



**SHIRE OF  
TRAYNING**

*Rock Solid*

# ANNUAL BUDGET **2026-2027**

DRAFT

KUNUNOPPIN - TRAYNING - YELBENI



**SHIRE OF TRAYNING**  
**ANNUAL BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2027**

**LOCAL GOVERNMENT ACT 1995**

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

The Shire of Trayning is an active, safe and vibrant community that works together with honesty and is respectful of the values of all. We are committed to a progressive, diverse and profitable community that supports healthy lifestyles sustained by positive social values and engaged youth. Our natural assets are valued, protected and enhanced for future generations.

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

|                                                        | Note  | 2026/27<br>Budget  | 2025/26<br>Actual | 2025/26<br>Budget  |
|--------------------------------------------------------|-------|--------------------|-------------------|--------------------|
| <b>Revenue</b>                                         |       | \$                 | \$                | \$                 |
| Rates                                                  | 2(a)  | 1,463,987          | 1,421,135         | 1,419,892          |
| Grants, subsidies and contributions                    |       | 717,625            | 3,778,942         | 1,722,072          |
| Fees and charges                                       | 14    | 278,370            | 312,463           | 268,393            |
| Interest revenue                                       | 10(a) | 60,074             | 51,045            | 49,494             |
| Other revenue                                          |       | 218,843            | 229,959           | 260,346            |
|                                                        |       | 2,738,899          | 5,793,544         | 3,720,197          |
| <b>Expenses</b>                                        |       |                    |                   |                    |
| Employee costs                                         |       | (1,488,575)        | (1,018,213)       | (1,323,714)        |
| Materials and contracts                                |       | (1,832,434)        | (2,078,511)       | (1,636,339)        |
| Utility charges                                        |       | (129,896)          | (134,923)         | (128,844)          |
| Depreciation                                           | 6     | (3,107,380)        | (2,684,170)       | (2,804,028)        |
| Finance costs                                          | 10(c) | (51,555)           | (56,822)          | (50,373)           |
| Insurance                                              |       | (120,380)          | (140,877)         | (146,072)          |
| Other expenditure                                      |       | (100,470)          | (72,353)          | (103,757)          |
|                                                        |       | (6,830,690)        | (6,185,869)       | (6,193,127)        |
|                                                        |       | (4,091,791)        | (392,325)         | (2,472,930)        |
| Capital grants, subsidies and contributions            |       | 1,427,314          | 900,994           | 978,773            |
| Profit on asset disposals                              | 5     | 0                  | 19,716            | 40,993             |
| Loss on asset disposals                                | 5     | 0                  | (41,154)          | (28,007)           |
|                                                        |       | 1,427,314          | 879,556           | 991,759            |
| <b>Net result for the period</b>                       |       | <b>(2,664,477)</b> | <b>487,231</b>    | <b>(1,481,171)</b> |
| <b>Total other comprehensive income for the period</b> |       | <b>0</b>           | <b>0</b>          | <b>0</b>           |
| <b>Total comprehensive income for the period</b>       |       | <b>(2,664,477)</b> | <b>487,231</b>    | <b>(1,481,171)</b> |

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

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

**CASH FLOWS FROM OPERATING ACTIVITIES**

**Receipts**

|                                     | <b>2026/27<br/>Budget</b> | <b>2025/26<br/>Actual</b> | <b>2025/26<br/>Budget</b> |
|-------------------------------------|---------------------------|---------------------------|---------------------------|
| Rates                               | \$ 1,463,987              | \$ 1,409,350              | \$ 1,419,892              |
| Grants, subsidies and contributions | 717,625                   | 3,773,015                 | 1,967,278                 |
| Fees and charges                    | 278,370                   | 312,463                   | 268,393                   |
| Interest revenue                    | 60,074                    | 51,045                    | 49,494                    |
| Goods and services tax received     | 0                         | (11,752)                  | 0                         |
| Other revenue                       | 218,843                   | 229,959                   | 260,346                   |
|                                     | <b>2,738,899</b>          | <b>5,764,080</b>          | <b>3,965,403</b>          |

**Payments**

|                         |                    |                    |                    |
|-------------------------|--------------------|--------------------|--------------------|
| Employee costs          | (1,488,575)        | (991,704)          | (1,323,714)        |
| Materials and contracts | (1,832,434)        | (1,436,757)        | (1,636,339)        |
| Utility charges         | (129,896)          | (134,923)          | (128,844)          |
| Finance costs           | (51,555)           | (57,493)           | (50,373)           |
| Insurance paid          | (120,380)          | (140,877)          | (146,072)          |
| Other expenditure       | (100,470)          | (72,353)           | (103,757)          |
|                         | <b>(3,723,310)</b> | <b>(2,834,107)</b> | <b>(3,389,099)</b> |

**Net cash provided by (used in) operating activities**

4 (984,411) 2,929,973 576,304

**CASH FLOWS FROM INVESTING ACTIVITIES**

|                                                           |                    |                    |                    |
|-----------------------------------------------------------|--------------------|--------------------|--------------------|
| Payments for purchase of property, plant & equipment      | 5(a) (453,450)     | (611,370)          | (672,032)          |
| Payments for construction of infrastructure               | 5(b) (2,244,947)   | (1,881,438)        | (2,972,171)        |
| Proceeds from capital grants, subsidies and contributions | 1,427,314          | 849,243            | 978,773            |
| Proceeds from disposal of property, plant and equipment   | 5(a) 0             | 265,227            | 315,500            |
| <b>Net cash (used in) investing activities</b>            | <b>(1,271,083)</b> | <b>(1,378,338)</b> | <b>(2,349,930)</b> |

**CASH FLOWS FROM FINANCING ACTIVITIES**

|                                                     |                  |                  |                  |
|-----------------------------------------------------|------------------|------------------|------------------|
| Repayment of borrowings                             | 8(a) (127,420)   | (130,476)        | (130,473)        |
| Payments for principal portion of lease liabilities | 7 (1,700)        | (1,624)          | (1,627)          |
| <b>Net cash (used in) financing activities</b>      | <b>(129,120)</b> | <b>(132,100)</b> | <b>(132,100)</b> |

**Net increase (decrease) in cash held**

(2,384,614) 1,419,535 (1,905,726)

Cash at beginning of year

4,688,748 3,269,211 3,266,611

**Cash and cash equivalents at the end of the year**

4 **2,304,134** **4,688,746** **1,360,885**

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

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

**OPERATING ACTIVITIES**

**Revenue from operating activities**

|                                     | Note    | 2026/27<br>Budget | 2025/26<br>Actual | 2025/26<br>Budget |
|-------------------------------------|---------|-------------------|-------------------|-------------------|
| General rates                       | 2(a)(i) | \$ 1,427,438      | \$ 1,384,734      | \$ 1,384,734      |
| Rates excluding general rates       | 2(a)    | 36,549            | 36,401            | 35,158            |
| Grants, subsidies and contributions |         | 717,625           | 3,778,942         | 1,722,072         |
| Fees and charges                    | 14      | 278,370           | 312,463           | 268,393           |
| Interest revenue                    | 10(a)   | 60,074            | 51,045            | 49,494            |
| Other revenue                       |         | 218,843           | 229,959           | 260,346           |
| Profit on asset disposals           | 5       | 0                 | 19,716            | 40,993            |

**Expenditure from operating activities**

|                         |       |             |             |             |
|-------------------------|-------|-------------|-------------|-------------|
| Employee costs          |       | (1,488,575) | (1,018,213) | (1,323,714) |
| Materials and contracts |       | (1,832,434) | (2,078,511) | (1,636,339) |
| Utility charges         |       | (129,896)   | (134,923)   | (128,844)   |
| Depreciation            | 6     | (3,107,380) | (2,684,170) | (2,804,028) |
| Finance costs           | 10(c) | (51,555)    | (56,822)    | (50,373)    |
| Insurance               |       | (120,380)   | (140,877)   | (146,072)   |
| Other expenditure       |       | (100,470)   | (72,353)    | (103,757)   |
| Loss on asset disposals | 5     | 0           | (41,154)    | (28,007)    |

Non cash amounts excluded from operating activities

|  |      |           |           |           |
|--|------|-----------|-----------|-----------|
|  | 3(c) | 3,112,501 | 2,710,621 | 2,796,782 |
|--|------|-----------|-----------|-----------|

**Amount attributable to operating activities**

**INVESTING ACTIVITIES**

**Inflows from investing activities**

|                                                           |      |           |         |         |
|-----------------------------------------------------------|------|-----------|---------|---------|
| Proceeds from capital grants, subsidies and contributions |      | 1,427,314 | 900,994 | 978,773 |
| Proceeds from disposal of property, plant and equipment   | 5(a) | 0         | 265,227 | 315,500 |

**Outflows from investing activities**

|                                                                 |      |             |             |             |
|-----------------------------------------------------------------|------|-------------|-------------|-------------|
| Acquisition of property, plant and equipment                    | 5(a) | (453,450)   | (611,370)   | (672,032)   |
| Acquisition of infrastructure                                   | 5(b) | (2,244,947) | (1,881,438) | (2,972,171) |
| Payments for financial assets at amortised cost - term deposits |      | 0           | 0           | 0           |

**Amount attributable to investing activities**

**FINANCING ACTIVITIES**

**Inflows from financing activities**

|                                 |      |         |   |         |
|---------------------------------|------|---------|---|---------|
| Transfers from reserve accounts | 9(a) | 190,000 | 0 | 109,000 |
|---------------------------------|------|---------|---|---------|

**Outflows from financing activities**

|                                                     |      |           |           |           |
|-----------------------------------------------------|------|-----------|-----------|-----------|
| Repayment of borrowings                             | 8(a) | (127,420) | (130,476) | (130,473) |
| Payments for principal portion of lease liabilities | 7    | (1,700)   | (1,624)   | (1,627)   |
| Transfers to reserve accounts                       | 9(a) | (334,309) | (431,523) | (217,912) |

**Amount attributable to financing activities**

**MOVEMENT IN SURPLUS OR DEFICIT**

**Surplus remaining at the start of the financial year**

|                                             |   |             |             |             |
|---------------------------------------------|---|-------------|-------------|-------------|
| Amount attributable to operating activities | 3 | 2,523,802   | 2,117,154   | 2,254,104   |
| Amount attributable to investing activities |   | (979,290)   | 2,296,858   | 336,838     |
| Amount attributable to financing activities |   | (1,271,083) | (1,326,587) | (2,349,930) |
| Amount attributable to financing activities |   | (273,429)   | (563,623)   | (241,012)   |

**Surplus remaining after the imposition of general rates**

|  |   |   |           |   |
|--|---|---|-----------|---|
|  | 3 | 0 | 2,523,802 | 0 |
|--|---|---|-----------|---|

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

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

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**SHIRE OF TRAYNING**  
**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 Trayning 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
  - Impairment losses of non-financial assets
  - Measurement of employee benefits

**SHIRE OF TRAYNING**  
**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 |
|-------------------------------------------------|------------------------|-------------------|----------------------|-----------------|-------------------------------|--------------------------------|--------------------------------|------------------------------|------------------------------|
|                                                 |                        |                   |                      | \$              | \$                            | \$                             | \$                             | \$                           | \$                           |
| <b>(i) General rates</b>                        |                        |                   |                      |                 |                               |                                |                                |                              |                              |
| GRV Kununoppin/Trayning                         | Gross rental valuation | 0.196795          | 9                    | 62,918          | 12,382                        | 0                              | 12,382                         | 139,984                      | 139,984                      |
| GRV Yelbeni                                     | Gross rental valuation | 0.196795          | 113                  | 737,153         | 145,068                       | 0                              | 145,068                        | 1,523                        | 1,523                        |
| GRV Commercial                                  | Gross rental valuation | 0.196795          | 2                    | 5,706           | 1,123                         | 0                              | 1,123                          | 11,504                       | 11,504                       |
| UV Rural                                        | Unimproved valuation   | 0.007833          | 201                  | 161,989,659     | 1,268,865                     | 0                              | 1,268,865                      | 1,231,723                    | 1,231,723                    |
| UV Mining                                       | Unimproved valuation   | 0.007833          | 0                    | 0               | 0                             | 0                              | 0                              | -                            | 0                            |
| <b>Total general rates</b>                      |                        |                   | 325                  | 162,795,436     | 1,427,438                     | 0                              | 1,427,438                      | 1,384,734                    | 1,384,734                    |
| <b>(ii) Minimum payment</b>                     |                        |                   |                      |                 |                               |                                |                                |                              |                              |
|                                                 |                        | <b>Minimum \$</b> |                      |                 |                               |                                |                                |                              |                              |
| GRV Kununoppin/Trayning                         | Gross rental valuation | 455.00            | 3                    | 2,652           | 1,365                         | 0                              | 1,365                          | 13,050                       | 13,050                       |
| GRV Yelbeni                                     | Gross rental valuation | 455.00            | 29                   | 13,172          | 13,195                        | 0                              | 13,195                         | 3,150                        | 3,150                        |
| GRV Commercial                                  | Gross rental valuation | 455.00            | 7                    | 4,704           | 3,185                         | 0                              | 3,185                          | 1,800                        | 1,800                        |
| UV Rural                                        | Unimproved valuation   | 455.00            | 8                    | 188,091         | 3,640                         | 0                              | 3,640                          | 3,539                        | 3,150                        |
| UV Mining                                       | Unimproved valuation   | 455.00            | 5                    | 38,590          | 2,275                         | 0                              | 2,275                          | 2,516                        | 2,700                        |
| <b>Total minimum payments</b>                   |                        |                   | 52                   | 247,209         | 23,660                        | 0                              | 23,660                         | 24,055                       | 23,850                       |
| <b>Total general rates and minimum payments</b> |                        |                   | 377                  | 163,042,645     | 1,451,098                     | 0                              | 1,451,098                      | 1,408,789                    | 1,408,584                    |
| <b>(iii) Ex-gratia rates</b>                    |                        |                   |                      |                 |                               |                                |                                |                              |                              |
| Cooperative Bulk Handling                       |                        |                   |                      |                 | 12,889                        |                                | 12,889                         | 12,438                       | 11,308                       |
|                                                 |                        |                   |                      |                 | 1,463,987                     | 0                              | 1,463,987                      | 1,421,227                    | 1,419,892                    |
| Rates Written Off                               |                        |                   |                      |                 |                               |                                | 0                              | (92)                         | 0                            |
| <b>Total rates</b>                              |                        |                   |                      |                 | 1,463,987                     | 0                              | 1,463,987                      | 1,421,135                    | 1,419,892                    |
| Instalment plan charges                         |                        |                   |                      |                 |                               |                                | 480                            | 475                          | 450                          |
| Instalment plan interest                        |                        |                   |                      |                 |                               |                                | 2,300                          | 2,333                        | 1,300                        |
| Late payment of rate or service charge interest |                        |                   |                      |                 |                               |                                | 1,800                          | 1,944                        | 2,000                        |
|                                                 |                        |                   |                      |                 |                               |                                | 4,580                          | 4,752                        | 3,750                        |

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 TRAYNING**  
**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.

| <b>Instalment options</b> | <b>Date due</b> | <b>Instalment plan<br/>admin charge</b> | <b>Instalment plan<br/>interest rate</b> | <b>Unpaid rates<br/>interest rates</b> |
|---------------------------|-----------------|-----------------------------------------|------------------------------------------|----------------------------------------|
|                           |                 | \$                                      | %                                        | %                                      |
| <b>Option one</b>         |                 |                                         |                                          |                                        |
| Single full payment       | 11/09/2026      | 0                                       | 0.0%                                     | 7.0%                                   |
| <b>Option two</b>         |                 |                                         |                                          |                                        |
| First instalment          | 11/09/2026      | 0                                       | 0.0%                                     | 7.0%                                   |
| Second instalment         | 12/11/2026      | 5                                       | 5.5%                                     | 7.0%                                   |
| Third instalment          | 14/01/2027      | 5                                       | 5.5%                                     | 7.0%                                   |
| Fourth instalment         | 18/03/2027      | 5                                       | 5.5%                                     | 7.0%                                   |

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

2. RATES AND SERVICE CHARGES (CONTINUED)

(c) Service Charges

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

(d) Waivers or concessions

| Rate, fee or charge<br>to which the waiver or<br>concession is granted | Type | Waiver/<br>Concession | Discount % | Discount (\$) | 2026/27<br>Budget | 2025/26<br>Actual | 2025/26<br>Budget | Circumstances in which the<br>waiver or concession is<br>granted | Objects and reasons of the<br>waiver or concession |
|------------------------------------------------------------------------|------|-----------------------|------------|---------------|-------------------|-------------------|-------------------|------------------------------------------------------------------|----------------------------------------------------|
|                                                                        |      |                       |            |               | \$                | \$                | \$                |                                                                  |                                                    |
| Rates written off - small value                                        | Rate | Waiver                |            |               | 0                 | (93)              | 0                 | Small amounts are written off if<br>under certain threshold      |                                                    |
|                                                                        |      |                       |            |               | 0                 | (93)              | 0                 |                                                                  |                                                    |



### 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.

##### 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 TRAYNING**  
**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<br>Budget | 2025/26<br>Actual | 2025/26<br>Budget |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|-------------------|-------------------|-------------------|
| Cash and cash equivalents                                                                                                                                                                          |      | \$ 2,304,134      | \$ 4,688,748      | \$ 1,360,885      |
| <b>Restrictions</b>                                                                                                                                                                                |      |                   |                   |                   |
| 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                                                                                                                                                                          |      | 1,630,755         | 1,486,446         | 1,163,317         |
|                                                                                                                                                                                                    |      | 1,630,755         | 1,486,446         | 1,163,317         |
| The restricted financial assets are a result of the following specific purposes to which the assets may be used:                                                                                   |      |                   |                   |                   |
| Reserve accounts                                                                                                                                                                                   | 9    | 1,630,755         | 1,486,446         | 1,163,317         |
| Contract liabilities                                                                                                                                                                               |      | 0                 | 0                 | 0                 |
| <b>Total restricted financial assets</b>                                                                                                                                                           |      | 1,630,755         | 1,486,446         | 1,163,317         |

**(b) Reconciliation of net cash provided by operating activities**

|                                                       |   |             |           |             |
|-------------------------------------------------------|---|-------------|-----------|-------------|
| Net result                                            |   | (2,664,477) | 487,231   | (1,481,171) |
| Non-cash items:                                       |   |             |           |             |
| Depreciation                                          | 6 | 3,107,380   | 2,684,170 | 2,804,028   |
| (Profit)/loss on sale of assets                       | 5 | 0           | 21,438    | (12,986)    |
| Changes in assets and liabilities:                    |   |             |           |             |
| (Increase) in receivables                             |   | 0           | (29,464)  | 0           |
| Decrease in inventories                               |   | 0           | 514       |             |
| Decrease in other assets                              |   | 0           | 172,071   | 245,206     |
| Decrease in trade and other payables                  |   | 0           | 495,007   |             |
| (Increase) in capital grant/contributions liabilities |   | 0           | (51,751)  |             |
| Capital grants, subsidies and contributions           |   | (1,427,314) | (849,243) | (978,773)   |
| Net cash provided by/(used in) operating activities   |   | (984,411)   | 2,929,973 | 576,304     |

**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 TRAYNING**  
**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   |                                  |                                 |                       |                     |
|------------------------------------------|------------------|------------------|----------------------------------|---------------------------------|-----------------------|---------------------|------------------|----------------------------------|---------------------------------|-----------------------|---------------------|
|                                          |                  |                  | Disposals -<br>Net Book<br>Value | Disposals -<br>Sale<br>Proceeds | Disposals -<br>Profit | Disposals -<br>Loss |                  | Disposals -<br>Net Book<br>Value | Disposals -<br>Sale<br>Proceeds | Disposals -<br>Profit | Disposals -<br>Loss |
|                                          | Additions        | Additions        |                                  |                                 |                       |                     | Additions        |                                  |                                 |                       |                     |
| <b>(a) Property, Plant and Equipment</b> | \$               | \$               | \$                               | \$                              | \$                    | \$                  | \$               | \$                               | \$                              | \$                    | \$                  |
| Buildings - non-specialised              | 5,950            | 40,920           | 0                                | 0                               | 0                     | 0                   | 53,295           | 0                                | 0                               | 0                     | 0                   |
| Buildings - specialised                  | 207,500          | 99,200           | 0                                | 0                               | 0                     | 0                   | 123,970          | 0                                | 0                               | 0                     | 0                   |
| Furniture and equipment                  | 45,000           | 0                | 0                                | 0                               | 0                     | 0                   |                  |                                  |                                 |                       | 0                   |
| Plant and equipment                      | 195,000          | 471,250          | (286,665)                        | 265,227                         | 19,716                | (41,154)            | 494,767          | (302,514)                        | 315,500                         | 40,993                | (28,007)            |
| Total                                    | 453,450          | 611,370          | (286,665)                        | 265,227                         | 19,716                | (41,154)            | 672,032          | (302,514)                        | 315,500                         | 40,993                | (28,007)            |
| <b>(b) Infrastructure</b>                |                  |                  |                                  |                                 |                       |                     |                  |                                  |                                 |                       |                     |
| Infrastructure - roads                   | 1,743,784        | 1,722,857        | 0                                | 0                               | 0                     | 0                   | 2,739,522        | 0                                | 0                               | 0                     | 0                   |
| Infrastructure - footpaths               | 0                | 133,482          | 0                                | 0                               | 0                     | 0                   | 45,000           | 0                                | 0                               | 0                     | 0                   |
| Infrastructure - parks and ovals         | 87,275           | 0                | 0                                | 0                               | 0                     | 0                   |                  |                                  |                                 |                       | 0                   |
| Infrastructure - waste facilities        | 213,888          | 0                | 0                                | 0                               | 0                     | 0                   |                  |                                  |                                 |                       | 0                   |
| Infrastructure - other                   | 200,000          | 25,099           | 0                                | 0                               | 0                     | 0                   | 187,649          | 0                                | 0                               | 0                     | 0                   |
| Total                                    | 2,244,947        | 1,881,438        | 0                                | 0                               | 0                     | 0                   | 2,972,171        | 0                                | 0                               | 0                     | 0                   |
| <b>Total</b>                             | <b>2,698,397</b> | <b>2,492,808</b> | <b>(286,665)</b>                 | <b>265,227</b>                  | <b>19,716</b>         | <b>(41,154)</b>     | <b>3,644,203</b> | <b>(302,514)</b>                 | <b>315,500</b>                  | <b>40,993</b>         | <b>(28,007)</b>     |

**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 TRAYNING**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2027**

**6. DEPRECIATION**

**By Class**

Buildings - non-specialised  
 Buildings - specialised  
 Furniture and equipment  
 Plant and equipment  
 Infrastructure - roads  
 Infrastructure - footpaths  
 Infrastructure - water supply  
 Infrastructure - airport infrastructure  
 Infrastructure - other  
 Right of use - furniture and fittings

**By Program**

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

| 2026/27<br>Budget | 2025/26<br>Actual | 2025/26<br>Budget |
|-------------------|-------------------|-------------------|
| \$                | \$                | \$                |
| 24,232            | 50,744            | 24,232            |
| 290,988           | 246,598           | 275,988           |
| 15,967            | 16,607            | 15,967            |
| 273,345           | 229,456           | 258,345           |
| 2,214,339         | 1,864,246         | 1,955,987         |
| 65,594            | 68,538            | 65,594            |
| 15,163            | 15,743            | 15,163            |
| 27,716            | 27,716            | 27,716            |
| 180,036           | 162,901           | 165,036           |
|                   | 1,621             |                   |
| 3,107,380         | 2,684,170         | 2,804,028         |
| 45,108            | 45,826            | 33,981            |
| 31,166            | 26,221            | 28,377            |
| 7,135             | 5,448             | 6,226             |
| 34,408            | 29,292            | 31,439            |
| 93,812            | 85,535            | 91,954            |
| 9,086             | 7,644             | 8,448             |
| 319,290           | 277,780           | 244,566           |
| 2,296,227         | 1,974,294         | 2,137,468         |
| 23,168            | 19,164            | 21,446            |
| 247,980           | 212,966           | 200,123           |
| 3,107,380         | 2,684,170         | 2,804,028         |

**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             | 40 years                                                         |
| Buildings - specialised                 | 40 years                                                         |
| Furniture and equipment                 | 10 years                                                         |
| Plant and equipment                     | 10 years                                                         |
| Infrastructure - roads                  | Pavement 50 years,<br>Bituminous Seal & Gravel<br>Sheet 10 years |
| Infrastructure - footpaths              | Slab 10 years, bituminous seal<br>& gravel sheet 10 years        |
| Infrastructure - water supply           | 40 years                                                         |
| Infrastructure - airport infrastructure | 80 years                                                         |
| Infrastructure - other                  | 30 to 75 years                                                   |
| Right of use - furniture and fittings   |                                                                  |

**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 TRAYNING  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30 JUNE 2027

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 |
|-------------|--------------|-----------------|---------------------|------------|------------------------------------|---------------------------|-------------------------------------------|-------------------------------------------------|------------------------------------------|------------------------------|---------------------------|-------------------------------------------|-------------------------------------------------|------------------------------------------|------------------------------|---------------------------|-------------------------------------------|-------------------------------------------------|------------------------------------------|
|             |              |                 |                     |            | \$                                 | \$                        | \$                                        | \$                                              | \$                                       | \$                           | \$                        | \$                                        | \$                                              | \$                                       | \$                           | \$                        | \$                                        | \$                                              | \$                                       |
| Photocopier |              | Finrent Pty Ltd |                     |            | 3,329                              | 0                         | (1,700)                                   | 1,629                                           | (118)                                    | 4,953                        | 0                         | (1,624)                                   | 3,329                                           | (194)                                    | 4,953                        | 0                         | (1,627)                                   | 3,326                                           | (194)                                    |
|             |              |                 |                     |            | 3,329                              | 0                         | (1,700)                                   | 1,629                                           | (118)                                    | 4,953                        | 0                         | (1,624)                                   | 3,329                                           | (194)                                    | 4,953                        | 0                         | (1,627)                                   | 3,326                                           | (194)                                    |

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.

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

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 |
|-------------------------|-------------|-------------|---------------|------------------------------|--------------------------|-------------------------------------|-------------------------------------------|------------------------------------|------------------------------|--------------------------|-------------------------------------|-------------------------------------------|------------------------------------|------------------------------|--------------------------|-------------------------------------|-------------------------------------------|------------------------------------|
| Construct House         | 72          | WATC        | 4.2%          | \$ 148,386                   | \$ 0                     | \$ (18,671)                         | \$ 129,715                                | \$ (7,039)                         | \$ 166,304                   | \$ 0                     | \$ (17,918)                         | \$ 148,386                                | \$ (9,991)                         | \$ 166,304                   | \$ 0                     | \$ (17,918)                         | \$ 148,386                                | \$ (6,735)                         |
| Construct Houses        | 73          | WATC        | 4.6%          | 166,913                      | 0                        | (17,704)                            | 149,209                                   | (8,607)                            | 183,832                      | 0                        | (16,919)                            | 166,913                                   | (7,795)                            | 183,832                      | 0                        | (16,919)                            | 166,913                                   | (8,246)                            |
| GROH House              | 74          | WATC        | 4.6%          | 500,737                      | 0                        | (53,113)                            | 447,624                                   | (25,834)                           | 551,494                      | 0                        | (50,757)                            | 500,737                                   | (25,547)                           | 551,495                      | 0                        | (50,757)                            | 500,738                                   | (24,736)                           |
| Community Recreation C  | 69          | WATC        | 3.3%          | 203,721                      | 0                        | (17,472)                            | 186,249                                   | (8,114)                            | 220,624                      | 0                        | (16,903)                            | 203,721                                   | (10,912)                           | 220,624                      | 0                        | (16,903)                            | 203,721                                   | (8,029)                            |
| Trayning Aquatic Centre | 71          | WATC        | 1.6%          | 83,819                       | 0                        | (20,460)                            | 63,359                                    | (1,843)                            | 103,957                      | 0                        | (20,138)                            | 83,819                                    | (2,138)                            | 103,957                      | 0                        | (20,137)                            | 83,820                                    | (1,873)                            |
| Trayning Unmanned Fuel  | 70          | WATC        | 2.7%          | 0                            | 0                        | 0                                   | 0                                         | 0                                  | 7,841                        | 0                        | (7,841)                             | 0                                         | (245)                              | 7,841                        | 0                        | (7,839)                             | 2                                         | (560)                              |
|                         |             |             |               | 1,103,576                    | 0                        | (127,420)                           | 976,156                                   | (51,437)                           | 1,234,052                    | 0                        | (130,476)                           | 1,103,576                                 | (56,628)                           | 1,234,053                    | 0                        | (130,473)                           | 1,103,580                                 | (50,179)                           |

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

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

**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**

**Undrawn borrowing facilities  
credit standby arrangements**

|                                      | <b>2026/27<br/>Budget</b> | <b>2025/26<br/>Actual</b> | <b>2025/26<br/>Budget</b> |
|--------------------------------------|---------------------------|---------------------------|---------------------------|
|                                      | \$                        | \$                        | \$                        |
| Bank overdraft limit                 | 200,000                   | 200,000                   | 200,000                   |
| Bank overdraft at balance date       | 0                         | 0                         | 0                         |
| Credit card limit                    | 20,000                    | 20,000                    | 20,000                    |
| Credit card balance at balance date  | 0                         | 0                         | 0                         |
| <b>Total amount of credit unused</b> | <b>220,000</b>            | <b>220,000</b>            | <b>220,000</b>            |

**Loan facilities**

|                                        |         |           |           |
|----------------------------------------|---------|-----------|-----------|
| Loan facilities in use at balance date | 976,156 | 1,103,576 | 1,103,580 |
|----------------------------------------|---------|-----------|-----------|

| <b>Overdraft details</b> | <b>Purpose<br/>overdraft was<br/>established</b> | <b>Year<br/>overdraft<br/>established</b> | <b>Amount<br/>b/fwd 1 July<br/>2026</b> | <b>2026/27<br/>Budgeted<br/>Increase/<br/>(Decrease)</b> | <b>Amount as at<br/>30th June 2027</b> |
|--------------------------|--------------------------------------------------|-------------------------------------------|-----------------------------------------|----------------------------------------------------------|----------------------------------------|
|                          |                                                  |                                           | \$                                      | \$                                                       | \$                                     |
| Westpac                  | To cover shortfalls                              | 2007                                      | 200,000                                 | 0                                                        | 200,000                                |
|                          |                                                  |                                           | 200,000                                 | 0                                                        | 200,000                                |

**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 TRAYNING**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2027**

**9. 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   |
|                                     | \$             | \$       | \$        | \$        | \$             | \$       | \$       | \$        | \$             | \$       | \$        | \$        |
| <b>Restricted by council</b>        |                |          |           |           |                |          |          |           |                |          |           |           |
| (a) Leave reserve                   | 5,288          | 5,121    | 0         | 10,409    | 276            | 5,012    | 0        | 5,288     | 275            | 5,740    | 0         | 6,015     |
| (b) Plant reserve                   | 368,164        | 184,032  | (100,000) | 452,196   | 272,056        | 96,108   | 0        | 368,164   | 271,922        | 95,733   | 0         | 367,655   |
| (c) Building reserve                | 246,266        | 3,783    | (50,000)  | 200,049   | 126,088        | 120,178  | 0        | 246,266   | 126,027        | 1,466    | 0         | 127,493   |
| (d) Facilities reserve              | 413,507        | 99,804   | 0         | 513,311   | 293,356        | 120,151  | 0        | 413,507   | 293,212        | 46,138   | (9,000)   | 330,350   |
| (e) Medical reserve                 | 63,820         | 1,863    | 0         | 65,683    | 62,110         | 1,710    | 0        | 63,820    | 62,080         | 1,510    | 0         | 63,590    |
| (f) Rubbish Tip reserve             | 200,652        | 15,499   | (40,000)  | 176,151   | 175,793        | 24,859   | 0        | 200,652   | 175,707        | 4,274    | (100,000) | 79,981    |
| (g) Swimming Pool reserve           | 168,717        | 3,757    | 0         | 172,474   | 125,231        | 43,486   | 0        | 168,717   | 125,169        | 43,051   | 0         | 168,220   |
| (h) Performance & Retention reserve | 13             |          | 0         | 13        | 13             |          | 0        | 13        | 13             | 0        | 0         | 13        |
| (i) Cemeteries reserve              | 20,019         | 20,450   | 0         | 40,469    | 0              | 20,019   | 0        | 20,019    | 0              | 20,000   | 0         | 20,000    |
|                                     | 1,486,446      | 334,309  | (190,000) | 1,630,755 | 1,054,923      | 431,523  | 0        | 1,486,446 | 1,054,405      | 217,912  | (109,000) | 1,163,317 |

**(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                                                                 |
|-------------------------------------|-------------------------|----------------------------------------------------------------------------------------|
| <b>Restricted by legislation</b>    |                         |                                                                                        |
| <b>Restricted by council</b>        |                         |                                                                                        |
| (a) Leave reserve                   | Ongoing                 | to be used to fund annual and long service leave requirements                          |
| (b) Plant reserve                   | Ongoing                 | to be used for the purchase of major plant and equipment                               |
| (c) Building reserve                | Ongoing                 | to be used for the construction of housing and other facilities                        |
| (d) Facilities reserve              | Ongoing                 | to be used to provide new facilities & internal software upgrades to the Shire         |
| (e) Medical reserve                 | Ongoing                 | to be used to maintain the services of a doctor and other medical services             |
| (f) Rubbish Tip reserve             | Ongoing                 | to be used to upgrade and rehabilitate waste infrastructure                            |
| (g) Swimming Pool reserve           | Ongoing                 | to be used to upgrade the swimming pool and aquatic centre facilities                  |
| (h) Performance & Retention reserve | Ongoing                 | to be used for a bonus arrangement to assist in personnel filling their contract terms |
| (i) Cemeteries reserve              | Ongoing                 | to be used to upgrade and renew the cemeteries                                         |

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

**10. OTHER INFORMATION**

|                                              | <b>2026/27<br/>Budget</b> | <b>2025/26<br/>Actual</b> | <b>2025/26<br/>Budget</b> |
|----------------------------------------------|---------------------------|---------------------------|---------------------------|
| <b>The net result includes as revenues</b>   | <b>\$</b>                 | <b>\$</b>                 | <b>\$</b>                 |
| <b>(a) Interest earnings</b>                 |                           |                           |                           |
| Investments                                  | 55,974                    | 46,768                    | 46,194                    |
| Other interest revenue                       | 4,100                     | 4,277                     | 3,300                     |
|                                              | 60,074                    | 51,045                    | 49,494                    |
| <b>The net result includes as expenses</b>   |                           |                           |                           |
| <b>(b) Auditors remuneration</b>             |                           |                           |                           |
| Audit services                               | 48,700                    | 46,000                    | 47,000                    |
| Other services                               | 3,300                     | 3,300                     | 3,000                     |
|                                              | 52,000                    | 49,300                    | 50,000                    |
| <b>(c) Interest expenses (finance costs)</b> |                           |                           |                           |
| Borrowings (refer Note 8(a))                 | 51,437                    | 56,628                    | 50,179                    |
| Interest on lease liabilities (refer Note 7) | 118                       | 194                       | 194                       |
|                                              | 51,555                    | 56,822                    | 50,373                    |
| <b>(d) Write offs</b>                        |                           |                           |                           |
| Fees and charges                             | 2,000                     | 0                         | 2,238                     |
|                                              | 2,000                     | 0                         | 2,238                     |

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

**11. COUNCIL MEMBERS REMUNERATION**

|                                             | <b>2026/27<br/>Budget</b> | <b>2025/26<br/>Actual</b> | <b>2025/26<br/>Budget</b> |
|---------------------------------------------|---------------------------|---------------------------|---------------------------|
|                                             | \$                        | \$                        | \$                        |
| <b>President Councillor Brown</b>           |                           |                           |                           |
| President's allowance                       | 12,800                    | 12,350                    | 12,350                    |
| Meeting attendance fees                     | 7,300                     | 6,304                     | 7,012                     |
| Annual allowance for ICT expenses           | 2,170                     | 2,100                     | 2,100                     |
| Travel and accommodation expenses           | 500                       | 455                       | 400                       |
|                                             | 22,770                    | 21,209                    | 21,862                    |
| <b>Deputy President Councillor Marchant</b> |                           |                           |                           |
| Deputy President's allowance                | 3,200                     | 3,088                     | 3,088                     |
| Meeting attendance fees                     | 3,150                     | 2,440                     | 3,042                     |
| Annual allowance for ICT expenses           | 2,170                     | 2,100                     | 2,100                     |
|                                             | 8,520                     | 7,628                     | 8,230                     |
| <b>Councillor Barnes</b>                    |                           |                           |                           |
| Meeting attendance fees                     | 3,100                     | 2,979                     | 2,743                     |
| Annual allowance for ICT expenses           | 2,810                     | 2,100                     | 2,100                     |
| Travel and accommodation expenses           | 500                       | 608                       | 800                       |
|                                             | 6,410                     | 5,687                     | 5,643                     |
| <b>Councillor Harken</b>                    |                           |                           |                           |
| Meeting attendance fees                     | 2,810                     | 2,322                     | 2,743                     |
| Annual allowance for ICT expenses           | 2,170                     | 2,100                     | 2,100                     |
| Travel and accommodation expenses           | 0                         | 21                        | 0                         |
|                                             | 4,980                     | 4,443                     | 4,843                     |
| <b>Councillor Leslie</b>                    |                           |                           |                           |
| Meeting attendance fees                     | 2,810                     | 2,440                     | 2,743                     |
| Annual allowance for ICT expenses           | 2,170                     | 2,100                     | 2,100                     |
|                                             | 4,980                     | 4,540                     | 4,843                     |
| <b>Councillor McHugh</b>                    |                           |                           |                           |
| Meeting attendance fees                     | 2,810                     | 2,743                     | 2,743                     |
| Annual allowance for ICT expenses           | 2,170                     | 2,100                     | 2,100                     |
| Travel and accommodation expenses           | 400                       | 252                       | 400                       |
|                                             | 5,380                     | 5,095                     | 5,243                     |
| <b>Councillor Naughton</b>                  |                           |                           |                           |
| Meeting attendance fees                     | 2,810                     | 3,081                     | 2,743                     |
| Annual allowance for ICT expenses           | 2,170                     | 2,100                     | 2,100                     |
|                                             | 4,980                     | 5,181                     | 4,843                     |
| <b>Total Council Member Remuneration</b>    | <b>58,020</b>             | <b>53,783</b>             | <b>55,507</b>             |
| President's allowance                       | 12,800                    | 12,350                    | 12,350                    |
| Deputy President's allowance                | 3,200                     | 3,088                     | 3,088                     |
| Meeting attendance fees                     | 24,790                    | 22,309                    | 23,769                    |
| Annual allowance for ICT expenses           | 15,830                    | 14,700                    | 14,700                    |
| Travel and accommodation expenses           | 1,400                     | 1,336                     | 1,600                     |
|                                             | 58,020                    | 53,783                    | 55,507                    |

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

**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.

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

**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:

| <b>Revenue Category</b>                       | <b>Nature of goods and services</b>                                                                              | <b>When obligations typically satisfied</b> | <b>Payment terms</b>                                                     | <b>Returns/Refunds/Warranties</b>           | <b>Timing of Revenue recognition</b>                                                                                     |
|-----------------------------------------------|------------------------------------------------------------------------------------------------------------------|---------------------------------------------|--------------------------------------------------------------------------|---------------------------------------------|--------------------------------------------------------------------------------------------------------------------------|
| Grant contracts with customers                | Community events, minor facilities, research, design, planning evaluation and services                           | Over time                                   | Fixed terms transfer of funds based on agreed milestones and reporting   | Contract obligation if project not complete | Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared |
| Licences/ Registrations/ Approvals            | Building, planning, development and animal management, having the same nature as a licence regardless of naming. | Single point in time                        | Full payment prior to issue                                              | None                                        | On payment and issue of the licence, registration or approval                                                            |
| Waste management entry fees                   | Waste treatment, 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                                                                                                     |
| Airport landing charges                       | Permission to use facilities and runway                                                                          | Single point in time                        | Monthly in arrears                                                       | None                                        | On landing/departure event                                                                                               |
| 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                                 | Aviation fuel, 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 TRAYNING**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2027**

**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.

Administration and operation of facilities and services to members of Council, and other costs that relate to the tasks of assisting elected members and ratepayers on matters which do not concern specific Council services.

**General purpose funding**

To collect revenue to allow for the provision of services.

Rates, general purpose government grants and interest revenue.

**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.

Food quality and pest control, immunisation services and community health service inspection.

**Education and welfare**

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

Operation of Home and Community Care services, assistance to playgroups and other voluntary services.

**Housing**

To provide and maintain staff and elderly residents housing.

Control and maintenance of staff and other rental housing, including aged accommodation units.

**Community amenities**

To provide services required by the community.

Refuse collection services, operation of refuse sites, maintenance of cemeteries, septic tank inspection and pump out services, storm water drainage maintenance and regional development.

**Recreation and culture**

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

Maintenance of public halls, community centres, aquatic centre, recreation facilities and reserves, operation of library, television retransmission and preparation of Shire history.

**Transport**

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

Construction and maintenance of streets and roads; cleaning and lighting of streets; depot maintenance, airstrip maintenance and vehicle licensing services.

**Economic services**

To help promote the shire and its economic wellbeing.

Regulation and provision of tourism, area promotion, building control, noxious weeds, vermin control and economic services.

**Other property and services**

To monitor and control council's overheads operating accounts.

Private works operation, plant repair and operation costs and engineering operation costs.



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

**14. FEES AND CHARGES**

|                             | <b>2026/27<br/>Budget</b> | <b>2025/26<br/>Actual</b> | <b>2025/26<br/>Budget</b> |
|-----------------------------|---------------------------|---------------------------|---------------------------|
|                             | \$                        | \$                        | \$                        |
| <b>By Program:</b>          |                           |                           |                           |
| Governance                  | 4,300                     | 9,024                     | 10,503                    |
| General purpose funding     | 580                       | 580                       | 450                       |
| Law, order, public safety   | 1,800                     | 1,819                     | 2,132                     |
| Health                      | 33,380                    | 33,280                    | 27,100                    |
| Housing                     | 124,920                   | 116,297                   | 118,663                   |
| Community amenities         | 53,060                    | 52,356                    | 54,775                    |
| Recreation and culture      | 2,900                     | 4,136                     | 1,603                     |
| Economic services           | 43,030                    | 58,868                    | 36,703                    |
| Other property and services | 14,400                    | 36,103                    | 16,464                    |
|                             | <b>278,370</b>            | <b>312,463</b>            | <b>268,393</b>            |

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