SHIRE OF WANDERING

ANNUAL BUDGET

FOR THE YEAR ENDED 30 JUNE 2027

LOCAL GOVERNMENT ACT 1995

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

Wandering is a community of responsible, resilient and adaptable residents thriving in our scenic, economically diverse environment.

SHIRE OF WANDERING
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)	2,384,335	2,057,370	2,051,418
Grants, subsidies and contributions		469,738	1,225,853	691,632
Fees and charges	14	735,360	935,448	731,720
Interest revenue	10(a)	44,500	45,705	31,500
Other revenue		356,305	367,191	352,725
		3,990,238	4,631,567	3,858,995
Expenses				
Employee costs		(1,376,432)	(1,315,073)	(1,391,354)
Materials and contracts		(1,670,281)	(1,864,555)	(1,457,832)
Utility charges		(67,400)	(67,508)	(56,900)
Depreciation	6	(1,488,663)	(1,544,350)	(1,475,546)
Finance costs	10(c)	(25,355)	(23,992)	(29,496)
Insurance		(114,984)	(116,269)	(105,025)
Other expenditure		(59,244)	(84,258)	(54,984)
		(4,802,359)	(5,016,005)	(4,571,137)
		(812,121)	(384,438)	(712,142)
Capital grants, subsidies and contributions		2,514,495	3,620,616	3,642,725
Profit on asset disposals	5	18,288	39,616	155,402
Loss on asset disposals	5	(25,255)	0	0
		2,507,528	3,660,232	3,798,127
Net result for the period		**1,695,407**	**3,275,794**	**3,085,985**
Total other comprehensive income for the period		**0**	**0**	**0**
Total comprehensive income for the period		**1,695,407**	**3,275,794**	**3,085,985**

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

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

	Note	2026/27 Budget	2025/26 Actual	2025/26 Budget
OPERATING ACTIVITIES				
Revenue from operating activities		$	$	$
General rates	2(a)(i)	2,379,113	2,052,550	2,046,583
Rates excluding general rates	2(a)	5,222	4,820	4,835
Grants, subsidies and contributions		469,738	1,225,853	691,632
Fees and charges	14	735,360	935,448	731,720
Interest revenue	10(a)	44,500	45,705	31,500
Other revenue		356,305	367,191	352,725
Profit on asset disposals	5	18,288	39,616	155,402
		4,008,526	4,671,183	4,014,397
Expenditure from operating activities				
Employee costs		(1,376,432)	(1,315,073)	(1,391,354)
Materials and contracts		(1,670,281)	(1,864,555)	(1,457,832)
Utility charges		(67,400)	(67,508)	(56,900)
Depreciation	6	(1,488,663)	(1,544,350)	(1,475,546)
Finance costs	10(c)	(25,355)	(23,992)	(29,496)
Insurance		(114,984)	(116,269)	(105,025)
Other expenditure		(59,244)	(84,258)	(54,984)
Loss on asset disposals	5	(25,255)	0	0
		(4,827,614)	(5,016,005)	(4,571,137)
Non cash amounts excluded from operating activities	3(c)	1,546,205	1,505,275	1,321,107
Amount attributable to operating activities		**727,117**	**1,160,453**	**764,367**
INVESTING ACTIVITIES				
Inflows from investing activities				
Proceeds from capital grants, subsidies and contributions		2,514,495	3,620,616	3,642,725
Proceeds from disposal of property, plant and equipment	5(a)	186,500	177,120	264,000
		2,700,995	3,797,736	3,906,725
Outflows from investing activities				
Acquisition of inventory - land held for resale	5(c)	(50,000)	(22,770)	(50,000)
Acquisition of property, plant and equipment	5(a)	(673,000)	(314,917)	(440,000)
Acquisition of infrastructure	5(b)	(2,912,880)	(3,804,743)	(4,041,964)
		(3,635,880)	(4,142,430)	(4,531,964)
Amount attributable to investing activities		**(934,885)**	**(344,694)**	**(625,239)**
FINANCING ACTIVITIES				
Inflows from financing activities				
Transfers from reserve accounts	9(a)	431,500	126,623	180,000
		431,500	126,623	180,000
Outflows from financing activities				
Repayment of borrowings	8(a)	(36,496)	(34,853)	(34,779)
Payments for principal portion of lease liabilities	7	(46,173)	(43,751)	(43,751)
Transfers to reserve accounts	9(a)	(677,162)	(323,854)	(330,086)
		(759,831)	(402,458)	(408,616)
Amount attributable to financing activities		**(328,331)**	**(275,835)**	**(228,616)**
MOVEMENT IN SURPLUS OR DEFICIT				
Surplus/(deficit) at the start of the financial year	3	536,099	(3,825)	89,488
Amount attributable to operating activities		727,117	1,160,453	764,367
Amount attributable to investing activities		(934,885)	(344,694)	(625,239)
Amount attributable to financing activities		(328,331)	(275,835)	(228,616)
Surplus remaining after the imposition of general rates	3	**0**	**536,099**	**0**

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

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

1 BASIS OF PREPARATION

The annual budget of the Shire of Wandering 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 11 to the annual budget.

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

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

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

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

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

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

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

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

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

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

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

2. RATES AND SERVICE CHARGES

(a) Rating Information

Rate Description	Basis of valuation	Rate in dollar	Number of properties	Rateable value*	2026/27 Budgeted rate revenue	2026/27 Budgeted interim rates	2026/27 Budgeted total revenue	2025/26 Actual total revenue	2025/26 Budget total revenue
				$	$	$	$	$	$
(i) General rates									
GRV Residential	Gross rental valuation	0.165456	34	406,640	67,281	0	67,281	62,297	62,297
GRV Special Use	Gross rental valuation	0.165456	2	127,920	21,165	0	21,165	19,597	19,597
GRV Rural Residential	Gross rental valuation	0.165456	57	771,170	127,595	0	127,595	118,143	118,143
GRV Industrial	Gross rental valuation	0.165456	2	35,360	5,851	0	5,851	5,417	5,417
UV Rural, Rural Residential and Min	Unimproved valuation	0.005571	138	328,910,000	1,832,357	0	1,832,357	1,546,296	1,540,329
Non Rateable	Non Rateable	0.000000	32	14,765	0	0	0	0	0
Total general rates			265	330,265,855	2,054,249	0	2,054,249	1,751,750	1,745,783
		Minimum							
(ii) Minimum payment		$							
GRV Residential	Gross rental valuation	1,728.00	46	257,308	79,488	0	79,488	73,600	73,600
GRV Special Use	Gross rental valuation	1,728.00	2	14,133	3,456	0	3,456	3,200	3,200
GRV Rural Residential	Gross rental valuation	1,728.00	45	200,504	77,760	0	77,760	72,000	72,000
GRV Industrial	Gross rental valuation	1,728.00	0	0	0	0	0	0	0
UV Rural, Rural Residential and Min	Unimproved valuation	1,728.00	95	19,831,835	164,160	0	164,160	152,000	152,000
Total minimum payments			188	20,303,780	324,864	0	324,864	300,800	300,800
Total general rates and minimum payments			453	350,569,635	2,379,113	0	2,379,113	2,052,550	2,046,583
(iii) Ex-gratia rates									
CBH Receival Bin	Tonnage	0.146670	1	35,600	5,222	0	5,222	4,835	4,835
Total ex-gratia rates			1	35,600	5,222	0	5,222	4,835	4,835
					2,384,335	0	2,384,335	2,057,385	2,051,418
Rate write-offs							0	(15)	0
Total rates					2,384,335	0	2,384,335	2,057,370	2,051,418
Instalment plan charges							1,700	1,780	1,700
Instalment plan interest							2,500	4,536	2,500
Late payment of rate or service charge interest							5,000	5,161	5,000
							9,200	11,477	9,200

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.

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 27 August 2026 or 35 days after the date of issue appearing on the rate notice, whichever is the later.

Option 2 (Two Instalments)
First instalment to be made on or before 27 August 2026 or 35 days after the date of issue appearing on the rate notice, whichever is the later, including all arrears and half the current rates and service charges; and
Second instalment to be made on or before 26 October 2026 or 2 months after the first instalment, whichever is the later.

Option 3 (Four Instalments)
First instalment to be made on or before 27 August 2026 or 35 days after the date of issue appearing on the rate notice, whichever is the later, including all arrears and half the current rates and service charges; and
Second instalment to be made on or before 26 October 2026 or 2 months after the first instalment, whichever is the later.
Third instalment to be made on or before 28 December 2026 or 2 months after the second instalment, whichever is the later; and
Fourth instalment to be made on or before 26 February 2027 or 2 months after the third instalment, whichever is the later.

Instalment options	Date due	Instalment plan admin charge	Instalment plan interest rate	Unpaid rates interest rates
		$	%	%
Option one				
Single full payment	27/08/2026	0	0.00%	11.00%
Option two				
First instalment	27/08/2026	0	0.00%	11.00%
Second instalment	26/10/2026	10	5.50%	11.00%
Option three				
First instalment	27/08/2026	0	0.00%	11.00%
Second instalment	26/10/2026	10	5.50%	11.00%
Third instalment	28/12/2026	10	5.50%	11.00%
Fourth instalment	26/02/2027	10	5.50%	11.00%

3. NET CURRENT ASSETS

(a) Composition of estimated net current assets

	Note	2026/27 Budget 30 June 2027 Carried forward	2025/26 Actual 30 June 2026 Carried forward	2025/26 Budget 30 June 2026 Carried forward
		$	$	$
Current assets				
Cash and cash equivalents	4	509,711	1,148,139	526,121
Receivables		81,553	80,053	118,407
Inventories		52,803	57,823	55,628
Other assets		401,719	397,459	407,296
		1,045,786	1,683,474	1,107,452
Less: current liabilities				
Trade and other payables		(185,062)	(83,062)	(353,612)
Contract liabilities		0	(10,676)	(59,013)
Capital grant/contributions liabilities		0	(388,000)	(61,411)
Lease liabilities	7	0	(46,173)	0
Long term borrowings	8	0	(36,496)	0
Employee provisions		(215,754)	(215,754)	(231,100)
		(400,816)	(780,161)	(705,136)
Net current assets		644,970	903,313	402,316
Less: Total adjustments to net current assets	3(b)	(644,970)	(367,214)	(402,316)
Net current assets used in the Statement of Financial Activity		0	536,099	0

(b) Current assets and liabilities excluded from budgeted deficiency

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

	Note	2026/27 Budget 30 June 2027 Carried forward	2025/26 Actual 30 June 2026 Carried forward	2025/26 Budget 30 June 2026 Carried forward
Adjustments to net current assets				
Less: Reserve accounts	9	(718,184)	(472,522)	(425,376)
Add: Current liabilities not expected to be cleared at end of year				
- Current portion of borrowings		0	36,496	0
- Current portion of lease liabilities		0	46,173	0
Add: Current liabilities covered by funds held in reserve account				
- Current portion of employee benefit provisions		73,214	22,639	23,060
Total adjustments to net current assets		(644,970)	(367,214)	(402,316)

EXPLANATION OF DIFFERENCE IN SURPLUS/(DEFICIT)

Items excluded from calculation of budgeted deficiency

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

(c) Amounts excluded from operating activities

	Note	2026/27 Budget 30 June 2027 Carried forward	2025/26 Actual 30 June 2026 Carried forward	2025/26 Budget 30 June 2026 Carried forward
		$	$	$
Less: Profit on asset disposals	5	(18,288)	(39,616)	(155,402)
Add: Loss on asset disposals	5	25,255	0	0
Add: Depreciation	6	1,488,663	1,544,350	1,475,546
Movement in current liabilities associated funds held in reserve account:				
- Current portion of employee benefit provisions		50,575	541	963
Non cash amounts excluded from operating activities		1,546,205	1,505,275	1,321,107

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.

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		509,711	1,148,139	526,121
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		718,184	871,198	486,787
		718,184	871,198	486,787
The restricted financial assets are a result of the following specific purposes to which the assets may be used:				
Reserve accounts	9	718,184	472,522	425,376
Contract liabilities		0	10,676	0
Capital grant/contributions liabilities		0	388,000	61,411
Total restricted financial assets		718,184	871,198	486,787

(b) Reconciliation of net cash provided by operating activities

	Note	2026/27 Budget	2025/26 Actual	2025/26 Budget
Net result		1,695,407	3,275,794	3,085,985
Non-cash items:				
Depreciation	6	1,488,663	1,544,350	1,475,546
(Profit)/loss on sale of assets	5	6,967	(39,616)	(155,402)
Changes in assets and liabilities:				
(Increase)/decrease in receivables		(1,500)	13,757	(25,030)
Decrease in inventories		5,020	12,930	15,125
(Increase)/decrease in other assets		(4,260)	9,837	0
(Increase)/decrease in trade and other payables		102,000	(220,088)	150,250
(Increase) in contract liabilities		(10,676)	(42,295)	0
(Increase) in capital grant/contributions liabilities		(388,000)	(223,411)	(550,000)
(Increase) in employee related provisions		0	(15,346)	0
Capital grants, subsidies and contributions		(2,126,495)	(3,397,205)	(3,092,725)
Net cash provided by operating activities		767,126	918,707	903,749

MATERIAL ACCOUNTING POLICES

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

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

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

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

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

5. PROPERTY, PLANT AND EQUIPMENT

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

	2026/27 Budget					2025/26 Actual					2025/26 Budget				
	Additions	Disposals - Net Book Value	Disposals - Sale Proceeds	Disposals - Profit	Disposals - Loss	Additions	Disposals - Net Book Value	Disposals - Sale Proceeds	Disposals - Profit	Disposals - Loss	Additions	Disposals - Net Book Value	Disposals - Sale Proceeds	Disposals - Profit	Disposals - Loss
(a) Property, Plant and Equipment	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$
Buildings - specialised	24,000	0	0	0	0	7,873	0	0	0	0	9,000	0	0	0	0
Furniture and equipment	20,000	0	0	0	0	7,500	0	0	0	0	22,000	0	0	0	0
Plant and equipment	629,000	(193,467)	186,500	18,288	(25,255)	299,544	(137,504)	177,120	39,616	0	409,000	(108,598)	264,000	155,402	0
Total	673,000	(193,467)	186,500	18,288	(25,255)	314,917	(137,504)	177,120	39,616	0	440,000	(108,598)	264,000	155,402	0
(b) Infrastructure															
Infrastructure - roads	2,720,693	0	0	0	0	2,829,961	0	0	0	0	2,884,651	0	0	0	0
Infrastructure - footpaths	0	0	0	0	0	2,907	0	0	0	0	5,902	0	0	0	0
Infrastructure - recreation	0	0	0	0	0	12,651	0	0	0	0	0	0	0	0	0
Other infrastructure - bridges	192,187	0	0	0	0	959,224	0	0	0	0	1,151,411	0	0	0	0
Total	2,912,880	0	0	0	0	3,804,743	0	0	0	0	4,041,964	0	0	0	0
(c) Inventory - Land held for resale															
Cost of acquisition	50,000	0	0	0	0	22,770	0	0	0	0	50,000	0	0	0	0
	50,000	0	0	0	0	22,770	0	0	0	0	50,000	0	0	0	0
Total	3,635,880	(193,467)	186,500	18,288	(25,255)	4,142,430	(137,504)	177,120	39,616	0	4,531,964	(108,598)	264,000	155,402	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.

6. DEPRECIATION

	2026/27 Budget	2025/26 Actual	2025/26 Budget
	$	$	$
By Class			
Buildings - non-specialised	26,084	27,060	25,987
Buildings - specialised	64,303	66,708	68,837
Furniture and equipment	13,035	13,523	10,377
Plant and equipment	280,921	291,430	274,741
Infrastructure - roads	554,493	575,235	542,930
Infrastructure - footpaths	7,168	7,436	6,794
Infrastructure - recreation	50,904	52,808	51,206
Infrastructure - other	21,318	22,115	21,444
Infrastructure - drainage	57,966	60,134	58,310
Other infrastructure - bridges	369,602	383,428	371,795
Right of use - plant and equipment	42,869	44,473	43,125
	1,488,663	1,544,350	1,475,546
By Program			
Governance	1,654	1,657	1,250
Law, order, public safety	72,280	72,380	73,848
Housing	27,022	27,060	26,785
Community amenities	13,556	13,574	11,992
Recreation and culture	73,647	73,748	81,244
Transport	1,024,827	1,026,233	1,009,934
Economic services	27,890	27,928	23,421
Other property and services	247,787	301,770	247,072
	1,488,663	1,544,350	1,475,546

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	40 to 50 years
Furniture and equipment	3 to 10 years
Plant and equipment	3 to 10 years
Sealed roads and streets	
formation	not depreciated
pavement	20-50 years
seal	
- bituminous seals	15-20 years
- asphalt surfaces	15-25 years
Gravel roads	
formation	not depreciated
pavement	50 years
Footpaths - slab	20 years
Sewerage piping	100 years
Water supply piping and drainage systems	50 years
Landfill assets	4 to 50 years
Bridges	4 to 50 years
Recreation assets	4 to 50 years
Other infrastructure assets	4 to 50 years
plant and equipment)	5 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.

7. LEASE LIABILITIES

Purpose	Lease Number	Institution	Lease Interest Rate	Lease Term	Budget Lease Principal 1 July 2026	2026/27 Budget New Leases	2026/27 Budget Lease Principal Repayments	Budget Lease Principal outstanding 30 June 2027	2026/27 Budget Lease Interest Repayments	Actual Principal 1 July 2025	2025/26 Actual New Leases	2025/26 Actual Lease Principal repayments	Actual Lease Principal outstanding 30 June 2026	2025/26 Actual Lease Interest repayments	Budget Principal 1 July 2025	2025/26 Budget New Leases	2025/26 Budget Lease Principal repayments	Budget Lease Principal outstanding 30 June 2026	2025/26 Budget Lease Interest repayments
					$	$	$	$	$	$	$	$	$	$	$	$	$	$	$
JCB Excavator	1	AG equipment	5.40%	5 years	107,501	0	(46,173)	61,328	(4,673)	151,252	0	(43,751)	107,501	(9,214)	151,252	0	(43,751)	107,501	(7,095)
					107,501	0	(46,173)	61,328	(4,673)	151,252	0	(43,751)	107,501	(9,214)	151,252	0	(43,751)	107,501	(7,095)

MATERIAL ACCOUNTING POLICIES

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

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

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

8. BORROWINGS

(a) Borrowing repayments

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

Purpose	Loan Number	Institution	Interest Rate	Budget Principal 1 July 2026	2026/27 Budget New Loans	2026/27 Budget Principal Repayments	Budget Principal outstanding 30 June 2027	2026/27 Budget Interest Repayments	Actual Principal 1 July 2025	2025/26 Actual New Loans	2025/26 Actual Principal Repayments	Actual Principal outstanding 30 June 2026	2025/26 Actual Interest Repayments	Budget Principal 1 July 2025	2025/26 Budget New Loans	2025/26 Budget Principal Repayments	Budget Principal outstanding 30 June 2026	2025/26 Budget Interest Repayments
				$	$	$	$	$	$	$	$	$	$	$	$	$	$	$
Industrial Estate Development	10	WATC	4.4949%	56,307	0	(7,006)	49,301	(2,414)	63,007	0	(6,700)	56,307	(2,713)	63,009	0	(6,626)	56,383	(2,795)
Industrial Estate Development	11	WATC	4.6949%	321,847	0	(29,490)	292,357	(14,768)	350,000	0	(28,153)	321,847	(12,065)	350,000	0	(28,153)	321,847	(16,106)
				378,154	0	(36,496)	341,658	(17,182)	413,007	0	(34,853)	378,154	(14,778)	413,009	0	(34,779)	378,230	(18,901)

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

8. BORROWINGS (CONTINUED)

(b) New borrowings - 2026/27

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

(c) Unspent borrowings

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	150,000	150,000	300,000
Bank overdraft at balance date	0	0	0
Credit card limit	5,000	5,000	5,000
Credit card balance at balance date	0	(996)	0
Total amount of credit unused	155,000	154,004	305,000
Loan facilities			
Loan facilities in use at balance date	341,658	378,154	378,230
Unused loan facilities at balance date	0	0	0

MATERIAL ACCOUNTING POLICIES

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

Fair values of borrowings are not materially different to their carrying amounts, since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short term nature.
Borrowings fair values are based on discounted cash flows using a current borrowing rate.

9. RESERVE ACCOUNTS

(a) Reserve Accounts - Movement

	2026/27 Budget Opening Balance	2026/27 Budget Transfer to	2026/27 Budget Transfer (from)	2026/27 Budget Closing Balance	2025/26 Actual Opening Balance	2025/26 Actual Transfer to	2025/26 Actual Transfer (from)	2025/26 Actual Closing Balance	2025/26 Budget Opening Balance	2025/26 Budget Transfer to	2025/26 Budget Transfer (from)	2025/26 Budget Closing Balance
	$	$	$	$	$	$	$	$	$	$	$	$
Restricted by council												
(a) Leave reserve	22,639	50,575	0	73,214	22,098	541	0	22,639	22,097	963	0	23,060
(b) Land & building reserve	89,880	52,283	0	142,163	87,729	2,151	0	89,880	87,729	3,824	0	91,553
(c) Plant replacement reserve	230,215	421,008	(431,500)	219,723	3,662	318,176	(91,623)	230,215	3,662	318,246	(145,000)	176,908
(d) Office equipment reserve	17,273	439	0	17,712	16,860	413	0	17,273	16,860	735	0	17,595
(e) Fuel facility reserve	107,515	27,730	0	135,245	104,942	2,573	0	107,515	104,942	4,574	0	109,516
(f) WSFN funding reserve	5,000	25,127	0	30,127	40,000	0	(35,000)	5,000	40,000	1,744	(35,000)	6,744
(g) Information technology reserve	0	50,000	0	50,000	0	0	0	0	0	0	0	0
(h) Community resource centre reserve	0	50,000	0	50,000	0	0	0	0	0	0	0	0
	472,522	677,162	(431,500)	718,184	275,291	323,854	(126,623)	472,522	275,290	330,086	(180,000)	425,376

(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	For the payment of long service leave
(b) Land & building reserve	Ongoing	For the purchase of land and buildings, and major repairs/upgrading of existing buildings
(c) Plant replacement reserve	Ongoing	For the purchase and replacement of plant and equipment
(d) Office equipment reserve	Ongoing	For the replacement of office equipment
(e) Fuel facility reserve	Ongoing	For the renewal or replacement of fuel facility equipment
(f) WSFN funding reserve	Ongoing	To assist in financing Councils contribution to Western Secondary Freight Network Works Program
(g) Information technology reserve	2030/31	For the replacement of the Shire's corporate information system
(h) Community resource centre reserve	Ongoing	For the community resource centre capital expenditure

10. OTHER INFORMATION

	2026/27 Budget	2025/26 Actual	2025/26 Budget
The net result includes as revenues	$	$	$
(a) Interest earnings			
Investments	37,000	36,008	24,000
Other interest revenue	7,500	9,697	7,500
	44,500	45,705	31,500
The net result includes as expenses			
(b) Auditors remuneration			
Audit services	45,900	41,099	41,099
Other services	5,000	7,580	0
	50,900	48,679	41,099
(c) Interest expenses (finance costs)			
Borrowings (refer Note 8(a))	17,182	14,778	18,901
Interest on lease liabilities (refer Note 7)	4,673	9,214	7,095
Interest on bank overdraft	3,500	0	3,500
	25,355	23,992	29,496
(d) Write offs			
General rate	0	15	0
	0	15	0

11. COUNCIL MEMBERS REMUNERATION

	2026/27 Budget	2025/26 Actual	2025/26 Budget
	$	$	$
President			
President's allowance	6,624	6,400	6,400
Meeting attendance fees	4,140	4,000	4,000
Annual allowance for ICT expenses	1,100	1,100	1,100
Travel and accommodation expenses	10,000	10,056	10,000
	21,864	21,556	21,500
Deputy President			
Deputy President's allowance	1,656	1,600	1,600
Meeting attendance fees	4,140	4,000	4,000
Annual allowance for ICT expenses	1,100	1,100	1,100
Travel and accommodation expenses	214	0	214
	7,110	6,700	6,914
Council member 3			
Meeting attendance fees	4,140	4,000	4,000
Annual allowance for ICT expenses	1,100	1,100	1,100
Travel and accommodation expenses	214	0	214
	5,454	5,100	5,314
Council member 4			
Meeting attendance fees	4,140	4,000	4,000
Annual allowance for ICT expenses	1,100	1,100	1,100
Travel and accommodation expenses	214	0	214
	5,454	5,100	5,314
Council member 5			
Meeting attendance fees	4,140	4,000	4,000
Annual allowance for ICT expenses	1,100	1,100	1,100
Travel and accommodation expenses	214	279	214
	5,454	5,379	5,314
Council member 6			
Meeting attendance fees	4,140	4,000	4,000
Annual allowance for ICT expenses	1,100	1,100	1,100
Travel and accommodation expenses	214	0	214
	5,454	5,100	5,314
Council member 7			
Meeting attendance fees	4,140	4,000	4,000
Annual allowance for ICT expenses	1,100	1,100	1,100
Travel and accommodation expenses	214	0	214
	5,454	5,100	5,314
Total Council Member Remuneration	56,244	54,035	54,984
President's allowance	6,624	6,400	6,400
Deputy President's allowance	1,656	1,600	1,600
Meeting attendance fees	28,980	28,000	28,000
Annual allowance for ICT expenses	7,700	7,700	7,700
Travel and accommodation expenses	11,284	10,335	11,284
	56,244	54,035	54,984

12. 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.

12. 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
Grants, subsidies and contributions	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
Fees and charges - 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 of the licence, registration or approval
Fees and charges - waste management entry fees	Waste treatment, recycling and disposal service at disposal sites	Single point in time	Payment in advance at gate or on normal trading terms if credit provided	None	On entry to facility
Fees and charges - sale of stock	Fuel, post office agency and community resource centre stock	Single point in time	In full in advance, on 15 day credit	Refund for faulty goods	Output method based on goods
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

13. 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.	Members expenses and other costs of the shire that relate to the tasks of assisting Councillors and the public on matters which do not concern specific Council services.
General purpose funding To collect revenue to allow for the provision of services.	Collection of rates revenue, financial assistance grants for general purpose and interest revenue.
Law, order, public safety Supervision by various by-laws, fire prevention and animal control.	Fire prevention Animal control Other
Health To provide services for community and environmental health.	Health inspection and advisory services, analytical services, pest and weed control, and assistance to provide health initiatives.
Education and welfare To support services relating to youth, elderly and the disadvantaged.	Support school activities, aged care initiatives and disability inclusion plan.
Housing Provision of shire housing and privately rented accommodation.	Management and maintenance for shire housing privately rented while not required by staff and provision of rental accommodation to the WA Housing Authority for teachers accommodation.
Community amenities To provide amenities required by the community.	Rubbish collection services and operation of waste transfer station. Maintenance of cemeteries and public conveniences. Administration of town planning activities.
Recreation and culture To establish and maintain infrastructure and resources to meet the recreational and cultural needs of the community.	Maintenance of halls, playgrounds, recreation grounds and reserves. Operation of library and maintenance of heritage and history inventory.
Transport To provide safe and effective transport services to the community.	Construction and maintenance of streets, roads, bridges, signage and footpaths. Cleaning and lighting of town streets. Depot maintenance.
Economic services To help promote Wandering and its economic wellbeing.	Tourism and area promotion including operation of caravan park. Implementation of building control and provision of a fuel facility, postal agency and Community Resource Centre.
Other property and services To monitor and control operating accounts.	Provisions of private work operations, plant repairs, operation costs and all administration costs.

14. FEES AND CHARGES

	2026/27 Budget	2025/26 Actual	2025/26 Budget
	$	$	$
By Program:			
General purpose funding	3,200	3,613	3,200
Law, order, public safety	5,750	6,312	5,750
Health	1,000	429	1,000
Housing	33,480	36,500	33,480
Community amenities	61,010	62,804	56,870
Recreation and culture	3,000	2,306	3,000
Transport	1,500	0	1,500
Economic services	621,420	818,177	621,920
Other property and services	5,000	5,307	5,000
	735,360	935,448	731,720

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