

SHIRE OF MENZIES
ANNUAL BUDGET
FOR THE YEAR ENDED 30 JUNE 2027

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 2027

	Note	2026/27 Budget	2025/26 Actual	2025/26 Budget
Revenue		\$	\$	\$
Rates	2(a)	5,188,610	5,188,595	4,982,851
Grants, subsidies and contributions		1,071,013	4,561,635	1,816,720
Fees and charges	13	473,120	421,518	251,028
Interest revenue	9(a)	309,000	227,656	304,000
Other revenue		30,050	35,266	110,602
		7,071,793	10,434,670	7,465,201
Expenses				
Employee costs		(3,159,844)	(2,640,507)	(3,161,466)
Materials and contracts		(2,880,850)	(2,130,777)	(2,646,542)
Utility charges		(135,200)	(92,462)	(175,700)
Depreciation	6	(1,985,487)	(1,855,307)	(2,676,314)
Finance costs	9(c)	(26,847)	(30,098)	(30,098)
Insurance		(178,420)	(186,559)	(177,287)
Other expenditure		(487,941)	(180,822)	(512,097)
		(8,854,589)	(7,116,532)	(9,379,504)
		(1,782,796)	3,318,138	(1,914,303)
Capital grants, subsidies and contributions		2,632,768	2,745,022	3,703,044
Profit on asset disposals	5	59,125	1,970	93,813
Loss on asset disposals	5	0	(7,538)	0
		2,691,893	2,739,454	3,796,857
Net result for the period		909,097	6,057,592	1,882,554
Total other comprehensive income for the period		0	0	0
Total comprehensive income for the period		909,097	6,057,592	1,882,554

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 2027

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts

	Note	2026/27 Budget	2025/26 Actual	2025/26 Budget
Rates		\$ 5,188,610	\$ 5,030,729	\$ 5,134,851
Grants, subsidies and contributions		1,031,552	4,447,153	1,791,720
Fees and charges		473,120	421,518	251,028
Interest revenue		309,000	227,656	304,000
Goods and services tax received		222,197	125,131	831,646
Other revenue		30,050	35,266	110,602
		7,254,529	10,287,453	8,423,847

Payments

Employee costs		(3,159,844)	(2,564,874)	(3,161,466)
Materials and contracts		(2,734,912)	(1,656,649)	(2,645,492)
Utility charges		(135,200)	(92,462)	(175,700)
Finance costs		(26,847)	(30,098)	(30,098)
Insurance paid		(178,420)	(186,559)	(177,287)
Goods and services tax paid		(368,135)	(610,049)	(831,646)
Other expenditure		(487,941)	(180,822)	(512,097)
		(7,091,299)	(5,321,513)	(7,533,786)

Net cash provided by operating activities	4	163,230	4,965,940	890,061
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CASH FLOWS FROM INVESTING ACTIVITIES

Payments for purchase of property, plant & equipment	5(a)	(3,020,000)	(765,706)	(2,611,976)
Payments for construction of infrastructure	5(b)	(5,756,221)	(3,739,902)	(7,619,382)
Proceeds from capital grants, subsidies and contributions		1,816,837	2,711,707	3,398,044
Proceeds from disposal of property, plant and equipment	5(a)	112,000	28,432	186,000
Net cash (used in) investing activities		(6,847,384)	(1,765,469)	(6,647,314)

CASH FLOWS FROM FINANCING ACTIVITIES

Repayment of borrowings	7(a)	(64,949)	(62,136)	(62,136)
Net cash (used in) financing activities		(64,949)	(62,136)	(62,136)

Net increase (decrease) in cash held

		(6,749,103)	3,138,335	(5,819,389)
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Cash at beginning of year		21,815,272	18,676,937	18,676,938
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Cash and cash equivalents at the end of the year	4	15,066,169	21,815,272	12,857,549
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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 2027

OPERATING ACTIVITIES

Revenue from operating activities

	Note	2026/27 Budget	2025/26 Actual	2025/26 Budget
General rates	2(a)(i)	\$ 5,020,002	\$ 5,020,131	\$ 4,814,387
Rates excluding general rates	2(a)	168,608	168,464	168,464
Grants, subsidies and contributions		1,071,013	4,561,635	1,816,720
Fees and charges	13	473,120	421,518	251,028
Interest revenue	9(a)	309,000	227,656	304,000
Other revenue		30,050	35,266	110,602
Profit on asset disposals	5	59,125	1,970	93,813
		7,130,918	10,436,640	7,559,014

Expenditure from operating activities

Employee costs		(3,159,844)	(2,640,507)	(3,161,466)
Materials and contracts		(2,880,850)	(2,130,777)	(2,646,542)
Utility charges		(135,200)	(92,462)	(175,700)
Depreciation	6	(1,985,487)	(1,855,307)	(2,676,314)
Finance costs	9(c)	(26,847)	(30,098)	(30,098)
Insurance		(178,420)	(186,559)	(177,287)
Other expenditure		(487,941)	(180,822)	(512,097)
Loss on asset disposals	5	0	(7,538)	0
		(8,854,589)	(7,124,070)	(9,379,504)

Non cash amounts excluded from operating activities

	3(c)	1,926,362	1,860,875	2,582,501
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Amount attributable to operating activities

202,691 5,173,445 762,011

INVESTING ACTIVITIES

Inflows from investing activities

Proceeds from capital grants, subsidies and contributions		2,632,768	2,745,022	3,703,044
Proceeds from disposal of property, plant and equipment	5(a)	112,000	28,432	186,000
		2,744,768	2,773,454	3,889,044

Outflows from investing activities

Acquisition of property, plant and equipment	5(a)	(3,020,000)	(765,706)	(2,611,976)
Acquisition of infrastructure	5(b)	(5,756,221)	(3,739,902)	(7,619,382)
		(8,776,221)	(4,505,608)	(10,231,358)

Amount attributable to investing activities

(6,031,453) (1,732,154) (6,342,314)

FINANCING ACTIVITIES

Inflows from financing activities

Transfers from reserve accounts	8(a)	795,000	145,000	1,259,000
		795,000	145,000	1,259,000

Outflows from financing activities

Repayment of borrowings	7(a)	(64,949)	(62,136)	(62,136)
Transfers to reserve accounts	8(a)	(2,209,126)	(1,571,495)	(1,650,136)
		(2,274,075)	(1,633,631)	(1,712,272)

Amount attributable to financing activities

(1,479,075) (1,488,631) (453,272)

MOVEMENT IN SURPLUS OR DEFICIT

Surplus remaining at the start of the financial year

Amount attributable to operating activities	3	7,307,837	5,355,177	6,033,575
Amount attributable to investing activities		202,691	5,173,445	762,011
Amount attributable to financing activities		(6,031,453)	(1,732,154)	(6,342,314)
		(1,479,075)	(1,488,631)	(453,272)

Surplus remaining after the imposition of general rates

3 0 7,307,837 0

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

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

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.

2025/26 actual balances

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

Budget comparative figures

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

Comparative figures

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

Rounding off figures

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

Statement of Cashflows

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

Initial application of accounting standards

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

- AASB 2026-1 Amendments to Australian Accounting Standards – Disclosures about Uncertainties in the Financial Statements
- AASB 2024-2 Amendments to Australian Accounting Standards – Classification and Measurement of Financial Instruments
- AASB 2024-3 Amendments to Australian Accounting Standards – Standards – Annual Improvements Volume 11
- AASB 2025-1 Amendments to Australian Accounting Standards – Contracts Referencing Nature-dependent Electricity

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

New accounting standards for application in future years

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

- AASB 2014-10 Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- AASB 2024-4b Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 [deferred AASB 10 and AASB 128 amendments in AASB 2014-10 apply]

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

- AASB 18 Presentation and Disclosure in Financial Statements
- AASB 18 (NFP/super) Presentation and Disclosure in Financial Statements – (Appendix D) [for not-for-profit and superannuation entities]

These accounting standards will materially change the presentation of the annual financial report and annual budget

Critical accounting estimates and judgements

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

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

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

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

- Fair value measurement of assets carried at reportable value including:
 - Property, plant and equipment
 - Infrastructure
 - Expected credit losses on financial assets
 - Impairment losses of non-financial assets
 - Measurement of employee benefits

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

2. RATES AND SERVICE CHARGES

(a) Rating Information

Rate Description	Basis of valuation	Rate in dollar	Number of properties	Rateable value*	2026/27 Budgeted rate revenue	2026/27 Budgeted interim rates	2026/27 Budgeted total revenue	2025/26 Actual total revenue	2025/26 Budget total revenue
				\$	\$	\$	\$	\$	\$
(i) General rates									
Vacant and Improved	Gross rental valuation	0.089400	37	2,141,320	191,434	0	191,434	191,591	191,434
Mining	Unimproved valuation	0.152969	246	27,046,273	4,137,241	0	4,137,241	4,178,590	3,904,484
Exploration and Prospecting	Unimproved valuation	0.147540	501	4,102,545	605,289	0	605,289	566,468	634,987
Pastoral and Other	Unimproved valuation	0.085300	87	1,008,651	86,038	0	86,038	83,482	83,482
Total general rates			871	34,298,789	5,020,002	0	5,020,002	5,020,131	4,814,387
		Minimum							
		\$							
(ii) Minimum payment									
Vacant and Improved	Gross rental valuation	200.00	210	50,252	42,000	0	42,000	41,200	41,200
Mining	Unimproved valuation	328.00	59	62,777	19,352	0	19,352	19,024	19,024
Exploration and Prospecting	Unimproved valuation	328.00	316	380,356	103,648	0	103,648	104,960	104,960
Pastoral and Other	Unimproved valuation	328.00	11	15,601	3,608	0	3,608	3,280	3,280
Total minimum payments			596	508,986	168,608	0	168,608	168,464	168,464
Total general rates and minimum payments			1,467	34,807,775	5,188,610	0	5,188,610	5,188,595	4,982,851
Instalment plan charges							3,000	2,520	7,000
Instalment plan interest							10,000	11,826	10,000
Late payment of rate or service charge interest							49,000	60,054	44,000
							62,000	74,400	61,000

The Shire did not raise specified area rates for the year ended 30th June 2027.

*Rateable Value at time of adopting budget.

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

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

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

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

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 18 September 2026 or 35 days after the date of issue

Option 2 (Four Instalments)

First instalment to be made on or before 18 September 2026 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 20 November 2026, or 2 months after the due date of the first instalment, whichever is later;

Third instalment to be made on or before 29 January 2027, or 2 months after the due date of the second instalment, whichever is later; and

Fourth instalment to be made on or before 2 April 2027, 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	18/09/2026	0	0.0%	0.0%
Option two				
First instalment	18/09/2026	0	5.5%	7.0%
Second instalment	20/11/2026	10	5.5%	7.0%
Third instalment	29/01/2027	10	5.5%	7.0%
Fourth instalment	2/04/2027	10	5.5%	7.0%

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

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)	To raise sufficient revenue to offset the costs associated with the provision of current and future services.	Ensures all ratepayers make a reasonable contribution towards the ongoing maintenance, provision of works, services, and facilities across the Shire.
Unimproved Value (UV) Mining	This category is associated with all mining leases/tenements where the basis of rate is Unimproved Value (UV)	To achieve an appropriate contribution from mining operations toward budgeted deficiency.	Reflects the difference in valuation methodology and recognises the impact of mining related activities on the Shire.
Unimproved Value (UV) Exploration and Prospecting	This category is associated with all exploration and prospecting leases where the basis of rate is Unimproved Value (UV)	Exploration and Prospecting leases are rated differentially to reflect the nature of the lease and acknowledge that these leases are generally not income generating.	Ensures an appropriate contribution towards the ongoing maintenance and services provision throughout the Shire.
Unimproved Value (UV) Pastoral and Other	This category is associated with all pastoral and other land not included in the above categories where the basis of 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 generally not for income generating.	Ensures an appropriate contribution towards the ongoing maintenance and services provision throughout the Shire.

(d) Differential Minimum Payment

Description	Characteristics	Objects	Reasons
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 as reasonable contribution to services to the Community, and may exceed the actual result of calculating a property's rates based on its GRV.	Minimum rates have been prepared to comply with the Local Government Act 1995 which requires 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 as reasonable contribution to services to the Community, and may exceed the actual result of calculating a property's rates based on its UV.	Minimum rates have been prepared to comply with the Local Government Act 1995 which requires no more than 50% of properties to be levied on a minimum rate unless Ministerial approval is obtained.

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

2. RATES AND SERVICE CHARGES (CONTINUED)

(e) Service Charges

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

(f) Waivers or concessions

The Shire does not anticipate any waivers or concessions for the year ended 30th June 2027.

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

3. NET CURRENT ASSETS

(a) Composition of estimated net current assets

Current assets

Cash and cash equivalents
Receivables
Inventories
Other assets

Less: current liabilities

Trade and other payables
Contract liabilities
Capital grant/contributions liabilities
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	2026/27 Budget 30 June 2027 Carried forward	2025/26 Actual 30 June 2026 Carried forward	2025/26 Budget 30 June 2026 Carried forward
	\$	\$	\$
4	15,066,169	21,815,272	12,857,549
	769,855	769,855	411,790
	42,569	42,569	11,331
	0	0	768,503
	15,878,593	22,627,696	14,049,173
	(249,145)	(249,145)	(266,046)
	0	(39,461)	(59,134)
	0	(815,931)	(544,030)
7	(67,889)	(64,949)	0
	(157,081)	(157,081)	(148,022)
	(474,115)	(1,326,567)	(1,017,232)
	15,404,478	21,301,129	13,031,941
3(b)	(15,404,478)	(13,993,292)	(13,031,941)
	0	7,307,837	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: Reserve accounts
Add: Current liabilities not expected to be cleared at end of year
- Current portion of borrowings
Add: Current liabilities covered by funds held in reserve account
- Current portion of employee benefit provisions

Total adjustments to net current assets

8	(15,629,448)	(14,215,322)	(13,179,963)
	67,889	64,949	0
	157,081	157,081	148,022
	(15,404,478)	(13,993,292)	(13,031,941)

EXPLANATION OF DIFFERENCE IN SURPLUS/(DEFICIT)

Items excluded from calculation of budgeted deficiency

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

(c) Amounts excluded from operating activities

Less: Profit on asset disposals
Add: Loss on asset disposals
Add: Depreciation

Non cash amounts excluded from operating activities

Note	2026/27 Budget 30 June 2027 Carried forward	2025/26 Actual 30 June 2026 Carried forward	2025/26 Budget 30 June 2026 Carried forward
	\$	\$	\$
5	(59,125)	(1,970)	(93,813)
5	0	7,538	0
6	1,985,487	1,855,307	2,676,314
	1,926,362	1,860,875	2,582,501

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

3. NET CURRENT ASSETS (CONTINUED)

(d) MATERIAL ACCOUNTING POLICIES

CURRENT AND NON-CURRENT CLASSIFICATION

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

TRADE AND OTHER PAYABLES

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

PREPAID RATES

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

INVENTORIES

General

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

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

INVENTORY - LAND HELD FOR RESALE

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

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

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

SUPERANNUATION

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

GOODS AND SERVICES TAX (GST)

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

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

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

CONTRACT LIABILITIES

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

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

TRADE AND OTHER RECEIVABLES

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

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

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

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

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

PROVISIONS

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

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

EMPLOYEE BENEFITS

Short-term employee benefits

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

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

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

Other long-term employee benefits

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

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

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 2027

4. RECONCILIATION OF CASH

(a) Reconciliation of cash

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

	Note	2026/27 Budget	2025/26 Actual	2025/26 Budget
Cash and cash equivalents		\$ 15,066,169	\$ 21,815,272	\$ 12,857,549
Restrictions				
The following classes of financial assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:				
Cash and cash equivalents		15,629,448	15,070,714	13,723,993
		15,629,448	15,070,714	13,723,993
The restricted financial assets are a result of the following specific purposes to which the assets may be used:				
Reserve accounts	8	15,629,448	14,215,322	13,179,963
Contract liabilities		0	39,461	0
Capital grant/contributions liabilities		0	815,931	544,030
Total restricted financial assets		15,629,448	15,070,714	13,723,993
(b) Reconciliation of net cash provided by operating activities				
Net result		909,097	6,057,592	1,882,554
Non-cash items:				
Depreciation	6	1,985,487	1,855,307	2,676,314
(Profit)/loss on sale of assets	5	(59,125)	5,568	(93,813)
Changes in assets and liabilities:				
(Increase)/decrease in receivables		0	(184,268)	152,000
Decrease in other assets		0	356,487	0
(Increase)/decrease in trade and other payables		0	(335,051)	1,050
(Increase) in contract liabilities		(39,461)	(44,673)	(25,000)
(Increase) in capital grant/contributions liabilities		(815,931)	(33,315)	(305,000)
Capital grants, subsidies and contributions		(1,816,837)	(2,711,707)	(3,398,044)
Net cash provided by operating activities		163,230	4,965,940	890,061

MATERIAL ACCOUNTING POLICES

CASH AND CASH EQUIVALENTS

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

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

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

FINANCIAL ASSETS AT AMORTISED COST

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

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

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

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

5. PROPERTY, PLANT AND EQUIPMENT

	2026/27 Budget				2025/26 Actual					2025/26 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	0	0	14,000	14,000	12,648	(34,000)	27,068	606	(7,538)	12,000	0	0	0
Buildings - non-specialised	195,000	0	0	0	124,695	0	0	0	0	379,976	0	0	0
Buildings - specialised	1,205,000	0	0	0	189,443	0	0	0	0	1,035,000	0	0	0
Plant and equipment	1,620,000	(52,875)	98,000	45,125	438,920	0	1,364	1,364	0	1,185,000	(92,187)	186,000	93,813
Total	3,020,000	(52,875)	112,000	59,125	765,706	(34,000)	28,432	1,970	(7,538)	2,611,976	(92,187)	186,000	93,813
(b) Infrastructure													
Infrastructure - roads	4,918,596	0	0	0	3,094,358	0	0	0	0	5,777,276	0	0	0
Infrastructure - footpaths	77,625	0	0	0	0	0	0	0	0	75,000	0	0	0
Infrastructure - parks and ovals	350,000	0	0	0	4,500	0	0	0	0	1,000,000	0	0	0
Infrastructure - other	410,000	0	0	0	641,044	0	0	0	0	767,106	0	0	0
Total	5,756,221	0	0	0	3,739,902	0	0	0	0	7,619,382	0	0	0
Total	8,776,221	(52,875)	112,000	59,125	4,505,608	(34,000)	28,432	1,970	(7,538)	10,231,358	(92,187)	186,000	93,813

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.

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

6. DEPRECIATION

By Class

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

By Program

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

2026/27 Budget	2025/26 Actual	2025/26 Budget
\$	\$	\$
154,870	144,716	194,852
316,047	295,325	410,625
318,503	297,620	474,680
858,238	801,967	1,192,817
17,443	16,299	22,869
43,080	40,255	56,156
277,306	259,125	324,315
1,985,487	1,855,307	2,676,314
3,079	2,822	4,619
42,436	38,900	63,676
168,651	154,597	215,688
20,027	18,359	30,052
125,639	115,169	157,402
967,402	886,785	1,440,463
283,961	260,297	361,478
374,292	378,378	402,936
1,985,487	1,855,307	2,676,314

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	13 to 120 years
Buildings - specialised	13 to 120 years
Plant and equipment	5 to 10 years
Infrastructure - roads	15 to 80 years
Infrastructure - footpaths	30 to 60 years
Infrastructure - parks and ovals	10 to 40 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 2027

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 2026	2026/27 Budget New Loans	2026/27 Budget Principal Repayments	Budget Principal outstanding 30 June 2027	2026/27 Budget Interest Repayments	Actual Principal 1 July 2025	2025/26 Actual New Loans	2025/26 Actual Principal Repayments	Actual Principal outstanding 30 June 2026	2025/26 Actual Interest Repayments	Budget Principal 1 July 2025	2025/26 Budget New Loans	2025/26 Budget Principal Repayments	Budget Principal outstanding 30 June 2026	2025/26 Budget Interest Repayments
				\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
GROH House construction x 2	241	WATC	4.5%	543,035	0	(64,949)	478,086	(26,847)	605,171	0	(62,136)	543,035	(30,098)	605,171	0	(62,136)	543,035	(30,098)
				543,035	0	(64,949)	478,086	(26,847)	605,171	0	(62,136)	543,035	(30,098)	605,171	0	(62,136)	543,035	(30,098)

All borrowing repayments, other than self supporting loans, will be financed by general purpose revenue.

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

7. BORROWINGS (CONTINUED)

(b) New borrowings - 2026/27

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

(c) Unspent borrowings

The Shire had no unspent borrowing funds as at 30th June 2026 nor is it expected to have unspent borrowing funds as at 30th June 2027.

(d) Credit Facilities

	2026/27 Budget	2025/26 Actual	2025/26 Budget
	\$	\$	\$
Undrawn borrowing facilities			
credit standby arrangements			
Bank overdraft limit	0	0	0
Bank overdraft at balance date	0	0	0
Credit card limit	25,000	25,000	25,000
Credit card balance at balance date	0	14,890	0
Total amount of credit unused	25,000	39,890	25,000
Loan facilities			
Loan facilities in use at balance date	478,086	543,035	543,035

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 2027

8. RESERVE ACCOUNTS

(a) Reserve Accounts - Movement

	2026/27 Budget				2025/26 Actual				2025/26 Budget			
	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	219,142	3,083	0	222,225	217,079	2,063	0	219,142	217,079	3,395	0	220,474
(b) Building reserve	3,517,203	649,485	(200,000)	3,966,688	3,484,145	33,058	0	3,517,203	3,484,145	54,487	(700,000)	2,838,632
(c) Plant reserve	1,138,720	16,021	(445,000)	709,741	1,271,657	12,063	(145,000)	1,138,720	1,271,657	19,887	(234,000)	1,057,544
(d) Road Infrastructure reserve	3,783,044	662,351	0	4,445,395	2,608,163	1,174,881	0	3,783,044	2,608,163	1,190,924	(325,000)	3,474,087
(e) Caravan Park reserve	429,455	506,042	(50,000)	885,497	425,414	4,041	0	429,455	425,414	6,653	0	432,067
(f) Niagara Dam reserve	1,830,438	25,753	0	1,856,191	1,813,229	17,209	0	1,830,438	1,813,230	28,356	0	1,841,586
(g) Water reserve	233,052	3,279	0	236,331	230,855	2,197	0	233,052	230,855	3,610	0	234,465
(h) Waste Management reserve	1,290,204	318,152	(100,000)	1,508,356	980,896	309,308	0	1,290,204	980,895	315,340	0	1,296,235
(i) Former Post Office reserve	447,058	6,290	0	453,348	442,859	4,199	0	447,058	442,859	6,926	0	449,785
(j) Commercial Enterprise reserve	1,110,715	15,627	0	1,126,342	1,100,278	10,437	0	1,110,715	1,100,278	17,207	0	1,117,485
(k) Land Purchase reserve	216,291	3,043	0	219,334	214,252	2,039	0	216,291	214,252	3,351	0	217,603
	14,215,322	2,209,126	(795,000)	15,629,448	12,788,827	1,571,495	(145,000)	14,215,322	12,788,827	1,650,136	(1,259,000)	13,179,963

(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 council		
(a) Leave reserve	Ongoing	To fund annual leave and long service leave obligations.
(b) Building reserve	Ongoing	To support the acquisition of future buildings and the renovation of existing buildings, including heritage properties.
(c) Plant reserve	Ongoing	To fund the purchase of major plant, equipment and vehicles.
(d) Road Infrastructure reserve	Ongoing	To fund major roadworks.
(e) Caravan Park reserve	Ongoing	To provide upgrades to the Caravan Park facilities.
(f) Niagara Dam reserve	Ongoing	To fund the ongoing upgrade of the Niagara Dam valve infrastructure and associated maintenance works.
(g) Water reserve	Ongoing	Established for the purpose of funding the ongoing maintenance, renewal and upgrade of water infrastructure assets and associated systems.
(h) Waste Management reserve	Ongoing	To provide for the statutory reinstatement and development of the waste reserve.
(i) Former Post Office reserve	Ongoing	To fund the restoration and maintenance of the former post office.
(j) Commercial Enterprise reserve	Ongoing	Established for the purpose of funding the acquisition, development of commercial enterprise activities with a view to producing a profit.
(k) Land Purchase reserve	Ongoing	To fund the purchase of selected properties with development potential.

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

9. OTHER INFORMATION

	2026/27 Budget	2025/26 Actual	2025/26 Budget
The net result includes as revenues	\$	\$	\$
(a) Interest earnings			
Investments	250,000	155,776	250,000
Other interest revenue	59,000	71,880	54,000
	309,000	227,656	304,000
The net result includes as expenses			
(b) Auditors remuneration			
Audit services	100,000	80,383	100,000
Other services	0	11,250	0
	100,000	91,633	100,000
(c) Interest expenses (finance costs)			
Borrowings (refer Note 7(a))	26,847	30,098	30,098
	26,847	30,098	30,098
(d) Write offs			
General rate	240,000	14,662	240,000
	240,000	14,662	240,000

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

10. COUNCIL MEMBERS REMUNERATION

	2026/27 Budget	2025/26 Actual	2025/26 Budget
	\$	\$	\$
President			
President's allowance	22,913	22,138	22,138
Meeting attendance fees	22,308	21,554	21,554
Annual allowance for ICT expenses	1,100	1,100	1,100
Travel and accommodation expenses	6,429	5,997	5,000
Superannuation contribution payments	998	0	3,495
	53,748	50,789	53,287
Deputy President			
Deputy President's allowance	5,728	5,534	5,534
Meeting attendance fees	10,909	10,540	10,540
Annual allowance for ICT expenses	1,100	1,100	1,100
Travel and accommodation expenses	6,429	2,546	5,000
Superannuation contribution payments	998	0	1,286
	25,164	19,720	23,460
Council member 3			
Meeting attendance fees	10,909	10,540	10,540
Annual allowance for ICT expenses	1,100	1,100	1,100
Travel and accommodation expenses	6,429	4,446	5,000
Superannuation contribution payments	998	0	843
	19,436	16,086	17,483
Council member 4			
Meeting attendance fees	10,909	10,540	10,540
Annual allowance for ICT expenses	1,100	1,100	1,100
Travel and accommodation expenses	6,429	8,644	5,000
Superannuation contribution payments	998	0	843
	19,436	20,284	17,483
Council member 5			
Meeting attendance fees	10,909	10,540	10,540
Annual allowance for ICT expenses	1,100	1,100	1,100
Travel and accommodation expenses	6,429	3,191	5,000
Superannuation contribution payments	998	0	843
	19,436	14,831	17,483
Council member 6			
Meeting attendance fees	10,909	10,540	10,540
Annual allowance for ICT expenses	1,100	1,100	1,100
Travel and accommodation expenses	6,429	0	5,000
Superannuation contribution payments	998	0	843
	19,436	11,640	17,483
Council member 7			
Meeting attendance fees	10,909	8,189	10,540
Annual allowance for ICT expenses	1,100	854	1,100
Travel and accommodation expenses	6,429	510	5,000
Superannuation contribution payments	998	0	843
	19,436	9,553	17,483
Total Council Member Remuneration	176,092	142,903	164,162
President's allowance	22,913	22,138	22,138
Deputy President's allowance	5,728	5,534	5,534
Meeting attendance fees	87,762	82,443	84,794
Annual allowance for ICT expenses	7,700	7,454	7,700
Travel and accommodation expenses	45,003	25,334	35,000
Superannuation contribution payments	6,986	0	8,996
	176,092	142,903	164,162

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

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

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 2027

11. REVENUE AND EXPENDITURE (CONTINUED)

(b) Revenue Recognition

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	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
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
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2027

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 2027

13. FEES AND CHARGES

	2026/27 Budget	2025/26 Actual	2025/26 Budget
	\$	\$	\$
By Program:			
General purpose funding	4,100	3,480	8,100
Law, order, public safety	550	455	550
Health	500	423	300
Housing	225,320	183,150	54,500
Community amenities	14,200	12,343	12,200
Recreation and culture	1,700	403	900
Economic services	226,500	221,264	163,500
Other property and services	250	0	10,978
	473,120	421,518	251,028

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