



SHIRE OF
MERREDIN
HEART OF THE WHEATBELT

ANNUAL BUDGET

2025/26



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

LOCAL GOVERNMENT ACT 1995

TABLE OF CONTENTS

Statement of Comprehensive Income	2
Statement of Cash Flows	3
Statement of Financial Activity	4
Index of Notes to the Budget	5
Schedule of Fees and Charges	26

The Shire of Merredin a Class 3 local government conducts the operations of a local government with the following community vision:

Merredin is the commercial and cultural heart of the Eastern Wheatbelt region.
A place people are proud to call home and where visitors are always welcome.

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

	Note	2025/26 Budget	2024/25 Estimated	2024/25 Budget
Revenue		\$	\$	\$
Rates	2(a)	5,936,244	5,571,889	5,561,753
Grants, subsidies and contributions		2,363,350	1,444,352	592,800
Fees and charges	14	923,250	1,142,848	1,081,700
Interest revenue	9(a)	435,050	457,872	336,000
Other revenue		330,900	343,378	269,600
		9,988,794	8,960,339	7,841,853
Expenses				
Employee costs		(4,930,800)	(4,265,311)	(4,998,915)
Materials and contracts		(3,848,800)	(3,062,453)	(3,927,702)
Utility charges		(579,600)	(552,430)	(494,520)
Depreciation	6	(5,399,100)	(5,420,684)	(5,278,850)
Finance costs	9(c)	(66,850)	(74,413)	(156,966)
Insurance		(268,200)	(261,909)	(296,480)
Other expenditure		(383,950)	(275,815)	(273,250)
		(15,477,300)	(13,913,015)	(15,426,683)
		(5,488,506)	(4,952,676)	(7,584,830)
Capital grants, subsidies and contributions		4,390,750	6,089,482	8,044,700
Profit on asset disposals	5	122,400	277,974	165,000
Loss on asset disposals	5	0	(24,440)	(8,700)
		4,513,150	6,343,016	8,201,000
Net result for the period		(975,356)	1,390,340	616,170
Total other comprehensive income for the period		0	0	0
Total comprehensive income for the period		(975,356)	1,390,340	616,170

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

SHIRE OF MERREDIN
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2026

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts

	2025/26	2024/25	2024/25
	Budget	Estimated	Budget
	\$	\$	\$
Rates	5,936,244	5,515,809	5,561,753
Grants, subsidies and contributions	2,363,350	1,671,859	592,800
Fees and charges	923,250	1,142,848	1,081,700
Interest revenue	435,050	457,872	336,000
Other revenue	330,900	343,378	269,600
	9,988,794	9,131,766	7,841,853

Payments

Employee costs	(4,930,800)	(4,286,791)	(4,998,915)
Materials and contracts	(3,848,800)	(5,683,888)	(3,927,702)
Utility charges	(579,600)	(552,430)	(494,520)
Finance costs	(66,850)	(74,413)	(156,966)
Insurance paid	(268,200)	(261,909)	(296,480)
Other expenditure	(383,950)	(275,815)	(273,250)
	(10,078,200)	(11,135,246)	(10,147,833)

Net cash (used in) operating activities

4 (89,406) (2,003,480) (2,305,980)

CASH FLOWS FROM INVESTING ACTIVITIES

Payments for purchase of property, plant & equipment	5(a)	(1,759,000)	(941,050)	(1,714,200)
Payments for construction of infrastructure	5(b)	(6,531,850)	(5,400,146)	(9,452,750)
Capital grants, subsidies and contributions		4,390,750	5,714,617	8,044,700
Proceeds from sale of property, plant and equipment	5(a)	258,000	785,509	484,950
Proceeds on financial assets at amortised cost - self supporting loans	7(a)	40,600	38,676	38,700
		(3,601,499)	197,606	(2,598,600)

Net cash provided by (used in) investing activities

CASH FLOWS FROM FINANCING ACTIVITIES

Repayment of borrowings	7(a)	(233,600)	(224,231)	(225,000)
		(233,600)	(224,231)	(225,000)

Net cash (used in) financing activities

Net (decrease) in cash held		(3,924,505)	(2,030,105)	(5,129,580)
Cash at beginning of year		12,057,070	14,087,175	14,087,175
Cash and cash equivalents at the end of the year	4	8,132,565	12,057,070	8,957,595

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

SHIRE OF MERREDIN
STATEMENT OF FINANCIAL ACTIVITY
FOR THE YEAR ENDED 30 JUNE 2026

OPERATING ACTIVITIES

Revenue from operating activities

		2025/26 Budget	2024/25 Estimated	2024/25 Budget
Note		\$	\$	\$
2(a)(i)	General rates	5,846,844	5,488,316	5,478,753
2(a)	Rates excluding general rates	89,400	83,573	83,000
	Grants, subsidies and contributions	2,363,350	1,444,352	592,800
14	Fees and charges	923,250	1,142,848	1,081,700
9(a)	Interest revenue	435,050	457,872	336,000
	Other revenue	330,900	343,378	269,600
5	Profit on asset disposals	122,400	277,974	165,000
		10,111,194	9,238,313	8,006,853

Expenditure from operating activities

	Employee costs	(4,930,800)	(4,265,311)	(4,998,915)
	Materials and contracts	(3,848,800)	(3,062,453)	(3,927,702)
	Utility charges	(579,600)	(552,430)	(494,520)
6	Depreciation	(5,399,100)	(5,420,684)	(5,278,850)
9(c)	Finance costs	(66,850)	(74,413)	(156,966)
	Insurance	(268,200)	(261,909)	(296,480)
	Other expenditure	(383,950)	(275,815)	(273,250)
5	Loss on asset disposals	0	(24,440)	(8,700)
		(15,477,300)	(13,937,455)	(15,435,383)

Non cash amounts excluded from operating activities

3(c)		5,276,700	5,167,150	5,122,550
------	--	-----------	-----------	-----------

Amount attributable to operating activities

(89,406) 468,008 (2,305,980)

INVESTING ACTIVITIES

Inflows from investing activities

	Capital Grants, Subsidies and Contributions	4,390,750	6,089,482	8,044,700
5(a)	Proceeds from Disposal of Assets	258,000	785,509	484,950
	Proceeds from financial assets at amortised cost - self supporting loans	40,600	38,676	38,700
		4,689,351	6,913,667	8,568,350

Outflows from investing activities

5(a)	Payments for Property, Plant and Equipment	(1,759,000)	(941,050)	(1,714,200)
5(b)	Payments for Construction of Infrastructure	(6,531,850)	(5,400,146)	(9,452,750)
		(8,290,850)	(6,341,196)	(11,166,950)

Amount attributable to investing activities

(3,601,499) 572,471 (2,598,600)

FINANCING ACTIVITIES

Inflows from financing activities

8(a)	Transfers from reserve accounts	47,550	196,664	550,950
		47,550	196,664	550,950

Outflows from financing activities

7(a)	Repayment of borrowings	(233,600)	(224,231)	(225,000)
8(a)	Transfers to reserve accounts	(735,000)	(943,991)	(280,020)
		(968,600)	(1,168,222)	(505,020)

Amount attributable to financing activities

(921,050) (971,558) 45,930

MOVEMENT IN SURPLUS OR DEFICIT

Surplus at the start of the financial year

3	Amount attributable to Operating Activities	4,612,994	4,544,073	4,870,115
	Amount attributable to Investing Activities	(89,406)	468,008	(2,305,980)
	Amount attributable to Financing Activities	(3,601,499)	572,471	(2,598,600)
		(921,050)	(971,558)	45,930

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

3 1,039 4,612,994 11,465

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

SHIRE OF MERREDIN
FOR THE YEAR ENDED 30 JUNE 2026
INDEX OF NOTES TO THE BUDGET

Note 1	Basis of Preparation	6
Note 2	Rates and Service Charges	7
Note 3	Net Current Assets	11
Note 4	Reconciliation of cash	13
Note 5	Property, Plant and Equipment	14
Note 6	Depreciation	15
Note 7	Borrowings	16
Note 8	Reserve Accounts	18
Note 9	Other Information	19
Note 10	Council Members Remuneration	20
Note 11	Trust Funds	21
Note 12	Revenue and Expenditure	22
Note 13	Program Information	24
Note 14	Fees and Charges	25

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

1. BASIS OF PREPARATION

The annual budget of the Shire of Merredin which is a Class 3 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.

2024/25 actual balances

Balances shown in this budget as 2024/25 Actual are estimates as forecast at the time of preparation of the annual budget and are subject to final adjustments.

Budget comparative figures

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

Comparative figures

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

Rounding off figures

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

Statement of Cashflows

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

Initial application of accounting standards

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

- *AASB 2020-1 Amendments to Australian Accounting Standards*
- *Classification of Liabilities as Current or Non-current*
- *AASB 2022-5 Amendments to Australian Accounting Standards*
- *Lease Liability in a Sale and Leaseback*
- *AASB 2022-6 Amendments to Australian Accounting Standards*
- *Non-current Liabilities with Covenants*
- *AASB 2023-1 Amendments to Australian Accounting Standards*
- *Supplier Finance Arrangements*
- *AASB 2023-3 Amendments to Australian Accounting Standards*
- *Disclosure of Non-current Liabilities with Covenants: Tier 2*
- *AASB 2024-1 Amendments to Australian Accounting Standards*
- *Supplier Finance Arrangements: Tier 2 Disclosures*

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

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

New accounting standards for application in future years

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

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

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

Critical accounting estimates and judgements

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

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

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

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

- Fair value measurement of assets carried at reportable value including:
 - Property, plant and equipment
 - Infrastructure
- Expected credit losses on financial assets
- Assets held for sale
- Impairment losses of non-financial assets
- Investment property
- Estimated useful life of intangible assets
- Measurement of employee benefits
- Measurement of provisions

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

2. RATES AND SERVICE CHARGES

(a) Rating Information

Rate Description	Basis of valuation	Rate in dollar	Number of properties	Rateable value*	2025/26 Budgeted rate revenue	2025/26 Budgeted interim rates	2025/26 Budgeted total revenue	2024/25 Actual total revenue	2024/25 Budget total revenue
				\$	\$	\$	\$	\$	\$
(i) General rates									
Gross rental value		0.11715	1,489	22,665,837	2,655,303		2,655,303	2,482,629	2,471,486
UV 1 Rural		0.01194	446	207,118,112	2,472,990		2,472,990	2,306,668	2,307,384
UV 2 Urban Rural		0.02388	82	5,316,774	126,965		126,965	127,574	127,574
UV 3 Mining		0.02387	15	52,946	1,264		1,264	3,086	3,086
UV 4 Power Generation		0.02315	15	9,085,408	210,327		210,327	196,441	196,441
UV 5 Airstrips		0.02132	1	407,000	8,675		8,675	8,102	8,102
Total general rates			2,048	244,646,078	5,475,524	0	5,475,524	5,124,500	5,114,073
(ii) Minimum payment									
	Minimum	\$							
Gross rental value		960	181	447,482	173,760		173,760	172,020	172,960
UV 1 Rural		1,190	126	4,428,539	149,940		149,940	143,916	143,840
UV 2 Urban Rural		1,190	36	810,150	42,840		42,840	41,760	41,760
UV 3 Mining		200	12	40,061	2,400		2,400	3,800	3,800
UV 4 Power Generation		1,190	2	25,500	2,380		2,380	2,320	2,320
UV 5 Airstrips		1,190	0	0	0		0	0	0
Total minimum payments			357	5,751,732	371,320	0	371,320	363,816	364,680
Total general rates and minimum payments			2,405	250,397,810	5,846,844	0	5,846,844	5,488,316	5,478,753
(iii) Ex-gratia rates									
Ex Gratia Rates					89,400		89,400	83,573	83,000
Total rates					5,936,244	0	5,936,244	5,571,889	5,561,753

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

*Rateable Value at time of adopting budget.

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

The general rates detailed for the 2025/26 financial year have been determined by Council on the basis of raising the revenue required to meet the estimated deficiency between th 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 a

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

2. RATES AND SERVICE CHARGES (CONTINUED)

(b) Interest Charges and Instalments - Rates and Service Charges

The following instalment options are available to ratepayers for the payment of rates and service charges.

Option One (Full Payment)

Full amount of rates and charges including arrears, to be paid on or before 3rd October 2025 or 35 days after the date of issue appearing on the rates notice, whichever is the later.

Option Two (Four Instalments)

First instalment to be made on or before 3rd October 2025 or 35 days after the date of issue on the rates notice, whichever is later including all arrears and a quarter of the current rates and service charges;
 Second instalment to be made on or before 5th December 2025, or 2 months after the due date of the first instalment, whichever is later;
 Third instalment to be made on or before 6th February 2026, or 2 months after the due date on the second instalment, whichever is later; and
 Fourth instalment to be made on or before 10th April 2026, or 2 months after the due date of the third instalment, whichever is later.

Instalment options	Date due	Instalment plan admin charge	Instalment plan interest rate	Unpaid rates interest rates
		\$	%	%
Option One				
Single full payment	3/10/2025			8.0%
Option Two				
First instalment	3/10/2025	13.90	5.5%	8.0%
Second instalment	5/12/2025	13.90	5.5%	8.0%
Third instalment	6/02/2026	13.90	5.5%	8.0%
Fourth instalment	10/04/2026	13.90	5.5%	8.0%

	2025/26 Budget revenue	2024/25 Estimate revenue	2024/25 Budget revenue
	\$	\$	\$
Instalment plan admin charge revenue	21,100	21,096	17,000
Instalment plan interest earned	40,000	43,904	17,000
Unpaid rates and service charge interest earned	0	0	39,000
Pensioner Deferred Interest Received	3,950	3,952	0
	65,050	68,952	73,000

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

2. RATES AND SERVICE CHARGES (CONTINUED)

(c) Objectives and Reasons for Differential Rating

To provide equity in the rating of properties across the Shire the following rate categories have been determined for the implementation of differential rating.

(i) Differential general rate

Description	Characteristics	Objects	Reasons
UV1 - Rural	Properties listed as Rural Uses under the LPS6 Zoning Table.	This rate sets the base rate for which the UV Tiered differential rating categories are applied and is set to achieve an equitable contribution to the cost of services desired by the community.	This is proposed in order to levy a rate aligned with the impact on the Shire of servicing these properties i.e. heavy haulage vehicle movements, environmental health and strategic planning.
UV2 - Urban Rural	Properties listed as Rural Residential Uses as listed under the LPS6 Zoning Table.	This object of this rate is to ensure an equitable spread of the costs associated with services provided to these properties.	The objective is to levy a rate aligned with the impact on the Shire of servicing these properties.
UV3 - Mining	Properties listed as Mining Tenements and are not related to the LPS6 Zoning Table.	The object of this rate is to raise additional revenue to contribute towards higher costs associated with mining. A lesser minimum is applied to this UV category than all others, due to the limited number of this type of property within the Shire.	The object of the differential rate is to ensure an equitable spread of the costs associated with services provided to these properties.
UV4 - Power Generation	Properties listed as Special Wind Farm and Merredin Power under the LPS6 Zoning Table.	The object of the differential rate is to ensure an equitable spread of the costs associated with services provided to these properties.	This rate is proposed in order to levy a rate aligned with the impact on the Shire of servicing these properties.
UV5 - Special Use Airstrip	Properties listed as Special Use Airstrip under the LPS6 Zoning Table.	The object of the differential rate is to ensure an equitable spread of the costs associated with services provided to these properties.	This rate is proposed in order to levy a rate aligned with the impact on the Shire of servicing these properties.

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

2. RATES AND SERVICE CHARGES (CONTINUED)

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

(e) **Waivers or concessions**

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

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

3. NET CURRENT ASSETS

(a) Composition of estimated net current assets

Current assets

Cash and cash equivalents
Receivables
Inventories
Other assets

Less: current liabilities

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

Net current assets

Less: Total adjustments to net current assets

Net current assets used in the Statement of Financial Activity

Note	2025/26 Budget 30 June 2026	2024/25 Actual 30 June 2025	2024/25 Budget 30 June 2025
	\$	\$	\$
4	8,132,565	12,057,070	8,957,595
	958,881	958,881	1,142,769
	23,923	23,923	(12,591)
	639,070	639,070	328,085
	9,754,439	13,678,944	10,415,858
	(916,524)	(916,524)	(2,522,248)
	(8,372)	(8,372)	(18,492)
	(208,079)	(208,079)	(484,439)
7	0	(224,231)	0
	(516,573)	(516,573)	(571,585)
	(1,649,548)	(1,873,779)	(3,596,764)
	8,104,891	11,805,165	6,819,094
3(b)	(8,103,852)	(7,192,171)	(6,807,629)
	1,039	4,612,994	11,465

(b) Current assets and liabilities excluded from budgeted deficiency

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

Adjustments to net current assets

Less: Cash - reserve accounts
Add: Current liabilities not expected to be cleared at end of year
- Current portion of borrowings

Total adjustments to net current assets

8	(8,103,852)	(7,416,402)	(6,807,629)
	0	224,231	0
	(8,103,852)	(7,192,171)	(6,807,629)

EXPLANATION OF DIFFERENCE IN NET CURRENT ASSETS AND SURPLUS/(DEFICIT)

Items excluded from calculation of budgeted deficiency

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

(c) Non-cash amounts excluded from operating activities

The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Statement of Financial Activity in accordance with *Financial Management Regulation 32*.

Adjustments to operating activities

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

Non cash amounts excluded from operating activities

Note	2025/26 Budget 30 June 2026	2024/25 Actual 30 June 2025	2024/25 Budget 30 June 2025
	\$	\$	\$
5	(122,400)	(277,974)	(165,000)
5	0	24,440	8,700
6	5,399,100	5,420,684	5,278,850
	5,276,700	5,167,150	5,122,550

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

3. NET CURRENT ASSETS

(d) MATERIAL ACCOUNTING POLICIES

CURRENT AND NON-CURRENT CLASSIFICATION

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

TRADE AND OTHER PAYABLES

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

PREPAID RATES

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

INVENTORIES

General

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

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

SUPERANNUATION

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

INVENTORY - LAND HELD FOR RESALE

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

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

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

GOODS AND SERVICES TAX (GST)

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

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

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

CONTRACT LIABILITIES

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

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

TRADE AND OTHER RECEIVABLES

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

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

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

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

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

PROVISIONS

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

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

EMPLOYEE BENEFITS

Short-term employee benefits

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

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

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

Other long-term employee benefits

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

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

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

4. RECONCILIATION OF CASH

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

	Note	2025/26 Budget	2024/25 Actual	2024/25 Budget
		\$	\$	\$
Cash at bank and on hand		716,163	4,640,668	1,879,036
Term deposits		7,416,402	7,416,402	7,078,559
Total cash and cash equivalents		8,132,565	12,057,070	8,957,595
Held as				
- Unrestricted cash and cash equivalents		(179,366)	4,432,589	1,665,527
- Restricted cash and cash equivalents		8,311,931	7,624,481	7,292,068
	3(a)	8,132,565	12,057,070	8,957,595
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		8,311,931	7,624,481	7,292,068
		8,311,931	7,624,481	7,292,068
The assets are restricted as a result of the specified purposes associated with the liabilities below:				
Reserve accounts	8	8,103,852	7,416,402	6,807,629
Unspent capital grants, subsidies and contribution liabilities		208,079	208,079	484,439
		8,311,931	7,624,481	7,292,068
Reconciliation of net cash provided by operating activities to net result				
Net result		(975,356)	1,390,340	616,170
Depreciation	6	5,399,100	5,420,684	5,278,850
(Profit)/loss on sale of asset	5	(122,400)	(253,534)	(156,300)
(Increase)/decrease in receivables		0	89,591	0
(Increase)/decrease in inventories		0	(4,107)	0
(Increase)/decrease in other assets		0	87,185	0
Increase/(decrease) in payables		0	(2,644,157)	0
Increase/(decrease) in unspent capital grants		0	(374,865)	0
Capital grants, subsidies and contributions		(4,390,750)	(5,714,617)	(8,044,700)
Net cash from operating activities		(89,406)	(2,003,480)	(2,305,980)

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

5. PROPERTY, PLANT AND EQUIPMENT

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

	2025/26 Budget					2024/25 Actual					2024/25 Budget				
	Disposals -	Disposals -	Disposals -	Disposals -		Disposals -	Disposals -	Disposals -	Disposals -		Disposals -	Disposals -	Disposals -	Disposals -	
	Net Book	Sale	Profit	Loss		Net Book	Sale	Profit	Loss		Net Book	Sale	Profit	Loss	
	Additions	Value	Proceeds			Additions	Value	Proceeds			Additions	Value	Proceeds		
(a) Property, Plant and Equipment	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Land - freehold land	0	0	0	0	0	0	(230,000)	332,436	125,000	(22,565)	0	(235,000)	325,000	90,000	0
Buildings - Non-Specialised	52,500	0	0	0	0	16,640	(212,120)	307,619	95,499	0	25,000	0	0	0	0
Buildings - Specialised	1,299,500	0	0	0	0	217,887	0	0	0	0	777,200	0	0	0	0
Furniture and Equipment	0	0	0	0	0	23,800	0	0	0	0	0	0	0	0	0
Plant and Equipment	407,000	(135,600)	258,000	122,400	0	682,723	(89,854)	145,454	57,475	(1,875)	912,000	(93,650)	159,950	75,000	(8,700)
Total	1,759,000	(135,600)	258,000	122,400	0	941,050	(531,974)	785,509	277,974	(24,440)	1,714,200	(328,650)	484,950	165,000	(8,700)
(b) Infrastructure															
Infrastructure - Roads	5,692,200	0	0	0	0	2,484,597	0	0	0	0	6,421,800	0	0	0	0
Infrastructure - Footpaths	115,000	0	0	0	0	137,400	0	0	0	0	221,000	0	0	0	0
Infrastructure - Parks and Ovals	305,150	0	0	0	0	2,632,096	0	0	0	0	2,673,300	0	0	0	0
Infrastructure - Other	419,500	0	0	0	0	146,053	0	0	0	0	136,650	0	0	0	0
Total	6,531,850	0	0	0	0	5,400,146	0	0	0	0	9,452,750	0	0	0	0
Total	8,290,850	(135,600)	258,000	122,400	0	6,341,196	(531,974)	785,509	277,974	(24,440)	11,166,950	(328,650)	484,950	165,000	(8,700)

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

6. DEPRECIATION

By Class

Buildings - Non-Specialised
Buildings - Specialised
REC-Landheld for Improvements
Furniture and Equipment
Plant and Equipment
Infrastructure - Roads
Infrastructure - Footpaths
Infrastructure - Drainage
Infrastructure - Parks and Ovals
Infrastructure - Other

By Program

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

2025/26 Budget	2024/25 Actual	2024/25 Budget
\$	\$	\$
168,000	165,436	167,300
1,565,312	1,567,405	1,662,000
16,947	16,964	0
10,762	11,514	12,200
522,359	524,894	477,350
2,674,705	2,690,893	2,959,000
117,703	118,191	0
277,461	278,501	0
1,687	1,688	1,000
44,164	45,198	0
5,399,100	5,420,684	5,278,850
86,400	87,123	19,700
32,900	32,914	32,900
168,000	165,436	167,300
69,500	69,852	68,900
1,395,950	1,396,822	1,418,650
3,110,950	3,128,870	2,960,700
39,900	39,913	39,500
495,500	499,754	571,200
5,399,100	5,420,684	5,278,850

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:

Land - freehold land
Buildings - Non-Specialised
Buildings - Specialised
REC-Landheld for Improvements
Furniture and Equipment
Infrastructure - Roads - Subgrade
Infrastructure - Roads - Pavement
Infrastructure - Roads - Surface
Infrastructure - Roads - Kerbing
Infrastructure - Footpaths
Infrastructure - Drainage
Infrastructure - Parks and Ovals

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.

Not depreciated
20 to 80 years
20 to 80 years
5 to 10 years
5 to 20 years
not depreciated
60 to 120 years
20 to 60 years
50 years
30 to 60 years
60 to 80 years
10 to 100 years

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

7. BORROWINGS

(a) Borrowing repayments

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

Purpose	Loan Number	Institution	Interest Rate	Budget Principal 1 July 2025	2025/26 Budget New Loans	2025/26 Budget Principal Repayments	Budget Principal outstanding 30 June 2026	2025/26 Budget Interest Repayments	Actual Principal 1 July 2024	2024/25 Actual New Loans	2024/25 Actual Principal Repayments	Actual Principal outstanding 30 June 2025	2024/25 Actual Interest Repayments	Budget Principal 1 July 2024	2024/25 Budget New Loans	2024/25 Budget Principal Repayments	Budget Principal outstanding 30 June 2025	2024/25 Budget Interest Repayments
				\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
CEACA Housing	217	WATC	3.20%	135,451	0	(66,700)	68,751	(3,746)	200,066	0	(64,616)	135,451	(5,568)	200,066	0	(65,300)	134,766	(4,780)
CBD Revitalisation	219	WATC	4.60%	1,359,061	0	(126,300)	1,232,761	(55,186)	1,480,000	0	(120,939)	1,359,061	(61,185)	1,480,000	0	(121,000)	1,359,000	(63,276)
				1,494,512	0	(193,000)	1,301,512	(58,932)	1,680,066	0	(185,555)	1,494,512	(66,753)	1,680,066	0	(186,300)	1,493,766	(68,056)
Self Supporting Loans																		
Merritville	215	WATC	4.90%	151,246	0	(40,600)	110,646	(7,918)	189,922	0	(38,676)	151,246	(7,660)	189,922	0	(38,700)	151,222	(8,910)
				151,246	0	(40,600)	110,646	(7,918)	189,922	0	(38,676)	151,246	(7,660)	189,922	0	(38,700)	151,222	(8,910)
				1,645,757	0	(233,600)	1,412,157	(66,850)	1,869,988	0	(224,231)	1,645,757	(74,413)	1,869,988	0	(225,000)	1,644,988	(76,966)

All borrowing repayments, other than self supporting loans, will be financed by general purpose revenue.
The self supporting loan(s) repayment will be fully reimbursed.

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

7. BORROWINGS

(b) New borrowings - 2025/26

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

(c) Unspent borrowings

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

(d) Credit Facilities

Undrawn borrowing facilities
credit standby arrangements

	2025/26 Budget	2024/25 Actual	2024/25 Budget
	\$	\$	\$
Bank overdraft limit	0	0	0
Bank overdraft at balance date	0	0	0
Credit card limit	15,000	15,000	15,000
Credit card balance at balance date	0	(2,629)	0
Total amount of credit unused	15,000	12,371	15,000

Loan facilities

Loan facilities in use at balance date	1,412,157	1,645,757	1,644,988
--	-----------	-----------	-----------

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

8. RESERVE ACCOUNTS

(a) Reserve Accounts - Movement

	2025/26 Budget				2024/25 Actual				2024/25 Budget			
	Opening Balance	Transfer to	Transfer (from)	Closing Balance	Opening Balance	Transfer to	Transfer (from)	Closing Balance	Opening Balance	Transfer to	Transfer (from)	Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Restricted by legislation												
(a) Land & Development Reserve	1,648,776	0	0	1,648,776	1,638,173	10,604	0	1,648,776	1,638,173	46,280	0	1,684,453
(b) Apex Park Redevelopment Reserve	0	0	0	0	63,802	1,179	(64,981)	0	311,600	8,800	(78,700)	241,700
(c) ICT Reserve	490,206	120,000	0	610,206	268,810	221,396	0	490,206	268,810	7,600	0	276,410
(d) Declared Disaster Reserve	259,071	0	0	259,071	257,405	1,666	0	259,071	257,405	7,280	0	264,685
(e) Cummings Street Units Reserve	0	0	0	0	48,036	1,556	(49,592)	0	48,036	1,360	0	49,396
(f) Recreation Development Reserve	1,091,819	87,500	0	1,179,319	948,352	143,467	0	1,091,819	948,352	26,800	(250,000)	725,152
(g) Unspent Grants Reserve	386,143	0	0	386,143	383,660	2,483	0	386,143	383,660	10,840	0	394,500
(h) Merredin-Narmbeen Road Reserve	1,078,039	0	(47,550)	1,030,489	815,863	344,266	(82,091)	1,078,039	811,152	102,920	(114,450)	799,622
	4,954,054	207,500	(47,550)	5,114,004	4,424,101	726,617	(196,664)	4,954,054	4,667,188	211,880	(443,150)	4,435,918
Restricted by council												
(i) Employee Entitlement Reserve	388,389	0	0	388,389	385,891	2,498	0	388,389	385,891	10,900	0	396,791
(j) Buildings Reserve	1,031,832	40,000	0	1,071,832	823,385	108,447	0	1,031,832	1,078,682	30,480	(107,800)	1,001,362
(k) Waste Management Reserve	392,509	0	0	392,509	389,985	2,524	0	392,509	389,985	11,020	0	401,005
(l) Plant Replacement Reserve	649,618	0	0	649,618	645,713	3,905	0	649,618	556,813	15,740	0	572,553
(m) Housing Reserve	0	87,500	0	87,500	0	100,000	0	0	0	0	0	0
(n) Swimming Pool Reserve	0	400,000	0	400,000	0	0	0	0	0	0	0	0
	2,462,348	527,500	0	2,989,848	2,244,974	217,374	0	2,462,348	2,411,371	68,140	(107,800)	2,371,711
	7,416,402	735,000	(47,550)	8,103,852	6,669,075	943,991	(196,664)	7,416,402	7,078,559	280,020	(550,950)	6,807,629

(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
(a) Land & Development Reserve	Ongoing	To ensure adequate funds are available to fund major land developments/purchases within the Shire of Merredin, in addition to any feasibility studies or business cases.
(b) Apex Park Redevelopment Reserve	Ongoing	To ensure adequate funds are available to fund future redevelopment and extensions of Apex Park.
(c) ICT Reserve	Ongoing	To be utilised for the continuing upgrade of the Shire's ITC requirements keeping council abreast with modern technology.
(d) Declared Disaster Reserve	Ongoing	To ensure adequate funds are available to meet the Shire's obligation in the event of a natural disaster that is declared under the current Disaster Recovery Funding Arrangements WA (DRFAWA) system.
(e) Cummings Street Units Reserve	30/06/2025	To ensure adequate funds are available to meet the Shire's obligation to maintain the Cummings Street Units in accordance with the Joint Venture arrangement with the Department of Communities.
(f) Recreation Development Reserve	Ongoing	To ensure adequate funds are available to fund future developments and major renewals of recreation facilities within the Shire of Merredin.
(g) Unspent Grants Reserve	Ongoing	To be utilised for any unspent grants paid to the Shire of Merredin and remaining unspent as at the 30 June of any year.
(h) Merredin-Narmbeen Road Reserve	Ongoing	Future maintenance and construction of the Merredin-Narmbeen Road.
(i) Employee Entitlement Reserve	Ongoing	To ensure that adequate funds are available to finance the Shire's liability for employee leave entitlements.
(j) Buildings Reserve	Ongoing	To ensure adequate funds are available to finance future building construction and major maintenance of the Shire of Merredin's property portfolio.
(k) Waste Management Reserve	Ongoing	To be utilised for the collection, transport, storage, treatment, processing, sorting, recycling or disposal of waste; the provision of receptacles for the temporary deposit of waste; the provision and management of waste facilities, machinery for the disposal of waste and processes for dealing with waste, and rehabilitation.
(l) Plant Replacement Reserve	Ongoing	To ensure adequate funds are available to purchase a responsive and modern plant fleet at the optimum replacement point.
(m) Housing Reserve	Ongoing	To ensure adequate funds are available to finance future residential housing development and/ or upgrades.
(n) Swimming Pool Reserve	Ongoing	To ensure adequate funds are available to finance future redevelopment or replacement of the swimming pool.

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

9. OTHER INFORMATION

	2025/26 Budget	2024/25 Actual	2024/25 Budget
The net result includes as revenues	\$	\$	\$
(a) Interest earnings			
Reserve Accounts	240,000	254,991	200,000
Other Funds	130,000	133,929	80,000
Other interest revenue	65,050	68,952	56,000
	435,050	457,872	336,000
The net result includes as expenses			
(b) Auditors remuneration			
Audit services	66,500	30,500	30,000
Other services	1,500	3,000	3,000
	68,000	33,500	33,000
(c) Interest expenses (finance costs)			
Borrowings (refer Note 7(a))	66,850	74,413	76,966
Other finance costs - Liquidity Loan	0	0	80,000
	66,850	74,413	156,966
(d) Write offs			
General rates	60,000	60,108	50,000
	60,000	60,108	50,000

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

10. COUNCIL MEMBERS REMUNERATION

	2025/26 Budget	2024/25 Actual	2024/25 Budget
	\$	\$	\$
Cr Donna Crook - President			
President's allowance	14,650	11,431	14,155
Meeting attendance fees	8,790	8,495	8,495
Superannuation contribution payments	2,813	0	0
	26,253	19,926	22,650
Cr Renee Manning - Deputy Shire President			
Deputy President's allowance	3,700	3,535	3,535
Meeting attendance fees	8,790	8,495	8,495
Superannuation contribution payments	1,494	0	0
	13,984	12,030	12,030
Cr Mark McKenzie - Past President			
President's allowance	8,790	1,978	8,495
Meeting attendance fees	0	8,495	0
Superannuation contribution payments	1,055	0	0
	9,845	10,473	8,495
Cr Megan Simmonds - Resigned May 2025			
Meeting attendance fees	0	7,289	8,495
	0	7,289	8,495
Cr Phil Van Der Merwe			
Meeting attendance fees	8,790	8,495	8,495
Superannuation contribution payments	1,055	0	0
	9,845	8,495	8,495
Cr Bradley Anderson			
Meeting attendance fees	8,790	8,495	8,495
Superannuation contribution payments	1,055	0	0
	9,845	8,495	8,495
Cr Hayley Billing			
Meeting attendance fees	8,790	8,495	8,495
Superannuation contribution payments	1,055	0	0
	9,845	8,495	8,495
Cr Lisa O'Neill			
Meeting attendance fees	8,790	8,495	8,495
Superannuation contribution payments	1,055	0	0
	9,845	8,495	8,495
Total Council Member Remuneration	89,461	83,697	85,650
President's allowance	14,650	13,408	14,155
Deputy President's allowance	3,700	3,535	3,535
Meeting attendance fees	61,530	66,754	67,960
Superannuation contribution payments	9,581	0	0
	89,461	83,697	85,650

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

11. TRUST FUNDS

Funds held at balance date which are required by legislation to be credited to the trust fund and which are not included in the financial statements are as follows:

Detail	Balance 30 June 2025	Estimated amounts received	Estimated amounts paid	Estimated balance 30 June 2026
	\$	\$	\$	\$
Transfer from Shire of Westonia	7,272	0	0	7,272
Local Government Subs FY22.23	1,100	0	0	1,100
LGMA Branch Subsidy	1,100	0	0	1,100
Shire of Mukinbudin LG Professionals Wheatbelt Branch Scholarship	(1,000)	0	0	(1,000)
Interest Earned	165	0	0	165
	8,637	0	0	8,637

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

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

12. REVENUE AND EXPENDITURE

(b) Revenue Recognition

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds / Warranties	Determination of transaction price	Allocating transaction price	Measuring obligations for returns	Timing of Revenue recognition
Grant contracts with customers	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	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
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	Adopted by council annually	Based on timing of entry to facility	Not applicable	On entry to facility
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	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	Kiosk and visitor centre stock	Single point in time	In full in advance, on 15 day credit	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 MERREDIN
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2026

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 resources.

To include the activities of members of council and the administration support available to the council for the provision of governance of the district. Other costs relate to 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.

Inspection of food outlets and their control provisions.

Education and welfare

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

Maintenance of playgroup centre, senior citizens centre and aged-care centre. Provision and maintenance of home and community care programs and youth services.

Housing

To provide and maintain residential housing.

Provision and maintenance of residential housing.

Community amenities

To provide services required by the community.

Rubbish collection services, operation of refuse disposal sites construction and maintenance urban storm water drains, protection of the environment and administration of town planning schemes, cemetery and public convenience.

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, civic centres, recreation centres and various sporting facilities. Provision and maintenance of parks, gardens and playgrounds. Operation of library, museum and other cultural facilities.

Transport

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

Construction and maintenance of roads, streets, footpaths, depots, cycle ways, parking facilities and traffic control. Cleaning of streets and maintenance of street trees, street lighting etc.

Economic services

To help promote the Shire and its economic well being.

Tourist and area promotion including provision of rural services including weed control, vermin control and standpipes. Building Control.

Other property and services

To monitor and control council's overhead operating accounts.

Private works operations, plant repairs and operating cost and infrastructure operation costs.

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

14. FEES AND CHARGES

	2025/26 Budget	2024/25 Actual	2024/25 Budget
	\$	\$	\$
By Program:			
Governance	15,400	15,477	0
General purpose funding	17,850	17,748	17,500
Law, order, public safety	9,600	9,723	8,200
Health	9,900	10,203	11,000
Housing	44,600	65,417	46,400
Community amenities	612,750	717,901	643,800
Recreation and culture	160,250	205,474	299,400
Economic services	42,700	45,882	42,900
Other property and services	10,200	55,021	12,500
	923,250	1,142,848	1,081,700

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