

SHIRE OF MENZIES
ANNUAL BUDGET
FOR THE YEAR ENDED 30 JUNE 2025

LOCAL GOVERNMENT ACT 1995

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SHIRE'S VISION

An inclusive and welcoming community, celebrating our heritage and place.

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

	Note	2024/25 Budget	2023/24 Actual	2023/24 Budget
Revenue		\$	\$	\$
Rates	2(a)	4,805,190	4,434,860	4,335,810
Grants, subsidies and contributions		777,381	2,858,093	558,417
Fees and charges	13	245,805	265,803	240,205
Interest revenue	9(a)	281,000	352,247	301,000
Other revenue		1,275,361	27,097	30,450
		7,384,737	7,938,100	5,465,882
Expenses				
Employee costs		(2,731,689)	(2,338,482)	(2,896,464)
Materials and contracts		(4,556,500)	(2,244,690)	(2,627,425)
Utility charges		(122,800)	(103,907)	(110,200)
Depreciation	6	(2,387,402)	(1,916,606)	(2,140,427)
Finance costs	9(c)	(21,210)	0	(26,085)
Insurance		(164,383)	(184,181)	(163,583)
Other expenditure		(533,601)	(163,508)	(601,711)
		(10,517,585)	(6,951,374)	(8,565,895)
		(3,132,848)	986,726	(3,100,013)
Capital grants, subsidies and contributions		3,884,081	3,337,470	6,986,077
Profit on asset disposals	5	127,145	32,523	43,894
Loss on asset disposals	5	0	(2,730)	0
		4,011,226	3,367,263	7,029,971
Net result for the period		878,378	4,353,989	3,929,958
Total other comprehensive income for the period		0	0	0
Total comprehensive income for the period		878,378	4,353,989	3,929,958

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

SHIRE OF MENZIES
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2025

	Note	2024/25 Budget	2023/24 Actual	2023/24 Budget
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
		\$	\$	\$
Rates		4,805,190	4,266,708	4,370,064
Grants, subsidies and contributions		854,271	2,763,013	483,191
Fees and charges		245,805	265,803	240,205
Interest revenue		281,000	352,247	301,000
Goods and services tax received		225,881	460,097	113,007
Other revenue		1,275,361	27,097	30,450
		7,687,508	8,134,965	5,537,917
Payments				
Employee costs		(2,731,689)	(2,328,668)	(2,896,464)
Materials and contracts		(4,037,916)	(2,313,391)	(2,137,525)
Utility charges		(122,800)	(103,907)	(110,200)
Finance costs		(21,210)	0	(26,085)
Insurance paid		(164,383)	(184,181)	(163,583)
Goods and services tax paid		(518,584)	(247,167)	(465,907)
Other expenditure		(533,601)	(163,508)	(601,711)
		(8,130,183)	(5,340,822)	(6,401,475)
Net cash provided by (used in) operating activities	4	(442,675)	2,794,143	(863,558)
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment	5(a)	(4,838,141)	(1,959,237)	(5,013,177)
Payments for construction of infrastructure	5(b)	(6,430,668)	(3,227,032)	(9,947,828)
Capital grants, subsidies and contributions		2,538,731	3,814,325	6,996,981
Proceeds from sale of property, plant and equipment	5(a)	221,000	42,698	80,000
Net cash (used in) investing activities		(8,509,078)	(1,329,246)	(7,884,024)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	7(a)	(44,829)	0	(53,627)
Proceeds on disposal of financial assets at amortised cost - term deposits		0	0	2,130,225
Proceeds from new borrowings	7(a)	650,000	0	650,000
Net cash provided by financing activities		605,171	0	2,726,598
Net increase (decrease) in cash held		(8,346,582)	1,464,897	(6,020,984)
Cash at beginning of year		19,260,716	17,795,819	6,020,984
Cash and cash equivalents at the end of the year	4	10,914,134	19,260,716	0

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

SHIRE OF MENZIES
STATEMENT OF FINANCIAL ACTIVITY
FOR THE YEAR ENDED 30 JUNE 2025

OPERATING ACTIVITIES

Revenue from operating activities

	Note	2024/25 Budget	2023/24 Actual	2023/24 Budget
General rates	2(a)(i)	\$ 4,621,750	\$ 4,141,746	\$ 4,141,746
Rates excluding general rates	2(a)	183,440	293,114	194,064
Grants, subsidies and contributions		777,381	2,858,093	558,417
Fees and charges	13	245,805	265,803	240,205
Interest revenue	9(a)	281,000	352,247	301,000
Other revenue		1,275,361	27,097	30,450
Profit on asset disposals	5	127,145	32,523	43,894

Expenditure from operating activities

Employee costs		(2,731,689)	(2,338,482)	(2,896,464)
Materials and contracts		(4,556,500)	(2,244,690)	(2,627,425)
Utility charges		(122,800)	(103,907)	(110,200)
Depreciation	6	(2,387,402)	(1,916,606)	(2,140,427)
Finance costs	9(c)	(21,210)	0	(26,085)
Insurance		(164,383)	(184,181)	(163,583)
Other expenditure		(533,601)	(163,508)	(601,711)
Loss on asset disposals	5	0	(2,730)	0

Non cash amounts excluded from operating activities

	3(c)	2,260,257	1,886,813	2,093,989
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Amount attributable to operating activities

INVESTING ACTIVITIES

Inflows from investing activities

Capital grants, subsidies and contributions		3,884,081	3,337,470	6,986,077
Proceeds from disposal of assets	5	221,000	42,698	80,000

Outflows from investing activities

Payments for property, plant and equipment	5(a)	(4,838,141)	(1,959,237)	(5,013,177)
Payments for construction of infrastructure	5(b)	(6,430,668)	(3,227,032)	(9,947,828)

Amount attributable to investing activities

FINANCING ACTIVITIES

Inflows from financing activities

Proceeds from new borrowings	7(a)	650,000	0	650,000
Transfers from reserve accounts	8(a)	4,034,624	1,161,543	4,640,924

Outflows from financing activities

Repayment of borrowings	7(a)	(44,829)	0	(53,627)
Transfers to reserve accounts	8(a)	(2,644,588)	(2,524,324)	(2,510,699)

Amount attributable to financing activities

MOVEMENT IN SURPLUS OR DEFICIT

Surplus at the start of the financial year	3	5,913,967	6,179,517	6,130,460
Amount attributable to operating activities		(745,446)	2,903,332	(962,130)
Amount attributable to investing activities		(7,163,728)	(1,806,101)	(7,894,928)
Amount attributable to financing activities		1,995,207	(1,362,781)	2,726,598
Surplus/(deficit) remaining after the imposition of general rates	3	0	5,913,967	0

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

**SHIRE OF MENZIES
FOR THE YEAR ENDED 30 JUNE 2025
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SHIRE OF MENZIES
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2025

1 BASIS OF PREPARATION

The annual budget 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* which would have required the Shire to measure any vested improvements at zero cost.

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

The local government reporting entity

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 10 to the annual budget.

2023/24 actual balances

Balances shown in this budget as 2023/24 Actual are estimates as forecast at the time of preparation of the annual budget and are subject to final adjustments.

Budget comparative figures

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

Comparative figures

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

Rounding off figures

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

Statement of Cashflows

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

Initial application of accounting standards

During the budget year, the below revised Australian Accounting Standards and Interpretations are expected to be compiled, become mandatory and be applicable to its operations.

- *AASB 2020-1 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current*
 - *AASB 2022-5 Amendments to Australian Accounting Standards - Lease Liability in a Sale and Leaseback*
 - *AASB 2022-6 Amendments to Australian Accounting Standards - Non-current Liabilities with Covenants*
 - *AASB 2023-1 Amendments to Australian Accounting Standards - Supplier Finance Arrangements*
 - *AASB 2023-3 Amendments to Australian Accounting Standards - Disclosure of Non-current Liabilities with Covenants: Tier 2*
- It is not expected these standards will have an impact on the annual budget.

- *AASB 2022-10 Amendments to Australian Accounting Standards - Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities*, became mandatory during the budget year. Amendments to *AASB 13 Fair Value Measurement* impacts the future determination of fair value when revaluating assets using the cost approach. Timing of future revaluations is defined by regulation 17A of *Local Government (Financial Management) Regulations 1996*. Impacts of this pronouncement are yet to be quantified and are dependent on the timing of future revaluations of asset classes. No material impact is expected in relation to the 2024-25 statutory budget.

New accounting standards for application in future years

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

- *AASB 2014-10 Amendments to Australian Accounting Standards - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*
- *AASB 2021-7c Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections [deferred AASB 10 and AASB 128 amendments in AASB 2014-10 apply]*
- *AASB 2022-9 Amendments to Australian Accounting Standards - Insurance Contracts in the Public Sector*
- *AASB 2023-5 Amendments to Australian Accounting Standards - Lack of Exchangeability*

It is not expected these standards will have an impact on the annual budget.

Judgements, estimates and assumptions

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 balances, transactions and disclosures impacted by accounting estimates are as follows:

- estimated fair value of certain financial assets
- estimation of fair values of land and buildings
- impairment of financial assets
- estimated useful life of assets
- estimation of provisions

SHIRE OF MENZIES
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2025

2. RATES AND SERVICE CHARGES

(a) Rating Information

Rate Description	Basis of valuation	Rate in	Number of properties	Rateable value	2024/25 Budgeted rate revenue	2024/25 Budgeted interim rates	2024/25 Budgeted total revenue	2023/24 Actual total revenue	2023/24 Budget total revenue
		\$		\$	\$	\$	\$	\$	\$
(i) General rates									
Vacant and Improved	Gross rental valuation	0.08940	38	2,167,320	193,759	0	193,759	153,439	153,439
Mining	Unimproved valuation	0.16393	238	21,386,520	3,505,892	0	3,505,892	3,098,965	3,098,965
Exploration and Prospecting	Unimproved valuation	0.14754	583	5,675,174	837,315	0	837,315	804,046	804,046
Pastoral and Other	Unimproved valuation	0.08530	87	993,953	84,784	0	84,784	85,296	85,296
Total general rates			946	30,222,967	4,621,750	0	4,621,750	4,141,746	4,141,746
(j) Minimum payment									
		\$							
Vacant and Improved	Gross rental valuation	200.00	212	48,990	42,400	0	42,400	52,334	42,200
Mining	Unimproved valuation	328.00	59	59,139	19,352	0	19,352	115,322	19,352
Exploration and Prospecting	Unimproved valuation	328.00	361	420,828	118,408	0	118,408	122,990	129,232
Pastoral and Other	Unimproved valuation	328.00	10	18,965	3,280	0	3,280	2,468	3,280
Total minimum payments			642	547,922	183,440	0	183,440	293,114	194,064
Total general rates and minimum payments			1,588	30,770,889	4,805,190	0	4,805,190	4,434,860	4,335,810
Total rates					4,805,190	0	4,805,190	4,434,860	4,335,810

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

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 2024/25 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 rates have been determined by Council on the basis that all ratepayers must make a reasonable contribution to the cost of local government services/facilities.

SHIRE OF MENZIES
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2025

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 20 September 2024 or 35 days after the date of issue appearing on the rate notice whichever is the later.

Option 2 (Four Instalments)

First instalment to be made on or before 20 September 2024 or 35 days after the date of issue appearing on the rate notice, whichever is later including all arrears and a quarter of the current rates and service charges.

Second instalment to be made on or before 22 November 2024 or 2 months after the due date of the first instalment, whichever is later; and

Third instalment to be made on or before 31 January 2025 or 2 months after the due date of the second instalment, whichever is later; and

Fourth instalment to be made on or before 4 April 2025 or 2 months after the due date of the third instalment, whichever is later.

Instalment options	Date due	Instalment plan admin charge	Instalment plan interest rate	Unpaid rates interest rates
		\$	%	%
Option one				
Single full payment	20/09/2024	0	0.0%	7.0%
Option Two				
First instalment	20/09/2024	10	5.5%	7.0%
Second instalment	22/11/2024	10	5.5%	7.0%
Third instalment	31/01/2025	10	5.5%	7.0%
Fourth instalment	4/04/2025	10	5.5%	7.0%

	2024/25 Budget revenue	2023/24 Actual revenue	2023/24 Budget revenue
	\$	\$	\$
Instalment plan admin charge revenue	7,000	5,730	7,000
Instalment plan interest earned	7,000	13,442	7,000
Unpaid rates and service charge interest earned	44,000	52,042	44,000
	58,000	71,214	58,000

SHIRE OF MENZIES
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2025

2. RATES AND SERVICE CHARGES (CONTINUED)

(c) Objectives and Reasons for Differential Rating

To provide equity in the rating of properties across the Shire the following rate categories have been determined for the implementation of differential rating.

Differential general rate

Description	Characteristics	Objects	Reasons
Gross Rental Value (GRV)	This category includes all properties where the basis of rate is the Gross Rental Value (GRV)	The object of the rate in the dollar for this category is to raise sufficient revenue to offset the costs associated with the provision of current and future services	This rate ensures all ratepayers make a reasonable contribution towards the ongoing maintenance, provision of works, service, and facilities in the Shire.
Unimproved Value (UV) Mining	This category associated with all mining lease/tenements where the basis rate is Unimproved Value (UV)	The objective is to achieve an appropriate contribution from mining operations toward budgeted deficiency.	Due to the difference in valuation methodology and recognise the impact of mining related activities on the Shire
Unimproved Value (UV) Exploration and Prospecting	This category associated with all exploration and prospecting lease where the basis rate is Unimproved Value (UV)	Exploration leases are rated differentially to reflect the nature of the lease and acknowledge that these leases are not for the most part income producing.	This rate ensure an appropriate contribution towards the ongoing maintenance and provision throughout the Shire.
Unimproved Value (UV) Pastoral and Other	This category associated all pastoral and other land not included in other categories where the basis rate is Unimproved Value (UV)	Pastoral and Other leases are rated differentially to reflect the nature of the lease and acknowledge that these leases are not for the most part income producing.	This rate ensure an appropriate contribution towards the ongoing maintenance and provision throughout the Shire.

(d) Differential Minimum Payment

Gross Rental Value (GRV)	The Council has established minimum rates for Gross Rental Value (GRV)	These amounts represent the minimum rate that should be charged reasonable contribution to services to the Community,	Minimum rates have been prepared to comply with the <i>Local Government Act 1995</i> which required no more than 50% of properties to be levied on a minimum rate unless Ministerial approval is obtained.
Unimproved Value (UV)	The Council has established minimum rates for Unimproved Value (UV)	These amounts represent the minimum rate that should be charged reasonable contribution to services to the Community,	Minimum rates have been prepared to comply with the <i>Local Government Act 1995</i> which required no more than 50% of properties to be levied on a minimum rate unless Ministerial approval is obtained.

(e) Service Charges

The Shire did not raise service charges for the year ended 30th June 2025.

(f) Waivers or concessions

The Shire does not anticipate any waivers or concessions for the year ended 30th June 2025.

SHIRE OF MENZIES
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2025

3. NET CURRENT ASSETS

(a) Composition of estimated net current assets

Current assets

Cash and cash equivalents
 Financial assets
 Receivables
 Contract assets
 Inventories

Less: current liabilities

Trade and other payables
 Capital grant/contribution liability
 Long term borrowings
 Employee provisions

Net current assets

Less: Total adjustments to net current assets

Net current assets used in the Statement of Financial Activity

Note	2024/25 Budget 30 June 2025	2023/24 Actual 30 June 2024	2023/24 Budget 30 June 2024
	\$	\$	\$
4	10,914,134	19,260,716	0
	0	0	9,644,611
	994,984	994,984	381,131
	0	302,771	0
	17,234	17,234	16,438
	11,926,352	20,575,705	10,042,180
	(178,772)	(178,772)	(397,569)
	0	(1,345,350)	0
7	(62,136)	0	(53,627)
	(161,180)	(161,180)	(207,824)
	(402,088)	(1,685,302)	(659,020)
	11,524,264	18,890,403	9,383,160
3(b)	(11,524,264)	(12,976,436)	(9,383,160)
	0	5,913,967	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.

Adjustments to net current assets

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

Total adjustments to net current assets

8	(11,747,580)	(13,137,616)	(9,644,611)
	62,136	0	53,627
	161,180	161,180	207,824
	(11,524,264)	(12,976,436)	(9,383,160)

Items excluded from calculation of budgeted deficiency

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

(c) Non-cash amounts excluded from operating activities

The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Statement of Financial Activity in accordance with *Financial Management Regulation 32*.

Adjustments to operating activities

Less: Profit on asset disposals
 Add: Loss on asset disposals
 Add: Depreciation
 Movement in current employee provisions associated with restricted cash

Non cash amounts excluded from operating activities

Note	2024/25 Budget 30 June 2025	2023/24 Actual 30 June 2024	2023/24 Budget 30 June 2024
	\$	\$	\$
5	(127,145)	(32,523)	(43,894)
5	0	2,730	0
6	2,387,402	1,916,606	2,140,427
	0	0	(2,544)
	2,260,257	1,886,813	2,093,989

3. NET CURRENT ASSETS

(d) MATERIAL ACCOUNTING POLICIES

CURRENT AND NON-CURRENT CLASSIFICATION

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

TRADE AND OTHER PAYABLES

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

PREPAID RATES

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

INVENTORIES

General

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

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

SUPERANNUATION

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

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.

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

GOODS AND SERVICES TAX (GST)

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

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

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

CONTRACT LIABILITIES

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

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

TRADE AND OTHER RECEIVABLES

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

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

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

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

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

PROVISIONS

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

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

EMPLOYEE BENEFITS

Short-term employee benefits

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

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

The Shire's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the determination of the net current asset position.

Other long-term employee benefits

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

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

CONTRACT ASSETS

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

SHIRE OF MENZIES
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2025

4. RECONCILIATION OF CASH

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

	Note	2024/25 Budget	2023/24 Actual	2023/24 Budget
Cash at bank and on hand		\$ 10,914,134	\$ 19,260,716	\$ 0
Total cash and cash equivalents		10,914,134	19,260,716	0
Held as				
- Unrestricted cash and cash equivalents		(833,446)	4,777,750	0
- Restricted cash and cash equivalents		11,747,580	14,482,966	0
	3(a)	10,914,134	19,260,716	0
Restrictions				
The following classes of assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:				
- Cash and cash equivalents		11,747,580	14,482,966	0
- Restricted financial assets at amortised cost - term deposits		0	0	9,644,611
		11,747,580	14,482,966	9,644,611
The assets are restricted as a result of the specified purposes associated with the liabilities below:				
Reserve accounts	8	11,747,580	13,137,616	9,644,611
Unspent capital grants, subsidies and contribution liabilities		0	1,345,350	0
		11,747,580	14,482,966	9,644,611
Reconciliation of net cash provided by operating activities to net result				
Net result		878,378	4,353,989	3,929,958
Depreciation	6	2,387,402	1,916,606	2,140,427
(Profit)/loss on sale of asset	5	(127,145)	(29,793)	(43,894)
(Increase)/decrease in receivables		0	(560,929)	34,529
(Increase)/decrease in contract assets		302,771	510,627	813,398
Increase/(decrease) in payables		0	(58,887)	137,000
Increase/(decrease) in contract liabilities		0	0	(75,501)
Increase/(decrease) in unspent capital grants		(1,345,350)	476,855	(802,494)
Capital grants, subsidies and contributions		(2,538,731)	(3,814,325)	(6,996,981)
Net cash from operating activities		(442,675)	2,794,143	(863,558)

MATERIAL ACCOUNTING POLICES

CASH AND CASH EQUIVALENTS

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

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

FINANCIAL ASSETS AT AMORTISED COST

The Shire classifies financial assets at amortised cost if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cashflows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

SHIRE OF MENZIES
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2025

5. PROPERTY, PLANT AND EQUIPMENT

	2024/25 Budget				2023/24 Actual					2023/24 Budget			
	Additions	Disposals - Net Book Value	Disposals - Sale Proceeds	Disposals - Profit	Additions	Disposals - Net Book Value	Disposals - Sale Proceeds	Disposals - Profit	Disposals - Loss	Additions	Disposals - Net Book Value	Disposals - Sale Proceeds	Disposals - Profit
(a) Property, Plant and Equipment	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Land - freehold land	13,091	0	0	0	64,206	0	0	0	0	76,000	0	0	0
Buildings - non-specialised	834,000	0	0	0	963,709	0	0	0	0	896,691	0	0	0
Buildings - specialised	2,802,050	0	0	0	635,688	0	0	0	0	3,240,486	0	0	0
Plant and equipment	1,189,000	(93,855)	221,000	127,145	295,634	(12,905)	42,698	32,523	(2,730)	800,000	(36,106)	80,000	43,894
Total	4,838,141	(93,855)	221,000	127,145	1,959,237	(12,905)	42,698	32,523	(2,730)	5,013,177	(36,106)	80,000	43,894
(b) Infrastructure													
Infrastructure - roads	4,832,833	0	0	0	2,993,137	0	0	0	0	7,574,541	0	0	0
Infrastructure - footpaths	75,000	0	0	0	0	0	0	0	0	50,000	0	0	0
Infrastructure - parks and ovals	500,000	0	0	0	0	0	0	0	0	0	0	0	0
Infrastructure - other	1,022,835	0	0	0	233,895	0	0	0	0	2,323,287	0	0	0
Total	6,430,668	0	0	0	3,227,032	0	0	0	0	9,947,828	0	0	0
Total	11,268,809	(93,855)	221,000	127,145	5,186,269	(12,905)	42,698	32,523	(2,730)	14,961,005	(36,106)	80,000	43,894

MATERIAL ACCOUNTING POLICIES

RECOGNITION OF ASSETS

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

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

GAINS AND LOSSES ON DISPOSAL

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

SHIRE OF MENZIES
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2025

6. DEPRECIATION

By Class

Buildings - non-specialised
 Buildings - specialised
 Plant and equipment
 Infrastructure - roads
 Infrastructure - footpaths
 Infrastructure - parks and ovals
 Infrastructure - other

By Program

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

	2024/25 Budget	2023/24 Actual	2023/24 Budget
	\$	\$	\$
	158,309	112,289	108,128
	399,037	283,037	298,158
	225,610	383,243	314,133
	1,204,645	854,457	1,198,635
	23,454	16,636	22,863
	57,591	40,850	47,473
	318,756	226,094	151,037
	2,387,402	1,916,606	2,140,427
	42,782	30,345	31,094
	163,312	115,837	102,807
	28,194	19,998	22,505
	133,821	94,919	112,296
	1,332,749	945,322	1,254,629
	324,163	229,929	191,065
	362,381	480,256	426,031
	2,387,402	1,916,606	2,140,427

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 - non-specialised	30 to 72 years
Buildings - specialised	20 to 120 years
Plant and equipment	5 to 15 years
Infrastructure - roads	15 to 80 years
Infrastructure - footpaths	30 to 60 years
Infrastructure - parks and ovals	10 to 30 years
Infrastructure - other	10 to 100 years

AMORTISATION

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

The assets residual value of intangible assets is considered to be zero and useful 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.

SHIRE OF MENZIES
 NOTES TO AND FORMING PART OF THE BUDGET
 FOR THE YEAR ENDED 30 JUNE 2025

7. BORROWINGS

(a) Borrowing repayments

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

Purpose	Loan Number	Institution	Interest Rate	Budget Principal 1 July 2024	2024/25 Budget New Loans	2024/25 Budget Principal Repayments	Budget Principal outstanding 30 June 2025	2024/25 Budget Interest Repayments	Actual Principal 1 July 2023	2023/24 Actual New Loans	2023/24 Actual Principal Repayments	Actual Principal outstanding 30 June 2024	2023/24 Actual Interest Repayments	Budget Principal 1 July 2023	2023/24 Budget New Loans	2023/24 Budget Principal Repayments	Budget Principal outstanding 30 June 2024	2023/24 Budget Interest Repayments
				\$ 0	\$ 650,000	\$ (44,829)	\$ 605,171	\$ (21,210)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 650,000	\$ (53,627)	\$ 596,373	\$ (26,085)
GROH House	241	WATC	4.1%	0	650,000	(44,829)	605,171	(21,210)	0	0	0	0	0	0	650,000	(53,627)	596,373	(26,085)

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

SHIRE OF MENZIES
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2025

7. BORROWINGS

(b) New borrowings - 2024/25

Particulars/Purpose	Institution	Loan type	Term (years)	Interest rate	Amount borrowed budget	Total interest & charges	Amount used budget	Balance unspent
GROH House Construction x 2	WATC	Debenture	10	4.5%	\$ 650,000	\$ 142,467	\$ 650,000	\$ 0
					650,000	142,467	650,000	0

(c) Unspent borrowings

Loan Details	Purpose of the loan	Year loan taken	Amount b/fwd.	Amount used 2024/25 Budget	New loans unspent at 30 June 2025	Amount as at 30 June 2025
Loan 241	Housing	2024	\$ 0	\$ 650,000	\$ 0	\$ 0
			0	650,000	0	0

(d) Credit Facilities

	2024/25 Budget	2023/24 Actual	2023/24 Budget
Undrawn borrowing facilities credit standby arrangements	\$	\$	\$
Bank overdraft limit	0	0	0
Bank overdraft at balance date	0	0	0
Credit card limit	25,000	25,000	25,000
Credit card balance at balance date	0	(1,598)	0
Total amount of credit unused	25,000	23,402	25,000
Loan facilities			
Loan facilities in use at balance date	605,171	0	596,373

MATERIAL ACCOUNTING POLICIES

BORROWING COSTS

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

Fair values of borrowings are not materially different to their carrying amounts, since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short term nature.

Borrowings fair values are based on discounted cash flows using a current borrowing rate.

SHIRE OF MENZIES
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2025

8. RESERVE ACCOUNTS

(a) Reserve Accounts - Movement

	2024/25 Budget				2023/24 Actual				2023/24 Budget			
	Opening Balance	Transfer to	Transfer (from)	Closing Balance	Opening Balance	Transfer to	Transfer (from)	Closing Balance	Opening Balance	Transfer to	Transfer (from)	Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Restricted by council												
(a) Leave reserve	214,046	3,259	0	217,305	210,368	3,678	0	214,046	210,368	3,930	0	214,298
(b) Building reserve	3,039,696	538,296	(350,985)	3,227,007	3,234,402	966,837	(1,161,543)	3,039,696	3,234,402	960,431	(1,980,162)	2,214,671
(c) Plant reserve	1,833,161	427,907	(841,000)	1,420,068	1,801,730	31,431	0	1,833,161	1,801,730	33,663	(500,000)	1,335,393
(d) Road Infrastructure reserve	2,381,342	824,870	(1,125,000)	2,081,212	2,340,514	40,828	0	2,381,342	2,340,514	43,730	(550,000)	1,834,244
(e) Main Street reserve	146,590	2,232	(148,822)	0	144,086	2,504	0	146,590	144,086	2,692	0	146,778
(f) Staff Amenities reserve	412,601	6,281	(418,882)	0	405,535	7,066	0	412,601	405,535	7,577	0	413,112
(g) TV reserve	18,676	284	(18,960)	0	18,354	322	0	18,676	18,354	343	0	18,697
(h) Caravan Park reserve	446,106	6,791	(27,000)	425,897	438,455	7,651	0	446,106	438,455	8,192	0	446,647
(i) Bitumen reserve	630,202	9,594	(639,796)	0	619,404	10,798	0	630,202	619,404	11,573	(200,000)	430,977
(j) Rates creditors reserve	53,367	812	(54,179)	0	52,454	913	0	53,367	52,454	980	0	53,434
(k) Niagara Dam reserve	1,787,901	27,218	0	1,815,119	1,274,702	513,199	0	1,787,901	1,274,702	508,566	(850,762)	932,506
(l) Water reserve	227,634	3,465	0	231,099	223,733	3,901	0	227,634	223,734	4,180	(150,000)	77,914
(m) Waste Management reserve	671,197	310,218	0	981,415	361,054	310,143	0	671,197	361,054	306,746	0	667,800
(n) Former Post Office reserve	436,681	6,648	(410,000)	33,329	429,193	7,488	0	436,681	429,193	8,019	(410,000)	27,212
(o) Land Purchase reserve	211,257	3,216	0	214,473	207,630	3,627	0	211,257	207,630	3,881	0	211,511
(p) Commercial Enterprise reserve	627,159	473,497	0	1,100,656	13,221	613,938	0	627,159	13,221	606,196	0	619,417
	13,137,616	2,644,588	(4,034,624)	11,747,580	11,774,835	2,524,324	(1,161,543)	13,137,616	11,774,836	2,510,699	(4,640,924)	9,644,611

(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
(a) Leave reserve	Perpetual	To be used to fund annual and long service leave requirements.
(b) Building reserve	Perpetual	To be used for the acquisition of future buildings and renovation of existing building.
(c) Plant reserve	Perpetual	To be used for the purchase of major plant.
(d) Road Infrastructure reserve	Perpetual	To be used to fund major road works.
(e) Main Street reserve	30/06/2025	Established for the beautification of the main street.
(f) Staff Amenities reserve	30/06/2025	Established for the purpose of providing staff housing and amenities.
(g) TV reserve	30/06/2025	To be used to fund upgrades to the rebroadcasting equipment.
(h) Caravan Park reserve	Perpetual	Established for the purpose of providing upgrades to the caravan park.
(i) Bitumen reserve	30/06/2025	Established to fund the resealing of roads.
(j) Rates creditors reserve	30/06/2025	Established for future rate claims.
(k) Niagara Dam reserve	Perpetual	Established for ongoing upgrade of Niagara Dam valve workings and other maintenance.
(l) Water reserve	Perpetual	To assist the Tjuntjunnarra community to achieve funding for a swimming pool.
(m) Waste Management reserve	Perpetual	Provide for the statutory reinstatement and development of the reserve.
(n) Former Post Office reserve	Perpetual	For restoration and maintenance if the former post office.
(o) Land Purchase reserve	Perpetual	To be used for purchase of selective properties with developmental potential.
(p) Commercial Enterprise reserve	Perpetual	To fund an activity or purchase with a view to producing a profit.

SHIRE OF MENZIES
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2025

9. OTHER INFORMATION

The net result includes as revenues

(a) Interest earnings

	2024/25 Budget	2023/24 Actual	2023/24 Budget
	\$	\$	\$
Investments	230,000	286,763	250,000
Other interest revenue	51,000	65,484	51,000
	<u>281,000</u>	<u>352,247</u>	<u>301,000</u>

The net result includes as expenses

(b) Auditors remuneration

Audit services	85,000	70,240	70,000
	<u>85,000</u>	<u>70,240</u>	<u>70,000</u>

(c) Interest expenses (finance costs)

Borrowings (refer Note 7(a))	21,210	0	26,085
	<u>21,210</u>	<u>0</u>	<u>26,085</u>

(d) Write offs

General rate	240,000	4,082	240,000
	<u>240,000</u>	<u>4,082</u>	<u>240,000</u>

SHIRE OF MENZIES
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2025

10. ELECTED MEMBERS REMUNERATION

	2024/25 Budget	2023/24 Actual	2023/24 Budget
	\$	\$	\$
Elected member 1			
President's allowance	21,493	12,916	12,916
Meeting attendance fees	20,927	16,248	20,122
Annual allowance for ICT expenses	1,100	1,100	1,100
Travel and accommodation expenses	5,715	2,753	8,574
	49,235	33,017	42,712
Elected member 2			
Deputy President's allowance	5,373	3,229	3,445
Meeting attendance fees	10,183	9,791	9,791
Annual allowance for ICT expenses	1,100	1,100	1,100
Travel and accommodation expenses	5,715	2,887	8,571
	22,371	17,007	22,907
Elected member 3			
Meeting attendance fees	10,183	9,791	9,791
Deputy President's allowance	0	1,722	1,722
Annual allowance for ICT expenses	1,100	1,100	1,100
Travel and accommodation expenses	5,714	8,092	8,571
	16,997	20,705	21,184
Elected member 4			
Meeting attendance fees	10,183	9,791	9,791
Annual allowance for ICT expenses	1,100	1,100	1,100
Travel and accommodation expenses	5,714	1,116	8,571
	16,997	12,007	19,462
Elected member 5			
Meeting attendance fees	10,183	6,527	0
Annual allowance for ICT expenses	1,100	733	0
Travel and accommodation expenses	5,714	0	0
	16,997	7,260	0
Elected member 6			
Meeting attendance fees	10,183	9,791	9,791
Annual allowance for ICT expenses	1,100	1,100	1,100
Travel and accommodation expenses	5,714	1,334	8,571
	16,997	12,225	19,462
Elected member 7			
Meeting attendance fees	10,183	13,665	9,791
President's allowance	0	7,750	7,750
Annual allowance for ICT expenses	1,100	1,100	1,100
Travel and accommodation expenses	5,714	2,294	8,571
	16,997	24,809	27,212
Elected member 8			
Meeting attendance fees	0	3,264	9,791
Annual allowance for ICT expenses	0	367	1,100
Travel and accommodation expenses	0	769	8,571
	0	4,400	19,462
Total Elected Member Remuneration	156,591	131,430	172,401
President's allowance	21,493	20,666	20,666
Deputy President's allowance	5,373	4,951	5,167
Meeting attendance fees	82,025	78,868	78,868
Annual allowance for ICT expenses	7,700	7,700	7,700
Travel and accommodation expenses	40,000	19,245	60,000
	156,591	131,430	172,401

SHIRE OF MENZIES
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2025

11. REVENUE AND EXPENDITURE

(a) Revenue and Expenditure Classification

REVENUES

RATES

All rates levied under the *Local Government Act 1995*. Includes general, differential, specific area rates, minimum payment, interim rates, back rates, ex-gratia rates, less discounts offered.

Exclude administration fees, interest on instalments, interest on arrears, service charges and sewerage rates.

GRANTS, SUBSIDIES AND CONTRIBUTIONS

All amounts received as grants, subsidies and contributions that are not capital grants.

CAPITAL GRANTS, SUBSIDIES AND CONTRIBUTIONS

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

REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue from contracts with customers is recognised when the local government satisfies its performance obligations under the contract.

FEES AND CHARGES

Revenues (other than service charges) from the use of facilities and charges made for local government services, sewerage rates, rentals, hire charges, fee for service, photocopying charges, licences, sale of goods or information, fines, penalties and administration fees.

Local governments may wish to disclose more detail such as rubbish collection fees, rental of property, fines and penalties, other fees and charges.

SERVICE CHARGES

Service charges imposed under *Division 6 of Part 6 of the Local Government Act 1995*. Regulation 54 of the *Local Government (Financial Management) Regulations 1996* identifies the charges which can be raised. These are television and radio broadcasting, underground electricity and neighbourhood surveillance services and water.

Exclude rubbish removal charges which should not be classified as a service charge. Interest and other items of a similar nature received from bank and investment accounts, interest on rate instalments, interest on rate arrears and interest on debtors.

INTEREST REVENUE

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

OTHER REVENUE / INCOME

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

PROFIT ON ASSET DISPOSAL

Gain on the disposal of assets including gains on the disposal of long-term investments.

EXPENSES

EMPLOYEE COSTS

All costs associated with the employment of person such as salaries, wages, allowances, benefits such as vehicle and housing, superannuation, employment expenses, removal expenses, relocation expenses, worker's compensation insurance, training costs, conferences, safety expenses, medical examinations, fringe benefit tax, etc.

Note *AASB 119 Employee Benefits* provides a definition of employee benefits which should be considered.

MATERIALS AND CONTRACTS

All expenditures on materials, supplies and contracts not classified under other headings. These include supply of goods and materials, legal expenses, consultancy, maintenance agreements, communication expenses (such as telephone and internet charges), advertising expenses, membership, periodicals, publications, hire expenses, rental, leases, postage and freight etc.

Local governments may wish to disclose more detail such as contract services, consultancy, information technology and rental or lease expenditures.

UTILITIES (GAS, ELECTRICITY, WATER)

Expenditures made to the respective agencies for the provision of power, gas or water.

Exclude expenditures incurred for the reinstatement of roadwork on behalf of these agencies.

INSURANCE

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

LOSS ON ASSET DISPOSAL

Loss on the disposal of fixed assets.

DEPRECIATION ON NON-CURRENT ASSETS

Depreciation and amortisation expenses raised on all classes of assets.

FINANCE COSTS

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

OTHER EXPENDITURE

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

SHIRE OF MENZIES
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2025

11. REVENUE AND EXPENDITURE

(b) Revenue Recognition

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

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

SHIRE OF MENZIES
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12. PROGRAM INFORMATION

Key Terms and Definitions - Reporting Programs

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

OBJECTIVE

ACTIVITIES

Governance

To provide a decision making process for the efficient allocation of scarce resources.

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

General purpose funding

To collect revenue to allow for the provision of services.

The reporting of the Shire's general rating income and the recognition of the Western Australian Grants Commission payment together with interest on investments and costs associated with the collection of funds.

Law, order, public safety

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

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

Health

To provide an operational framework for environmental and community health.

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

Education and welfare

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

Expenditure to assist in the education of the children and youth within the Shire.

Housing

To provide and maintain housing.

Income and expenditure associated with the provision of housing to staff and others.

Community amenities

To provide services required by the community.

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

Recreation and culture

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

The reporting of income and expenditure associated with the Town Hall, library and recreation area, oval and reserves operated by Council.

Transport

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

Construction and maintenance of roads, grids, footpaths, depots, cycle ways, parking facilities and traffic control. Cleaning of streets and maintenance of the Council's airstrips.

Economic services

To help promote the Shire and its economic well being.

The reporting of income and expenditure including the operation of Council's caravan park and administration of the Building Code of Australia.

Other property and services

To monitor and control Shire's overheads operating accounts.

Involves the expenditure and allocation of employee overheads and plant costs. Also included is the accounting for private works, salary and wages reconciliation and other incomes and expenditure not included elsewhere.

SHIRE OF MENZIES
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13. FEES AND CHARGES

	2024/25 Budget	2023/24 Actual	2023/24 Budget
	\$	\$	\$
By Program:			
General purpose funding	10,305	9,794	10,305
Law, order, public safety	550	1,000	150
Health	300	632	300
Housing	54,500	62,677	49,500
Community amenities	17,200	16,614	17,200
Recreation and culture	700	406	500
Economic services	159,000	171,364	159,000
Other property and services	3,250	3,316	3,250
	245,805	265,803	240,205

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