SHIRE OF BROOKTON

ANNUAL BUDGET

FOR THE YEAR ENDED 30 JUNE 2027

LOCAL GOVERNMENT ACT 1995

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

A well recognised business and agricutural hub, a flourishing stop-over destination and a celebrated place to live.

SHIRE OF BROOKTON
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2027

	Note	2026/27 Budget	2025/26 Actual	2025/26 Budget
Revenue		$	$	$
Rates	2(a)	3,457,408	3,265,977	3,264,056
Grants, subsidies and contributions		874,352	2,452,444	1,183,646
Fees and charges	15	777,958	937,794	695,934
Interest revenue	10(a)	504,957	558,285	309,326
Other revenue		380,983	539,987	459,197
		5,995,658	7,754,487	5,912,159
Expenses				
Employee costs		(3,347,863)	(2,677,454)	(2,947,669)
Materials and contracts		(2,460,453)	(2,381,613)	(2,797,644)
Utility charges		(264,662)	(210,051)	(262,666)
Depreciation	6	(2,580,718)	(2,619,626)	(2,428,295)
Finance costs	10(c)	(39,399)	(51,363)	(53,632)
Insurance		(225,233)	(232,068)	(232,447)
Other expenditure		(128,939)	(87,664)	(103,278)
		(9,047,267)	(8,259,839)	(8,825,631)
		(3,051,609)	(505,352)	(2,913,472)
Capital grants, subsidies and contributions		2,277,477	2,006,372	1,796,744
Profit on asset disposals	5	0	1,852	23,502
Loss on asset disposals	5	(34,996)	(48,552)	(45,524)
Fair value adjustments to financial assets at fair value through profit or loss		0	56,668	0
		2,242,481	2,016,340	1,774,722
Net result for the period		**(809,128)**	**1,510,988**	**(1,138,750)**
Total other comprehensive income for the period		**0**	**0**	**0**
Total comprehensive income for the period		**(809,128)**	**1,510,988**	**(1,138,750)**

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

SHIRE OF BROOKTON
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2027

	Note	2026/27 Budget	2025/26 Actual	2025/26 Budget
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts		$	$	$
Rates		3,368,713	3,174,012	3,216,828
Grants, subsidies and contributions		997,209	2,675,665	1,016,447
Fees and charges		777,958	937,794	695,934
Interest revenue		504,957	558,285	309,326
Goods and services tax received		472,739	469,361	672,329
Other revenue		380,983	539,987	459,197
		6,502,559	8,355,104	6,370,061
Payments				
Employee costs		(3,347,863)	(2,606,086)	(2,948,549)
Materials and contracts		(2,419,303)	(2,729,844)	(2,567,773)
Utility charges		(264,662)	(210,051)	(262,666)
Finance costs		(39,399)	(54,507)	(47,394)
Insurance paid		(225,233)	(232,068)	(232,447)
Goods and services tax paid		(472,739)	(472,739)	(672,329)
Other expenditure		(128,939)	(87,664)	(103,278)
		(6,898,138)	(6,392,959)	(6,834,436)
Net cash provided by (used in) operating activities	4	(395,579)	1,962,145	(464,375)
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment	5(a)	(3,337,374)	(1,256,135)	(3,429,083)
Payments for construction of infrastructure	5(b)	(2,826,019)	(1,687,160)	(1,772,950)
Proceeds from capital grants, subsidies and contributions		2,277,477	1,895,421	1,796,744
Proceeds from disposal of property, plant and equipment	5(a)	20,000	133,830	156,000
Proceeds on financial assets at amortised cost - self supporting loans	8(a)	34,355	32,085	32,086
Proceeds on disposal of financial assets at amortised cost - term deposits		2,051,895	(389,119)	2,680,978
Net cash (used in) investing activities		(1,779,666)	(1,271,078)	(536,225)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	8(a)	(171,874)	(222,320)	(222,321)
Proceeds from new borrowings	8(a)	0	0	0
Payments for principal portion of lease liabilities	7	(1,677)	(1,622)	(1,622)
Net cash (used in) financing activities		(173,551)	(223,942)	(223,943)
Net increase (decrease) in cash held		(2,348,796)	467,125	(1,224,543)
Cash at beginning of year		2,639,462	2,172,337	2,089,647
Cash and cash equivalents at the end of the year	4	**290,666**	**2,639,462**	**865,104**

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

SHIRE OF BROOKTON
STATEMENT OF FINANCIAL ACTIVITY
FOR THE YEAR ENDED 30 JUNE 2027

	Note	2026/27 Budget	2025/26 Actual	2025/26 Budget
OPERATING ACTIVITIES				
Revenue from operating activities		$	$	$
General rates	2(a)(i)	2,782,489	2,622,941	2,621,399
Rates excluding general rates	2(a)	674,919	643,036	642,657
Grants, subsidies and contributions		874,352	2,452,444	1,183,646
Fees and charges	15	777,958	937,794	695,934
Interest revenue	10(a)	504,957	558,285	309,326
Other revenue		380,983	539,987	459,197
Profit on asset disposals	5	0	1,852	23,502
Fair value adjustments to financial assets at fair value through profit or loss		0	56,668	0
		5,995,658	7,813,007	5,935,661
Expenditure from operating activities				
Employee costs		(3,347,863)	(2,677,454)	(2,947,669)
Materials and contracts		(2,460,453)	(2,381,613)	(2,797,644)
Utility charges		(264,662)	(210,051)	(262,666)
Depreciation	6	(2,580,718)	(2,619,626)	(2,428,295)
Finance costs	10(c)	(39,399)	(51,363)	(53,632)
Insurance		(225,233)	(232,068)	(232,447)
Other expenditure		(128,939)	(87,664)	(103,278)
Loss on asset disposals	5	(34,996)	(48,552)	(45,524)
		(9,082,263)	(8,308,391)	(8,871,155)
Non cash amounts excluded from operating activities	3(c)	2,615,714	2,642,804	2,450,317
Amount attributable to operating activities		**(470,891)**	**2,147,420**	**(485,177)**
INVESTING ACTIVITIES				
Inflows from investing activities				
Proceeds from capital grants, subsidies and contributions		2,277,477	2,006,372	1,796,744
Proceeds from disposal of property, plant and equipment	5(a)	20,000	133,830	156,000
Proceeds from financial assets at amortised cost - self supporting loans	8(a)	34,355	32,085	32,086
Proceeds from disposal financial assets at amortised cost - term deposits		2,051,895	(389,119)	2,680,978
		4,383,727	1,783,168	4,665,808
Outflows from investing activities				
Acquisition of property, plant and equipment	5(a)	(3,337,374)	(1,256,135)	(3,429,083)
Acquisition of infrastructure	5(b)	(2,826,019)	(1,687,160)	(1,772,950)
		(6,163,393)	(2,943,295)	(5,202,033)
Non-cash amounts excluded from investing activities	3(d)	(2,051,895)	389,119	(2,680,978)
Amount attributable to investing activities		**(3,831,561)**	**(771,008)**	**(3,217,203)**
FINANCING ACTIVITIES				
Inflows from financing activities				
Transfers from reserve accounts	9(a)	3,498,298	954,916	3,383,589
		3,498,298	954,916	3,383,589
Outflows from financing activities				
Repayment of borrowings	8(a)	(171,874)	(222,320)	(222,321)
Payments for principal portion of lease liabilities	7	(1,677)	(1,622)	(1,622)
Transfers to reserve accounts	9(a)	(1,446,403)	(1,344,035)	(1,035,169)
		(1,619,954)	(1,567,977)	(1,259,112)
Amount attributable to financing activities		**1,878,344**	**(613,061)**	**2,124,477**
MOVEMENT IN SURPLUS OR DEFICIT				
Surplus remaining at the start of the financial year	3	2,424,108	1,660,757	1,577,903
Amount attributable to operating activities		(470,891)	2,147,420	(485,177)
Amount attributable to investing activities		(3,831,561)	(771,008)	(3,217,203)
Amount attributable to financing activities		1,878,344	(613,061)	2,124,477
Surplus remaining after the imposition of general rates	3	**0**	**2,424,108**	**0**

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

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

1 BASIS OF PREPARATION

The annual budget of the Shire of Brookton which is a Class 4 local government is a forward looking document and has been prepared in accordance with the *Local Government Act 1995* and accompanying regulations.

Local Government Act 1995 requirements
Section 6.4(2) of the *Local Government Act 1995* read with the *Local Government (Financial Management) Regulations 1996* prescribe that the annual budget be prepared in accordance with the *Local Government Act 1995* and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards. The Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and Interpretations of the Australian Accounting Standards Board were applied where no inconsistencies exist.

The *Local Government (Financial Management) Regulations 1996* specify that vested land is a right-of-use asset to be measured at cost, and is considered a zero cost concessionary lease. All right-of-use assets under zero cost concessionary leases are measured at zero cost rather than at fair value, except for vested improvements on concessionary land leases such as roads, buildings or other infrastructure which continue to be reported at fair value, as opposed to the vested land which is measured at zero cost. The measurement of vested improvements at fair value is a departure from *AASB 16 Leases* which would have required the Shire to measure any vested improvements at zero cost.

Accounting policies which have been adopted in the preparation of this annual budget have been consistently applied unless stated otherwise. Except for cash flow and rate setting information, the annual budget has been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

The local government reporting entity
All funds through which the Shire controls resources to carry on its functions have been included in the financial statements forming part of this annual budget.

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 12 to the annual budget.

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

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

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

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

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

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

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

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

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

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

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

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

2. RATES AND SERVICE CHARGES

(a) Rating Information

Rate Description	Basis of valuation	Rate in dollar	Number of properties	Rateable value*	2026/27 Budgeted rate revenue	2026/27 Budgeted interim rates	2026/27 Budgeted total revenue	2025/26 Actual total revenue	2025/26 Budget total revenue
				$	$	$	$	$	$
(i) General rates									
GRV - Residential	Gross rental valuation	0.076516	260	5,068,920	387,853	0	387,853	363,724	360,260
GRV - Industrial	Gross rental valuation	0.076516	5	106,990	8,186	0	8,186	7,721	7,721
GRV - Commercial	Gross rental valuation	0.076516	18	903,650	69,144	0	69,144	65,416	62,602
GRV - GRV	Gross rental valuation	0.076516	2	387,500	29,650	0	29,650	27,966	27,966
UV - Unimproved	Unimproved valuation	0.005010	200	456,618,000	2,287,656	0	2,287,656	2,158,114	2,162,850
Non Rateable	Gross rental valuation	0.000000	236	134,400	0	0	0	0	0
Total general rates			721	463,219,460	2,782,489	0	2,782,489	2,622,941	2,621,399
		Minimum $							
(ii) Minimum payment									
GRV - Residential	Gross rental valuation	1,055.00	71	237,058	74,905	0	74,905	72,635	72,635
GRV - Industrial	Gross rental valuation	1,055.00	2	10,920	2,110	0	2,110	1,990	1,990
GRV - Commercial	Gross rental valuation	1,055.00	14	93,680	14,770	0	14,770	13,930	13,930
GRV - GRV	Gross rental valuation	1,055.00	1	8,100	1,055	0	1,055	995	995
UV - Unimproved	Unimproved valuation	1,763.00	173	33,301,527	304,999	0	304,999	289,362	289,362
Total minimum payments			261	33,651,285	397,839	0	397,839	378,912	378,912
Total general rates and minimum payments			982	496,870,745	3,180,328	0	3,180,328	3,001,853	3,000,311
(iii) Specified area rates									
Sewerage - GRV - Rate in Dollar		0.057357	163	3,673,815	210,719	0	210,719	198,554	196,911
Sewerage Rates Minimium		775.00	34	190,314	26,350	0	26,350	24,854	26,316
Total specified area rates			197	3,864,129	237,069	0	237,069	223,408	223,227
(ii) Ex-gratia rates									
CBH Ex Gratia Rates	Tonnage	0.106267	2	394,395	41,911	0	41,911	42,266	42,418
Total ex-gratia rates			2	394,395	41,911	0	41,911	42,266	42,418
					3,459,308	0	3,459,308	3,267,527	3,265,956
Concessions (Refer note 2(e))					(1,900)		(1,900)	(1,550)	(1,900)
Total rates					3,457,408	0	3,457,408	3,265,977	3,264,056
Instalment plan charges							3,500	3,500	3,000
Instalment plan interest							11,000	11,042	10,000
Interest on ESL							0	346	0
Interest on deferred rates							0	1,685	0
Late payment of rate or service charge interest							10,900	18,346	7,000
							25,400	34,919	20,000

*Rateable Value at time of adopting budget.

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

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

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

2. RATES AND SERVICE CHARGES (CONTINUED)

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

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

Option 1 (Full Payment)
Full amount of rates and charges including arrears, to be paid on or before 29 September 2026 or 35 days after the date of issue appearing on the rate notice, whichever is the later.

Option 2 (Two Instalments)
First instalment to be made on or before 29 September 2026 or 35 days after the date of issue appearing on the rate notice, whichever is the later, including all arrears and half the current rates and service charges; and
Second instalment to be made on or before 07 January 2026 or 2 months after the first instalment, whichever is the later.

Option 3 (Four Instalments)
First instalment to be made on or before 29 September 2026 or 35 days after the date of issue appearing on the rate notice, whichever is the later including all arrears and a quarter of the current rates and service charges;
Second instalment to be made on or before 30 November 2026 or 2 months after the first instalment, whichever is the later;
Third instalment to be made on or before 01 February 2027 or 2 months after the second instalment, whichever is the later; and
Fourth instalment to be made on or before 5 April 2027 or 2 months after the third instalment, whichever is the later.

Instalment options	Date due	Instalment plan admin charge	Instalment plan interest rate	Unpaid rates interest rates
		$	%	%
Option one				
Single full payment	29/09/2026	-	-	7.0%
Option two				
First instalment	29/09/2026	-	5.5%	7.0%
Second instalment	1/02/2027	10	5.5%	7.0%
Option three				
First instalment	29/09/2026	-	5.5%	7.0%
Second instalment	30/11/2026	10	5.5%	7.0%
Third instalment	1/02/2027	10	5.5%	7.0%
Fourth instalment	5/04/2027	10	5.5%	7.0%

2. RATES AND SERVICE CHARGES (CONTINUED)

(c) Specified Area Rate

Specified area rate	Budgeted rate applied to costs	Budgeted rate set aside to reserve	Reserve Amount to be applied to costs	Purpose of the rate	Area or properties rate is to be imposed on
	$	$	$		
Sewerage - GRV - Rate in Dollar	196,712	14,007	(158,160)	To maintain the expansion, ongoing renewal, maintenance and asset management needs of the Brookton Sewerage Scheme	Brookton Townsite
Sewerage Rates Minimium	26,350	0	0		
	223,062	14,007	(158,160)		

(d) Service Charges

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

(e) Waivers or concessions

Rate, fee or charge to which the waiver or concession is granted	Type	Waiver/ Concession	Discount %	Discount ($)	2026/27 Budget	2025/26 Actual	2025/26 Budget	Circumstances in which the waiver or concession is granted	Objects and reasons of the waiver or concession
					$	$	$		
Contiguous Rating Discount	Rate	Concession			1,900	1,550	1,900	Properties adjoining and owned by same ratepayer	Property ownership when the property crosses a Shire boundary for the purposes of assessing rates
					1,900	1,550	1,900		

3. NET CURRENT ASSETS

(a) Composition of estimated net current assets

	Note	2026/27 Budget 30 June 2027 Carried forward	2025/26 Actual 30 June 2026 Carried forward	2025/26 Budget 30 June 2026 Carried forward
Current assets		$	$	$
Cash and cash equivalents	4	290,666	2,639,462	865,104
Financial assets		10,971,877	13,023,772	9,951,406
Receivables		449,592	483,754	723,508
Inventories		74,712	65,862	88,480
Other assets		1,199	1,199	48,737
		11,788,046	16,214,049	11,677,235
Less: current liabilities				
Trade and other payables		(283,429)	(233,429)	(859,919)
Contract liabilities		(130,512)	(130,512)	(55,034)
Capital grant/contributions liabilities		0	0	(105,494)
Lease liabilities	7	0	(1,677)	0
Long term borrowings	8	0	(171,874)	0
Employee provisions		(402,228)	(402,228)	(332,538)
Other provisions		0	0	(40,286)
		(816,169)	(939,720)	(1,393,271)
Net current assets		10,971,877	15,274,329	10,283,964
Less: Total adjustments to net current assets	3(b)	(10,971,877)	(12,850,221)	(10,283,964)
Net current assets used in the Statement of Financial Activity		0	2,424,108	0

(b) Current assets and liabilities excluded from budgeted deficiency

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

	Note	2026/27 Budget 30 June 2027 Carried forward	2025/26 Actual 30 June 2026 Carried forward	2025/26 Budget 30 June 2026 Carried forward
Adjustments to net current assets				
Less: Reserve accounts	9	(10,937,522)	(12,989,417)	(10,251,878)
Less: Current assets not expected to be received at end of year				
- Financial assets at amortised cost - self supporting loans		(34,355)	(34,355)	(32,086)
Add: Current liabilities not expected to be cleared at end of year				
- Current portion of borrowings		0	171,874	0
- Current portion of lease liabilities		0	1,677	0
Total adjustments to net current assets		(10,971,877)	(12,850,221)	(10,283,964)

EXPLANATION OF DIFFERENCE IN SURPLUS/(DEFICIT)

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

(c) Amounts excluded from operating activities

	Note	2026/27 Budget 30 June 2027 Carried forward	2025/26 Actual 30 June 2026 Carried forward	2025/26 Budget 30 June 2026 Carried forward
		$	$	$
Less: Profit on asset disposals	5	0	(1,852)	(23,502)
Less: Fair value adjustments to financial assets at fair value through profit and loss		0	(56,668)	0
Add: Loss on asset disposals	5	34,996	48,552	45,524
Add: Depreciation	6	2,580,718	2,619,626	2,428,295
Non-cash movements in non-current assets and liabilities:				
- Pensioner deferred rates		0	(3,270)	0
- Employee benefit provisions		0	30,297	0
- Movement in Non Current LSL Oncosts Provision		0	2,395	0
- Movement in Receivable- Employee Related Provision Non Current		0	3,724	0
Non cash amounts excluded from operating activities		2,615,714	2,642,804	2,450,317

3. NET CURRENT ASSETS

(d) Amounts excluded from investing activities

Reconciling item - movement between current assets:			
- Financial assets at amortised cost - term deposits	(2,051,895)	389,119	(2,680,978)
Non cash amounts excluded from investing activities	(2,051,895)	389,119	(2,680,978)

3. NET CURRENT ASSETS (CONTINUED)

(d) MATERIAL ACCOUNTING POLICIES

CURRENT AND NON-CURRENT CLASSIFICATION
The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the Shire's operational cycle. In the case of liabilities where the Shire does not have the right to defer settlement beyond 12 months, such as vested long service leave, the liability is classified as current even if not expected to be settled within the next 12 months. Inventories held for trading are classified as current or non-current based on the Shire's intentions to release for sale.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

4. RECONCILIATION OF CASH

(a) Reconciliation of cash

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

	Note	2026/27 Budget	2025/26 Actual	2025/26 Budget
		$	$	$
Cash and cash equivalents		290,666	2,639,462	865,104
Restrictions				
The following classes of financial assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:				
Cash and cash equivalents		120,512	182,012	428,052
Restricted financial assets at amortised cost - term deposits		10,947,522	12,999,417	9,929,320
		11,068,034	13,181,429	10,357,372
The restricted financial assets are a result of the following specific purposes to which the assets may be used:				
Reserve accounts	9	10,937,522	12,989,417	10,251,878
Contract liabilities		130,512	130,512	105,494
Capital grant/contributions liabilities		0	0	0
Unspent borrowings	8(c)	0	61,500	0
Total restricted financial assets		11,068,034	13,181,429	10,357,372

(b) Reconciliation of net cash provided by operating activities

	Note	2026/27 Budget	2025/26 Actual	2025/26 Budget
Net result		(809,128)	1,510,988	(1,138,750)
Non-cash items:				
Depreciation	6	2,580,718	2,619,626	2,428,295
Loss on sale of assets	5	34,996	46,700	22,022
Adjustments to fair value of financial assets at fair value through profit and loss		0	(56,668)	0
Changes in assets and liabilities:				
(Increase)/decrease in receivables		34,162	31,238	(214,427)
(Increase) in inventories		(8,850)	(8,850)	(31,468)
Decrease in other assets		0	47,538	0
(Increase)/decrease in trade and other payables		50,000	(380,791)	266,697
Decrease in contract liabilities		0	96,640	0
(Increase) in capital grant/contributions liabilities		0	(110,951)	0
Decrease in employee related provisions		0	62,096	0
Capital grants, subsidies and contributions		(2,277,477)	(1,895,421)	(1,796,744)
Net cash provided by/(used in) operating activities		(395,579)	1,962,145	(464,375)

MATERIAL ACCOUNTING POLICES

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

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

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

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

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

5. PROPERTY, PLANT AND EQUIPMENT

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

2026/27 Budget	Additions	In-kind Additions	Disposals - Net Book Value	Transfer to non-current assets classified as held for sale	Disposals - Sale Proceeds	Disposals - Profit	Disposals - Loss
(a) Property, Plant and Equipment	$	$	$		$	$	$
Buildings - specialised	2,667,224						0
Furniture and equipment	80,150						0
Plant and equipment	590,000		(54,996)		20,000		(34,996)
Total	3,337,374	0	(54,996)	0	20,000	0	(34,996)
(b) Infrastructure							
Infrastructure - roads	2,535,403						0
Infrastructure - footpaths	54,932						0
Infrastructure - sewerage	223,227						0
Infrastructure - water supply	0						0
Infrastructure - parks and ovals	12,457						0
Total	2,826,019	0	0	0	0	0	0
Total	6,163,393	0	(54,996)	0	20,000	0	(34,996)

2025/26 Actual	Additions	In-kind Additions	Disposals - Net Book Value	Transfer to non-current assets classified as held for sale	Disposals - Sale Proceeds	Disposals - Profit	Disposals - Loss
(a) Property, Plant and Equipment	$	$	$		$	$	$
Buildings - specialised	636,251		(9,023)		0	0	(9,023)
Furniture and equipment	111,120		0				0
Plant and equipment	508,764		(171,507)	0	133,830	1,852	(39,529)
Total	1,256,135	0	(180,530)	0	133,830	1,852	(48,552)
(b) Infrastructure							
Infrastructure - roads	1,378,941						0
Infrastructure - footpaths	71,373						0
Infrastructure - sewerage	218,312						0
Infrastructure - water supply	6,489						0
Infrastructure - parks and ovals	12,045						0
Total	1,687,160	0	0	0	0	0	0
Total	2,943,295	0	(180,530)	0	133,830	1,852	(48,552)

2025/26 Budget	Additions	In-kind Additions	Disposals - Net Book Value	Transfer to non-current assets classified as held for sale	Disposals - Sale Proceeds	Disposals - Profit	Disposals - Loss
(a) Property, Plant and Equipment	$	$	$		$	$	$
Buildings - specialised	2,684,583	0	0	0	0	0	0
Furniture and equipment	151,500	0	0	0	0	0	0
Plant and equipment	593,000	0	(178,022)		156,000	23,502	(45,524)
Total	3,429,083	0	(178,022)	0	156,000	23,502	(45,524)
(b) Infrastructure							
Infrastructure - roads	1,320,111	0	0	0	0	0	0
Infrastructure - footpaths	75,000	0	0	0	0	0	0
Infrastructure - sewerage	329,339	0	0	0	0	0	0
Infrastructure - water supply	7,500	0	0	0	0	0	0
Infrastructure - parks and ovals	41,000	0	0	0	0	0	0
Total	1,772,950	0	0	0	0	0	0
Total	5,202,033	0	(178,022)	0	156,000	23,502	(45,524)

MATERIAL ACCOUNTING POLICIES

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

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

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

6. DEPRECIATION

	2026/27 Budget	2025/26 Actual	2025/26 Budget
	$	$	$
By Class			
Buildings - specialised	341,999	342,000	328,839
Furniture and equipment	30,461	30,751	24,696
Plant and equipment	301,130	339,279	227,701
Other property, plant and equipment - Bushfire	115,916	115,917	116,022
Infrastructure - roads	1,537,953	1,538,420	1,490,712
Infrastructure - footpaths	36,443	36,443	33,694
Infrastructure - sewerage	39,379	39,379	28,507
Infrastructure - water supply	11,794	11,794	8,900
Infrastructure - parks and ovals	163,944	163,944	167,636
Right of use - land	1,699	1,699	1,588
	2,580,718	2,619,626	2,428,295
By Program			
Governance	57,741	57,747	45,660
Law, order, public safety	147,879	147,880	137,577
Education and welfare	34,901	34,901	34,919
Housing	32,702	32,702	32,568
Community amenities	90,298	90,512	78,718
Recreation and culture	366,927	367,467	361,747
Transport	1,574,862	1,574,864	1,526,165
Economic services	22,955	22,956	21,771
Other property and services	252,453	290,597	189,170
	2,580,718	2,619,626	2,428,295

MATERIAL ACCOUNTING POLICIES

DEPRECIATION
The depreciable amount of all fixed assets including buildings but excluding freehold land, are depreciated on a straight-line basis over the individual asset's useful life from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful life of the improvements.

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Major depreciation periods used for each class of depreciable asset are:

Buildings - specialised	4 to 100 years
Furniture and equipment	3 to 10 years
Plant and equipment	3 to 25 years
Other property, plant and equipment - Bus	5 to 13 years
Infrastructure - roads	0 to 100 years
Infrastructure - footpaths	7 to 56 years
Infrastructure - sewerage	0 to 156 years
Infrastructure - water supply	10 to 50 years
Infrastructure - parks and ovals	5 to 78 years
Right of use - land	Based on remaining lease

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

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

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

7. LEASE LIABILITIES

Purpose	Lease Number	Institution	Lease Interest Rate	Lease Term	Budget Lease Principal 1 July 2026	2026/27 Budget New Leases	2026/27 Budget Lease Principal Repayments	Budget Lease Principal outstanding 30 June 2027	2026/27 Budget Lease Interest Repayments	Actual Principal 1 July 2025	2025/26 Actual New Leases	2025/26 Actual Lease Principal repayments	Actual Lease Principal outstanding 30 June 2026	2025/26 Actual Lease Interest repayments	Budget Principal 1 July 2025	2025/26 Budget New Leases	2025/26 Budget Lease Principal repayments	Budget Lease Principal outstanding 30 June 2026	2025/26 Budget Lease Interest repayments
					$	$	$	$	$	$	$	$	$	$	$	$	$	$	$
Re-Use Water Dam	LE-03	Seabrook Aboriginal Corporation	3.4%	300	15,847	0	(1,677)	14,170	(505)	17,469	0	(1,622)	15,847	(560)	17,469	0	(1,622)	15,847	(560)
					15,847	0	(1,677)	14,170	(505)	17,469	0	(1,622)	15,847	(560)	17,469	0	(1,622)	15,847	(560)

MATERIAL ACCOUNTING POLICIES

LEASES

At the inception of a contract, the Shire assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At the commencement date, a right-of-use asset is recognised at cost and a lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Shire uses its incremental borrowing rate.

LEASE LIABILITIES

The present value of future lease payments not paid at the reporting date discounted using the incremental borrowing rate where the implicit interest rate in the lease is not readily determined.

8. BORROWINGS

(a) Borrowing repayments

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

Purpose	Loan Number	Institution	Interest Rate	Budget Principal 1 July 2026	2026/27 Budget New Loans	2026/27 Budget Principal Repayments	Budget Principal outstanding 30 June 2027	2026/27 Budget Interest Repayments	Actual Principal 1 July 2025	2025/26 Actual New Loans	2025/26 Actual Principal Repayments	Actual Principal outstanding 30 June 2026	2025/26 Actual Interest Repayments	Budget Principal 1 July 2025	2025/26 Budget New Loans	2025/26 Budget Principal Repayments	Budget Principal outstanding 30 June 2026	2025/26 Budget Interest Repayments
				$	$	$	$	$	$	$	$	$	$	$	$	$	$	$
Kalkarni Residency	Loan 80	WATC	5.6%	0	0	0	0	0	12,124	0	(12,124)	0	(395)	12,124	0	(12,124)	0	(593)
Staff Housing	Loan 80	WATC	5.6%	0	0	0	0	0	20,005	0	(20,005)	0	(632)	20,005	0	(20,005)	0	(979)
Sewerage	Loan 80	WATC	5.6%	0	0	0	0	0	8,487	0	(8,487)	0	(268)	8,487	0	(8,487)	0	(415)
Effluent Loan	Loan 83	WATC	4.5%	526,080	0	(52,088)	473,992	(23,054)	575,905	0	(49,825)	526,080	(20,814)	575,905	0	(49,825)	526,080	(29,148)
Sport & Recreation	Loan 81	WATC	7.0%	130,385	0	(85,431)	44,954	(7,603)	210,174	0	(79,789)	130,385	(17,365)	210,174	0	(79,789)	130,385	(14,947)
Grader	Loan 80	WATC	5.6%	0	0	0	0	0	20,005	0	(20,005)	0	(632)	20,005	0	(20,005)	0	(978)
				656,465	0	(137,519)	518,946	(30,657)	846,700	0	(190,235)	656,465	(40,106)	846,700	0	(190,235)	656,465	(47,060)
Self Supporting Loans																		
Country Club	Loan 82	WATC	7.0%	52,433	0	(34,355)	18,078	(3,057)	84,518	0	(32,085)	52,433	(1,303)	84,517	0	(32,086)	52,431	(6,012)
				52,433	0	(34,355)	18,078	(3,057)	84,518	0	(32,085)	52,433	(1,303)	84,517	0	(32,086)	52,431	(6,012)
				708,898	0	(171,874)	537,024	(33,714)	931,218	0	(222,320)	708,898	(41,409)	931,217	0	(222,321)	708,896	(53,072)

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

8. BORROWINGS (CONTINUED)

(b) New borrowings - 2026/27

The Shire does not intend to undertake any new borrowings for the year ended 30th June 2027

(c) Unspent borrowings

Loan Details	Purpose of the loan	Year loan taken	Amount b/fwd.	Amount used 2026/27 Budget	New loans unspent at 30 June 2027	Amount as at 30 June 2027
			$	$	$	$
Effluent Loan 83	Effluent System Upgrade	2024	61,500	61,500	0	0
			61,500	61,500	0	0

(d) Credit Facilities

	2026/27 Budget	2025/26 Actual	2025/26 Budget
	$	$	$
Undrawn borrowing facilities credit standby arrangements			
Bank overdraft limit	0	0	0
Bank overdraft at balance date	0	0	0
Credit card limit	21,500	21,500	21,500
Credit card balance at balance date	0	(3,551)	0
Total amount of credit unused	21,500	17,949	21,500
Loan facilities			
Loan facilities in use at balance date	537,024	708,898	708,896
Unused loan facilities at balance date	61,500	148,862	0

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.

9. RESERVE ACCOUNTS

(a) Reserve Accounts - Movement

	2026/27 Budget				2025/26 Actual				2025/26 Budget			
	Opening Balance	Transfer to	Transfer (from)	Closing Balance	Opening Balance	Transfer to	Transfer (from)	Closing Balance	Opening Balance	Transfer to	Transfer (from)	Closing Balance
	$	$	$	$	$	$	$	$	$	$	$	$
Restricted by legislation												
(a) Sewerage Scheme Reserve	404,321	14,007	(158,160)	260,168	520,587	14,684	(130,950)	404,321	520,587	11,651	(199,680)	332,558
	404,321	14,007	(158,160)	260,168	520,587	14,684	(130,950)	404,321	520,587	11,651	(199,680)	332,558
Restricted by council												
(b) Leave reserve	165,293	5,726	0	171,019	159,363	5,930	0	165,293	159,363	3,567	0	162,930
(c) Plant and Vehicle reserve	683,483	418,678	(590,000)	512,161	655,511	536,110	(508,138)	683,483	655,510	545,671	(593,000)	608,181
(d) Furniture and Equipment Reserve	155,341	270,382	(179,098)	246,625	153,336	137,324	(135,319)	155,341	153,337	132,432	(178,710)	107,059
(e) Madison Square Units Reserve	37,384	1,606	0	38,990	35,732	1,652	0	37,384	35,732	1,111	0	36,843
(f) Brookton Community Resource Centre Rese	250,368	8,674	0	259,042	241,385	8,983	0	250,368	241,385	5,402	0	246,787
(g) Building and Facility Reserve	6,073,351	355,403	(963,500)	5,465,254	5,857,970	298,274	(82,893)	6,073,351	5,857,969	209,451	(804,583)	5,262,837
(h) Infrastructure Reserve	535,864	79,499	0	615,363	474,945	158,535	(97,616)	535,864	474,945	10,629	(97,616)	387,958
(i) Waste Reserve	841,675	159,316	(43,000)	957,991	796,986	44,689	0	841,675	796,986	32,348	0	829,334
(j) Aged Housing Reserve	479,422	16,609	0	496,031	462,221	17,201	0	479,422	462,222	10,345	0	472,567
(k) Innovations and Development Reserve	3,362,915	116,503	(1,564,540)	1,914,878	3,242,262	120,653	0	3,362,915	3,242,262	72,562	(1,510,000)	1,804,824
	12,585,096	1,432,396	(3,340,138)	10,677,354	12,079,711	1,329,351	(823,966)	12,585,096	12,079,711	1,023,518	(3,183,909)	9,919,320
	12,989,417	1,446,403	(3,498,298)	10,937,522	12,600,298	1,344,035	(954,916)	12,989,417	12,600,298	1,035,169	(3,383,589)	10,251,878

(b) Reserve Accounts - Purposes

In accordance with Council resolutions in relation to each reserve account, the purpose for which the reserves are set aside are as follows:

Reserve name	Anticipated date of use	Purpose of the reserve
Restricted by legislation		
(a) Sewerage Scheme Reserve	Ongoing	This reserve is to fund the expansion, ongoing renewal, maintenance and asset management needs of the Brookton Sewerage Scheme.
Restricted by council		
(b) Leave reserve	Ongoing	This reserve is for the funding of annual and long service leave requirements.
(c) Plant and Vehicle reserve	Ongoing	This reserve is for the purchase of major items in the Shire's plant and vehicle replacement program. Inclusive of the Community Bus.
(d) Furniture and Equipment Reserve	Ongoing	This reserve is for the replacement of major items of furniture and equipment.
(e) Madison Square Units Reserve	Ongoing	This reserve is to be used to fund any upgrades or major maintenance on the Madison Square Units.
(f) Brookton Community Resource Centre Rese	Ongoing	This reserve is to be used to fund any upgrades and services for the Brookton Community Resource Centre.
(g) Building and Facility Reserve	Ongoing	This reserve is for the construction, demolition, acquisition, renewal or upgrade of Shire owned Public and Community buildings and facilities.
(h) Infrastructure Reserve	Ongoing	This reserve is for the construction and upgrade of roads, bridges, paths and water infrastructure within the Shire.
(i) Waste Reserve	Ongoing	This reserve is to fund the compliant management and future rehabilitation of the Brookton Refuse Site.
(j) Aged Housing Reserve	Ongoing	This reserve is to be used to fund any upgrades or major maintenance on the Independent Living Units.
(k) Innovations and Development Reserve	Ongoing	This reserve is to fund inovative projects, identified in the Intregrated Planning and Reporting (IPR) framework, to grow and develop the Shire of Brookton.

10. OTHER INFORMATION

The net result includes as revenues	2026/27 Budget	2025/26 Actual	2025/26 Budget
	$	$	$
(a) Interest earnings			
Investments reserve	450,000	523,571	282,000
Investments other funds	30,000	0	5,000
Self supporting loans	3,057	5,326	5,326
Other interest revenue	21,900	29,388	17,000
	504,957	558,285	309,326
The net result includes as expenses			
(b) Auditors remuneration			
Audit services	72,077	47,077	72,077
Other services	15,030	4,150	15,030
	87,107	51,227	87,107
(c) Interest expenses (finance costs)			
Borrowings (refer Note 8(a))	33,714	41,409	53,072
Interest on lease liabilities (refer Note 7)	505	560	560
Other finance costs	5,180	9,394	0
	39,399	51,363	53,632
(d) Write offs			
General rate	800	3,127	800
	800	3,127	800

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

11. COUNCIL MEMBERS REMUNERATION

	2026/27 Budget	2025/26 Actual	2025/26 Budget
	$	$	$
President			
President's allowance	7,780	7,500	7,500
Meeting attendance fees	7,500	7,245	7,245
Travel and accommodation expenses	589	220	589
Superannuation contribution payments	900	945	0
	16,769	15,910	15,334
Deputy President			
Deputy President's allowance	1,945	1,875	1,875
Meeting attendance fees	4,165	4,020	4,020
Travel and accommodation expenses	589	475	589
Superannuation contribution payments	500	429	0
	7,199	6,799	6,484
Council member 1			
Meeting attendance fees	4,165	4,020	4,020
Travel and accommodation expenses	589	368	589
Superannuation contribution payments	500	328	0
	5,254	4,716	4,609
Council member 2			
Meeting attendance fees	4,165	2,824	4,020
Travel and accommodation expenses	589	725	589
Superannuation contribution payments	500		0
	5,254	3,549	4,609
Council member 3			
Meeting attendance fees	4,165	4,020	4,020
Travel and accommodation expenses	589	0	589
Superannuation contribution payments	500	339	0
	5,254	4,359	4,609
Council member 4			
Meeting attendance fees	4,165	3,015	4,020
Travel and accommodation expenses	589	121	589
Superannuation contribution payments	500		0
	5,254	3,136	4,609
Council member 5			
Meeting attendance fees	4,165	4,020	4,020
Travel and accommodation expenses	589	0	589
Superannuation contribution payments	500		0
	5,254	4,020	4,609
Total Council Member Remuneration	50,237	42,489	44,863
President's allowance	7,780	7,500	7,500
Deputy President's allowance	1,945	1,875	1,875
Meeting attendance fees	32,490	29,164	31,365
Travel and accommodation expenses	4,123	1,909	4,123
Superannuation contribution payments	3,899	2,041	0
	50,237	42,489	44,863

13. REVENUE AND EXPENDITURE

(a) Revenue and Expenditure Classification

REVENUES

RATES
All rates levied under the *Local Government Act 1995*. Includes general, differential, specific area rates, minimum payment, interim rates, back rates, ex-gratia rates, less discounts offered.
Exclude administration fees, interest on instalments, interest on arrears, service charges and sewerage rates.

GRANTS, SUBSIDIES AND CONTRIBUTIONS
All amounts received as grants, subsidies and contributions that are not capital grants.

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

REVENUE FROM CONTRACTS WITH CUSTOMERS
Revenue from contracts with customers is recognised when the local government satisfies its performance obligations under the contract.

FEES AND CHARGES
Revenues (other than service charges) from the use of facilities and charges made for local government services, sewerage rates, rentals, hire charges, fee for service, photocopying charges, licences, sale of goods or information, fines, penalties and administration fees.
Local governments may wish to disclose more detail such as rubbish collection fees, rental of property, fines and penalties, other fees and charges.

SERVICE CHARGES
Service charges imposed under *Division 6 of Part 6 of the Local* Government Act 1995. Regulation 54 of the Local Government *(Financial Management) Regulations 1996* identifies the charges which can be raised. These are television and radio broadcasting, underground electricity and neighbourhood surveillance services and water.
Exclude rubbish removal charges which should not be classified as a service charge. Interest and other items of a similar nature received from bank and investment accounts, interest on rate instalments, interest on rate arrears and interest on debtors.

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

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

PROFIT ON ASSET DISPOSAL
Gain on the disposal of assets including gains on the disposal of long-term investments.

EXPENSES

EMPLOYEE COSTS
All costs associated with the employment of person such as salaries, wages, allowances, benefits such as vehicle and housing, superannuation, employment expenses, removal expenses, relocation expenses, worker's compensation insurance, training costs, conferences, safety expenses, medical examinations, fringe benefit tax, etc.
Note: *AASB 119 Employee Benefits* provides a definition of employee benefits which should be considered.

MATERIALS AND CONTRACTS
All expenditures on materials, supplies and contracts not classified under other headings. These include supply of goods and materials, legal expenses, consultancy, maintenance agreements, communication expenses (such as telephone and internet charges), advertising expenses, membership, periodicals, publications, hire expenses, rental, leases, postage and freight etc.
Local governments may wish to disclose more detail such as contract services, consultancy, information technology and rental or lease expenditures.

UTILITIES (GAS, ELECTRICITY, WATER)
Expenditures made to the respective agencies for the provision of power, gas or water.
Exclude expenditures incurred for the reinstatement of roadwork on behalf of these agencies.

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

LOSS ON ASSET DISPOSAL
Loss on the disposal of fixed assets.

DEPRECIATION ON NON-CURRENT ASSETS
Depreciation and amortisation expenses raised on all classes of assets.

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

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

13. REVENUE AND EXPENDITURE (CONTINUED)

(b) Revenue Recognition

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/ Warranties	Determination of transaction price	Allocating transaction price	Measuring obligations for returns	Timing of Revenue recognition
Rates	General Rates	Over time	Payment dates adopted by Council during the year	None	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
Specified area rates	Rates charge for specific defined purpose	Over time	Payment dates adopted by Council during the year	Refund in event monies are unspent	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
Service charges	Charge for specific service	Over time	Payment dates adopted by Council during the year	Refund in event monies are unspent	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
Grant contracts with customers	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants, subsidies or contributions for the construction of non-financial assets	Construction or acquisition of recognisable non-financial assets to be controlled by the local government	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants with no contractual commitments	contributions with no specific contractual commitments	No obligations	Not applicable	Not applicable	Cash received	On receipt of funds	Not applicable	When assets are controlled
Licences/ Registrations/ Approvals	Building, planning, development and animal management, having the same nature as a licence regardless of naming.	Single point in time	Full payment prior to issue	None	Set by State legislation or limited by legislation to the cost of provision	Based on timing of issue of the associated rights	No refunds	On payment and issue of the licence, registration or approval
Pool inspections	Compliance safety check	Single point in time	Equal proportion based on an equal annually fee	None	Set by State legislation	Apportioned equally across the inspection cycle	No refunds	After inspection complete based on a 4 year cycle
Other inspections	Regulatory Food, Health and Safety	Single point in time	Full payment prior to inspection	None	Set by State legislation or limited by legislation to the cost of provision	Applied fully on timing of inspection	Not applicable	Revenue recognised after inspection event occurs
Waste management collections	Kerbside collection service	Over time	Payment on an annual basis in advance	None	Adopted by council annually	Apportioned equally across the collection period	Not applicable	Output method based on regular weekly and fortnightly period as proportionate to collection service
Waste management entry fees	Waste treatment, recycling and disposal service at disposal sites	Single point in time	Payment in advance at gate or on normal trading terms if credit provided	None	Adopted by council annually	Based on timing of entry to facility	Not applicable	On entry to facility
Property hire and entry	Use of halls and facilities	Single point in time	In full in advance	Refund if event cancelled within 7 days	Adopted by council annually	Based on timing of entry to facility	Returns limited to repayment of transaction price	On entry or at conclusion of hire
Memberships	Gym and pool membership	Over time	Payment in full in advance	Refund for unused portion on application	Adopted by council annually	Apportioned equally across the access period	Returns limited to repayment of transaction price	Output method Over 12 months matched to access right
Fees and charges for other goods and services	Cemetery services, library fees, reinstatements and private works	Single point in time	Payment in full in advance	None	Adopted by council annually	Applied fully based on timing of provision	Not applicable	Output method based on provision of service or completion of works
Sale of stock	Aviation fuel, kiosk and visitor centre stock	Single point in time	In full in advance, on 15 day credit	Refund for faulty goods	Adopted by council annually, set by mutual agreement	Applied fully based on timing of provision	Returns limited to repayment of transaction price	Output method based on goods
Commissions	Commissions on licencing and ticket sales	Over time	Payment in full on sale	None	Set by mutual agreement with the customer	On receipt of funds	Not applicable	When assets are controlled
Reimbursements	Insurance claims	Single point in time	Payment in arrears for claimable event	None	Set by mutual agreement with the customer	When claim is agreed	Not applicable	When claim is agreed

14. PROGRAM INFORMATION

Key Terms and Definitions - Reporting Programs

In order to discharge its responsibilities to the community, Council has developed a set of operational and financial objectives. These objectives have been established both on an overall basis, reflected by the Shire's Community Vision, and for each of its broad activities/programs.

OBJECTIVE	ACTIVITIES
Governance	
To provide a decision making process for the efficient allocation of resources.	Administration and operations of facilities and services to members of Council. Other costs that relate to the tasks of assisting elected members and ratepayers on matters which do not concern specific council services.
General purpose funding	
To collect revenue to allow for the provision of services.	Rates, general purpose grants and interest revenue.
Law, order, public safety	
To provide services to help ensure a safer community.	Supervision of various by-laws, fire prevention, emergency services, closed circuit television and animal control.
Health	
To provide an operational framework for good community health.	Inspection of food outlets and their control, provision of meat inspection services, noise control and waste disposal compliance.
Education and welfare	
The Shire of Brookton provides low cost housing and Seniors accommodation units.	Support and provide assistance to senior citizens and other voluntary services.
Housing	
Provision and maintenance of rental housing to staff and non-staff tenants.	Provision and maintenance of rental housing to staff and non-staff tenants.
Community amenities	
Provision and maintenance of a sewerage overflow system; street; household and commercial refuse collection; refuse disposal site; administration of a town planning scheme; public conveniences and Brookton cemetery.	Rubbish collection services, operation of rubbish disposal sites, litter control, construction and maintenance of urban storm water drains, protection of the environment and administration of town planning scheme, cemetery and public conveniences.
Recreation and culture	
To establish and manage efficiently infrastructure and resources which will help the social well being of the community.	Maintenance of halls, aquatic centre, recreation centre and reserves, parks and gardens, library service, cultural and heritage services and facilities.
Transport	
Construction and maintenance of RAV network including traffic signs, footpaths, bridges, culverts and other drains, street cleaning and lighting of streets. Townscape projects and the maintenance of a works depot.	Construction and maintenance of roads, streets, footpaths, depots, cycle ways, parking facilities and traffic control. Cleaning of streets and maintenance of street trees, street lighting etc.
Economic services	
Tourism and promotion of Brookton, operation of Brookton Caravan Park, building control and land care development of the Brookton district.	Tourism and area promotion including the maintenance and operation of a caravan park. Operation of Brookton Community Resource Centre. Provision of rural services including weed control, vermin control and stand pipes. Building control.
Other property and services	
Private works and indirect cost allocation pools for plant operation and public works.	Private works operations, public works operation, plant operation costs, gross salaries and wages.