SHIRE OF DOWERIN

ANNUAL BUDGET

FOR THE YEAR ENDED 30 JUNE 2027

LOCAL GOVERNMENT ACT 1995

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The Shire of Dowerin is a Class 3 local government that conducts its operations with the following community vision:

SHIRE'S VISION

Dowerin will be a thriving and growing rural community which offers lifestyle choice for all generations, is progressive in environmental management and is a preferred location for business development.

SHIRE OF DOWERIN
STATEMENT OF COMPREHENSIVE
FOR THE YEAR ENDED 30 JUNE 2027

	NOTE	2026/27 Budget	2025/26 Actual	2025/26 Budget
		$	$	$
Revenue				
Rates	2(a)	1,763,671	1,668,485	1,684,841
Grants, subsidies and contributions	11	1,512,593	3,601,648	2,286,934
Fees and charges	15	991,807	899,290	860,954
Interest revenue	12(a)	121,900	151,563	138,772
Other revenue	12(a)	92,500	69,090	88,907
		4,482,471	6,390,076	5,060,408
Expenses				
Employee costs		(2,425,842)	(2,363,306)	(2,225,906)
Materials and contracts		(2,215,638)	(2,356,923)	(2,506,526)
Utility charges		(223,590)	(227,192)	(234,220)
Depreciation	6	(2,867,750)	(2,590,261)	(2,673,800)
Finance costs	12(c)	(32,589)	(28,081)	(25,627)
Insurance		(177,997)	(175,658)	(178,069)
Other expenditure		(97,400)	(72,209)	(79,540)
		(8,040,806)	(7,813,630)	(7,923,688)
		(3,558,335)	(1,423,554)	(2,863,280)
Capital grants, subsidies and contributions	11	4,701,019	3,066,825	3,859,103
Profit on asset disposals	5(b)	28,572	44,358	33,045
Loss on asset disposals	5(b)	0	(28,756)	(2,593)
Fair value adjustments to financial assets at fair value through profit or loss		0	56,668	0
		4,729,591	3,139,095	3,889,555
Net result for the period		**1,171,256**	**1,715,541**	**1,026,275**
Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss				
Changes in asset revaluation surplus		0	0	0
Total other comprehensive income for the period		**0**	**0**	**0**
Total comprehensive income for the period		**1,171,256**	**1,715,541**	**1,026,275**

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

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

	NOTE	2026/27 Budget	2025/26 Actual	2025/26 Budget
		$	$	$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		1,763,671	1,672,958	1,684,840
Grants, subsidies and contributions		1,746,270	3,852,645	2,680,118
Fees and charges		991,807	899,290	860,954
Interest revenue		121,900	151,563	138,772
Goods and services tax received		0	490,417	500,000
Other revenue		92,500	69,090	88,907
		4,716,148	7,135,963	5,953,591
Payments				
Employee costs		(2,425,842)	(2,343,938)	(2,225,906)
Materials and contracts		(1,926,953)	(2,718,882)	(2,546,527)
Utility charges		(223,590)	(227,192)	(234,220)
Finance costs		(32,589)	(54,200)	(25,627)
Insurance paid		(177,997)	(175,658)	(178,069)
Goods and services tax paid		0	(500,000)	(500,000)
Other expenditure		(97,400)	(72,209)	(79,540)
		(4,884,371)	(6,092,079)	(5,789,889)
Net cash provided by (used in) operating activities	4	(168,223)	1,043,884	163,702
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment	5(a)	(3,432,150)	(599,189)	(562,385)
Payments for construction of infrastructure	5(a)	(3,334,544)	(3,921,170)	(4,688,102)
Capital grants, subsidies and contributions		4,701,019	3,066,825	3,859,103
Proceeds from sale of property, plant and equipment	5(b)	28,572	194,955	224,144
Net cash provided by (used in) investing activities		(2,037,103)	(1,258,580)	(1,167,240)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	7(a)	(112,965)	(108,912)	(110,627)
Principal elements of lease payments	8	(3,944)	(2,529)	0
Proceeds on disposal of financial assets at amortised cost - term deposits		645,883	(387,569)	625,519
Proceeds from new borrowings	7(a)	700,000	0	0
Net cash provided by (used in) financing activities		1,228,974	(499,010)	514,892
Net increase (decrease) in cash held		(976,351)	(713,706)	(488,646)
Cash at beginning of year		1,129,442	1,843,148	759,144
Cash and cash equivalents at the end of the year	4	**153,091**	**1,129,442**	**270,498**

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

SHIRE OF DOWERIN
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2027

	NOTE	2026/27 Budget	2025/26 Actual	2025/26 Budget
		$	$	$
OPERATING ACTIVITIES				
Revenue from operating activities				
General Rates	2	1,720,671	1,627,347	1,624,545
Specified area and ex gratia rates	2(a)(ii)	43,000	41,138	60,296
Grants, subsidies and contributions	11	1,512,593	3,601,648	2,286,934
Fees and charges	15	991,807	899,290	860,954
Interest revenue	12(a)	121,900	151,563	138,772
Other revenue	12(a)	92,500	69,090	88,907
Profit on asset disposals	5(b)	28,572	44,358	33,045
Fair value adjustments to financial assets at fair value through profit and loss		0	56,668	0
		4,511,043	6,491,102	5,093,453
Expenditure from operating activities				
Employee costs		(2,425,842)	(2,363,306)	(2,225,906)
Materials and contracts		(2,215,638)	(2,356,923)	(2,506,526)
Utility charges		(223,590)	(227,192)	(234,220)
Depreciation	6	(2,867,750)	(2,590,261)	(2,673,800)
Finance costs	12(c)	(32,589)	(28,081)	(25,627)
Insurance		(177,997)	(175,658)	(178,069)
Other expenditure		(97,400)	(72,209)	(79,540)
Loss on asset disposals	5(b)	0	(28,756)	(2,593)
		(8,040,806)	(7,842,386)	(7,926,281)
Non-cash amounts excluded from operating activities	3(b)	2,842,474	2,522,123	2,647,141
Amount attributable to operating activities		(687,289)	1,170,839	(185,687)
INVESTING ACTIVITIES				
Inflows from investing activities				
Capital grants, subsidies and contributions	11	4,701,019	3,066,825	3,859,103
Proceeds from disposal of assets	5(b)	28,572	194,955	224,144
		4,729,591	3,261,780	4,083,247
Outflows from investing activities				
Payments for property, plant and equipment	5(a)	(3,432,150)	(599,189)	(562,385)
Payments for construction of infrastructure	5(a)	(3,334,544)	(3,921,170)	(4,688,102)
		(6,766,694)	(4,520,359)	(5,250,487)
Amount attributable to investing activities		(2,037,103)	(1,258,580)	(1,167,240)
FINANCING ACTIVITIES				
Inflows from financing activities				
Proceeds from new borrowings	7(b)	700,000	0	0
Transfers from cash backed reserves	9(a)	736,883	900,039	806,460
		1,436,883	900,039	806,460
Outflows from financing activities				
Repayment of borrowings	7(a)	(112,965)	(108,912)	(110,627)
Principal elements of finance lease payments	8	(3,944)	(2,529)	0
Transfers to cash backed reserves	9(a)	(91,000)	(182,107)	(180,941)
		(207,909)	(293,548)	(291,568)
Amount attributable to financing activities		**1,228,974**	**606,491**	**514,892**
MOVEMENT IN SURPLUS OR DEFICIT				
Surplus or deficit at the start of the financial year	3	1,371,705	852,955	838,035
Amount attributable to operating activities		(687,289)	1,170,839	(185,687)
Amount attributable to investing activities		(2,037,103)	(1,258,580)	(1,167,240)
Amount attributable to financing activities		1,228,974	606,491	514,892
Surplus or deficit at the end of the financial year	3	(123,712)	1,371,705	0

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

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1 (a) BASIS OF PREPARATION

The annual budget for the Shire of Dowerin is a forward looking document and 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 City 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 4 to the annual budget.

2025/26 actual balances

Balances shown in this budget as 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.

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 2021-2 Amendments to Australian Accounting Standards
 - Disclosure of Accounting Policies or Definition of Accounting Estimates
• AASB 2021-6 Amendments to Australian Accounting Standards
 - Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards
• AASB 2022-7 Editorial Corrections to Australian Accounting Standards and Repeal of Superseded and Redundant Standards

It is not expected these standards will have an impact on the annual 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 2020-1 Amendments to Australian Accounting Standards
 - Classification of Liabilities as Current or Non-current
• 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 2022-5 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 2022-10 Amendments to Australian Accounting Standards
 - Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities

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 and investment property
• impairment of financial assets
• estimation uncertainties and judgements made in relation to lease accounting
• estimated useful life of assets

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 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.

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 back rates	2026/27 Budgeted total revenue	2025/26 Actual total revenue	2025/26 Budget total revenue
		$		$	$	$	$	$	$	$
(i) Differential general rates or general rates										
Residental	GRV	0.081143	128	1,862,796	151,153	0	0	151,153	146,568	143,901
Commercial	GRV	0.081143	12	253,532	20,572	0	0	20,572	19,585	19,585
Town Rural	GRV	0.081143	12	214,136	17,376	0	0	17,376	16,542	16,542
Other Town	GRV	0.081143	8	49,920	4,051	0	0	4,051	3,856	3,856
Rural Farmland	UV	0.034080	224	40,040,000	1,364,563	0	0	1,364,563	1,289,569	1,289,580
Sub-Total			384	42,420,384	1,557,715	0	0	1,557,715	1,476,120	1,473,465
		Minimum								
Minimum payment		$								
Residental	GRV	967	55	486,432	53,185	0	0	53,185	46,920	46,920
Commercial	GRV	967	20	101,068	19,340	0	0	19,340	18,400	18,400
Town Rural	GRV	967	16	48,420	15,472	0	0	15,472	14,720	14,720
Other Town	GRV	284	20	9,138	5,680	0	0	5,680	5,400	5,400
Rural Farmland	UV	967	61	8,019,300	58,987	0	0	58,987	56,120	56,120
Commercial	UV	967	4	920	3,868	0	0	3,868	3,680	3,680
Town Rural	UV	967	4	204,500	3,868	0	0	3,868	3,680	3,680
Mining	UV	284	9	50,933	2,556	0	0	2,556	2,307	2,160
Sub-Total			189	8,920,711	162,956	0	0	162,956	151,227	151,080
			573	51,341,095	1,720,671	0	0	1,720,671	1,627,347	1,624,545
Total amount raised from general rates								1,720,671	1,627,347	1,624,545
(ii) Specified area and ex gratia rates										
Ex-gratia rates										
CBH					43,000	0	0	43,000	41,138	60,296
Total specified area and ex gratia rates								43,000	41,138	60,296
Total rates								1,763,671	1,668,485	1,684,841

All land (other than exempt land) in the Shire of Dowerin is rated according to its Gross Rental Value (GRV) in townsites or Unimproved Value (UV) in the remainder of the Shire of Dowerin.

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 deficiency between the total estimated expenditure proposed in the budget and the estimated revenue to be received from all sources other than 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.

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.

Instalment options	Date due	Instalment plan admin charge	Instalment plan interest rate	Unpaid rates interest rates
		$	%	%
Option one				
Single full payment	23/09/2026	n/a	n/a	n/a
Option two				
First instalment	23/09/2026	0	5.0%	5.0%
Second instalment	27/01/2027	5	5.0%	5.0%
Option three				
First instalment	23/09/2026	0	5.0%	5.0%
Second instalment	25/11/2026	5	5.0%	5.0%
Third instalment	27/01/2027	5	5.0%	5.0%
Fourth instalment	31/03/2027	5	5.0%	5.0%

	2026/27 Budget revenue	2025/26 Actual revenue	2025/26 Budget revenue
	$	$	$
Instalment plan interest earned	4,100	4,072	3,537
Unpaid rates and service charge interest earned	2,800	2,790	4,970
Pensioner Deferred Interest Received	0	0	0
	8,000	7,947	8,506

2. RATES AND SERVICE CHARGES (CONTINUED)

(c) Specified Area Rate

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

(d) Service Charges

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

(e) Waivers or concessions

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

3. NET CURRENT ASSETS

	Note	2026/27 Budget 30 June 2027	2025/26 Actual 30 June 2026	2025/26 Budget 30 June 2026
		$	$	$
(a) Composition of estimated net current assets				
Current assets				
Cash and cash equivalents - unrestricted	4	153,091	875,067	270,498
Cash and cash equivalents - restricted	4	0	254,375	0
Financial assets - restricted	4	2,258,494	2,904,377	2,996,790
Receivables		209,801	218,801	172,830
Contract assets		0	479,052	0
Inventories		12,754	12,754	12,174
		2,634,140	4,744,426	3,452,292
Less: current liabilities				
Trade and other payables		(455,781)	(167,096)	(425,295)
Contract liabilities		0	(254,375)	0
Lease liabilities	8	0	(3,944)	0
Long term borrowings	7	(1,715)	(114,680)	0
Employee provisions		(174,527)	(174,527)	(157,521)
		(632,023)	(714,622)	(582,816)
Net current assets		2,002,117	4,029,804	2,869,476
Less: Total adjustments to net current assets	3.(c)	(2,125,829)	(2,658,099)	(2,869,476)
Net current assets used in the Rate Setting Statement		(123,712)	1,371,705	0

3. NET CURRENT ASSETS (CONTINUED)

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.

(b) 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 Rate Setting Statement in accordance with *Financial Management Regulation 32.*	Note	2026/27 Budget 30 June 2027	2025/26 Actual 30 June 2026	2025/26 Budget 30 June 2026
		$	$	$
Adjustments to operating activities				
Less: Profit on asset disposals	5(b)	(28,572)	(44,358)	(33,045)
Less: Fair value adjustments to financial assets at fair value through profit and loss		0	(56,668)	0
Add: Loss on disposal of assets	5(b)	0	28,756	2,593
Add: Depreciation on assets	6	2,867,750	2,590,261	2,673,800
Movement in current employee provisions associated with restricted cash		3,296	4,132	3,793
Non cash amounts excluded from operating activities		2,842,474	2,522,123	2,647,141

(c) 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 Rate Setting Statement in accordance with Financial Management Regulation 32 to agree to the surplus/(deficit) after imposition of general rates.

	Note	2026/27 Budget 30 June 2027	2025/26 Actual 30 June 2026	2025/26 Budget 30 June 2026
Adjustments to net current assets				
Less: Cash - restricted reserves	9	(2,258,494)	(2,904,377)	(2,996,790)
Add: Current liabilities not expected to be cleared at end of year				
- Current portion of borrowings		1,715	114,680	0
- Current portion of lease liabilities		0	3,944	0
- Current portion of employee benefit provisions held in reserve		130,950	127,654	127,314
Total adjustments to net current assets		(2,125,829)	(2,658,099)	(2,869,476)

3 (d) NET CURRENT ASSETS (CONTINUED)

SIGNIFICANT ACCOUNTING POLICIES

CURRENT AND NON-CURRENT CLASSIFICATION

An 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 of Dowerin 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.

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 of Dowerin contributes to a number of superannuation funds on behalf of employees.

All funds to which the Shire of Dowerin 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.

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.

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 goods sold and services performed in the ordinary course of business.

Trade receivables are recognised at original invoice amount less any allowances for uncollectible amounts (i.e. impairment). The carrying amount of net trade receivables is equivalent to fair value as it is due for settlement within 30 days.

Trade receivables are held with the objective to collect the contractual cashflows and therefore 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 statement of financial position. The Shire's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

CONTRACT LIABILITIES

An entity’s obligation to transfer goods or services to a customer for which the entity has received consideration (or the amount is due) from the customer. Grants to acquire or construct recognisable non-financial assets to be controlled by the Shire are recognised as a liability until such time as the Shire satisfies its obligations under the agreement.

CONTRACT ASSETS

A contract asset is the right to consideration in exchange for goods or services the entity has transferred to a customer when that right is conditioned on something other than the passage of time.

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	2026/27 Budget	2025/26 Actual	2025/26 Budget
		$	$	$
Cash at bank and on hand		153,091	1,129,442	270,498
Total cash and cash equivalents		153,091	1,129,442	270,498
Held as				
- Unrestricted cash and cash equivalents	3(a)	153,091	875,067	270,498
- Restricted cash and cash equivalents	3(a)	0	254,375	0
		153,091	1,129,442	270,498
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		0	254,375	0
- Restricted financial assets at amortised cost - term deposits	3(a)	2,258,494	2,904,377	2,996,790
		2,258,494	3,158,752	2,996,790
The restricted assets are a result of the following specific purposes to which the assets may be used:				
Financially backed reserves	9	2,258,494	2,904,377	2,996,790
Contract liabilities		0	254,375	0
		2,258,494	3,158,752	2,996,790
Reconciliation of net cash provided by operating activities to net result				
Net result		1,171,256	1,715,541	1,026,275
Depreciation	6	2,867,750	2,590,261	2,673,800
(Profit)/loss on sale of asset	5(b)	(28,572)	(15,602)	(30,452)
Adjustments to fair value of financial assets at fair value through profit or loss		0	(56,668)	0
(Increase)/decrease in receivables		9,000	366,033	149,999
(Increase)/decrease in contract assets		479,052	(80,735)	536,970
(Increase)/decrease in inventories		0	1,927	9,999
Increase/(decrease) in payables		288,685	(370,637)	(50,000)
Increase/(decrease) in contract liabilities		(254,375)	(39,411)	(293,786)
Non-operating grants, subsidies and contributions		(4,701,019)	(3,066,825)	(3,859,103)
Net cash from operating activities		(168,223)	1,043,884	163,702

SIGNIFICANT 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.

5. FIXED ASSETS

(a) Acquisition of Assets

The following assets are budgeted to be acquired during the year.

	Reporting program							
	Housing	Community amenities	Recreation and culture	Transport	Economic services	2026/27 Budget total	2025/26 Actual total	2025/26 Budget total
Asset class	$	$	$	$	$	$	$	$
Property, Plant and Equipment								
Buildings - non-specialised	2,975,486	0	129,753	0	0	3,105,239	141,008	70,372
Furniture and equipment	0	0	0	0	0	0	1	0
Plant and equipment	0	0	0	326,911	0	326,911	458,180	492,013
	2,975,486	0	129,753	326,911	0	3,432,150	599,189	562,385
Infrastructure								
Infrastructure - roads	0	0	0	2,788,076	0	2,788,076	3,567,667	3,967,534
Infrastructure - footpaths	0	0	0	369,270	0	369,270	333,644	633,568
Infrastructure - drainage	0	0	0	0	0	0	0	0
Infrastructure - parks and ovals	0	0	0	0	0	0	0	0
Other infrastructure - sewerage	0	0	0	0	0	0	0	30,000
Other infrastructure - other	0	80,000	0	0	97,198	177,198	19,859	57,000
	0	80,000	0	3,157,346	97,198	3,334,544	3,921,170	4,688,102
Right of use assets								
Right of use - furniture and fittings	0	0	0	0	0	0	21,029	0
	0	0	0	0	0	0	21,029	0
Total acquisitions	2,975,486	80,000	129,753	3,484,257	97,198	6,766,694	4,541,388	5,250,487

A detailed breakdown of acquisitions on an individual asset basis can be found in the within this budget document.

SIGNIFICANT ACCOUNTING POLICIES

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

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

Shire of Dowerin
SUPPORTING SCHEDULE CAPITAL EXPENDITURE WITH FUNDING SOURCE

Asset Class	Program	External Funding	Project Description	FY26/27 Proposed Budget	Reserves	Funds held in Contract Liabilities	New Capital Grant Funding	Proceeds on Sale	Loan Funding	Own Sources	Reserve Fund / Comment
							Proposed Funding				
Plant and equipment	Transport		Toyota Hilux Single Cab with Tipper	45,936				-		45,936	New Purchase no trade in
Plant and equipment	Transport		Toyota Hilux Single Cab	37,858	21,658			16,200		-	
Plant and equipment	Transport		8T Excavator	138,867	138,867			-		-	New Purchase no trade in funded by Plant and Sewerage reserves
Plant and equipment	Transport		2nd Hand Loader	50,000	50,000			-		-	2nd Hand purchase no trade in
Plant and equipment	Transport		CASE Tractor	54,250	41,878			12,372		-	
Other Infrastructure - Other	Economic services	DEWR	CWSP Strategic Water Planning	97,198			67,966			29,232	This project is funded through the Department of Water and Environmental Regulation CWSP grant and will deliver a Shire-wide strategic water planning document. The scope includes high-level water resource assessment, bore water sampling and analysis, desalination feasibility investigations, and development of a staged 10-year implementation plan.
Buildings -Non Specialised	Recreation and Culture		Town Hall Public Toilet Conversion	47,986	23,993		23,993			-	The existing internal Town Hall toilet facilities are currently underutilised due to their location within the building and limited accessibility outside of operating hours. At the same time, there has been consistent community feedback identifying a lack of accessible public toilets within the playground and Centenary Park precinct. This project presents an opportunity to address both issues by converting the existing underutilised internal toilets into externally accessible public amenities. By doing so, the Shire can maximise the use of existing infrastructure while responding directly to community demand
Buildings -Non Specialised	Recreation and Culture	LotteryWest	Dowerin Museum Reroof and Stump Replacement	81,767	10,000		65,414			6,353	This project is one the Museum Committee is prepared to lead, with support from the Shire's Community Development team in preparing and submitting a Lotterywest grant application. The Museum Committee has also indicated its willingness to make a financial contribution toward the project; however, the amount is yet to be discussed and confirmed. The proposed funding split outlined above represents my best assessment of a practical and competitive contribution arrangement for this proposal. However, all figures remain flexible and can be adjusted as the project scope and funding discussions progress. The total project estimate of $81767 is based on confirmed contractor quotations, with a 10% contingency allowance included to provide for any unforeseen costs during delivery. Based on a 80% - 20% Funding through Lotterywest
Buildings -Non Specialised	Housing		GROH 4x2 New house build	950,000	250,000				700,000	-	This will be a fully shire funded project with a new build to lease 10 year agreement with GROH - Funded by 10yr Loan and reserves
Buildings -Non Specialised	Housing	Ceaca	4 Units - Low income housing	2,000,000	100,000		1,900,000			-	$100000 also includes planning and building permit fees
Buildings -Non Specialised	Housing		58 (Lot 7) Stacy Street - Building (Capital)	25,486	25,486	-					Landscaping works
Other Infrastructure - Other	Community Amenities	Beyond Waste 2023 Strategy	Waste Transfer Station	80,000			80,000				Recycling Modernisation Fund Regional and Remote Local Government Authority grant
Infrastructure - Roads	Transport	RRG	Cunderdin Minnivale Road SLK 5.18-8.24	757,979			505,319			252,660	
Infrastructure - Roads	Transport	Commodity Route	Dowerin Koorda Road SLK 13.30 - 14.85 (1.55km)	599,404			399,603			199,801	
Infrastructure - Roads	Transport	R2R	Dudley Street SLK 0.13- 0.34 (210m)	14,825			10,634			4,191	
Infrastructure - Roads	Transport	R2R	Hayter Street SLK0.00 - 0.90 (90m)	6,355			6,355			-	
Infrastructure - Roads	Transport	R2R	Stacy Street SLK 0.58 - 0.79 (210m)	7,200			7,200			-	
Infrastructure - Roads	Transport	R2R	Cottrell Street SLK 0.00 - 0.12 (120m)	9,900			9,900			-	
Infrastructure - Roads	Transport	R2R	Couper Street SLK 0.00-0.16 (160m)	11,900			11,900			-	
Infrastructure - Roads	Transport	R2R	Nambling South Road SLK 7.00-12.26 (5.26km)	305,420			305,420			-	
Infrastructure - Roads	Transport	R2R	Nambling South Road SLK 14.80-16.62 (1.82km)	105,678			105,678			-	
Infrastructure - Roads	Transport	R2R	Nambling South Road SLK 19.00-22.48 (3.48km)	202,065			202,065			-	
Infrastructure - Roads	Transport	Blackspot	Dowerin Meckering & Hindmarsh Back Road	699,863		218,709	481,154			-	
Infrastructure - Roads	Transport	Own Source	Ucarty Rock Road SLK 0.00-1.78 (1.78km)	46,643						46,643	This allows for some new material to be carted to problem areas and School Bus Route and agreement for consideration from Todd Quartermaine for gravel supply on Nambling South Road
Infrastructure - Roads	Transport	Own Source	Amery Benjiberring Road SLK 6.00 - 8.67 (2.67km)	-						-	High Traffic Road identified as Local Distributer been on the agenda for years but defered for gravel supply might have Dave Hesford or Andrew Todd on board ties in 2021 flood damage work.
Infrastructure - Roads	Transport	Own Source	Dowerin Koorda Road - Bridge 4751 Maintenance	-						-	Major Structural Bridge Maintenance
Infrastructure - Roads	Transport	WSFN	Dowerin Kalanie Road SLK 34.5-37.81 Line Marking Construction	20,845			19,456			1,389	
Other Infrastructure - Footpaths	Transport	Active Transport/R2R	Townsite Footpath Project	369,270	-		272,253			97,017	Funded by Active transport $184,635 and R2R $87,619
				6,766,694	**661,882**	**218,709**	**4,474,309**	**28,572**	**700,000**	**683,222**	

Summary of Proposed Capital Expenditure (by Asset Class)							
Buildings -Non Specialised	$3,105,239	$409,479	$0	$1,989,407	$0	$700,000	$6,353
Plant and equipment	$326,911	$252,403	$0	$0	$28,572	$0	$45,936
Furniture and equipment	$0	$0	$0	$0	$0	$0	$0
Infrastructure - Roads	$2,788,076	$0	$218,709	$2,064,683	$0	$0	$504,684
Other Infrastructure - Footpaths	$369,270	$0	$0	$272,253	$0	$0	$97,017
Other Infrastructure - Sewerage	$0	$0	$0	$0	$0	$0	$0
Other Infrastructure - Other	$177,198	$0	$0	$147,966	$0	$0	$29,232
	$6,766,694	**$661,882**	**$218,709**	**$4,474,309**	**$28,572**	**$700,000**	**$683,222**

Summary of Proposed Capital Expenditure (by Asset Type)							
Purchase property, plant and equipment	$3,432,150	$661,882	$0	$1,989,407	$28,572	$700,000	$52,289
Purchase and construction of infrastructure	$3,334,544	$0	$218,709	$2,484,902	$0	$0	$630,933
	$6,766,694	**$661,882**	**$218,709**	**$4,474,309**	**$28,572**	**$700,000**	**$683,222**

Own Source funded projects							
Governance	$0	$0	$0	$0	$0	$0	$0
General purpose funding	$0	$0	$0	$0	$0	$0	$0
Law, order, public safety	$0	$0	$0	$0	$0	$0	$0
Health	$0	$0	$0	$0	$0	$0	$0
Education and welfare	$0	$0	$0	$0	$0	$0	$0
Housing	$0	$375,486	$0	$1,900,000	$0	$700,000	$0
Community amenities	$0	$0	$0	$80,000	$0	$0	$0
Recreation and culture	$6,353	$33,993	$0	$89,407	$0	$0	$6,353
Transport	$647,637	$252,403	$218,709	$2,336,936	$28,572	$0	$647,637
Economic services	$29,232	$0	$0	$67,966	$0	$0	$29,232
Other property and services	$0	$0	$0	$0	$0	$0	$0
	$683,222	**$661,882**	**$218,709**	**$4,474,309**	**$28,572**	**$700,000**	**$683,222**

5. FIXED ASSETS

(b) Disposals of Assets

The following assets are budgeted to be disposed of during the year.

	2026/27 Budget Net Book Value	2026/27 Budget Sale Proceeds	2026/27 Budget Profit	2026/27 Budget Loss	2025/26 Actual Net Book Value	2025/26 Actual Sale Proceeds	2025/26 Actual Profit	2025/26 Actual Loss	2025/26 Budget Net Book Value	2025/26 Budget Sale Proceeds	2025/26 Budget Profit	2025/26 Budget Loss
	$	$	$	$	$	$	$	$	$	$	$	$
By Asset												
Toyota Hilux Single Cab with Tipper	0	0	-	-	0	0	0	0	0	0	0	0
Toyota Hilux Single Cab	0	16,200	16,200	-	0	0	0	0	0	0	0	0
8T Excavator	0	0	-	-	0					0	0	0
CASE Tractor	0	12,372	12,372	-	0	0	0	0	0	0	0	0
HACC Vehicle Corolla Cross	0	0	-	-	0	0	0	0	10,000	16,935	6,935	0
Road Crew Toyota Hilux	0	0	-	-	8,000	11,276	3,276	0	7,687	18,000	10,313	
ASV Skid Steer	0	0	-	-	99,105	70,884	0	(28,221)	101,593	99,000		(2,593)
Tandem Service Trailer	0	0	-	-	1,565	2,100	535	0	0	500	500	
Mustang Skid steer	0	0	-	-	10,000	17,481	7,481	0	0			
CEO Toyota Prado	0	0	-	-	47,816	54,545	6,729		49,912	64,254	14,342	0
MIP Toyota Hilux	0	0	-	-	3,655	24,793	21,138		24,500	25,455	955	
Other	0	0	-	-	9,212	13,875	5,199	(535)				0
	-	28,572	28,572	-	179,353	194,955	44,358	(28,756)	193,692	224,144	33,045	(2,593)
By Program												
Education and welfare	-	-	-	-		0	0	0	10,000	16,935	6,935	0
Transport	-	-	-	-	127,882	115,616	16,491	(28,756)	109,280	117,500	10,813	(2,593)
Other property and services	-	28,572	28,572	-	51,471	79,338	27,867	0	74,412	89,709	15,297	0
	-	28,572	28,572	-	179,353	194,955	44,358	(28,756)	193,692	224,144	33,045	(2,593)
By Class												
Property, Plant and Equipment												
Plant and equipment	-	28,572	28,572	-	179,353	194,955	44,358	(28,756)	193,692	224,144	33,045	(2,593)
	-	28,572	28,572	-	179,353	194,955	44,358	(28,756)	193,692	224,144	33,045	(2,593)

SIGNIFICANT ACCOUNTING POLICIES

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

6. ASSET DEPRECIATION

	2026/27 Budget	2025/26 Actual	2025/26 Budget
	$	$	$
By Program			
Law, order, public safety	96,880	88,800	55,600
Education and welfare	16,330	14,974	16,500
Housing	124,400	114,030	124,400
Community amenities	199,420	182,791	199,300
Recreation and culture	695,160	637,222	683,400
Transport	1,444,900	1,289,674	1,301,900
Economic services	99,470	91,182	99,000
Other property and services	191,190	171,587	193,700
	2,867,750	2,590,261	2,673,800
By Class			
Buildings - Non Specialised	503,480	461,520	506,200
Furniture & Equipment	21,250	19,475	20,500
Plant & Equipment	287,270	259,661	237,400
Infrastructure Roads	1,250,000	1,111,014	1,143,800
Infrastructure Drainage	103,480	94,857	80,500
Infrastructure Footpaths	31,310	28,703	29,900
Infrastructure Parks & Ovals	428,950	393,199	416,700
Other Infrastructure - Sewerage	165,460	151,668	165,300
Infrastructure Other	76,550	70,164	73,500
	2,867,750	2,590,261	2,673,800

SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

Asset Class	Useful life
Buildings	15 to 61 years
Furniture and equipment	4 to 10 years
Tools	10 to 20 years
Plant and equipment	10 to 27 years
Roads and streets	
- Formation	not depreciated
- Pavement	17 years
- Bridges	50 years
- Kerbing	25 years
Footpaths	25 years
Other Infrastructure	8 - 40 years
Parks & Ovals Infrastructure	17 years
Drainage Infrastructure	50 years
Wastewater infrastructure	20 years

AMORTISATION
The depreciable amount of all intangible assets with a finite useful life, are depreciated on a straight-line basis over the individual asset's useful life from the time the asset is held for use.

The assets residual value of intangible assets is considered to be zero and useful live and amortisation method are reviewed at the end of each financial year.

Amortisation is included within Depreciation on non-current assets in the Statement of Comprehensive Income.

7. INFORMATION ON BORROWINGS

(a) Borrowing repayments

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

Purpose	Loan Number	Institution	Interest Rate	Budget Principal 1 July 2026	2026/27 Budget New Loans	2026/27 Budget Principal Repayments	Budget Principal outstanding 30 June 2027	2026/27 Budget Interest Repayments	Actual Principal 1 July 2025	2025/26 Actual Principal Repayments	Actual Principal outstanding 30 June 2026	2025/26 Actual Interest Repayments	Budget Principal 1 July 2025	2025/26 Budget Principal Repayments	Budget Principal outstanding 30 June 2026	2025/26 Budget Interest Repayments
				$	$	$	$	$	$	$	$	$	$	$	$	$
Housing																
Loan 100 - GROH	100	WATC*	3.57%	209,549	0	(12,776)	196,773	(14,731)	221,557	(12,008)	209,549	(7,591)	216,061	(12,332)	203,729	(7,376)
	104	WATC*	5.32%	0	700,000	0	700,000	0	0	0	0	0	0	0	0	0
Recreation and culture																
Loan 101 - Swimming Pool	101	WATC*	1.80%	84,233	0	(20,889)	63,345	(1,055)	104,477	(20,244)	84,233	(1,694)	114,054	(20,518)	93,536	(1,426)
Transport																
Multi Tyre Roller	103	WATC*	0.8%	75,688	0	(21,761)	53,927	(1,751)	97,017	(21,329)	75,688	(634)	87,776	(21,580)	66,196	(431)
Smooth Drum Tyre Roller	102	WATC*	0.8%	66,849	0	(18,903)	47,946	(518)	85,596	(18,747)	66,849	(675)	94,841	(18,747)	76,094	(675)
Economic services																
Loan 99 - Accommodation	99	WATC*	3.1%	509,634	0	(38,636)	470,998	(14,534)	546,219	(36,585)	509,634	(16,303)	529,298	(37,451)	491,847	(15,720)
				945,954	700,000	(112,965)	1,532,989	(32,589)	1,054,866	(108,912)	945,954	(26,897)	1,042,030	(110,627)	931,403	(25,627)

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

7. INFORMATION ON BORROWINGS

(b) New borrowings - 2026/27

Particulars/Purpose	Institution	Loan type	Term (years)	Interest rate	Amount borrowed budget	Total interest & charges	Amount used budget	Balance unspent
				%	$	$	$	$
Housing	WATC	Debenture	10	5.3%	700,000	226,750	700,000	0
					700,000	226,750	700,000	0

(c) Unspent borrowings

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

(d) Credit Facilities

	2026/27 Budget	2025/26 Actual	2025/26 Budget
	$	$	$
Undrawn borrowing facilities			
credit standby arrangements			
Bank overdraft limit	60,000	60,000	60,000
Bank overdraft at balance date	0	0	0
Credit card limit	16,000	16,000	16,000
Credit card balance at balance date	(5,000)	(4,941)	(5,000)
Total amount of credit unused	71,000	71,059	71,000
Loan facilities			
Loan facilities in use at balance date	1,532,989	945,954	931,403

Overdraft details	Purpose overdraft was established	Year overdraft established	Amount b/fwd 1 July 2026	2026/27 Budgeted Increase/ (Decrease)	Amount as at 30th June 2027
			$	$	$
NAB	Cashflow	1980	60,000	0	60,000
			60,000	0	60,000

SIGNIFICANT ACCOUNTING POLICIES

BORROWING COSTS

Borrowing costs are recognised as an expense when incurred except where they are directly attributable to the acquisition, construction or production of a qualifying asset. Where this is the case, they are capitalised as part of the cost of the particular asset until such time as the asset is substantially ready for its intended use or sale.

8. LEASE LIABILITIES

Purpose	Institution	Lease Term	Budget Lease Principal 1 July 2026	2026/27 Budget New Leases	2026/27 Budget Lease Principal Repayments	Budget Lease Principal outstanding 30 June 2027	2026/27 Budget Lease Interest Repayments	Actual Principal 1 July 2025	2025/26 Actual New Leases	2025/26 Actual Lease Principal repayments	Actual Lease Principal outstanding 30 June 2026	2025/26 Actual Lease Interest repayments	Budget Principal 1 July 2025	2025/26 Budget New Leases	2025/26 Budget Lease Principal repayments	Budget Lease Principal outstanding 30 June 2026	2025/26 Budget Lease Interest repayments
			$	$	$	$	$	$	$	$	$	$	$	$	$	$	$
Other property and services																	
			18,500	0	(3,944)	14,556	0	0	21,029	(2,529)	18,500	0	0	0	0	0	0
			18,500	0	(3,944)	14,556	0	0	21,029	(2,529)	18,500	0	0	0	0	0	0

SIGNIFICANT ACCOUNTING POLICIES

LEASES

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

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

LEASE LIABILITIES

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

9. FINANCIALLY BACKED RESERVES

(a) Financially Backed Reserves - Movement

	2026/27 Budget Opening Balance	2026/27 Budget Interest Transfer to	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) Employee Entitlement Reserve	127,654	3,296	0	0	130,950	123,522	4,132	0	127,654	123,522	3,792	0	127,314
(b) Plant Replacement Reserve	265,871	6,866	0	(182,970)	89,767	518,939	13,371	(266,439)	265,871	518,939	15,930	(242,869)	292,000
(c) Sewerage Asset Preservation Reserve	988,396	25,523	0	(114,434)	899,485	969,812	32,196	(13,612)	988,396	969,812	29,770	(30,000)	969,582
(d) Information Technology Reserve	42,867	1,107	0	0	43,974	41,676	1,191	0	42,867	41,676	1,279	0	42,955
(e) Land & Building Reserve	674,244	17,411	0	(375,486)	316,169	709,496	23,731	(58,983)	674,244	709,496	21,780	(10,000)	721,276
(f) Swimming Pool Reserve	5,874	152	0	0	6,026	0	5,874	0	5,874	0	0	0	0
(g) Recreation Reserve	209,134	5,400	0	(33,993)	180,541	230,428	7,206	(28,500)	209,134	230,428	7,073	(7,500)	230,001
(h) Community Housing Reserve	180	5	0	0	185	65,767	2,199	(67,786)	180	65,767	2,019	(45,372)	22,414
(i) Economic Reserve	37,452	967	0	0	38,419	42,046	1,406	(6,000)	37,452	42,046	1,291	(12,000)	31,337
(j) Bowling Green Reserve	174,985	4,519	10,000	0	189,504	159,782	15,203	0	174,985	159,782	14,905	0	174,687
(k) Tennis Court Reserve	91,150	2,354	6,000	0	99,504	82,476	8,674	0	91,150	82,476	8,532	0	91,008
(l) Depot Reserve	98,465	2,543	0	0	101,008	95,242	3,223	0	98,465	95,242	2,924	0	98,166
(m) Waste Reserve	45,008	1,162	0	(30,000)	16,170	43,589	1,419	0	45,008	43,589	1,339	0	44,928
(n) Roads and Infrastructure	143,097	3,695	0	0	146,792	539,534	62,282	(458,719)	143,097	539,534	70,307	(458,719)	151,122
	2,904,377	75,000	16,000	(736,883)	2,258,494	3,622,309	182,107	(900,039)	2,904,377	3,622,309	180,941	(806,460)	2,996,790
	2,904,377	75,000	16,000	(736,883)	2,258,494	3,622,309	182,107	(900,039)	2,904,377	3,622,309	180,941	(806,460)	2,996,790

(b) Financially Backed Reserves - 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) Employee Entitlement Reserve	Ongoing	- To cash back the cost of Long Service, Annual and Sick Leave where the Leave cannot be absorbed within the Annual budget.
(b) Plant Replacement Reserve	Ongoing	- To ensure the cost of additional new plant and refurbishment or replacement can be met as per the Plant Replacement Program
(c) Sewerage Asset Preservation Reserve	Ongoing	- To provide for the replacement and development of sewerage and stormwater infrastructure throughout the Shire.
(d) Information Technology Reserve	Ongoing	- To be used for the renewal & upgrade of Shire of Dowerin Information Technology
(e) Land & Building Reserve	Ongoing	- To assist with funding the development and purchase of land and building assets.
(f) Recreation Reserve	Ongoing	- To fund future maintenance, upgrades and developments of recreation facilities, including the swimming pool.
(g) Community Housing Reserve	Ongoing	- To enable participation in community housing projects such as independent living units for seniors
(h) Economic Reserve	Ongoing	- To maintain a reserve to fund economic development initiatives
(i) Bowling Green Reserve	Ongoing	- To be used for the replacement of the bowling greens, includes co-contribution from Club
(j) Tennis Court Reserve	Ongoing	- To be used for the replacement of the Tennis Courts, includes co-contribution from Club
(k) Depot Reserve	Ongoing	- To be used for the purpose of construction of a new Shire of Dowerin Works Depot facility
(l) Waste Reserve	Ongoing	- To be used for the renewal & development of the Shire of Dowerin Waste Facility
(m) Roads and Infrastructure	Ongoing	- To be used for the new construction, maintenance, renewal or upgrade of drainage, footpaths, streets and roads

10. REVENUE RECOGNITION

SIGNIFICANT ACCOUNTING POLICIES

Recognition of revenue 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	Revenue recognition
Rates	General Rates	Over time	Payment dates adopted by Council during the year	None	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
Sewerage Rates & Charges	Charge for Town Sewerage service	Over time	Payment dates adopted by Council during the year	Refund in event monies are unspent	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
Operating Grants with commitments	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
Operating Grants with no contract commitments	General appropriations and contributions with no reciprocal commitment	No obligations	Not applicable	Not applicable	Cash received	On receipt of funds	Not applicable	When assets are controlled
Non- Operating Grants	Construction or acquisition of recognisable non-financial assets to be controlled by the local government	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
Fees & Charges	Sale of general goods & services	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
Other Revenue	Reimbursements, Donations, Insurance claims and Other revenue	Single point in time	Payment in arrears for claimable event	None	Set by mutual agreement with the customer	On receipt of funds	Not applicable	When assets are controlled

11. KEY TERMS AND DEFINITIONS - REPORTING PROGRAMS

In order to discharge its responsibilities to the community, Council has developed a set of operational and financial objectives. These objectives have been established both on an overall basis, reflected by the Shire's Community Vision, and for each of its broad activities/programs.

OBJECTIVE	ACTIVITIES
Governance To provide a decision making process for the efficient allocation of scarce resources.	Includes the activties of members of council and the administrative support available to the council for the provision of governance to 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 a safer and environmentally consious community.	Supervision of various by-laws, fire prevention, emergency services and animal control
Health To provide an operational framework for environmental and community health.	Food quality and pest control, operation of child health clinic, dental surgery and medical centre.
Housing The provision of housing to staff.	Maintenance of staff and rental housing.
Community amenities The provision of services required by the community.	Rubbish collection services, operation of tip, noise control, administration of town planning scheme, maintenance of cemetery, conveniences, storm water drainage, protection of the environment and Community Resource Centre operations.
Recreation and culture To establish and effectively manage infrastructure and resources that help to maintain the social well being of the community.	Maintenance of public halls, aquatic centre and carious sporting facilities. Provision and maintenance of parks, gardens, reserves and playgrounds. Operation off library and maintenance of museums and other cultural facilities
Transport To provide safe, effective and efficient transport services to the community.	Construction and maintenance of streets, roads, bridges, cleaning and lighting of streets, depot maintenance and airfield maintenance
Economic services To help promote the Shire and its economic wellbeing.	The regulation and provision of tourism, area promotion, building control, saleyards, noxious weeds, vermin control, plant nursery and standpipes
Other property and services To monitor and control Council's overheads operating account.	Private Works operations, plant repairs and operation costs. Maintenance of commercial buildings

11. PROGRAM INFORMATION

Income and expenses	2026/27 Budget	2025/26 Actual	2025/26 Budget
Income excluding grants, subsidies and contributions	$	$	$
Governance	0	285	0
General purpose funding	1,891,671	1,825,620	1,850,395
Law, order, public safety	9,000	7,145	7,900
Health	1,500	83	3,000
Education and welfare	15,000	13,045	28,435
Housing	220,000	169,438	172,100
Community amenities	325,007	344,298	289,264
Recreation and culture	49,200	42,450	32,015
Transport	53,572	65,463	30,813
Economic services	324,500	275,883	320,100
Other property and services	109,000	145,744	72,497
	2,998,450	2,889,454	2,806,519
Operating grants, subsidies and contributions			
General purpose funding	252,103	2,392,018	974,939
Law, order, public safety	43,740	41,151	54,450
Education and welfare	760,000	739,197	839,445
Housing	25,000	23,116	3,000
Recreation and culture	200,350	171,164	35,500
Transport	215,000	208,217	220,000
Economic services	0	0	140,700
Other property and services	16,400	26,785	18,900
	1,512,593	3,601,648	2,286,934
Non-operating grants, subsidies and contributions			
General purpose funding	0	130	3,230
Housing	1,900,000	0	0
Community amenities	80,000	0	0
Recreation and culture	97,407	21,763	46,500
Transport	2,555,646	3,044,932	3,809,373
Economic services	67,966	0	0
	4,701,019	3,066,825	3,859,103
Total Income	9,212,062	9,557,927	8,952,556
Expenses			
Governance	(670,088)	(441,098)	(498,065)
General purpose funding	(170,116)	(189,207)	(208,614)
Law, order, public safety	(228,554)	(205,009)	(186,387)
Health	(48,636)	(28,327)	(47,268)
Education and welfare	(705,817)	(820,350)	(934,230)
Housing	(331,869)	(337,912)	(378,060)
Community amenities	(767,057)	(565,599)	(623,195)
Recreation and culture	(1,774,921)	(1,642,071)	(1,495,949)
Transport	(2,701,063)	(2,578,083)	(2,605,641)
Economic services	(561,107)	(659,712)	(900,547)
Other property and services	(81,578)	(375,018)	(48,325)
Total expenses	(8,040,806)	(7,842,386)	(7,926,281)
Net result for the period	1,171,256	1,715,541	1,026,275

12. OTHER INFORMATION

	2026/27 Budget	2025/26 Actual	2025/26 Budget
	$	$	$
The net result includes as revenues			
(a) Interest earnings			
Investments			
- Reserve funds	75,000	106,596	111,194
- Other funds	40,000	38,105	19,072
Other interest revenue (refer note 1b)	6,900	6,862	8,506
	121,900	151,563	138,772
(a) Other revenue			
Reimbursements and recoveries	92,500	69,090	88,907
	92,500	69,090	88,907
The net result includes as expenses			
(b) Auditors remuneration			
Audit services	42,000	52,745	55,500
	42,000	52,745	55,500
(c) Interest expenses (finance costs)			
Borrowings (refer Note 7(a))	32,589	26,897	25,627
	32,589	26,897	25,627
(d) Write offs			
General rate	500	43	5,139
	500	43	5,139

13. ELECTED MEMBERS REMUNERATION

	2026/27 Budget	2025/26 Actual	2025/26 Budget
	$	$	$
Elected member President			
President's allowance	7,500	3,750	7,500
President's Superannuation	0	0	0
Meeting attendance fees	5,143	2,925	3,571
	12,643	6,675	11,071
Elected member Deputy President			
Deputy President's allowance	1,900	938	1,900
Deputy President's Superannuation	0	0	0
Meeting attendance fees	5,143	3,225	3,571
	7,043	4,163	5,471
Elected member Budgeted Expenditure			
Meeting attendance fees	25,714	9,075	17,858
Superannuation	0	0	
Travel and accommodation expenses	4,000	1,402	4,000
	29,714	10,477	21,858
Total Elected Member Remuneration	49,400	21,315	38,400
President's allowance	7,500	3,750	7,500
Deputy President's allowance	1,900	938	1,900
Meeting attendance fees	36,000	15,225	25,000
Councillors Superannuation	0	0	0
Travel and accommodation expenses	4,000	1,402	4,000
Total Elected Member Remuneration	49,400	21,315	38,400

14. JOINT ARRANGEMENTS

The Shire of Dowerin entered into joint arrangements with the State Housing Commission - Homeswest for construction of:

(1) - 4 x 2 Bedroom Units for small families (Memorial Street Units) in 1996 of which the Shire has 19% interest in the joint arrangement; and

(2) - 4 x Independent Living Units for Seniors (Lot 27 Goldfields Road - Hilda Street Units) in 2006 of which the Shire has a 21% interest in the joint arrangement.

Assets associated with the joint venture agreements are included in Council's Property, Plant & Equipment Register.

Statement of Financial Position	**2026/27 Budget**	**2025/26 Actual**	**2025/26 Budget**
	$	$	$
Property, plant and equipment	1,260,730	1,260,730	1,260,730
Less:accumulated depreciation	(121,573)	(60,786)	(60,786)
Total assets	1,139,157	1,199,944	1,199,944
Statement of Comprehensive income			
Other revenue	64,000	48,000	47,298
Other expenditure	(52,501)	(35,446)	(86,103)
Net result for the period	11,499	12,554	(38,805)
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Changes in asset revaluation surplus	0	0	0
Total other comprehensive income for the period	0	0	0
Total comprehensive income for the period	11,499	12,554	(38,805)

SIGNIFICANT ACCOUNTING POLICIES

Joint operations

A joint operation is a joint arrangement where the Shire has joint control with another party to the joint arrangement. All parties to joint arrangementhave rights to the assets, and obligations for the liabilities relating to the arrangement.

Assets, liabilities, revenues and expenses relating to the Shire's interest in the joint operation are accounted for in accordance with the relevant Australian Accounting Standard.

15. FEES AND CHARGES

	2026/27 Budget	2025/26 Actual	2025/26 Budget
	$	$	$
By Program:			
General purpose funding	5,100	5,221	3,974
Law, order, public safety	5,000	3,138	3,800
Health	1,500	83	3,000
Education and welfare	15,000	12,552	20,000
Housing	200,000	158,767	156,600
Community amenities	320,007	330,961	284,764
Recreation and culture	40,200	33,162	26,815
Economic services	324,000	276,329	307,000
Other property and services	81,000	79,075	55,000
	991,807	899,290	860,954