

SHIRE OF MENZIES
ANNUAL BUDGET
FOR THE YEAR ENDED 30 JUNE 2026

LOCAL GOVERNMENT ACT 1995

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

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

SHIRE OF MENZIES
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2026

	Note	2025/26 Budget	2024/25 Actual	2024/25 Budget
Revenue		\$	\$	\$
Rates	2(a)	4,982,851	4,645,216	4,805,190
Grants, subsidies and contributions		1,816,720	2,139,660	777,381
Fees and charges	13	251,028	365,216	245,805
Interest revenue	9(a)	304,000	320,126	281,000
Other revenue		110,602	1,254,498	1,275,361
		7,465,201	8,724,716	7,384,737
Expenses				
Employee costs		(3,161,466)	(2,358,311)	(2,731,689)
Materials and contracts		(2,646,542)	(3,683,873)	(4,556,500)
Utility charges		(175,700)	(123,825)	(122,800)
Depreciation	6	(2,676,314)	(1,946,851)	(2,387,402)
Finance costs	9(c)	(30,098)	(23,477)	(21,210)
Insurance		(177,287)	(164,384)	(164,383)
Other expenditure		(512,097)	(264,494)	(533,601)
		(9,379,504)	(8,565,215)	(10,517,585)
		(1,914,303)	159,501	(3,132,848)
Capital grants, subsidies and contributions		3,703,044	1,841,086	3,884,081
Profit on asset disposals	5	93,813	51,402	127,145
		3,796,857	1,892,488	4,011,226
Net result for the period		1,882,554	2,051,989	878,378
Total other comprehensive income for the period		0	0	0
Total comprehensive income for the period		1,882,554	2,051,989	878,378

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 2026

		2025/26	2024/25	2024/25
	Note	Budget	Actual	Budget
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		\$ 5,134,851	\$ 4,593,622	\$ 4,805,190
Grants, subsidies and contributions		1,791,720	1,658,713	854,271
Fees and charges		251,028	365,216	245,805
Interest revenue		304,000	320,126	281,000
Goods and services tax received		831,646	861,149	225,881
Other revenue		110,602	1,254,498	1,275,361
		8,423,847	9,053,324	7,687,508
Payments				
Employee costs		(3,161,466)	(2,356,023)	(2,731,689)
Materials and contracts		(2,645,492)	(3,709,712)	(4,037,916)
Utility charges		(175,700)	(123,825)	(122,800)
Finance costs		(30,098)	(4,227)	(21,210)
Insurance paid		(177,287)	(164,384)	(164,383)
Goods and services tax paid		(831,646)	(831,646)	(518,584)
Other expenditure		(512,097)	(264,494)	(533,601)
		(7,533,786)	(7,454,311)	(8,130,183)
Net cash provided by (used in) operating activities	4	890,061	1,599,013	(442,675)
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment	5(a)	(2,611,976)	(2,854,714)	(4,838,141)
Payments for construction of infrastructure	5(b)	(7,619,382)	(1,891,958)	(6,430,668)
Capital grants, subsidies and contributions		3,398,044	1,907,308	2,538,731
Proceeds from sale of property, plant and equipment	5(a)	186,000	51,402	221,000
Net cash (used in) investing activities		(6,647,314)	(2,787,962)	(8,509,078)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	7(a)	(62,136)	(44,829)	(44,829)
Proceeds from new borrowings	7(a)	0	650,000	650,000
Net cash provided by (used in) financing activities		(62,136)	605,171	605,171
Net (decrease) in cash held		(5,819,389)	(583,778)	(8,346,582)
Cash at beginning of year		18,676,938	19,260,716	19,260,716
Cash and cash equivalents at the end of the year	4	12,857,549	18,676,938	10,914,134

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 2026

OPERATING ACTIVITIES

Revenue from operating activities

General rates
Rates excluding general rates
Grants, subsidies and contributions
Fees and charges
Interest revenue
Other revenue
Profit on asset disposals

Expenditure from operating activities

Employee costs
Materials and contracts
Utility charges
Depreciation
Finance costs
Insurance
Other expenditure

Non cash amounts excluded from operating activities

Amount attributable to operating activities

INVESTING ACTIVITIES

Inflows from investing activities

Capital grants, subsidies and contributions
Proceeds from disposal of property, plant and equipment

Outflows from investing activities

Payments for property, plant and equipment
Payments for construction of infrastructure

Amount attributable to investing activities

FINANCING ACTIVITIES

Inflows from financing activities

Proceeds from new borrowings
Transfers from reserve accounts

Outflows from financing activities

Repayment of borrowings
Transfers to reserve accounts

Amount attributable to financing activities

MOVEMENT IN SURPLUS OR DEFICIT

Surplus at the start of the financial year

Amount attributable to operating activities
Amount attributable to investing activities
Amount attributable to financing activities

Surplus/(deficit) remaining after the imposition of general rates

Note	2025/26 Budget	2024/25 Actual	2024/25 Budget
	\$	\$	\$
2(a)(i)	4,814,387	4,461,776	4,621,750
2(a)	168,464	183,440	183,440
	1,816,720	2,139,660	777,381
13	251,028	365,216	245,805
9(a)	304,000	320,126	281,000
	110,602	1,254,498	1,275,361
5	93,813	51,402	127,145
	7,559,014	8,776,118	7,511,882
	(3,161,466)	(2,358,311)	(2,731,689)
	(2,646,542)	(3,683,873)	(4,556,500)
	(175,700)	(123,825)	(122,800)
6	(2,676,314)	(1,946,851)	(2,387,402)
9(c)	(30,098)	(23,477)	(21,210)
	(177,287)	(164,384)	(164,383)
	(512,097)	(264,494)	(533,601)
	(9,379,504)	(8,565,215)	(10,517,585)
3(c)	2,582,501	1,895,449	2,260,257
	762,011	2,106,352	(745,446)
	3,703,044	1,841,086	3,884,081
5(a)	186,000	51,402	221,000
	3,889,044	1,892,488	4,105,081
5(a)	(2,611,976)	(2,854,714)	(4,838,141)
5(b)	(7,619,382)	(1,891,958)	(6,430,668)
	(10,231,358)	(4,746,672)	(11,268,809)
	(6,342,314)	(2,854,184)	(7,163,728)
7(a)	0	650,000	650,000
8(a)	1,259,000	4,985,431	4,034,624
	1,259,000	5,635,431	4,684,624
7(a)	(62,136)	(44,829)	(44,829)
8(a)	(1,650,136)	(4,636,641)	(2,644,588)
	(1,712,272)	(4,681,470)	(2,689,417)
	(453,272)	953,961	1,995,207
3	6,033,575	5,827,446	5,913,967
	762,011	2,106,352	(745,446)
	(6,342,314)	(2,854,184)	(7,163,728)
	(453,272)	953,961	1,995,207
3	0	6,033,575	0

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

SHIRE OF MENZIES
FOR THE YEAR ENDED 30 JUNE 2026
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1 BASIS OF PREPARATION

The annual budget of the Shire of Menzies 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 10 to the annual budget.

2024/25 actual balances

Balances shown in this budget as 2024/25 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
- AASB 2024-1 Amendments to Australian Accounting Standards
 - Supplier Finance Arrangements: Tier 2 Disclosures

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 revaluing 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 2025-26 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 2024-4b Amendments to Australian Accounting Standards
 - Effective Date of Amendments to AASB 10 and AASB 128 [deferred AASB 10 and AASB 128 amendments in AASB 2014-10 apply]
- AASB 2022-9 Amendments to Australian Accounting Standards
 - Insurance Contracts in the Public Sector
- AASB 2023-5 Amendments to Australian Accounting Standards
 - Lack of Exchangeability
- AASB 18 (FP) Presentation and Disclosure in Financial Statements
 - (Appendix D) [for for-profit entities]
- AASB 18 (NFP/super) Presentation and Disclosure in Financial Statements
 - (Appendix D) [for not-for-profit and superannuation entities]
- AASB 2024-2 Amendments to Australian Accounting Standards
 - Classification and Measurement of Financial Instruments
- AASB 2024-3 Amendments to Australian Accounting Standards
 - Standards – Annual Improvements Volume 11

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

As with all estimates, the use of different assumptions could lead to material changes in the amounts reported in the financial report.

The following are estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year and further information on their nature and impact can be found in the relevant note:

- Fair value measurement of assets carried at reportable value including:
 - Property, plant and equipment
 - 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 MENZIES
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2026

2. RATES AND SERVICE CHARGES

(a) Rating Information

(a) Rating Information					2025/26 Budgeted rate revenue	2025/26 Budgeted interim rates	2025/26 Budgeted total revenue	2024/25 Actual total revenue	2024/25 Budget total revenue
Rate Description	Basis of valuation	Rate in dollar	Number of properties	Rateable value*					
				\$	\$	\$	\$	\$	\$
(i) General rates									
Vacant and Improved	Gross rental valuation	0.08940	37	2,141,320	191,434	0	191,434	191,106	193,759
Mining	Unimproved valuation	0.16393	243	23,817,997	3,904,484	0	3,904,484	3,552,524	3,505,892
Exploration and Prospecting	Unimproved valuation	0.14754	525	4,303,828	634,987	0	634,987	633,754	837,315
Pastoral and Other	Unimproved valuation	0.08530	86	978,687	83,482	0	83,482	84,392	84,784
Non-Rateable		0.00000	258	3,249	0	0	0	0	0
Total general rates			1,149	31,245,081	4,814,387	0	4,814,387	4,461,776	4,621,750
		Minimum							
		\$							
(ii) Minimum payment									
Vacant and Improved	Gross rental valuation	200.00	206	50,022	41,200	0	41,200	42,400	42,400
Mining	Unimproved valuation	328.00	58	62,908	19,024	0	19,024	19,352	19,352
Exploration and Prospecting	Unimproved valuation	328.00	320	380,660	104,960	0	104,960	118,408	118,408
Pastoral and Other	Unimproved valuation	328.00	10	18,626	3,280	0	3,280	3,280	3,280
Total minimum payments			594	512,216	168,464	0	168,464	183,440	183,440
Total general rates and minimum payments			1,743	31,757,297	4,982,851	0	4,982,851	4,645,216	4,805,190
Instalment plan charges							7,000	4,510	7,000
Instalment plan interest							10,000	10,813	7,000
Interest on ESL							4,000	6,089	4,000
Interest on deferred rates							0	65	0
Late payment of rate or service charge interest							40,000	51,100	40,000
							61,000	72,577	58,000

The Shire did not raise specified area rates for the year ended 30th June 2026.

*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 2025/26 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.

SHIRE OF MENZIES
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2026

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 19 September 2025 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 19 September 2025 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 21 November 2025 or 2 months after the first instalment, whichever is the later;

Third instalment to be made on or before 30 January 2026 or 2 months after the second instalment, whichever is the later; and

Fourth instalment to be made on or before 2 April 2026 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	19/09/2025	0	0.00%	7.00%
Option two				
First instalment	19/09/2025	0	5.50%	7.00%
Second instalment	21/11/2025	10	5.50%	7.00%
Third instalment	30/01/2026	10	5.50%	7.00%
Fourth instalment	2/04/2026	10	5.50%	7.00%

SHIRE OF MENZIES
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2026

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.

(i) 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.

(ii) 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, and may exceed the result of calculating a property's rating basis valuation (GRV)	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, and may exceed the result of calculating a property's rating basis valuation (UV)	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.

(d) Service Charges

The Shire did not raise service charges for the year ended 30th June 2026.

(e) Waivers or concessions

The Shire does not anticipate any waivers or concessions for the year ended 30th June 2026.

SHIRE OF MENZIES
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2026

3. NET CURRENT ASSETS

(a) Composition of estimated net current assets

Current assets

Cash and cash equivalents
Receivables
Contract assets
Inventories
Non-current assets held for sale

Less: current liabilities

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

Net current assets

Less: Total adjustments to net current assets

Net current assets used in the Statement of Financial Activity

Note	2025/26 Budget 30 June 2026	2024/25 Actual 30 June 2025	2024/25 Budget 30 June 2025
	\$	\$	\$
4	12,857,549	18,676,938	10,914,134
	411,790	563,790	994,984
	768,503	768,503	0
	11,331	11,331	0
	0	0	17,234
	14,049,173	20,020,562	11,926,352
	(266,046)	(264,996)	(178,772)
	(59,134)	(84,134)	0
	(544,030)	(849,030)	0
7	0	(62,136)	(62,136)
	(124,913)	(124,913)	(161,180)
	(23,109)	(23,109)	0
	(1,017,232)	(1,408,318)	(402,088)
	13,031,941	18,612,244	11,524,264
3(b)	(13,031,941)	(12,578,669)	(11,524,264)
	0	6,033,575	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	(13,179,963)	(12,788,827)	(11,747,580)
	0	62,136	62,136
	148,022	148,022	161,180
	(13,031,941)	(12,578,669)	(11,524,264)

EXPLANATION OF DIFFERENCE IN NET CURRENT ASSETS AND 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) 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: Depreciation

Non cash amounts excluded from operating activities

Note	2025/26 Budget 30 June 2026	2024/25 Actual 30 June 2025	2024/25 Budget 30 June 2025
	\$	\$	\$
5	(93,813)	(51,402)	(127,145)
6	2,676,314	1,946,851	2,387,402
	2,582,501	1,895,449	2,260,257

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.

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.

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 2026

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	2025/26 Budget	2024/25 Actual	2024/25 Budget
		\$	\$	\$
Cash at bank and on hand		12,857,549	18,676,938	10,914,134
Total cash and cash equivalents		12,857,549	18,676,938	10,914,134
Held as				
- Unrestricted cash and cash equivalents		(866,444)	5,039,081	(833,446)
- Restricted cash and cash equivalents		13,723,993	13,637,857	11,747,580
	3(a)	12,857,549	18,676,938	10,914,134
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		13,723,993	13,637,857	11,747,580
		13,723,993	13,637,857	11,747,580
The assets are restricted as a result of the specified purposes associated with the liabilities below:				
Reserve accounts	8	13,179,963	12,788,827	11,747,580
Unspent capital grants, subsidies and contribution liabilities		544,030	849,030	0
		13,723,993	13,637,857	11,747,580
Reconciliation of net cash provided by operating activities to net result				
Net result		1,882,554	2,051,989	878,378
Depreciation	6	2,676,314	1,946,851	2,387,402
(Profit)/loss on sale of asset	5	(93,813)	(51,402)	(127,145)
(Increase)/decrease in receivables		152,000	369,098	0
(Increase)/decrease in contract assets		0	(465,732)	0
(Increase)/decrease in other assets		0	43,098	0
Increase/(decrease) in payables		1,050	(47,399)	0
Increase/(decrease) in contract liabilities		(25,000)	(406,404)	302,771
Increase/(decrease) in unspent capital grants		(305,000)	66,222	(1,345,350)
Capital grants, subsidies and contributions		(3,398,044)	(1,907,308)	(2,538,731)
Net cash from operating activities		890,061	1,599,013	(442,675)

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 2026

5. PROPERTY, PLANT AND EQUIPMENT

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

	2025/26 Budget					2024/25 Actual					2024/25 Budget				
	Additions	Disposals -	Disposals -	Disposals -	Disposals -	Additions	Disposals -	Disposals -	Disposals -	Disposals -	Additions	Disposals -	Disposals -	Disposals -	Disposals -
		Net Book	Sale				Net Book	Sale				Net Book	Sale		
		Value	Proceeds	Profit	Loss		Value	Proceeds	Profit	Loss		Value	Proceeds	Profit	Loss
(a) Property, Plant and Equipment	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Land - freehold land	12,000	0	0	0	0	26,537	0	0	0	0	13,091	0	0	0	0
Buildings - non-specialised	379,976	0	0	0	0	1,133,415	0	0	0	0	834,000	0	0	0	0
Buildings - specialised	1,035,000	0	0	0	0	976,986	0	0	0	0	2,802,050	0	0	0	0
Plant and equipment	1,185,000	(92,187)	186,000	93,813	0	717,776	0	51,402	51,402	0	1,189,000	(93,855)	221,000	127,145	0
Total	2,611,976	(92,187)	186,000	93,813	0	2,854,714	0	51,402	51,402	0	4,838,141	(93,855)	221,000	127,145	0
(b) Infrastructure															
Infrastructure - roads	5,777,276	0	0	0	0	928,419	0	0	0	0	4,832,833	0	0	0	0
Infrastructure - footpaths	75,000	0	0	0	0	67,101	0	0	0	0	75,000	0	0	0	0
Infrastructure - parks and ovals	1,000,000	0	0	0	0	61,590	0	0	0	0	500,000	0	0	0	0
Other infrastructure - other	767,106	0	0	0	0	834,848	0	0	0	0	1,022,835	0	0	0	0
Total	7,619,382	0	0	0	0	1,891,958	0	0	0	0	6,430,668	0	0	0	0
Total	10,231,358	(92,187)	186,000	93,813	0	4,746,672	0	51,402	51,402	0	11,268,809	(93,855)	221,000	127,145	0

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 2026

6. DEPRECIATION

By Class

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

By Program

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

2025/26 Budget	2024/25 Actual	2024/25 Budget
\$	\$	\$
194,852	141,743	158,309
410,625	298,704	399,037
474,680	345,300	225,610
1,192,817	867,699	1,204,645
22,869	16,636	23,454
56,156	40,850	57,591
324,315	235,919	318,756
2,676,314	1,946,851	2,387,402
4,619	3,074	0
63,676	42,373	42,782
215,688	145,292	163,312
30,052	19,998	28,194
157,402	104,744	133,821
1,440,463	958,563	1,332,749
361,478	240,547	324,163
402,936	432,260	362,381
2,676,314	1,946,851	2,387,402

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:

Asset Class	Useful life
Buildings	13 to 120 years
Plant and equipment	5 to 10 years
Sealed roads and streets formation	not depreciated
pavement	80 years
seal	
- bituminous seals	15 years
- asphalt surfaces	15 years
Gravel roads formation	not depreciated
pavement	80 years
Footpaths - slab	30 to 60 years
Other infrastructure	10 to 100 years
Parks and Ovals	10 to 40 years
Right-of-use (buildings)	Based on the remaining lease term
Right-of-use (plant and equipment)	Based on the remaining lease term

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. 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 2025	2025/26 Budget New Loans	2025/26 Budget Principal Repayments	Budget Principal outstanding 30 June 2026	2025/26 Budget Interest Repayments	Actual Principal 1 July 2024	2024/25 Actual New Loans	2024/25 Actual Principal Repayments	Actual Principal outstanding 30 June 2025	2024/25 Actual Interest Repayments	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		
				\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
GROH House Construction x 2	241	WATC	4.4523%	605,171	0	(62,136)	543,035	(30,098)	0	650,000	(44,829)	605,171	(23,477)	0	650,000	(44,829)	605,171	(21,210)		
				605,171	0	(62,136)	543,035	(30,098)	0	650,000	(44,829)	605,171	(23,477)	0	650,000	(44,829)	605,171	(21,210)		

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 2026

7. BORROWINGS

(b) New borrowings - 2025/26

The Shire does not intend to undertake any new borrowings for the year ended 30th June 2026

(c) Unspent borrowings

The Shire had no unspent borrowing funds as at 30th June 2025 nor is it expected to have unspent borrowing funds as at 30th June 2026.

(d) Credit Facilities

	2025/26 Budget	2024/25 Actual	2024/25 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	(3,964)	0
Total amount of credit unused	25,000	21,036	25,000
Loan facilities			
Loan facilities in use at balance date	543,035	605,171	605,171

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 2026

8. RESERVE ACCOUNTS

(a) Reserve Accounts - Movement

	2025/26				2024/25				2024/25			
	Opening	Transfer	Transfer	Closing	Opening	Transfer	Transfer	Closing	Opening	Transfer	Transfer	Closing
	Balance	to	(from)	Balance	Balance	to	(from)	Balance	Balance	to	(from)	Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Restricted by council												
(a) Leave reserve	217,079	3,395	0	220,474	214,046	3,033	0	217,079	214,046	3,259	0	217,305
(b) Building reserve	3,484,145	54,487	(700,000)	2,838,632	3,039,696	534,521	(90,072)	3,484,145	3,039,696	538,296	(350,985)	3,227,007
(c) Plant reserve	1,271,657	19,887	(234,000)	1,057,544	1,833,161	25,595	(587,099)	1,271,657	1,833,161	427,907	(841,000)	1,420,068
(d) Road reserve	0	0	0	0	2,381,342	28,787	(2,410,129)	0	2,381,342	824,870	(1,125,000)	2,081,212
(e) Main Street reserve	0	0	0	0	146,591	1,778	(148,369)	0	146,590	2,232	(148,822)	0
(f) Staff Amenities reserve	0	0	0	0	412,601	4,986	(417,587)	0	412,601	6,281	(418,882)	0
(g) TV reserve	0	0	0	0	18,676	222	(18,898)	0	18,676	284	(18,960)	0
(h) Caravan Park reserve	425,414	6,653	0	432,067	446,106	6,308	(27,000)	425,414	446,106	6,791	(27,000)	425,897
(i) Bitumen reserve	0	0	0	0	630,202	7,622	(637,824)	0	630,202	9,594	(639,796)	0
(j) Rates creditors reserve	0	0	0	0	53,367	651	(54,018)	0	53,367	812	(54,179)	0
(k) Niagara Dam reserve	1,813,230	28,356	0	1,841,586	1,787,901	25,329	0	1,813,230	1,787,901	27,218	0	1,815,119
(l) Water reserve	230,855	3,610	0	234,465	227,634	3,221	0	230,855	227,634	3,465	0	231,099
(m) Waste Management reserve	980,895	315,340	0	1,296,235	671,198	309,697	0	980,895	671,197	310,218	0	981,415
(n) Former Post Office reserve	442,859	6,926	0	449,785	436,680	6,179	0	442,859	436,681	6,648	(410,000)	33,329
(o) Land Purchase reserve	214,252	3,351	0	217,603	211,257	2,995	0	214,252	211,257	3,216	0	214,473
(p) Commercial Enterprise reserve	1,100,278	17,207	0	1,117,485	627,159	473,119	0	1,100,278	627,159	473,497	0	1,100,656
(q) Road Infrastructure reserve	2,608,163	1,190,924	(325,000)	3,474,087	0	3,202,598	(594,435)	2,608,163	0			0
	12,788,827	1,650,136	(1,259,000)	13,179,963	13,137,617	4,636,641	(4,985,431)	12,788,827	13,137,616	2,644,588	(4,034,624)	11,747,580

(b) Reserve Accounts - Purposes

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

Reserve name	Anticipated date of use	Purpose of the reserve
Restricted by legislation		
Restricted by council		
(a) Leave reserve	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 reserve	30/06/2025	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 Tjuntjunjarra 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.
(q) Road Infrastructure reserve	Perpetual	To be used to fund major road works.

SHIRE OF MENZIES
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2026

9. OTHER INFORMATION

	2025/26 Budget	2024/25 Actual	2024/25 Budget
The net result includes as revenues	\$	\$	\$
(a) Interest earnings			
Investments	250,000	252,059	230,000
Other interest revenue	54,000	68,067	51,000
	304,000	320,126	281,000
The net result includes as expenses			
(b) Auditors remuneration			
Audit services	100,000	75,300	85,000
Other services	0	9,300	0
	100,000	84,600	85,000
(c) Interest expenses (finance costs)			
Borrowings (refer Note 7(a))	30,098	23,477	21,210
	30,098	23,477	21,210
(d) Write offs			
General rate	240,000	89,979	240,000
	240,000	89,979	240,000

SHIRE OF MENZIES
 NOTES TO AND FORMING PART OF THE BUDGET
 FOR THE YEAR ENDED 30 JUNE 2026

10. COUNCIL MEMBERS REMUNERATION

	2025/26 Budget	2024/25 Actual	2024/25 Budget
	\$	\$	\$
President's			
President's allowance	22,138	21,493	21,493
Meeting attendance fees	21,554	20,927	20,927
Annual allowance for ICT expenses	1,100	1,100	1,100
Travel and accommodation expenses	5,000	3,709	5,715
Superannuation contribution payments	3,495	0	0
	53,287	47,229	49,235
Deputy President's			
Deputy President's allowance	5,534	5,373	5,373
Meeting attendance fees	10,540	10,183	10,183
Annual allowance for ICT expenses	1,100	1,100	1,100
Travel and accommodation expenses	5,000	1,420	5,715
Superannuation contribution payments	1,286	0	0
	23,460	18,076	22,371
Council member 1			
Meeting attendance fees	10,540	10,183	10,183
Annual allowance for ICT expenses	1,100	1,100	1,100
Travel and accommodation expenses	5,000	7,970	5,714
Superannuation contribution payments	843	0	0
	17,483	19,253	16,997
Council member 2			
Meeting attendance fees	10,540	10,183	10,183
Annual allowance for ICT expenses	1,100	1,100	1,100
Travel and accommodation expenses	5,000	2,882	5,714
Superannuation contribution payments	843	0	0
	17,483	14,165	16,997
Council member 3			
Meeting attendance fees	10,540	10,183	10,183
Annual allowance for ICT expenses	1,100	1,100	1,100
Travel and accommodation expenses	5,000	2,984	5,714
Superannuation contribution payments	843	0	0
	17,483	14,267	16,997
Council member 4			
Meeting attendance fees	10,540	10,183	10,183
Annual allowance for ICT expenses	1,100	1,100	1,100
Travel and accommodation expenses	5,000	2,324	5,714
Superannuation contribution payments	843	0	0
	17,483	13,607	16,997
Council member 5			
Meeting attendance fees	10,540	10,183	10,183
Annual allowance for ICT expenses	1,100	1,100	1,100
Travel and accommodation expenses	5,000	2,441	5,714
Superannuation contribution payments	843	0	0
	17,483	13,724	16,997
Total Council Member Remuneration	164,162	140,321	156,591
President's allowance	22,138	21,493	21,493
Deputy President's allowance	5,534	5,373	5,373
Meeting attendance fees	84,794	82,025	82,025
Annual allowance for ICT expenses	7,700	7,700	7,700
Travel and accommodation expenses	35,000	23,730	40,000
Superannuation contribution payments	8,996	0	0
	164,162	140,321	156,591

SHIRE OF MENZIES
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2026

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 2026

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
Grants, subsidies and contributions	Community events, minor facilities, 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
Fees and charges - licences, registrations, approvals	Building, planning, development and animal management.	Single point in time	Full payment prior to issue	None	On payment of the licence, registration or approval
Fees and charges - sale of stock	Kiosk and visitor centre stock	Single point in time	Payment in full on sale	Refund for faulty goods	At point of sale
Other revenue - commission	Commissions on licensing and bus ticket sales	Over time	Payment in full on sale	None	When assets are controlled

SHIRE OF MENZIES
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2026

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
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2026

13. FEES AND CHARGES

	2025/26 Budget	2024/25 Actual	2024/25 Budget
	\$	\$	\$
By Program:			
General purpose funding	8,100	5,481	10,305
Law, order, public safety	550	567	550
Health	300	422	300
Housing	54,500	122,522	54,500
Community amenities	12,200	11,429	17,200
Recreation and culture	900	209	700
Economic services	163,500	209,543	159,000
Other property and services	10,978	15,043	3,250
	251,028	365,216	245,805

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