688,168)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings	28(a)	(102,201)	(99,144)
Net cash (used in) financing activities		(102,201)	(99,144)
Net (decrease) in cash held		(5,344)	(325,873)
Cash at beginning of year		2,885,819	3,211,692
Cash and cash equivalents at the end of the year		2,880,475	2,885,819

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 2025

	Note	2025 Actual \$	2025 Budget \$	2024 Actual \$
OPERATING ACTIVITIES				
Revenue from operating activities				
General rates	26	2,453,338	2,451,414	2,357,927
Rates excluding general rates	26	(39,980)	(49,785)	(63,941)
Grants, subsidies and contributions		2,683,448	1,089,353	5,945,669
Fees and charges		2,098,402	1,998,822	2,016,499
Interest revenue		266,714	248,877	244,840
Other revenue		224,321	169,386	350,938
Profit on asset disposals		22,691	73,400	60,733
Fair value adjustments to financial assets at fair value through profit or loss	4(b)	0	0	1,681
Fair value adjustments to land through profit or loss	8(a)	0	0	10,000
Share of net profit/(loss) of associates accounted for using the equity method	23(c)	(30,927)	0	26,778
		7,678,007	5,981,467	10,951,124
Expenditure from operating activities				
Employee costs		(3,059,447)	(3,062,931)	(2,764,107)
Materials and contracts		(2,304,881)	(2,528,236)	(2,522,318)
Utility charges		(385,803)	(384,469)	(329,767)
Depreciation		(3,627,741)	(3,638,292)	(3,411,162)
Finance costs		(28,354)	(28,526)	(32,061)
Insurance		(279,247)	(277,621)	(357,320)
Other expenditure		(57,630)	0	(22,610)
Loss on asset disposals		(8,110)	(10,682)	0
Fair value adjustments to financial assets at fair value through profit or loss	4(b)	(3,551)	0	0
		(9,754,764)	(9,930,757)	(9,439,345)
Non-cash amounts excluded from operating activities	27(a)	3,790,506	3,575,574	3,334,188
Amount attributable to operating activities		1,713,749	(373,716)	4,845,967
INVESTING ACTIVITIES				
Inflows from investing activities				
Capital grants, subsidies and contributions		4,124,843	4,365,339	3,801,379
Proceeds from disposal of assets		315,561	397,318	211,136
Distributions from investments in associates	23(b)	0	0	4,773
		4,440,404	4,762,657	4,017,288
Outflows from investing activities				
Payments for investments in associates	23(b)	(6,504)	0	(1,773)
Acquisition of property, plant and equipment	8(a)	(1,533,719)	(1,925,999)	(1,518,807)
Acquisition of infrastructure	9(a)	(4,584,614)	(5,195,644)	(4,848,347)
		(6,124,837)	(7,121,643)	(6,368,927)
Amount attributable to investing activities		(1,684,433)	(2,358,986)	(2,351,639)
FINANCING ACTIVITIES				
Inflows from financing activities				
Transfers from reserve accounts	29	40,000	65,000	150,000
		40,000	65,000	150,000
Outflows from financing activities				
Repayment of borrowings	28(a)	(102,201)	(102,201)	(99,144)
Transfers to reserve accounts	29	(705,131)	(251,877)	(715,235)
		(807,332)	(354,078)	(814,379)
Amount attributable to financing activities		(767,332)	(289,078)	(664,379)
MOVEMENT IN SURPLUS OR DEFICIT				
Surplus or deficit at the start of the financial year	27(b)	2,896,762	3,059,332	1,066,813
Amount attributable to operating activities		1,713,749	(373,716)	4,845,967
Amount attributable to investing activities		(1,684,433)	(2,358,986)	(2,351,639)
Amount attributable to financing activities		(767,332)	(289,078)	(664,379)
Surplus or deficit after imposition of general rates	27(b)	2,158,746	37,552	2,896,762

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

**SHIRE OF KULIN
FOR THE YEAR ENDED 30 JUNE 2025
INDEX OF NOTES TO THE FINANCIAL REPORT**

Note 1	Basis of preparation	9
Note 2	Revenue and expenses	10
Note 3	Cash and cash equivalents	12
Note 4	Other financial assets	12
Note 5	Trade and other receivables	13
Note 6	Inventories	14
Note 7	Other assets	15
Note 8	Property, plant and equipment	16
Note 9	Infrastructure	18
Note 10	Fixed assets	20
Note 11	Leases	22
Note 12	Trade and other payables	23
Note 13	Other liabilities	24
Note 14	Borrowings	25
Note 15	Employee related provisions	26
Note 16	Revaluation surplus	27
Note 17	Restrictions over financial assets	28
Note 18	Undrawn borrowing facilities and credit standby arrangements	28
Note 19	Contingent liabilities	29
Note 20	Capital commitments	29
Note 21	Related party transactions	30
Note 22	Joint arrangements	32
Note 23	Investment in associates	33
Note 24	Events occurring after the end of the reporting period	34
Note 25	Other material accounting policies	35
Information required by legislation		
Note 26	Rating information	36
Note 27	Determination of surplus or deficit	37
Note 28	Borrowing and lease liabilities	38
Note 29	Reserve accounts	39

SHIRE OF KULIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

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 were applied 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.

The *Local Government (Financial Management) Regulations 1996* provide that:

- land and buildings classified as property, plant and equipment; or
- infrastructure; or
- vested improvements that the local government controls; and measured at reportable value, are only required to be revalued every five years. Revaluing these non-financial assets every five years is a departure from AASB 116 *Property, Plant and Equipment*, which would have required the Shire to assess at each reporting date whether the carrying amount of the above mentioned non-financial assets materially differs from their fair value and, if so, revalue the class of non-financial assets.

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
- Expected credit losses on financial assets - note 5
- Impairment losses of non-financial assets - Note 10
- Measurement of employee benefits - note 15

Fair value heirarchy 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 2020-1 *Amendments to Australian Accounting Standards*
 - Classification of Liabilities as Current or Non-current
- AASB 2022-5 *Amendments to Australian Accounting Standards*
 - Lease Liability in a Sale and Leaseback
- AASB 2022-6 *Amendments to Australian Accounting Standards*
 - Non-current Liabilities with Covenants
- AASB 2023-3 *Amendments to Australian Accounting Standards*
 - Disclosure of Non-current Liabilities with Covenants: Tier 2
- AASB 2024-1 *Amendments to Australian Accounting Standards*
 - Supplier Finance Arrangements: Tier 2 Disclosures
- AASB 2023-1 *Amendments to Australian Accounting Standards*
 - Supplier Finance Arrangements

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 certain non-financial assets on revaluation. The impact has not been quantified as it is not considered practicable to determine the amount of the difference in fair value attributable to the change in the standard.

New accounting standards for application in future years

The following new accounting standards will have application to local government in future years:

- AASB 2014-10 *Amendments to Australian Accounting Standards*
 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- AASB 2024-4b *Amendments to Australian Accounting Standards*
 - Effective Date of Amendments to AASB 10 and AASB 128 [deferred AASB 10 and AASB 128 amendments in AASB 2014-10 apply]
- AASB 2022-9 *Amendments to Australian Accounting Standards*
 - Insurance Contracts in the Public Sector
- AASB 2023-5 *Amendments to Australian Accounting Standards*
 - Lack of Exchangeability
- AASB 18 (FP) *Presentation and Disclosure in Financial Statements*
 - (Appendix D) [for for-profit entities]
- AASB 18 (NFP/super) *Presentation and Disclosure in Financial Statements*
 - (Appendix D) [for not-for-profit and superannuation entities]
- AASB 2024-2 *Amendments to Australian Accounting Standards*
 - Classification and Measurement of Financial Instruments
- AASB 2024-3 *Amendments to Australian Accounting Standards*
 - Annual Improvements Volume 11

These amendments are not expected to have any material impact on the financial report on initial application.

SHIRE OF KULIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

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 and aquatic centre memberships	Over time	Payment in advance	None	When payment received
Fees and charges - rental income	Housing & office space rental	Over time	Payment in advance	None	When payment received
Fees and charges - sale of stock	Fuel, standpipe water, merchandise and bar stock	Single point in time	Full payment prior to issue or for account sales 14 days in arrears	None	When payment received or when invoice raised
Fees and charges - private works	Private works	Single point in time	14 days in arrears	None	When invoice raised

Revenue recognition

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.

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 2025

Nature	Contracts with customers	Capital grant/contributions	Statutory requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	2,413,358	0	2,413,358
Grants, subsidies and contributions	348,992	0	0	2,334,456	2,683,448
Fees and charges	2,085,769	0	12,633	0	2,098,402
Interest revenue	0	0	7,629	259,085	266,714
Other revenue	0	0	0	224,321	224,321
Capital grants, subsidies and contributions	0	4,124,843	0	0	4,124,843
Total	2,434,761	4,124,843	2,433,620	2,817,862	11,811,086

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
Total	2,170,819	3,801,379	2,313,437	6,367,676	14,653,311



SHIRE OF KULIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

Note	2025 Actual \$	2024 Actual \$
Interest revenue		
Interest on reserve account	124,891	110,595
Trade and other receivables overdue interest	7,629	7,503
Other interest revenue	134,194	126,742
	<u>266,714</u>	<u>244,840</u>

The 2025 original budget estimate in relation to:
Trade and other receivables overdue interest was \$7,000.

Fees and charges relating to rates receivable

Charges on instalment plan	777	693
----------------------------	-----	-----

The 2025 original budget estimate in relation to:
Charges on instalment plan was \$650.

(b) Expenses

Auditors remuneration

- Audit of the Annual Financial Report	37,896	35,500
- Other services – grant acquittals	4,080	4,080
	<u>41,976</u>	<u>39,580</u>

Employee Costs

Employee benefit costs	3,059,447	2,764,107
	<u>3,059,447</u>	<u>2,764,107</u>

Finance costs

Interest and financial charges paid/payable for lease liabilities and financial liabilities not at fair value through profit or loss	28,354	32,061
	<u>28,354</u>	<u>32,061</u>

Other expenditure

Impairment losses on rates and statutory receivables	0	3,817
Impairment losses on trade receivables	4,641	0
Impairment losses on property, plant and equipment	0	8,329
Write down of inventories to net realisable value	40,000	10,464
Sundry expenses	12,989	0
	<u>57,630</u>	<u>22,610</u>

8(a)
6

SHIRE OF KULIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

3. CASH AND CASH EQUIVALENTS

Note	2025	2024
	\$	\$
Cash at bank and on hand	2,880,475	2,885,819
Total cash and cash equivalents	2,880,475	2,885,819
Held as		
- Unrestricted cash and cash equivalents	2,816,209	2,136,214
- Restricted cash and cash equivalents	64,266	749,605
	2,880,475	2,885,819

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.

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.

4. OTHER FINANCIAL ASSETS

Note	2025	2024
	\$	\$
(a) Current assets		
Financial assets at amortised cost	3,102,670	2,437,539
	3,102,670	2,437,539
Other financial assets at amortised cost		
Term deposits	3,102,670	2,437,539
	3,102,670	2,437,539
Held as		
- Restricted other financial assets at amortised cost	3,102,670	2,437,539
	3,102,670	2,437,539
(b) Non-current assets		
Financial assets at fair value through profit or loss	84,620	88,171
	84,620	88,171
Financial assets at fair value through profit or loss		
Units in Local Government House Trust - opening balance	83,171	81,490
Movement attributable to fair value movement	(3,551)	1,681
Units in Local Government House Trust - closing balance	79,620	83,171
Shares in Kulin Community Financial Services Limited	5,000	5,000

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 classifies 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 2025

5. TRADE AND OTHER RECEIVABLES

Note	2025	2024
	\$	\$
Current		
Rates and statutory receivables	35,179	59,939
Trade receivables	81,670	41,345
Other receivables	10,377	8,461
GST receivable	67,698	37,189
Allowance for credit losses of rates and statutory receivables	0	(18,797)
Allowance for credit losses of trade receivables	(4,641)	0
	190,283	128,137

Disclosure of opening and closing balances related to contracts with customers

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:

Note	30 June 2025 Actual	30 June 2024 Actual	1 July 2023 Actual
	\$	\$	\$
Trade and other receivables from contracts with customers	76,670	30,907	10,663
Allowance for credit losses of trade receivables	(4,641)	0	0
Total trade and other receivables from contracts with customers	72,029	30,907	10,663

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 2025

6. INVENTORIES

	Note	2025	2024
Current		\$	\$
Fuel		50,937	76,607
Freebairn Recreation Centre Bar Stock		17,248	19,311
Land held for resale			
Net realisable value		35,000	30,536
		103,185	126,454
Non-current			
Land held for resale			
Net realisable value		474,000	610,000
		474,000	610,000
The following movements in inventories occurred during the year:			
Balance at beginning of year		736,454	715,574
Inventories expensed during the year		(1,403,229)	(1,464,850)
Write down of inventories to net realisable value	2(b)	(40,000)	(10,464)
Additions to inventory		1,283,960	1,496,194
Balance at end of year		577,185	736,454

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 2025

7. OTHER ASSETS

Other assets - current

Prepayments
Accrued income
Contract assets

2025	2024
\$	\$
44,303	33,577
26,185	23,274
129,836	1,321,035
200,324	1,377,886

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
FOR THE YEAR ENDED 30 JUNE 2025**

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.

	Assets not subject to operating lease			Total property				Plant and equipment				Total property, plant and equipment
	Note	Land \$	Buildings \$	Land \$	Buildings \$	Work in progress \$	Total property \$	Furniture and equipment \$	Plant and equipment \$	Motor vehicles \$		
Balance at 1 July 2023		729,000	21,217,500	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	0	452,332	238,223	690,555	71,908	583,568	172,776	1,518,807	
Disposals		0	0	0	0	0	0	0	(47,774)	(102,629)	(150,403)	
Fair value adjustments through profit & loss		10,000	0	10,000	0	0	10,000	0	0	0	10,000	
Impairment (losses) / reversals		0	0	0	0	0	0	0	(58,329)	50,000	(8,329)	
Depreciation		0	(452,992)	0	(452,992)	0	(452,992)	(46,623)	(438,940)	(244,636)	(1,183,191)	
Transfers		0	305,807	0	305,807	(305,807)	0	0	0	0	0	
Balance at 30 June 2024		739,000	21,522,647	739,000	21,522,647	238,223	22,499,870	257,150	3,567,041	1,286,328	27,610,389	
Comprises:												
Gross balance amount at 30 June 2024		739,000	21,975,638	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)	0	(452,991)	(117,480)	(1,393,956)	(689,349)	(2,653,776)	
Balance at 30 June 2024	8(b)	739,000	21,522,647	739,000	21,522,647	238,223	22,499,870	257,150	3,567,041	1,286,328	27,610,389	
Additions		63,672	819,940	63,672	819,940	0	883,612	63,067	242,274	344,766	1,533,719	
Disposals		0	0	0	0	0	0	0	(21,434)	(279,546)	(300,980)	
Revaluation increments / (decrements) transferred to revaluation surplus		598,328	6,855,400	598,328	6,855,400	0	7,453,728	0	0	0	7,453,728	
Depreciation		0	(471,458)	0	(471,458)	(238,223)	(471,458)	(58,033)	(464,196)	(250,209)	(1,243,896)	
Transfers		0	(1,755,200)	0	(1,755,200)	0	(1,993,423)	0	0	0	(1,993,423)	
Balance at 30 June 2025		1,401,000	26,971,329	1,401,000	26,971,329	0	28,372,329	262,184	3,323,685	1,101,339	33,059,537	
Comprises:												
Gross balance amount at 30 June 2025		1,401,000	26,971,798	1,401,000	26,971,798	0	28,372,798	437,697	5,168,683	1,984,774	35,963,952	
Accumulated depreciation at 30 June 2025		0	(469)	0	(469)	0	(469)	(175,513)	(1,844,998)	(883,435)	(2,904,415)	
Balance at 30 June 2025	8(b)	1,401,000	26,971,329	1,401,000	26,971,329	0	28,372,329	262,184	3,323,685	1,101,339	33,059,537	



**SHIRE OF KULIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025**

8. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Carrying amount measurements

Asset class	Note	Carrying amount 2025	Carrying amount 2024	Fair value hierarchy	Valuation technique	Basis of valuation	Date of last valuation	Inputs used
(i) Fair value - as determined at the last valuation date								
Land and buildings								
Land - market value		1,401,000	739,000	2	Observable open market values of similar assets	Independent Valuer	June 2025	Market & sales data
Buildings		26,971,329	21,522,647	2 & 3	Level 2 - Observable open market values of similar assets Level 3 - Cost approach using depreciated replacement cost	Independent Valuer	June 2025	Level 2 - Market & Sales Data Level 3 - Construction costs and current conditions, residual values and remaining use life assessments
(ii) Cost								
Furniture and equipment								
Plant and equipment					Cost	Cost		Purchase cost
Work in progress					Cost	Cost		Purchase cost
					Cost	Cost		Purchase cost

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.

**SHIRE OF KULIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025**

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.

	Roads \$	Footpaths \$	Recreation infrastructure \$	Other infrastructure \$	Work in Progress \$	Total infrastructure \$
Balance at 1 July 2023	66,105,059	610,427	5,524,400	1,404,423	0	73,644,309
Additions	4,668,101	161,413	7,825	11,008	0	4,848,347
Depreciation	(2,059,455)	(21,287)	(116,735)	(30,494)	0	(2,227,971)
Balance at 30 June 2024	68,713,705	750,553	5,415,490	1,384,937	0	76,264,685
Comprises:						
Gross balance at 30 June 2024	70,773,160	771,841	5,532,225	1,415,430	0	78,492,656
Accumulated depreciation at 30 June 2024	(2,059,455)	(21,288)	(116,735)	(30,493)	0	(2,227,971)
Balance at 30 June 2024	68,713,705	750,553	5,415,490	1,384,937	0	76,264,685
Additions	4,145,505	58,347	235,131	121,603	24,028	4,584,614
Revaluation increments / (decrements) transferred to revaluation surplus	0	0	(538,943)	0	0	(538,943)
Depreciation	(2,210,852)	(24,249)	(117,454)	(31,290)	0	(2,383,845)
Transfers	215,496	0	1,777,927	0	0	1,993,423
Balance at 30 June 2025	70,863,854	784,651	6,772,151	1,475,250	24,028	79,919,934
Comprises:						
Gross balance at 30 June 2025	75,134,161	830,188	6,772,151	1,537,034	24,028	84,297,562
Accumulated depreciation at 30 June 2025	(4,270,307)	(45,537)	0	(61,784)	0	(4,377,628)
Balance at 30 June 2025	70,863,854	784,651	6,772,151	1,475,250	24,028	79,919,934

**SHIRE OF KULIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025**

9. INFRASTRUCTURE (Continued)

(b) Carrying amount measurements

Asset class	Fair value hierarchy	Valuation technique	Basis of valuation	Date of last valuation	Inputs used
(i) Fair value - as determined at the last valuation date					
Roads	3	Cost approach using depreciated replacement cost	Independent valuation	June 2023	Construction costs and current condition, residual values and remaining useful life assessments
Footpaths	3	Cost approach using depreciated replacement cost	Independent valuation	June 2023	Construction costs and current condition, residual values and remaining useful life assessments
Recreation infrastructure	3	Cost approach using depreciated replacement cost	Independent valuation	June 2025	Construction costs and current condition, residual values and remaining useful life assessments
Other infrastructure	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.

SHIRE OF KULIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

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:

Asset class	Useful life
Buildings	15 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	20 to 50 years
Recreation infrastructure	20 to 50 years
Other infrastructure	10 to 100 years

Revision of useful lives of plant and equipment

During the year there was no revision of useful lives of plant and equipment.

SHIRE OF KULIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

10. FIXED ASSETS (Continued)

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; or
- (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
FOR THE YEAR ENDED 30 JUNE 2025

11. LEASES

(a) Right-of-use assets

The Shire of Kulin did not hold any Right of Use Assets 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

2025 Actual	2024 Actual
\$	\$
45,924	43,680
18,150	20,680
0	15,016
64,074	79,376
169,732	152,663

Amounts recognised in profit or loss for property, plant and equipment subject to lease

Rental income

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
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

12. TRADE AND OTHER PAYABLES

Current

Sundry creditors
 Prepaid rates
 Accrued payroll liabilities
 ATO liabilities
 Bonds and deposits held
 Accrued expenses
 ESL Payable

2025	2024
\$	\$
390,207	213,644
21,484	14,905
71,336	54,391
76,511	70,039
64,266	102,486
146,469	72,937
824	3,196
771,097	531,598

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.

Statutory liabilities

Statutory liabilities, are amounts owed to regulatory authorities due to statutory obligations such as FBT, GST and PAYG.

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.

Prepaid rates

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

SHIRE OF KULIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

13. OTHER LIABILITIES

Current

Capital grant/contributions liabilities

	2025	2024
	\$	\$
	0	647,119
	0	647,119
Reconciliation of changes in capital grant/contribution liabilities		
Opening balance	647,119	199,690
Additions	0	647,119
Revenue from capital grant/contributions held as a liability at the start of the period	(647,119)	(199,690)
	0	647,119

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.

SHIRE OF KULIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

14. BORROWINGS

	Note	2025			2024		
		Current	Non-current	Total	Current	Non-current	Total
Secured		\$	\$	\$	\$	\$	\$
Bank loans		105,353	577,004	682,357	102,201	682,357	784,558
Total secured borrowings	28(a)	105,353	577,004	682,357	102,201	682,357	784,558

Secured liabilities and assets pledged as security

Bank loans are secured by a floating charge 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
FOR THE YEAR ENDED 30 JUNE 2025

15. EMPLOYEE RELATED PROVISIONS

Employee related provisions

Current provisions

Employee benefit provisions

Annual leave

Long service leave

Employee related other provisions

Employment on-costs

Total current employee related provisions

Non-current provisions

Employee benefit provisions

Long service leave

Employee related other provisions

Employment on-costs

Total non-current employee related provisions

Total employee related provisions

	2025	2024
	\$	\$
Annual leave	154,693	195,755
Long service leave	231,088	189,714
	385,781	385,469
Employment on-costs	58,643	57,348
	58,643	57,348
Total current employee related provisions	444,424	442,817
Long service leave	22,008	16,468
	22,008	16,468
Employment on-costs	2,677	1,349
	2,677	1,349
Total non-current employee related provisions	24,685	17,817
Total employee related provisions	469,109	460,634

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
FOR THE YEAR ENDED 30 JUNE 2025

16. REVALUATION SURPLUS

	2025 Opening balance	Total Movement on revaluation	2025 Closing balance	2024 Opening balance	Total Movement on revaluation	2024 Closing balance
	\$	\$	\$	\$	\$	\$
Revaluation surplus - Land & Buildings	14,753,878	7,453,728	22,207,606	14,753,878	0	14,753,878
Revaluation surplus - Plant and equipment	1,461,803	(44,041)	1,417,762	1,597,499	(135,696)	1,461,803
Revaluation surplus - Infrastructure	37,546,160	(538,943)	37,007,217	37,546,160	0	37,546,160
	53,761,841	6,870,744	60,632,585	53,897,537	(135,696)	53,761,841

SHIRE OF KULIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

17. RESTRICTIONS OVER FINANCIAL ASSETS

	Note	2025 Actual \$	2024 Actual \$
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	64,266	749,605
- Financial assets at amortised cost	4	3,102,670	2,437,539
		3,166,936	3,187,144
The restricted financial assets are a result of the following specific purposes to which the assets may be used:			
Restricted reserve accounts	29	3,102,670	2,437,539
Capital grant liabilities	13	0	647,119
Bonds & deposits held	12	64,266	102,486
Total restricted financial assets		3,166,936	3,187,144
18. UNDRAWN BORROWING FACILITIES AND CREDIT STANDBY ARRANGEMENTS			
Credit standby arrangements			
Bank overdraft limit			
Bank overdraft at balance date			
Credit card limit		30,000	10,000
Credit card balance at balance date		(12,552)	(9,267)
Total amount of credit unused		17,448	733
Loan facilities			
Loan facilities - current		105,353	102,201
Loan facilities - non-current		577,004	682,357
Total facilities in use at balance date		682,357	784,558
Unused loan facilities at balance date		0	1,000,000

SHIRE OF KULIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

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.

Subsequent to year end the Shire has applied for a renewal to this licence with the same terms and conditions.

Under the conditions of the licence, the Shire is required to provide DWER with a Closure and Rehabilitation Plan when the premises is nearing closure or the cessation of prescribed activities. This Plan will ensure the site is suitably managed and rehabilitated to prevent impacts to the environment post closure.

There may be an obligation to remediate the site in the future. As the Shire is not planning to close the site there is no current requirement to provide DWER with a Closure and Rehabilitation Plan. At the time of this report the future liability could not be reliably estimated.

20. CAPITAL COMMITMENTS

	2025	2024
	\$	\$
Contracted for:		
- capital expenditure projects	0	242,308
- plant & equipment purchases	331,412	0
	331,412	242,308
Payable:		
- not later than one year	331,412	242,308

In November 2024, the Shire placed an order for a motor grader at a net cost of \$331,412 after trade-in. The grader was delivered in August 2025.

Prior year capital commitments included \$200,305 for crushing and screening 15,000 tonnes of gravel for the Fence Road North road construction project which was completed in 2024/25. In addition, purchase orders had been written for a number of tourism, recreation and building projects not fully completed at 30 June 2024.

SHIRE OF KULIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

21. RELATED PARTY TRANSACTIONS

(a) Council member remuneration

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

Note	2025 Actual	2025 Budget	2024 Actual
	\$	\$	\$
President's annual allowance	8,000	8,000	7,700
President's meeting attendance fees	5,520	5,760	5,980
President's ICT expenses	0	500	0
	13,520	14,260	13,680
Deputy President's annual allowance	2,000	2,000	1,925
Deputy President's meeting attendance fees	2,530	2,880	2,990
Deputy President's ICT expenses	0	500	0
	4,530	5,380	4,915
All other council member's meeting attendance fees	14,720	17,280	17,480
All other council member's ICT expenses	0	3,000	0
All other council member's travel and accommodation expenses	2,360	2,464	3,642
	17,080	22,744	21,122
21(b)	35,130	42,384	39,717

(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	799,423	730,679
Post-employment benefits	97,526	82,106
Employee - other long-term benefits	72,778	67,068
Council member costs	35,130	39,717
21(a)	1,004,857	919,570

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.

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 2025

21. RELATED PARTY TRANSACTIONS (Continued)

(c) 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:

	2025 Actual \$	2024 Actual \$
Sale of goods and services	130,379	14,624
Purchase of goods and services	364,486	306,192
Amounts outstanding from related parties:		
Trade and other receivables	215	1,398
Amounts payable to related parties:		
Trade and other payables	18,792	31,924

(d) 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.

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 2025

22. JOINT ARRANGEMENTS

(a) Share of joint operations - Department of Housing - 25 Johnston Street, Kulin

The Shire of Kulin has a joint venture agreement with the Department of Housing for the provision of housing at 25 Johnston Street, Kulin. The Shire contributed land, site works and some landscaping and the Department of Housing contributed the funds to construct the buildings. The joint venture agreement outlines that the Shire has 30% equity in the buildings. The Shire manages the property and all rental income and housing expenditure are recorded in the respective line items of the financial statements.

The buildings were revalued at 30 June 2025 with the fair value of Shire's 30% share valued at \$281,700.

Statement of financial position	2025 Actual \$	2024 Actual \$
Land and buildings	281,700	240,640
Less: accumulated depreciation	0	(4,500)
Total assets	281,700	236,140
Statement of comprehensive income		
Rental income	33,416	30,900
Depreciation	(4,500)	(4,500)
Expenditure on Joint Venture Housing	(48,900)	(54,068)
Profit/(loss) for the period	(19,984)	(27,668)
Statement of cash flows		
Rental income	33,416	30,900
Expenditure on Joint Venture Housing	(45,950)	(54,068)
Net cash provided by (used in) operating activities	(12,534)	(23,168)

(b) Share of joint operations - Department of Housing - 3 Bull Street & 19 Wright Street, Kulin

The Shire of Kulin has a joint venture agreement with the Department of Housing for the provision of housing at 3 Bull Street and 19 Wright Street, Kulin. The Shire contributed land, site works and some landscaping and the Department of Housing contributed the funds to construct the buildings. The joint venture agreement outlines that the Shire has 20% equity in 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.

The buildings were revalued at 30 June 2025 with the fair value of the Shire's 20% being valued at \$83,574.

Statement of financial position	2025 Actual \$	2024 Actual \$
Land and buildings	83,574	58,000
Less: accumulated depreciation	0	(1,160)
Total assets	83,574	56,840
Statement of comprehensive income		
Rental income	21,704	16,774
Depreciation	(1,160)	(1,160)
Expenditure on Joint Venture Housing	(10,779)	(19,155)
Profit/(loss) for the period	9,765	(3,541)
Statement of cash flows		
Rental income	17,063	16,774
Expenditure on Joint Venture Housing	(10,779)	(19,155)
Net cash provided by (used in) operating activities	6,284	(2,381)

(c) Share of joint operations - Roe Environmental Health Service (Roe EHS)

The Shire, together with the Shires of Corrigin, Kondinin, Narembeen & 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.

Statement of comprehensive income	2025 Actual \$	2024 Actual \$
Contribution to Roe EHS	(38,249)	(33,393)
Profit/(loss) for the period	(38,249)	(33,393)
Statement of cash flows		
Contribution to Roe EHS	(36,491)	(35,481)
Net cash provided by (used in) operating activities	(36,491)	(35,481)

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 Australia Accounting Standards.

SHIRE OF KULIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

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		2025	2024
	2025	2024	Actual	Actual
			\$	\$
Bendering Landfill Facility	25.00%	25.00%	41,554	65,977
Total equity-accounted investments			41,554	65,977

(b) Share of investment in Roe Regional Organisation of Councils (RoeROC)

The Shire together with the Shires of Corrigin, Kondinin & Narembeen form the Roe Regional Organisation of Councils (RoeROC). The RoeROC manages 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	2025	2024
		Actual	Actual
		\$	\$
Revenue		22,069	32,000
Expenditure		(48,084)	(55,744)
Loss on disposal of non-current assets		(10,800)	0
Finance costs		(82,772)	0
Depreciation		(4,124)	(30,343)
Profit/(loss) for the period		(123,711)	(54,087)
Other comprehensive income		0	161,200
Total comprehensive income for the period		(123,711)	107,113
Summarised statement of financial position			
Non-current assets		1,084,398	1,099,322
Total assets		1,084,398	1,099,322
Current liabilities		241,122	247,252
Non-current liabilities		677,062	588,161
Total liabilities		918,184	835,413
Net assets		166,214	263,909
Reconciliation to carrying amounts			
Opening net assets 1 July		263,909	168,796
Changes in members contributions		26,016	(7,090)
Profit/(Loss) for the period		(123,711)	(54,087)
Other comprehensive income		0	161,200
Closing net assets 30 June		166,214	268,819
Carrying amount at 1 July		65,977	42,199
- Share of associates net profit/(loss) for the period	23(c)	(30,927)	(13,522)
- Share of associates other comprehensive income arising during the period		0	40,300
- Distribution of equity by associate		0	(4,773)
- Contribution to equity in associate		6,504	1,773
Carrying amount at 30 June (Refer to Note 23(a))		41,554	65,977

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

Investment in Bendering Landfill Facility

2025	2024
Actual	Actual
\$	\$
(30,927)	26,778
(30,927)	26,778

**SHIRE OF KULIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025**

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 2025

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, 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
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

27. DETERMINATION OF SURPLUS OR DEFICIT

		2024/25 Budget	2023/24
	2024/25 (30 June 2025 carried forward)	(30 June 2025 carried forward)	(30 June 2024 carried forward)
Note	\$	\$	\$
(a) Non-cash amounts excluded from operating activities			
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> .			
Adjustments to operating activities			
Less: Profit on asset disposals	(22,691)	(73,400)	(60,733)
Less: Non-cash grants and contributions for assets	0	0	(10,000)
Less: Fair value adjustments to financial assets at fair value through profit or loss	3,551	0	(1,681)
Less: Share of net profit of associates and joint ventures accounted for using the equity method	30,927	0	(26,778)
Add: Loss on disposal of assets	8,110	10,682	0
Add: Impairment of Plant and Equipment	8(a) 0	0	8,329
Add: Depreciation	10(a) 3,627,741	3,638,292	3,411,162
Non-cash movements in non-current assets and liabilities:			
Employee benefit provisions	6,868	0	(27,111)
Other provisions	0	0	41,000
Inventory	136,000	0	0
Non-cash amounts excluded from operating activities	3,790,506	3,575,574	3,334,188
(b) Surplus or deficit after imposition of general rates			
The following current assets and liabilities have been excluded from the net current assets used in the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.			
Adjustments to net current assets			
Less: Reserve accounts	29 (3,102,670)	(2,624,416)	(2,437,539)
Add: Current liabilities not expected to be cleared at end of year			
- Current portion of borrowings	14 105,353	105,353	102,201
Total adjustments to net current assets	(2,997,317)	(2,519,063)	(2,335,338)
Net current assets used in the Statement of financial activity			
Total current assets	6,476,937	3,609,154	6,955,835
Less: Total current liabilities	(1,320,874)	(1,052,539)	(1,723,735)
Less: Total adjustments to net current assets	(2,997,317)	(2,519,063)	(2,335,338)
Surplus or deficit after imposition of general rates	2,158,746	37,552	2,896,762

**SHIRE OF KULIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025**

28. BORROWING AND LEASE LIABILITIES

(a) Borrowings

Purpose	Note	Actual				Budget			
		Principal at 1 July 2023	New loans during 2023-24	Principal repayments during 2023-24	Principal at 30 June 2024	New loans during 2024-25	Principal repayments during 2024-25	Principal at 30 June 2025	
		\$	\$	\$	\$	\$	\$	\$	
Administration Building		883,702	0	(99,144)	784,558	0	(102,201)	682,357	
Total		883,702	0	(99,144)	784,558	0	(102,201)	682,357	
Borrowing finance cost payments									
Purpose	Loan number	Institution	Interest rate	Date final payment is due	Actual for year ending 30 June 2025	Budget for year ending 30 June 2025	Actual for year ending 30 June 2024		
Administration Building	1	WA Treasury Corporation	3.08%	10/06/2031	(28,354)	(28,526)	(32,061)		
Total finance cost payments					(28,354)	(28,526)	(32,061)		



SHIRE OF KULIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

29. RESERVE ACCOUNTS

	2025 Actual opening balance	2025 Actual transfer to	2025 Actual transfer (from)	2025 Actual closing balance	2025 Budget opening balance	2025 Budget transfer to	2025 Budget transfer (from)	2025 Budget closing balance	2024 Actual opening balance	2024 Actual transfer to	2024 Actual transfer (from)	2024 Actual closing balance
Restricted by council												
(a) Leave reserve	405,580	20,821	0	426,401	405,580	20,279	0	425,859	364,335	91,245	(50,000)	405,580
(b) Plant reserve	375,629	419,282	0	794,911	375,629	18,781	0	394,410	45,171	330,458	0	375,629
(c) Building reserve	513,009	126,335	0	639,344	513,009	75,650	0	588,659	393,241	119,768	0	513,009
(d) Admin Equipment reserve	81,910	54,205	0	136,115	81,910	54,096	0	136,006	30,383	51,527	0	81,910
(e) Natural Disaster reserve	90,031	4,622	0	94,653	90,031	4,502	0	94,533	148,362	6,669	(65,000)	90,031
(f) Joint Venture Housing reserve	83,125	4,268	(40,000)	47,393	83,125	4,166	(40,000)	47,281	79,147	3,978	0	83,125
(g) FRC Surface & Equipment reserve	46,814	2,403	0	49,217	46,814	2,341	0	49,155	44,573	2,241	0	46,814
(h) Medical Services reserve	125,879	6,462	0	132,341	125,879	6,294	0	132,173	119,855	6,024	0	125,879
(i) Fuel Facility reserve	29,727	11,526	0	41,253	29,727	11,486	0	41,213	9,261	20,466	0	29,727
(j) Sportsperson Scholarship reserve	14,913	765	0	15,678	14,913	746	0	15,659	14,199	714	0	14,913
(k) Freebairn Recreation reserve	225,888	11,596	0	237,484	225,888	11,294	0	237,182	215,076	10,812	0	225,888
(l) Short Stay Accommodation reserve	294,198	15,102	0	309,300	294,198	14,710	(25,000)	283,908	280,117	14,081	0	294,198
(m) Bendering Tip Rehabilitation reserve	135,047	6,933	0	141,980	135,047	6,752	0	141,799	128,584	6,463	0	135,047
(n) Independent Water reserve	15,789	20,811	0	36,600	15,789	20,790	0	36,579	0	50,789	(35,000)	15,789
	2,437,539	705,131	(40,000)	3,102,670	2,437,539	251,877	(65,000)	2,624,416	1,872,304	715,235	(150,000)	2,437,539

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:

Name of reserve account	Purpose of the reserve account
Restricted by council	
(a) Leave reserve	to fund annual and long service leave requirements
(b) Plant reserve	to fund the purchase of plant
(c) Building reserve	to fund the construction of staff housing
(d) 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



Independent Auditor's Report



Auditor General

INDEPENDENT AUDITOR'S REPORT

2025

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 2025, 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 2025 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 2025, 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.

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.

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 2025 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
5 December 2025

Feedback

If you have a comment or question about the Annual Report, here's how to contact us.

In person: Shire Administration Building
38 Johnston Street
Kulin, Western Australia

Phone: (08) 9880 1204

Mail: PO Box 125, Kulin
Western Australia 6365

Email: shire@kulin.wa.gov.au

