

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

LOCAL GOVERNMENT ACT 1995

TABLE OF CONTENTS

Statement of Comprehensive Income	2	
Statement of Financial Activity	3	
Statement of Cash Flows	4	
Note to the Budget		
Note 1	Basis of Preparation	5
Note 2	Rates & Service Charges	8
Note 3	Net Current Assets	10
Note 4	Reconciliation of Cash	11
Note 5	Fixed Assets	12
Note 6	Depreciation	13
Note 7	Borrowings	14
Note 8	Reserve Accounts	15
Note 9	Revenue Recognition	16
Note 10	Program Information	18
Note 11	Other Information	19
Note 12	Elected Members Remuneration	20
Note 13	Fees & Charges	21

SHIRE'S VISION

Our Land - Looking after our Land
Our People - Looking after our People
Our Leadership - Showing the way for our Community

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

	NOTE	2026/27 Budget	2025/26 Draft Actuals (30 June 2026) Unaudited	2025/26 Budget
		\$	\$	
Revenue				
Rates	2(a)	569,948	514,582	529,948
Grants, subsidies and contributions	10	11,483,051	13,322,864	10,903,495
Fees and charges	13	467,645	469,636	383,082
Interest revenue	11(a)	944,000	820,519	689,250
Other revenue	11(b)	31,020	256,280	224,898
		13,495,664	15,383,881	12,730,673
Expenses				
Employee costs		(2,403,428)	(1,467,218)	(2,019,948)
Materials and contracts		(5,975,565)	(4,917,496)	(5,297,618)
Utility charges		(36,000)	(14,366)	(32,200)
Insurance		(192,028)	(163,609)	(164,000)
Other expenditure		(61,755)	(68,397)	(389,630)
Depreciation	6	(8,238,260)	(8,229,961)	(7,780,200)
		(16,907,036)	(14,861,047)	(15,683,596)
Operating Surplus/(Deficit)		(3,411,371)	522,834	(2,952,923)
Capital grants, subsidies and contributions	10	1,228,012	1,923,244	1,923,244
Profit on asset disposals	5	30,000	(52,691)	152,000
		1,258,012	1,870,553	1,643,244
Net result for the period		(2,153,359)	2,393,387	(1,309,679)
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Total other comprehensive income for the period		0	0	0
Total comprehensive income for the period		(2,153,359)	2,393,387	(2,835,830)

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

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

	NOTE	2026/27 Budget	2025/26 Draft Actuals (30 June 2026) Unaudited	2025/26 Budget
OPERATING ACTIVITIES				
Revenue from operating activities				
General Rates	2(a)	569,948	514,582	529,948
Grants, subsidies and contributions	10	11,483,051	13,322,864	10,903,495
Fees & Charges	13	467,645	469,636	383,082
Interest revenue	11(a)	944,000	820,519	689,250
Other revenue	11(b)	31,020	256,280	224,898
Goods & Service Tax Received		626,535	(196,892)	(605,602)
		14,122,199	15,186,989	10,838,495
Expenditure from operating activities				
Employee Costs		(2,403,428)	(1,467,218)	(2,019,948)
Materials and Contracts		(5,975,565)	(4,917,496)	(5,297,618)
Utilities charges		(36,000)	(14,366)	(32,200)
Insurance		(192,028)	(163,609)	(164,000)
Other Expenditure		(61,755)	(68,397)	(389,630)
Goods & Service Tax Paid		(626,535)	0	(605,602)
		(9,295,311)	(6,631,086)	(7,537,368)
Net cash provided by (used in) operating activities	4	4,826,889	8,555,903	3,301,126
CASHFLOWS FROM INVESTING ACTIVITIES				
Payments for property, plant and equipment	5(a)	(275,000)	(329,783)	(1,979,928)
Payments for construction of infrastructure	5(b)	(3,240,000)	(3,314,014)	(1,958,572)
Capital grants, subsidies and contributions		1,228,012	1,923,244	1,523,244
Proceeds from sale of property, plant & equipment	5(a)	62,000	92,068	120,000
		(2,224,988)	(1,628,485)	(2,295,256)
Amount attributable to investing activities				
CASHFLOWS FROM FINANCING ACTIVITIES				
Proceeds on disposal of financial assets at amortised- term	8(a)	0	0	0
Amount attributable to financing activities		0	0	0
Net increase (decrease) in cash held		2,601,901	6,927,418	1,005,871
Cash at beginning of year		23,164,320	16,525,034	16,525,060
Cash and cash equivalents at end of the year	4	25,766,221	23,452,452	17,530,930

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

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

	NOTE	2026/27 Budget	2025/26 Draft Actuals (30 June 2026) Unaudited	2025/26 Budget
OPERATING ACTIVITIES				
Revenue from operating activities				
General Rates	2(a)	568,418	513,267	529,948
Rates excluding general rates	2(a)	1,530	1,315	10,903,495
Grants, subsidies and contributions	10	11,483,051	13,322,864	383,082
Fees & Charges	13	467,645	469,636	689,250
Interest revenue	11(a)	944,000	820,519	224,898
Other revenue	11(b)	31,020	256,280	211,206
Profit on assets disposals	5	30,000	(52,691)	120,000
		13,525,664	15,331,190	11,564,097
Expenditure from operating activities				
Employee Costs		(2,403,428)	(1,467,218)	(2,019,948)
Materials and Contracts		(5,975,565)	(4,917,496)	(5,297,618)
Utilities charges		(36,000)	(14,366)	(32,200)
Depreciation	6	(8,238,260)	(8,229,961)	(7,780,200)
Insurance		(192,028)	(163,609)	(164,000)
Other Expenditure		(61,755)	(68,397)	(389,630)
		(16,907,036)	(14,861,047)	(15,923,171)
Non-cash amounts excluded from operating activities	3(b)	8,208,260	8,282,652	7,660,200
Amount attributable to operating activities		4,826,889	8,752,795	3,301,126
INVESTING ACTIVITIES				
Inflows from investing activities				
Capital grants, subsidies and contributions	10	1,228,012	1,923,244	964,650
Proceeds from disposal of assets	5	62,000	92,068	120,000
		1,290,012	2,015,312	1,084,650
Outflows from investing activities				
Payments for property, plant and equipment	5(a)	(275,000)	(329,783)	(565,000)
Payments for construction of infrastructure	5(b)	(3,240,000)	(3,314,014)	(3,403,568)
		(3,515,000)	(3,643,797)	(3,968,568)
Amount attributable to investing activities		(2,224,988)	(1,628,485)	(2,883,918)
FINANCING ACTIVITIES				
Outflows from financing activities				
Transfers to reserve accounts	8(a)	0	0	0
Amount attributable to financing activities		0	0	0
MOVEMENT IN SURPLUS OR DEFICIT				
Surplus or deficit at the start of the financial year		(2,601,901)	(7,124,310)	(417,208)
Amount attributable to operating activities		4,826,889	8,752,795	3,301,126
Amount attributable to investing activities	3	(2,224,988)	(1,628,485)	(2,883,918)
Amount attributable to financing activities	3	0	0	0
Surplus or deficit at the end of the financial year		0	0	0

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

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

1. BASES OF PREPARATION

The annual budget is a forward-looking document and has been prepared in accordance with the Local Government Act 1995 and accompanying regulations.

Local Government Act 1995 requirements

Section 6.4(2) of the Local Government Act 1995 read with the *Local Government (Financial Management) Regulations 1996* prescribe that the annual budget be prepared in accordance with the *Local Government Act 1995* and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards. The Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and Interpretations of the Australian Accounting Standards Board were applied where no inconsistencies exist.

The *Local Government (Financial Management) Regulations 1996* specify that vested land is a right-of-use asset to be measured at cost and is considered a zero-cost concessionary lease. All right-of-use assets under zero cost concessionary leases are measured at zero cost rather than at fair value, except for vested improvements on concessionary land leases such as roads, buildings or other infrastructure which continue to be reported at fair value, as opposed to the vested land which is measured at zero cost. The measurement of vested improvements at fair value is a departure from AASB 16 which would have required the Shire to measure any vested improvements at zero cost.

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

The local government reporting entity

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

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.

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

1. BASES OF PREPARATION (CONTINUED)

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 2022-6 Amendments to Australian Accounting Standards
Supplier Finance Arrangements
- * AASB 2021-6 Amendments to Australian Accounting Standards
Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards
- * AASB 2023-3 Amendments to Australian Accounting Standards
Disclosure of Non-current Liabilities with Covenants: Tier 2

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

- * AASB 2022-10 Amendments to Australian Accounting Standards
Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities
Sector Entities, became mandatory during the budget year. Amendments to AASB 13 Fair Value Measurement impacts the future determination of fair value when revaluing assets using the cost approach. The timing of future revaluations is defined by regulation 17A of Local Government (Financial Management) Regulations 1996. impacts of this pronouncement are yet to be quantified and are dependent on the timing of future revaluations of asset classes. No material impact is expected in relation to the 2025-26 statutory budget.

New accounting standards for application in future years

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

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

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

Judgements, estimates and assumptions

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

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

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

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

SHIRE OF NGAANYATJARRAKU

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30 JUNE 2027

1(b) KEY TERMS AND DEFINITIONS - NATURE OR TYPE

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 EARNINGS

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

OTHER REVENUE / INCOME

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

PROFIT ON ASSET DISPOSAL

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

EXPENSES

EMPLOYEE COSTS

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

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

MATERIALS AND CONTRACTS

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

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

UTILITIES (GAS, ELECTRICITY, WATER)

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

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

INSURANCE

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

LOSS ON ASSET DISPOSAL

Loss on the disposal of fixed assets.

DEPRECIATION ON NON-CURRENT ASSETS

Depreciation and amortisation expenses raised on all classes of assets.

FINANCE COSTS

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

OTHER EXPENDITURE

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

SHIRE OF NGAANYATJARRAKU
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	Number of properties	Rateable value	2026/27 Budgeted rate revenue	2026/27 Budgeted interim rates	2026/27 Budgeted total revenue	2025/26 Actual total revenue	2025/26 Budget total revenue
		\$		\$	\$	\$	\$	\$	\$
(i) General rates									
Unimproved valuations	Unimproved valuation	0.238776	41	2,380,551	568,418		568,418	513,267	526,026
	Total general rates		41	2,380,551	568,418	0	568,418	513,267	526,026
(j) Minimum payment		\$							
Unimproved valuations	Unimproved valuation	306.00	5	5,665	1,530		1,530	1,315	1,704
	Total minimum payments		5	5,665	1,530	0	1,530	1,315	1,704
Total general rates and minimum payments			46	2,386,216	569,948	0	569,948	514,582	527,730
Total rates					569,948	0	569,948	514,582	527,730

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

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

(b) Interest Charges and Instalments - Rates and Charges

Instalment options	Date due	Instalment plan admin charge	Instalment plan interest rate	Unpaid rates interest rates
		\$	%	%
Option one				
Single full payment	4/10/2026		0.0%	11.0%
Option two				
First instalment	4/10/2026		0.0%	11.0%
Second instalment	3/12/2026		0.0%	11.0%
Option three				
First instalment	4/10/2026		0.0%	11.0%
Second instalment	3/12/2026		0.0%	11.0%
Third instalment	3/02/2027		0.0%	11.0%
Fourth instalment	4/04/2027		0.0%	11.0%
		2026/27 Budget revenue	2025/26 Actual revenue	2025/26 Budget revenue
		\$	\$	\$
Unpaid rates and service charge interest earned		1,000	3,280	1,000
		1,000	3,280	1,000

c) Service Charges

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

d) Waivers or concessions

The shire did not anticipate any waivers or concessions for the year ended 30th June 2027

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

	NOTE	2026/27 Budget	2025/26 Draft Actuals (30 June 2026)	2025/26 Budget
3. NET CURRENT ASSETS				
a) Composition of estimate net current assets				
Current Assets				
Cash & Cash equivalents	4	25,766,167	23,164,320	17,530,931
Receivables		762,704	762,704	339,840
Inventories		11,004	11,004	13,659
		26,539,875	23,938,028	17,884,430
Current Liabilities				
Trade and other payables		(404,407)	(404,407)	(337,396)
Contract Liabilities				
Employee Provisions		(111,570)	(111,570)	(295)
Other provisions		(5,583)	0	(5,583)
		26,018,315	23,422,051	17,541,156
Net current assets				
Less: Total Adjustments to net current assets		0	0	0
Net current assets using in Statement of Financial Activities		26,018,315	23,422,051	17,541,156
b) Non-cash amounts excluded from operating activities				
The following not-cash revenue or expenditure has been excluded from amounts attributable to operation activities within the statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i>				
Adjustments to operating activities				
Less: Profit on asset disposal	5	30,000	(52,691)	120,000
Add: Depreciation	6	(8,238,260)	(8,229,961)	(7,780,200)
Non-cash amounts excluded from operating activities		(8,208,260)	(8,282,652)	(7,660,200)
c) Current assets & Liabilities excluded from budgeted deficiency				
The following current assets and liabilities have been excluded from the net current assets used in the statement of Financial Activity in accordance with <i>Financial Management Regulations 32</i> to agree to the surplus/(deficit) after imposition of general rates				
Adjustments to net current assets				
Less: Cash - reserve accounts	8	8,293,678	8,293,678	8,293,678
Total adjustment to net current assets		8,293,678	8,293,678	8,293,678

SHIRE OF NGAANYATJARRAKU

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30 JUNE 2027

3(d) NET CURRENT ASSETS (CONTINUED)

MATERIAL ACCOUNTING POLICIES

CURRENT AND NON-CURRENT CLASSIFICATION

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

TRADE AND OTHER PAYABLES

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

PREPAID RATES

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

INVENTORIES

General

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

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

Superannuation

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

LAND HELD FOR RESALE

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

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

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

GOODS AND SERVICES TAX (GST)

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

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

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

CONTRACT LIABILITIES

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

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

TRADE AND OTHER RECEIVABLES

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

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

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

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

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

PROVISIONS

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

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

EMPLOYEE BENEFITS

Short-term employee benefits

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

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

Other long-term employee benefits

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

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

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

4. RECONCILIATION OF CASH

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

	NOTE	2026/27 Budget	2025/26 Draft Actuals (30 June 2026) Unaudited	2025/26 Budget
Cash at bank and on hand		17,472,489	14,870,642	9,237,253
Term Deposits		8,293,678	8,293,678	8,293,678
Total cash and cash equivalents		25,766,167	23,164,320	17,530,931
Held as				
- Unrestricted cash and cash equivalents	3(a)	17,472,489	14,870,642	9,237,253
- Restricted cash and cash equivalents	3(a)	8,293,678	8,293,678	8,293,678
		25,766,167	23,164,320	17,530,931
Restrictions:				
The following classes of assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used.				
- Cash and cash equivalents		8,293,678	8,293,678	8,293,678
		8,293,678	8,293,678	8,293,678
The assets are restricted as a result of the specified purposes associated with the liabilities below:				
Financially backed reserves accounts	8	8,293,678	8,293,678	8,293,678
		8,293,678	8,293,678	8,293,678
Reconciliation of net cash provided by operating activities to net result				
Net result		(2,153,359)	2,393,387	(2,835,830)
Depreciation	6	8,238,260	8,232,619	7,780,700
(Profit)/loss on asset	5	(30,000)	52,691	(120,000)
(Increase)/Decrease in receivables		0	(427,375)	(559,094)
Increase/(Decrease) in payables		0	154,220	0
Increase/(Decrease) in contract liabilities		0	0	0
Capital grants, subsidies and contributions		(1,228,012)	(1,923,244)	(964,650)
Net cash from operating activities		4,826,889	8,482,298	3,301,126

MATERIAL ACCOUNTING POLICES

CASH AND CASH EQUIVALENTS

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

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

FINANCIAL ASSETS AT AMORTISED COST

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

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

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

5. FIXED ASSETS

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

	2026/27 Budget Additions	2026/27 Budget Disposals - Net Book Value	2026/27 Budget Disposals - Sale Proceeds	2026/27 Budget Disposals - Profit or Loss	2025/26 Draft Actual Additions	2025/26 Draft Actual Disposals - Net Book Value	2025/26 Draft Actual Disposals - Sale Proceeds	2025/26 Draft Actual Disposals - Profit or Loss	2025/26 Budget Additions	2025/26 Budget Disposals - Net Book Value	2025/26 Budget Disposals - Sale Proceeds	2025/26 Budget Disposals - Profit or Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
(a) Property - Plant and Equipment												
Buildings - non specialised	150,000				0	0			150,000			
Furniture and Fittings	115,000				90,678	2,719		49,972	10,000			
Plant and Equipment	10,000	32,000	(62,000)	(30,000)	239,105	142,040		2,719	405,000	0	(120,000)	(120,000)
Total	275,000	32,000	(62,000)	(30,000)	329,783	144,759	0	52,691	565,000	0	(120,000)	(120,000)
(b) Infrastructure												
Infrastructure - roads	3,240,000				3,314,014				3,403,568			
Infrastructure - other												
Total	3,240,000	0	0	0	3,314,014	0	0	0	3,403,568	0	0	0
Total	3,515,000	32,000	(62,000)	(30,000)	3,643,797	144,759	0	52,691	3,968,568	0	(120,000)	(120,000)

MATERIAL ACCOUNTING POLICIES

RECOGNITION OF ASSETS

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

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

GAINS AND LOSSES ON DISPOSAL

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

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

6. DEPRECIATION

By Class

	2026/27 Budget	2025/26 Draft Actuals (30 June 2026) Unaudited	2025/26 Budget
Buildings - non specialised	252,250	251,834	252,250
Furniture and Fittings	13,600	12,614	14,500
Plant and Equipment	125,410	120,131	119,000
Infrastructure - roads	7,816,000	7,816,893	7,371,000
Infrastructure - recreation	13,000	12,652	13,000
Infrastructure - other	18,000	18,495	10,950
	8,238,260	8,232,619	7,780,700
Governance	41,010	40,025	50,500
Law, order, public safety	0	0	0
Health	19,300	10,362	19,300
Education and welfare	31,000	31,049	31,000
Housing	134,000	134,052	134,000
Community amenities	26,000	26,045	16,000
Recreation and culture	110,750	101,388	108,250
Transport	7,876,200	7,889,698	7,421,650
	8,238,260	8,232,619	7,780,700

MATERIAL ACCOUNTING POLICIES

DEPRECIATION

The depreciable amount of all fixed assets including buildings but excluding freehold land, are depreciated on a straight-line basis over the individual asset's useful life from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful life of the improvements.

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Major depreciation periods used for each class of depreciable asset are:

Buildings - non-specialised	30 to 50 years
Furniture and equipment	4 to 10 years
Plant and equipment	5 to 15 years
Infrastructure - roads	20 to 80 years
Infrastructure - recreation	20 years
Infrastructure - other	80 years

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

7. BORROWINGS

(a) New borrowings - 2026/27

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

(b) 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.

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. They are classified as level 3 fair values in the fair value hierarchy due to the unobservable inputs, including own credit risk.

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

8. RESERVE ACCOUNTS

(a) Reserve Accounts - Movement

	2026/27 Budget Opening Balance	2026/27 Budget transfer to	2026/27 Budget transfer from	2026/27 Budget Closing Balance	2025/26 Actual Opening Balance	2025/26 Actual transfer to	2025/26 Actual transfer from	2025/26 Actual Closing Balance	2025/26 Budget Opening Balance	2025/26 Budget transfer to	2025/26 Budget transfer from	2025/26 Budget Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Restricted by Council												
a) Leave Reserve	333,207			333,207	333,207			333,207	333,207			333,207
b) Asset replacement, acquisition & development fund	6,990,739			6,990,739	6,990,739			6,990,739	6,990,739			6,990,739
c) Cultural centre reserve	297,226			297,226	297,226			297,226	297,226			297,226
d) Strategic reserve	672,507			672,507	672,507			672,507	672,507			672,507
	8,293,678	0	0	8,293,678	8,293,678	0	0	8,293,678	8,293,678	0	0	8,293,678

(b) Reserve accounts - Purpose

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

Reserve Name	Anticipated Date of Use	Purpose of the reserve
a) Leave Reserve	Ongoing	To provide for the payment of employee entitlements
b) Asset replacement, acquisition & development fund	Ongoing	To provide and replace the necessary equipment, furniture, plant, buildings and infrastructure comprising of roads, drains, footpaths and recreational reserves
c) Cultural centre reserve	Ongoing	To Provide for the successful operations of the Cultural Centre as provide in clause 8.231 of the management deed between the Shire of Ngaanyatjarraku, Warburton Community Incorporated and the Ngaanyatjarra Council (Aboriginal Corporation), transfers to the reserve representing surplus funds from he day to day operations of the Cultural Centre after deducting costs incurred by the
d) Strategic reserve	Ongoing	To provide for the reduction of financial risk of unanticipated events in the occurrence of a natural disaster. To provide for strategic actions in support of identified activities that cannot be funded in the one budget period. To Provide for the capacity to take-up unanticipated strategic opportunities.

9. REVENUE RECOGNITION

MATERIAL ACCOUNTING POLICIES

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Determination of transaction price	Allocating transaction price	Measuring obligations for returns	Timing of Revenue recognition
Grant contracts with customers	Minor facilities and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	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	Set by State legislation or limited by legislation to the cost of provision	Based on timing of issue of the associated rights	No refunds	On payment and issue of the licence, registration or approval
Fees and charges for other goods and services	Shire services, other fees, reinstatements and private works	Single point in time	Payment in full in advance	None	Adopted by council annually	Applied fully based on timing of provision	Not applicable	Output method based on provision of service or completion of works
Sale of stock	Warta shop and visitor centre stock	Single point in time	In full in advance.	Refund for faulty goods	Adopted by council annually, set by mutual agreement	Applied fully based on timing of provision	Returns limited to repayment of transaction price	Output method based on goods

SHIRE OF NGAANYATJARRAKU

NOTES TO AND FORMING PART OF THE BUDGET

FOR THE YEAR ENDED 30 JUNE 2027

10. PROGRAM INFORMATION

(a) 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

Governance

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

ACTIVITIES

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

General purpose funding

To collect revenue to allow for the provision of services.

Rates, general purpose government grants and interest revenue.

Law, order, public safety

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

Supervision and enforcement of various laws relating to aspects of public safety including emergency services.

Health

To provide an operational framework for environmental and community health.

Inspection of food outlets and their control, and a waste pick-up service in Warburton.

Education and welfare

To provide services to children and youth.

Nil.

Housing

To provide and maintain staff housing.

Provision and maintenance of staff housing.

Community amenities

To provide services required by the community.

Rubbish collection services, litter control; Warburton.

Recreation and culture

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

Maintenance of public halls, civic centres, Warburton recreation centre and operation of recreation services in Warburton. Provision and maintenance of parks and playgrounds. Operation of other cultural facilities.

Transport

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

Construction and maintenance of roads, streets, footpaths, depot and traffic control. Cleaning of streets and maintenance of street trees.

Economic services

To help promote the Shire and its economic well being.

Tourism and area promotion and building control.

Other property and services

To monitor and control council's overheads operating accounts.

Private works operation, plant repairs, operation costs and administrative costs.

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

10 PROGRAM INFORMATION (Continued)

(b) Income and expenses

	2026/27 Budget	2025/26 Draft Actuals (30 June 2026) Unaudited	2025/26 Budget
	\$	\$	\$
Income excluding grants, subsidies and			
Community amenities	37,645	35,203	34,232
Economicservices	4,000	16,769	0
Education and welfare	0	403	0
General purpose funding	1,513,948	1,353,354	945,198
Governance	21,800	200,811	140,000
Health	0		0
Housing	284,000	268,422	333,850
Law, order, public safety	220	37,995	206
Recreation and culture	151,000	148,060	10,000
Transport	30,000	0	0
	2,042,613	2,061,017	1,463,486
Grants, subsidies and contributions			
Governance		0	0
General purpose funding	5,745,000	6,936,027	4,539,726
Recreation and culture			
Community amenities	375,000	751,266	755,266
Transport	5,363,051	5,635,571	5,608,503
	11,483,051	13,322,864	10,903,495
Capital grants, subsidies and contributions			
Transport	1,228,012	1,923,244	964,650
	1,228,012	1,923,244	964,650
Total Income	14,753,676	17,307,125	13,087,340
Expenses			
Community amenities	(271,856)	(194,087)	(732,298)
Economic services	(89,629)	(54,514)	(116,379)
Education and welfare	(68,403)	(80,198)	(130,644)
General purpose funding	0	(53)	0
Governance	(2,541,806)	(2,112,844)	217,514
Health	(49,202)	(75,789)	(186,959)
Housing	(614,813)	(505,990)	(576,080)
Law, order, public safety Health	(12,000)	(18,901)	(64,903)
Other Property & Services	(194,458)	(123,983)	(48,050)
Recreation and culture	(490,593)	(521,292)	(757,882)
Transport	(12,574,275)	(11,173,396)	(13,527,489)
Total Expense	(16,907,035)	(14,861,047)	(15,923,170)
Net result for the period	(2,153,359)	2,446,078	(2,835,830)

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

11 OTHER INFORMATION

The net result includes as revenues

(a) Interest earnings

Investments	503,000	466,443	568,000
- Reserve accounts	440,000	350,796	120,000
- Other funds	1,000	3,280	-
Other interest revenue	944,000	820,519	688,000

* The Shire has resolved to charge interest under section 6.13 for the late payment of any amount of money.

(b) Other revenue

Reimbursements and recoveries	31,020	255,851	224,898
The net result includes as expenses	31,020	255,851	224,898

(c) Auditors remuneration

Audit Services	38,800	37,000	37,000
Other Services	38,800	37,000	37,000

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

12. ELECTED MEMBERS REMUNERATION

	2026/27 Budget	2025/26 Draft Actuals (30 June 2026) Unaudited	2025/26 Budget
Elected member All			
Elected member 1			
President's allowance	8,400	8,400	8,400
Elected members attendance fees	6,830	6,455	6,270
Travel and accommodation expenses	3,200	908	4,200
	18,430	15,763	18,870
Elected member 2			
Deputy President's allowance	2,100	1,575	2,100
Meeting attendance fees	3,640	3,240	2,970
Travel and accommodation expenses	1,200	1,352	1,200
	6,940	6,167	6,270
Elected member 3			
Deputy President's allowance		700	
Meeting attendance fees	3,640	3,240	2,970
Travel and accommodation expenses	1,200	0	1,200
	4,840	3,940	4,170
Elected member 4			
Meeting attendance fees	3,640	2,970	2,970
Travel and accommodation expenses	1,200	0	1,200
	4,840	2,970	4,170
Elected member 5			
Meeting attendance fees	3,640	2,295	2,970
Travel and accommodation expenses	1,200	0	1,200
	4,840	2,295	4,170
Total Elected Member Remuneration	39,890	31,135	37,650
President's allowance	8,400	8,400	8,400
Deputy President's allowance	2,100	2,275	2,100
Meeting attendance fees	21,390	18,200	18,150
Travel and accommodation expenses	8,000	2,260	9,000
	39,890	31,135	37,650

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

13. FEES AND CHARGES

By Program:	2026/27 Budget	2025/26 Draft Actuals (30 June 2026)	2025/26 Budget
	\$	\$	
Governance	1,000	1,159	34,233
Health	-		-
Education & Welfare	-		-
Housing	284,000	268,422	-
Community Amenities	37,645	35,231	-
Recreation & Culture	141,000	148,060	142,850
Economic Services	4,000	16,764	-
Transport	-		10,000
	467,645	469,636	187,083

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