

SHIRE OF DERBY-WEST KIMBERLEY
ANNUAL BUDGET

FOR THE YEAR ENDED 30 JUNE 2027

LOCAL GOVERNMENT ACT 1995

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The Shire of Derby-West Kimberley a Class 2 local government and conducts the operations of local government with the following community vision:

A place where people want to live, invest, visit and return to.

**SHIRE OF DERBY-WEST KIMBERLEY
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2027**

	Note	2026/27 Budget	2025/26 Actual	2025/26 Budget
Revenue		\$	\$	\$
Rates	2(a)	10,781,115	10,041,363	10,125,245
Grants, subsidies and contributions		4,195,068	14,197,218	11,186,046
Fees and charges	13	4,488,180	5,914,641	4,355,293
Interest revenue	9(a)	387,200	370,540	165,240
Other revenue		240,230	3,608,496	2,636,240
		20,091,793	34,132,258	28,468,064
Expenses				
Employee costs		(11,389,554)	(10,748,081)	(10,885,727)
Materials and contracts		(11,602,669)	(14,019,641)	(12,604,545)
Utility charges		(1,018,200)	(905,243)	(883,650)
Depreciation	6	(8,993,769)	(7,540,741)	(8,029,276)
Finance costs	9(c)	(307,541)	(331,226)	(331,226)
Insurance		(977,500)	(859,660)	(856,069)
Other expenditure		(570,328)	(523,638)	(743,405)
		(34,859,561)	(34,928,230)	(34,333,898)
		(14,767,768)	(795,972)	(5,865,834)
Capital grants, subsidies and contributions		17,723,641	7,350,039	14,858,333
Profit on asset disposals	5	27,090	0	24,055
Loss on asset disposals	5	(108,798)	(950,513)	0
		17,641,933	6,399,526	14,882,388
Net result for the period		2,874,165	5,603,554	9,016,554
Total other comprehensive income for the period		0	0	0
Total comprehensive income for the period		2,874,165	5,603,554	9,016,554

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

SHIRE OF DERBY-WEST KIMBERLEY
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		\$ 11,201,115	\$ 9,538,336	\$ 10,125,245
Grants, subsidies and contributions		4,249,123	14,617,508	11,145,091
Fees and charges		4,488,180	5,914,641	4,355,293
Interest revenue		387,200	370,540	165,240
Goods and services tax received		1,953,596	2,059,138	2,003,860
Other revenue		240,230	3,608,496	2,636,240
		22,519,444	36,108,659	30,430,969
Payments				
Employee costs		(11,389,554)	(10,690,227)	(10,885,727)
Materials and contracts		(11,011,869)	(17,101,970)	(12,604,545)
Utility charges		(1,018,200)	(905,243)	(883,650)
Finance costs		(307,541)	(369,854)	(331,226)
Insurance paid		(977,500)	(859,660)	(856,069)
Goods and services tax paid		(1,953,596)	(1,843,015)	(2,003,860)
Other expenditure		(570,328)	(523,638)	(743,405)
		(27,228,588)	(32,293,607)	(28,308,482)
Net cash provided by (used in) operating activities	4	(4,709,144)	3,815,052	2,122,487
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for financial assets at amortised cost - term deposits		0	(253,216)	0
Payments for purchase of property, plant & equipment	5(a)	(12,261,632)	(1,030,586)	(2,138,674)
Payments for construction of infrastructure	5(b)	(7,799,661)	(8,087,094)	(15,348,334)
Proceeds from capital grants, subsidies and contributions		14,847,429	9,038,508	13,716,333
Proceeds from disposal of property, plant and equipment	5(a)	51,000	545	53,000
Proceeds on disposal of financial assets at amortised cost - term deposits		253,216	0	0
Net cash (used in) investing activities		(4,909,648)	(331,843)	(3,717,675)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	7(a)	(797,213)	(5,394,024)	(1,987,273)
Proceeds from new borrowings	7(a)	0	5,000,000	0
Net cash (used in) financing activities		(797,213)	(394,024)	(1,987,273)
Net increase (decrease) in cash held		(10,416,005)	3,089,185	(3,582,461)
Cash at beginning of year		11,538,333	8,449,148	4,868,635
Cash and cash equivalents at the end of the year	4	1,122,328	11,538,333	1,286,174

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

**SHIRE OF DERBY-WEST KIMBERLEY
STATEMENT OF FINANCIAL ACTIVITY
FOR THE YEAR ENDED 30 JUNE 2027**

OPERATING ACTIVITIES

Revenue from operating activities

	Note	2026/27 Budget	2025/26 Actual	2025/26 Budget
General rates	2(a)(i)	\$ 10,256,403	\$ 9,555,143	\$ 9,631,535
Rates excluding general rates	2(a)	524,712	486,220	493,710
Grants, subsidies and contributions		4,195,068	14,197,218	11,186,046
Fees and charges	13	4,488,180	5,914,641	4,355,293
Interest revenue	9(a)	387,200	370,540	165,240
Other revenue		240,230	3,608,496	2,636,240
Profit on asset disposals	5	27,090	0	24,055
		20,118,883	34,132,258	28,492,119

Expenditure from operating activities

Employee costs		(11,389,554)	(10,748,081)	(10,885,727)
Materials and contracts		(11,602,669)	(14,019,641)	(12,604,545)
Utility charges		(1,018,200)	(905,243)	(883,650)
Depreciation	6	(8,993,769)	(7,540,741)	(8,029,276)
Finance costs	9(c)	(307,541)	(331,226)	(331,226)
Insurance		(977,500)	(859,660)	(856,069)
Other expenditure		(570,328)	(523,638)	(743,405)
Loss on asset disposals	5	(108,798)	(950,513)	0
		(34,968,359)	(35,878,743)	(34,333,898)

Non cash amounts excluded from operating activities

	3(c)	9,075,477	8,491,254	8,005,221
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Amount attributable to operating activities

(5,773,999) 6,744,769 2,163,442

INVESTING ACTIVITIES

Inflows from investing activities

Proceeds from capital grants, subsidies and contributions		17,723,641	7,350,039	14,858,333
Proceeds from disposal of property, plant and equipment	5(a)	51,000	545	53,000
Proceeds from disposal financial assets at amortised cost - term deposits		253,216	0	0
		18,027,857	7,350,584	14,911,333

Outflows from investing activities

Acquisition of property, plant and equipment	5(a)	(12,261,632)	(1,030,586)	(2,138,674)
Acquisition of infrastructure	5(b)	(7,799,661)	(8,087,094)	(15,348,334)
Payments for financial assets at amortised cost - term deposits		0	(253,216)	0
		(20,061,293)	(9,370,896)	(17,487,008)

Non-cash amounts excluded from investing activities

	3(d)	(253,216)	253,216	0
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Amount attributable to investing activities

(2,286,652) (1,767,096) (2,575,675)

FINANCING ACTIVITIES

Inflows from financing activities

Proceeds from new borrowings	7(a)	0	5,000,000	0
Transfers from reserve accounts	8(a)	283,327	0	1,221,336
		283,327	5,000,000	1,221,336

Outflows from financing activities

Repayment of borrowings	7(a)	(797,213)	(5,394,024)	(1,987,273)
Transfers to reserve accounts	8(a)	(90,098)	(283,327)	(867,380)
		(887,311)	(5,677,351)	(2,854,653)

Amount attributable to financing activities

(603,984) (677,351) (1,633,317)

MOVEMENT IN SURPLUS OR DEFICIT

Surplus remaining at the start of the financial year

Amount attributable to operating activities	3	8,664,635	4,364,313	2,045,550
Amount attributable to investing activities		(5,773,999)	6,744,769	2,163,442
Amount attributable to financing activities		(2,286,652)	(1,767,096)	(2,575,675)
Amount attributable to financing activities		(603,984)	(677,351)	(1,633,317)
Surplus remaining after the imposition of general rates	3	0	8,664,635	0

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

**SHIRE OF DERBY-WEST KIMBERLEY
FOR THE YEAR ENDED 30 JUNE 2027
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SHIRE OF DERBY-WEST KIMBERLEY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2027

1 BASIS OF PREPARATION

The annual budget of the Shire of Derby-West Kimberley which is a Class 2 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 with exception to the following:

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 10 to the annual budget.

2025/26 actual balances

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

Budget comparative figures

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

Comparative figures

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

Rounding off figures

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

Statement of Cashflows

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

Initial application of accounting standards

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

- *AASB 2026-1 Amendments to Australian Accounting Standards – Disclosures about Uncertainties in the Financial Statements*
- *AASB 2024-2 Amendments to Australian Accounting Standards – Classification and Measurement of Financial Instruments*
- *AASB 2024-3 Amendments to Australian Accounting Standards – Standards – Annual Improvements Volume 11*
- *AASB 2025-1 Amendments to Australian Accounting Standards – Contracts Referencing Nature-dependent Electricity*
- *AASB 2025-2 Amendments to Australian Accounting Standards – Classification and Measurement of Financial Instruments: Tier 2 Disclosures*
- *AASB 2025-3 Amendments to Australian Accounting Standards – Contracts Referencing Nature-dependent Electricity: Tier 2 Disclosures*
- *AASB 2022-9 Amendments to Australian Accounting Standards – Insurance Contracts in the Public Sector*

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

New accounting standards for application in future years

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

- *AASB 2014-10 Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*
- *AASB 18 (NFP/super) Presentation and Disclosure in Financial Statements – (Appendix D) [for not-for-profit and superannuation entities]*
- *AASB 2024-4b Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 [deferred AASB 10 and AASB 128 amendments in AASB 2014-10 apply]*

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

Critical accounting estimates and judgements

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

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

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

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

- Fair value measurement of assets carried at reportable value including:
 - Property, plant and equipment
 - Infrastructure
 - Expected credit losses on financial assets
- Measurement of employee benefits
- Measurement of provisions

**SHIRE OF DERBY-WEST KIMBERLEY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2027**

2. RATES AND SERVICE CHARGES

(a) Rating Information

Rate Description	Basis of valuation	Rate in dollar	Number of properties	Rateable value*	2026/27 Budgeted rate revenue	2026/27 Budgeted interim rates	2026/27 Budgeted total revenue	2025/26 Actual total revenue	2025/26 Budget total revenue
				\$	\$	\$	\$	\$	\$
(i) General rates									
GRV General	Gross rental valuation	0.160020	1,417	39,829,599	6,373,532	0	6,373,532	6,022,507	6,010,008
UV General	Unimproved valuation	0.148290	149	25,914,567	3,842,871	40,000	3,882,871	3,532,636	3,621,527
Total general rates			1,566	65,744,166	10,216,403	40,000	10,256,403	9,555,143	9,631,535
		Minimum							
		\$							
(ii) Minimum payment									
GRV General	Gross rental valuation	1,745.00	262	1,078,011	457,190	0	457,190	421,120	424,410
UV General	Unimproved valuation	742.00	91	139,695	67,522	0	67,522	65,100	69,300
Total minimum payments			353	1,217,706	524,712	0	524,712	486,220	493,710
Total general rates and minimum payments			1,919	66,961,872	10,741,115	40,000	10,781,115	10,041,363	10,125,245
Instalment plan charges							20,000	18,375	18,000
Instalment plan interest							30,000	29,510	28,000
Late payment of rate or service charge interest							197,000	177,439	104,000
							247,000	225,324	150,000

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

*Rateable Value at time of adopting budget.

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

The general rates detailed for the 2026/27 financial year have been determined by Council on the basis of raising the revenue required to meet the estimated deficiency between the total estimated expenditure proposed in the budget and the estimated revenue to be received from all sources other than general rates and also considering the extent of any increase in rating over the level adopted in the previous year.

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

SHIRE OF DERBY-WEST KIMBERLEY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2027

2. RATES AND SERVICE CHARGES (CONTINUED)

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

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

Option 1 (Full Payment)

Full amount of rates and charges including arrears, to be paid on or before 19 August 2026 or 35 days after the date of issue appearing on the rate notice whichever is the later.

Option 2 (Two Instalments)

First instalment to be made on or before 19 August 2026 or 35 days after the date of issue appearing on the rate notice, which ever is the later, including all arrear and half the current rates and service charges and

Second instalment to be paid on or before the 17 November 2026 or 2 months after the due date of the first instalment, whichever is the later.

Option 3 (Four Instalments)

First instalment to be made on or before 19 August 2026 or 35 days after the date of issue appearing on the rate notice, which ever is the later, including all arrear and half the current rates and service charges and

Second instalment to be paid on or before the 20 October 2026 or 2 months after the due date of the first instalment, whichever is the later.

Third instalment to be paid on or before 21 December 2026 or two months after the date of the second instalment, which ever is the later,

Fourth instalment to be paid on or before 18 February 2027 or two months after the due date of the third instalment, whichever is the later.

Instalment options	Date due	Instalment plan	Instalment plan	Unpaid rates
		admin charge	interest rate	interest rates
		\$	%	%
Option one				
Single full payment	19/08/2026	0	0.0%	0.0%
Option two				
First instalment	19/08/2026	22	5.5%	11.0%
Second instalment	17/11/2026	22	5.5%	11.0%
Option three				
First instalment	19/08/2026	22	5.5%	11.0%
Second instalment	20/10/2026	22	5.5%	11.0%
Third instalment	21/12/2026	22	5.5%	11.0%
Fourth instalment	18/02/2027	22	5.5%	11.0%

(c) Service Charges

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

(d) Waivers or concessions

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

SHIRE OF DERBY-WEST KIMBERLEY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2027

3. NET CURRENT ASSETS

(a) Composition of estimated net current assets

		2026/27 Budget	2025/26 Actual	2025/26 Budget
	Note	30 June 2027 Carried forward	30 June 2026 Carried forward	30 June 2026 Carried forward
		\$	\$	\$
Current assets				
Cash and cash equivalents	4	1,122,328	11,538,333	1,286,174
Financial assets at amortised cost - term deposits		975,801	1,229,017	975,801
Receivables		1,711,177	2,189,777	3,329,576
Inventories		68,657	68,657	65,091
		3,877,963	15,025,784	5,656,642
Less: current liabilities				
Trade and other payables		(1,998,689)	(1,407,889)	(4,481,300)
Contract liabilities		0	(4,545)	0
Capital grant/contribution liability		0	(2,876,212)	0
Long term borrowings	7	(792,045)	(797,213)	(2,077,619)
Employee provisions		(1,215,816)	(1,215,816)	(955,938)
		(4,006,550)	(6,301,675)	(7,514,857)
Net current assets		(128,587)	8,724,109	(1,858,215)
Less: Total adjustments to net current assets	3(b)	128,587	(59,474)	1,858,215
Net current assets used in the Statement of Financial Activity		0	8,664,635	0
(b) Current assets and liabilities excluded from budgeted deficiency				
<p>The following current assets and liabilities have been excluded from the net current assets used in the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.</p>				
Adjustments to net current assets				
Less: Reserve accounts	8	(1,065,899)	(1,259,128)	(621,845)
Add: Current liabilities not expected to be cleared at end of year				
- Current portion of borrowings		792,045	797,213	2,077,619
Add: Current liabilities covered by funds held in reserve account				
- Current portion of employee benefit provisions		402,441	402,441	402,441
Total adjustments to net current assets		128,587	(59,474)	1,858,215
Items excluded from calculation of budgeted deficiency				
<p>When calculating the budget deficiency for the purpose of Section 6.2 (2)(c) of the <i>Local Government Act 1995</i> the following amounts have been excluded as provided by <i>Local Government (Financial Management) Regulation 32</i> which will not fund the budgeted expenditure.</p>				
(c) Amounts excluded from operating activities				
Less: Profit on asset disposals	5	(27,090)	0	(24,055)
Add: Loss on asset disposals	5	108,798	950,513	0
Add: Depreciation	6	8,993,769	7,540,741	8,029,276
Non cash amounts excluded from operating activities		9,075,477	8,491,254	8,005,221
(d) Amounts excluded from investing activities				
Reconciling item - movement between current assets				
- Financial assets at amortised cost - term deposits		(253,216)	253,216	0
Non cash amounts excluded from investing activities		(253,216)	253,216	0

**SHIRE OF DERBY-WEST KIMBERLEY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2027**

3. NET CURRENT ASSETS (CONTINUED)

(e) 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.

INVENTORY - LAND HELD FOR RESALE

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

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

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

SUPERANNUATION

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

GOODS AND SERVICES TAX (GST)

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

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

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

CONTRACT LIABILITIES

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

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

TRADE AND OTHER RECEIVABLES

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

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

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

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

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

PROVISIONS

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

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

EMPLOYEE BENEFITS

Short-term employee benefits

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

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

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

Other long-term employee benefits

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

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

**SHIRE OF DERBY-WEST KIMBERLEY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2027**

4. RECONCILIATION OF CASH

(a) Reconciliation of cash

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

	Note	2026/27 Budget	2025/26 Actual	2025/26 Budget
Cash and cash equivalents		\$ 1,122,328	\$ 11,538,333	\$ 1,286,174
Restrictions				
The following classes of financial assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:				
Cash and cash equivalents		90,098	2,910,868	621,845
Restricted financial assets at amortised cost - term deposits		975,801	1,229,017	0
		1,065,899	4,139,885	621,845
The restricted financial assets are a result of the following specific purposes to which the assets may be used:				
Reserve accounts	8	1,065,899	1,259,128	621,845
Contract liabilities		0	4,545	0
Capital grants, subsidies and contribution liabilities		0	2,876,212	0
Total restricted financial assets		1,065,899	4,139,885	621,845
(b) Reconciliation of net cash provided by operating activities				
Net result		2,874,165	5,603,554	9,016,554
Non-cash items:				
Depreciation	6	8,993,769	7,540,741	8,029,276
(Profit)/loss on sale of assets	5	81,708	950,513	(24,055)
Changes in assets and liabilities:				
Decrease in receivables		478,600	235,059	0
(Increase) in inventories		0	(43,868)	0
Decrease in other assets		0	135,982	0
(Increase)/decrease in trade and other payables		590,800	(3,155,217)	0
(Increase) in contract liabilities		(4,545)	(101,673)	(40,955)
(Increase)/decrease in capital grants/subsidies liability		(2,876,212)	1,688,469	(1,142,000)
Capital grants, subsidies and contributions		(14,847,429)	(9,038,508)	(13,716,333)
Net cash provided by/(used in) operating activities		(4,709,144)	3,815,052	2,122,487

MATERIAL ACCOUNTING POLICES

CASH AND CASH EQUIVALENTS

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

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

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

FINANCIAL ASSETS AT AMORTISED COST

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

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

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

SHIRE OF DERBY-WEST KIMBERLEY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2027

5. PROPERTY, PLANT AND EQUIPMENT

	2026/27 Budget					2025/26 Actual				2025/26 Budget			
	Additions	Disposals - Net Book Value	Disposals - Sale Proceeds	Disposals - Profit	Disposals - Loss	Additions	Disposals - Net Book Value	Disposals - Sale Proceeds	Disposals - Loss	Additions	Disposals - Net Book Value	Disposals - Sale Proceeds	Disposals - Profit
(a) Property, Plant and Equipment	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Buildings	12,057,000	0	0	0	0	1,030,586	0	0	0	1,859,042	0	0	0
Plant and equipment	204,632	(132,708)	51,000	27,090	(108,798)	0	(1,265)	545	(720)	279,632	(28,945)	53,000	24,055
Total	12,261,632	(132,708)	51,000	27,090	(108,798)	1,030,586	(1,265)	545	(720)	2,138,674	(28,945)	53,000	24,055
(b) Infrastructure													
Infrastructure - roads	5,877,603	0	0	0	0	4,580,783	(949,793)	0	(949,793)	9,276,674	0	0	0
Infrastructure - drainage	0	0	0	0	0	612,766	0	0	0	250,000	0	0	0
Infrastructure - airport infrastructure	0	0	0	0	0	0	0	0	0	200,000	0	0	0
Infrastructure - other structures	1,922,058	0	0	0	0	2,893,545	0	0	0	5,621,660	0	0	0
Total	7,799,661	0	0	0	0	8,087,094	(949,793)	0	(949,793)	15,348,334	0	0	0
Total	20,061,293	(132,708)	51,000	27,090	(108,798)	9,117,680	(951,058)	545	(950,513)	17,487,008	(28,945)	53,000	24,055

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 DERBY-WEST KIMBERLEY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2027**

6. DEPRECIATION

By Class

Buildings
Plant and equipment
Infrastructure - roads
Infrastructure - footpaths
Infrastructure - drainage
Infrastructure - wharf
Infrastructure - parks and ovals
Infrastructure - waste facilities
Infrastructure - airport infrastructure
Infrastructure - other structures

By Program

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

2026/27 Budget	2025/26 Actual	2025/26 Budget
\$	\$	\$
2,722,869	1,484,526	1,973,061
478,668	413,070	413,070
4,841,125	4,718,529	4,718,529
26,723	26,576	26,576
45,854	38,836	38,836
631,061	627,473	627,473
29,779	20,378	20,378
16,532	343	343
4,096	23,649	23,649
197,062	187,361	187,361
8,993,769	7,540,741	8,029,276
71,708	89,777	89,777
57,375	54,925	54,925
58,101	42,640	42,640
135,457	102,264	102,264
304,690	247,833	247,833
142,698	95,001	95,001
987,261	733,228	733,228
6,828,037	6,344,840	6,344,840
114,375	97,178	97,178
294,067	(266,945)	221,590
8,993,769	7,540,741	8,029,276

MATERIAL ACCOUNTING POLICIES

DEPRECIATION

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

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

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

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

Buildings	30 to 80 years
Plant and equipment	2 to 20 years
Infrastructure - roads	14 to 80 years
Infrastructure - footpaths	10 to 80 years
Infrastructure - drainage	100 years
Infrastructure - wharf	35 years
Infrastructure - parks and ovals	10 to 100 years
Infrastructure - waste facilities	20 to 50 years
Infrastructure - airport infrastructure	8 to 65 years
Infrastructure - other structures	10 to 50 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.

SHIRE OF DERBY-WEST KIMBERLEY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2027

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	2026/27	2026/27	Budget	2026/27	Actual	2025/26	2025/26	Actual	2025/26	Budget	2025/26	2025/26	Budget	2025/26
				Principal	Budget	Budget	Principal	Principal		Actual	Actual	Actual	Actual		Principal	Budget	Budget	Budget
				1 July 2026	New Loans	Repayments	outstanding 30 June 2027	Interest Repayments	1 July 2025	New Loans	Repayments	outstanding 30 June 2026	Interest Repayments	1 July 2025	New Loans	Repayments	outstanding 30 June 2026	Interest Repayments
				\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Wharf fenders, boat ramp	145	WATC	6.870%	37,910	0	(37,908)	2	(1,964)	73,342	0	(35,432)	37,910	(4,440)	73,342	0	(35,433)	37,909	(4,440)
Staff Housing	146	WATC	6.330%	290,323	0	(65,943)	224,380	(17,350)	352,282	0	(61,959)	290,323	(21,334)	352,282	0	(61,959)	290,323	(21,334)
Staff Housing	148	WATC	4.490%	158,955	0	(23,641)	135,314	(6,875)	181,570	0	(22,615)	158,955	(7,902)	181,570	0	(22,615)	158,955	(7,902)
Derby Visitors Centre	149	WATC	4.490%	198,694	0	(29,551)	169,143	(8,593)	226,962	0	(28,268)	198,694	(9,877)	226,962	0	(28,268)	198,694	(9,877)
Derby Wharf Infrastructure	151	WATC	3.020%	88,968	0	(43,818)	45,150	(2,359)	131,492	0	(42,524)	88,968	(3,652)	131,492	0	(42,524)	88,968	(3,652)
Derby Airport & Wharf Infrastructure	152	WATC	1.730%	739,504	0	(206,757)	532,747	(11,902)	942,730	0	(203,226)	739,504	(15,434)	942,730	0	(203,226)	739,504	(15,434)
Disaster Recovery Flood Damage	Various	WATC	Various	0	0	0	0	0	5,000,000	0	(5,000,000)	0	(268,587)	5,000,000	0	(1,593,248)	3,406,752	(268,587)
General finance	153	WATC	5.324%	5,000,000	0	(389,595)	4,610,405	(258,498)	0	5,000,000	0	5,000,000	0	0	0	0	0	0
				6,514,354	0	(797,213)	5,717,141	(307,541)	6,908,378	5,000,000	(5,394,024)	6,514,354	(331,226)	6,908,378	0	(1,987,273)	4,921,105	(331,226)

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 DERBY-WEST KIMBERLEY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2027**

7. BORROWINGS (CONTINUED)

(b) New borrowings - 2026/27

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

(c) Unspent borrowings

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

(d) Credit Facilities

**Undrawn borrowing facilities
credit standby arrangements**

Bank overdraft limit
Bank overdraft at balance date
Credit card limit
Credit card balance at balance date

Total amount of credit unused

Loan facilities

Loan facilities in use at balance date

	2026/27 Budget	2025/26 Actual	2025/26 Budget
	\$	\$	\$
Bank overdraft limit	0	0	0
Bank overdraft at balance date	0	0	0
Credit card limit	80,000	80,000	80,000
Credit card balance at balance date	0	0	0
Total amount of credit unused	80,000	80,000	80,000
Loan facilities			
Loan facilities in use at balance date	5,717,141	6,514,354	4,921,105

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 DERBY-WEST KIMBERLEY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2027

8. RESERVE ACCOUNTS

(a) Reserve Accounts - Movement

	2026/27 Budget				2025/26 Actual				2025/26 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 council												
(a) Leave reserve	0	0	0	0	0	0	0	0	402,441	0	(402,441)	0
(b) Office building reserve	0	0	0	0	0	0	0	0	314,511	0	(314,511)	0
(c) Airport reserve	0	0	0	0	0	0	0	0	28,456	0	(28,456)	0
(d) Derby Wharf Maintenance reserve	0	0	0	0	0	0	0	0	3,721	0	(3,721)	0
(e) Economic Development reserve	0	0	0	0	0	0	0	0	19,936	0	(19,936)	0
(f) Fitzroy Crossing Recreation Hall reserve	0	0	0	0	0	0	0	0	46,771	0	(46,771)	0
(g) Staff Housing reserve	159,965	0	0	159,965	159,965	0	0	159,965	159,965	0	(75,500)	84,465
(h) Employee entitlement reserve	402,441	0	0	402,441	402,441	0	0	402,441	0	402,441	0	402,441
(i) Shire building reserve	314,511	0	0	314,511	314,511	0	0	314,511	0	314,511	(220,000)	94,511
(j) Derby Wharf surrounds reserve	3,721	0	0	3,721	3,721	0	0	3,721	0	3,721	0	3,721
(k) Strategic planning reserve	331,719	0	(283,327)	48,392	48,392	283,327	0	331,719	0	99,935	(90,000)	9,935
(l) Fitzroy Crossing building reserve	46,771	0	0	46,771	46,771	0	0	46,771	0	46,772	(20,000)	26,772
(m) Emergency Works reserve	0	60,098	0	60,098	0	0	0	0	0	0	0	0
(n) Office equipment reserve	0	30,000	0	30,000	0	0	0	0	0	0	0	0
	1,259,128	90,098	(283,327)	1,065,899	975,801	283,327	0	1,259,128	975,801	867,380	(1,221,336)	621,845

(b) Reserve Accounts - Purposes

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

Reserve name	Anticipated date of use	Purpose of the reserve
Restricted by council		
(a) Leave reserve	30/06/2026	To be used to fund annual and long service leave requirements.
(b) Office building reserve	30/06/2026	To be used to fund the new Derby administration building.
(c) Airport reserve	30/06/2026	To be used to fund airport maintenance and capital works.
(d) Derby Wharf Maintenance reserve	30/06/2026	To be used to carry out wharf maintenance.
(e) Economic Development reserve	30/06/2026	To promote economic development within the Shire.
(f) Fitzroy Crossing Recreation Hall reserve	30/06/2026	To be used to quarantine funds received from the lease of the FX Recreation Hall to be utilised for any upgrade works.
(g) Staff Housing reserve	ongoing	To be used for the maintenance and capital works of staff housing.
(h) Employee entitlement reserve	ongoing	To be used to cover all employee entitled costs
(i) Shire building reserve	ongoing	To be used to fund the maintenance and capital works on Shire buildings.
(j) Derby Wharf surrounds reserve	ongoing	To be used to carry out improvements and maintenance in Derby wharf surrounds.
(k) Strategic planning reserve	ongoing	To be used for strategic planning projects within the Shire.
(l) Fitzroy Crossing building reserve	ongoing	To be used to fund the maintenance and capital works on Fitzroy Crossing Shire buildings.
(m) Emergency Works reserve	ongoing	To be used to fund emergency works required as a result of natural disasters
(n) Office equipment reserve	ongoing	To be used to fund future IT requirements

**SHIRE OF DERBY-WEST KIMBERLEY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2027**

9. OTHER INFORMATION

The net result includes as revenues

(a) Interest earnings

	2026/27 Budget	2025/26 Actual	2025/26 Budget
	\$	\$	\$
Investments	150,000	158,742	30,000
Late payment of fees and charges *	10,200	4,849	3,240
Other interest revenue	227,000	206,949	132,000
	<u>387,200</u>	<u>370,540</u>	<u>165,240</u>

* The Shire has resolved to charge interest under section 6.13 for the late payment of any amount of money at 11%.

The net result includes as expenses

(b) Auditors remuneration

Audit services	112,000	105,683	120,000
	<u>112,000</u>	<u>105,683</u>	<u>120,000</u>

(c) Interest expenses (finance costs)

Borrowings (refer Note 7(a))	307,541	331,226	331,226
	<u>307,541</u>	<u>331,226</u>	<u>331,226</u>

SHIRE OF DERBY-WEST KIMBERLEY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2027

10. COUNCIL MEMBERS REMUNERATION

	2026/27 Budget	2025/26 Actual	2025/26 Budget
	\$	\$	\$
President			
President's allowance	17,825	9,259	17,222
Meeting attendance fees	17,238	8,954	16,655
Annual allowance for ICT expenses	500	269	500
Travel and accommodation expenses	0	4,985	0
Superannuation contribution payments	4,208	0	4,063
	39,771	23,467	38,440
Deputy President			
Deputy President's allowance	4,456	2,315	4,305
Meeting attendance fees	17,238	8,954	16,655
Annual allowance for ICT expenses	500	269	500
Travel and accommodation expenses	0	973	0
Superannuation contribution payments	2,603	0	2,514
	24,797	12,511	23,974
Council member 1			
Meeting attendance fees	17,238	8,954	16,655
Annual allowance for ICT expenses	500	269	500
Travel and accommodation expenses	0	3,013	0
Superannuation contribution payments	2,069	0	1,999
	19,807	12,236	19,154
Council member 2			
Meeting attendance fees	17,238	8,954	16,655
Annual allowance for ICT expenses	500	269	500
Travel and accommodation expenses	0	2,260	0
Superannuation contribution payments	2,069	0	1,999
	19,807	11,483	19,154
Council member 3			
Meeting attendance fees	17,238	8,029	16,655
Annual allowance for ICT expenses	500	241	500
Travel and accommodation expenses	0	518	0
Superannuation contribution payments	2,069	0	1,999
	19,807	8,788	19,154
Council member 4			
Meeting attendance fees	17,238	8,954	16,655
Annual allowance for ICT expenses	500	269	500
Superannuation contribution payments	2,069	0	1,999
	19,807	9,223	19,154
Council member 5			
Meeting attendance fees	17,238	8,954	16,655
Annual allowance for ICT expenses	500	0	500
Travel and accommodation expenses	0	269	0
Superannuation contribution payments	2,069	0	1,999
	19,807	9,223	19,154
Council member 6			
Meeting attendance fees	17,238	8,954	16,655
Annual allowance for ICT expenses	500	269	500
Superannuation contribution payments	2,069	0	1,999
	19,807	9,223	19,154
Council member 7			
Meeting attendance fees	17,238	8,954	16,655
Annual allowance for ICT expenses	500	269	500
Superannuation contribution payments	2,069	0	1,999
	19,807	9,223	19,154
Commissioner			
Meeting attendance fees	0	77,887	0
Other expenses	0	11,200	0
Travel and accommodation expenses	0	306	0
Superannuation contribution payments	0	9,346	0
	0	98,739	0
Total Council Member Remuneration	203,217	204,116	196,492
President's allowance	17,825	9,259	17,222
Deputy President's allowance	4,456	2,315	4,305
Meeting attendance fees	155,142	157,548	149,895
Other expenses	0	11,200	0
Annual allowance for ICT expenses	4,500	2,124	4,500
Travel and accommodation expenses	0	12,324	0
Superannuation contribution payments	21,294	9,346	20,570
	203,217	204,116	196,492

**SHIRE OF DERBY-WEST KIMBERLEY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2027**

11. 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.

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NOTES TO AND FORMING PART OF THE BUDGET
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11. REVENUE AND EXPENDITURE (CONTINUED)

(b) Revenue Recognition

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Timing of Revenue recognition
Licences/ Registrations/ Approvals	Building, planning, development and animal management, having the same nature as a licence regardless of naming.	Single point in time	Full payment prior to issue	None	On payment and issue of the licence, registration or approval
Airport landing charges	Permission to use facilities and runway	Single point in time	Monthly in arrears	None	On landing/departure event
Fees and charges for other goods and services	Cemetery services, library fees, reinstatements and private works	Single point in time	Payment in full in advance	None	Output method based on provision of service or completion of works
Sale of stock	Aviation fuel	Single point in time	In full in advance, on 15 day credit	Refund for faulty goods	Output method based on goods

**SHIRE OF DERBY-WEST KIMBERLEY
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12. PROGRAM INFORMATION

Key Terms and Definitions - Reporting Programs

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

OBJECTIVE

ACTIVITIES

Governance

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

Includes the activities of members of Council and the administrative support available to the Council for the provision of governance of the district. Other costs relate to the task of assisting elected members and ratepayers on matters which do not concern specific local government 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, provision of meat inspection services, noise control and waste disposal compliance.

Education and welfare

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

Maintenance of child minding centre, playgroup centre, senior citizen centre and aged care centre. Provision and maintenance of home care programs and youth services.

Housing

To provide and maintain elderly residents housing.

Provision and maintenance of staff and elderly residents housing.

Community amenities

To provide services required by the community.

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

Recreation and culture

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

Maintenance of public halls, civic centres, aquatic centre, beaches, 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 local government and its economic wellbeing.

Tourism and area promotion including the maintenance and operation of a caravan park. Provision of rural services including weed control, vermin control and standpipes. Building Control.

Other property and services

To monitor and control operating accounts.

Private works operations, public works overheads, plant repairs and maintenance costs.

**SHIRE OF DERBY-WEST KIMBERLEY
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2027**

13. FEES AND CHARGES

	2026/27 Budget	2025/26 Actual	2025/26 Budget
	\$	\$	\$
By Program:			
Governance	1,800	2,935	1,080
General purpose funding	39,800	38,643	35,000
Law, order, public safety	20,880	14,531	25,980
Health	42,060	38,972	42,000
Housing	157,560	165,338	148,340
Community amenities	3,321,400	3,353,541	3,096,000
Recreation and culture	87,700	99,325	111,293
Transport	765,000	2,148,021	785,000
Economic services	29,400	39,110	30,000
Other property and services	22,580	14,225	80,600
	4,488,180	5,914,641	4,355,293

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