SHIRE OF MANJIMUP

ANNUAL FINANCIAL REPORT

2024 / 2025

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A MESSAGE FROM THE SHIRE PRESIDENT AND THE CHIEF EXECUTIVE OFFICER

We are pleased to present the 2024/25 Annual Financial Report to the Shire of Manjimup to our community.

This year has been one of consolidation and steady progress, building on the transformation of recent years. Our focus has remained on balancing the completion of key projects with the effective management and maintenance of existing assets, ensuring our Shire delivers sustainable and high-quality services for our community.

It is important to acknowledge the continued service of our Elected Members throughout 2024/25, and to particularly recognise those who will be concluding their terms following the 2025 local government election. We thank them for their significant contribution and dedication over their time in office.

Throughout the year, we have continued to advance key community projects that provide lasting value. Significant achievements include securing grant funding for major initiatives such as the Manjimup Trail Bike Hub and Off-Road Vehicle project ($990,000), and the Rea Park and Collier Street Reserve Redevelopment ($1.25 million), alongside other targeted investments. These projects reflect our ongoing dedication to improving facilities and infrastructure for the enjoyment and benefit of our community.

At the same time, our Shire has embraced State-driven reform initiatives, including local government and planning reforms. By proactively engaging with these changes, we are ensuring our operations remain efficient, compliant, and aligned with best practice standards.

We are proud to report a clean bill of audit health for 2024/25, which reflects strong financial management and responsible stewardship of community resources. This provides confidence that our Shire is well-positioned for the future.

We extend our sincere thanks to all Elected Members for their dedication, and to our staff for their professionalism and hard work throughout the year. Their commitment ensures that the Shire of Manjimup continues to deliver on its promises to the community.

Finally, we thank our residents for their ongoing support and engagement. Together, we will continue to strengthen the foundations of our Shire, maintaining services and infrastructure that enhance quality of life and ensure a thriving future for all.

Warm regards,

Donelle Buegge
Shire President

Benjamin (Ben) Rose
Chief Executive Officer

SHIRE OF MANJIMUP

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2025

Statement by CEO	2
Statement of comprehensive income	3
Statement of financial position	4
Statement of changes in equity	5
Statement of cash flows	6
Statement of financial activity	7
Index of notes to the financial report	8
Independent auditor's report	50

The Shire of Manjimup conducts the operations of a local government with the following community vision:

We are a thriving region offering an excellent quality of life that is safe, liveable and welcoming.

We value and care for our natural environment, which sustains both economic and recreational pursuits.

Our industries are recognised for their resilience, quality and innovation and for their contribution to the state of Western Australia.

Our economic diversity provides business and employment opportunities for all.

Principal place of business:
37-39 Rose Street
Manjimup
WA 6258

AMD

SHIRE OF MANJIMUP
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

Local Government Act 1995
Local Government (Financial Management) Regulations 1996

Statement by CEO

The accompanying financial report of the Shire of Manjimup has been prepared in compliance with the provisions of the *Local Government Act 1995* from proper accounts and records to present fairly the financial transactions for the reporting period ended 30 June 2025 and the financial position as at 30 June 2025.

At the date of signing this statement the particulars included in the financial report are not misleading or inaccurate.

Signed on the 24 day of November 2025

CEO

Benjamin (Ben) Rose
Name of CEO

OAG AUDITED

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SHIRE OF MANJIMUP
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2025

	Note	2025 Actual	2025 Budget	2024 Actual (Restated)*
		$	$	$
Revenue				
Rates	2(a),25	11,922,557	11,958,318	11,340,373
Grants, subsidies and contributions	2(a)	6,603,173	4,249,527	7,234,080
Fees and charges	2(a)	6,556,668	6,023,647	6,822,579
Interest revenue	2(a)	634,452	433,956	733,743
Other revenue	2(a)	723,131	1,234,672	674,664
		26,439,981	23,900,120	26,805,439
Expenses				
Employee costs	2(b)	(12,760,674)	(13,607,211)	(12,297,664)
Materials and contracts		(8,910,650)	(9,582,127)	(8,299,047)
Utility charges		(764,382)	(614,901)	(716,290)
Depreciation		(9,853,097)	(9,702,014)	(9,617,490)
Finance costs	2(b)	(455,401)	(382,486)	(283,029)
Insurance		(925,624)	(901,317)	(857,445)
Other expenditure	2(b)	(397,456)	(501,668)	(655,894)
		(34,067,284)	(35,291,724)	(32,726,859)
		(7,627,303)	(11,391,604)	(5,921,420)
Capital grants, subsidies and contributions	2(a)	4,936,056	10,177,020	4,199,145
Profit on asset disposals		83,902	312,969	205,029
Loss on asset disposals		(13,573)	(32,516)	(2,278)
		5,006,385	10,457,473	4,401,896
Net result for the period	24(b)	**(2,620,918)**	**(934,131)**	**(1,519,524)**
Total other comprehensive income for the period		**0**	**0**	**0**
Total comprehensive income for the period		**(2,620,918)**	**(934,131)**	**(1,519,524)**

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

* Restated refer to note 30 for correction of prior period error.

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SHIRE OF MANJIMUP
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2025

	Note	2025	2024 (Restated)*
		$	$
CURRENT ASSETS			
Cash and cash equivalents	3	16,508,219	18,929,238
Trade and other receivables	5	1,670,481	1,327,036
Other financial assets	4(a)	16,752	8,908
Inventories	6	149,766	165,295
Other assets	7	1,716,815	1,191,209
TOTAL CURRENT ASSETS		20,062,033	21,621,686
NON-CURRENT ASSETS			
Trade and other receivables	5	294,767	270,884
Other financial assets	4(b)	432,814	208,515
Property, plant and equipment	8	65,943,264	67,091,565
Infrastructure	9	297,223,635	298,023,765
Right-of-use assets	11(a)	550,640	88,516
TOTAL NON-CURRENT ASSETS		364,445,120	365,683,245
TOTAL ASSETS		384,507,153	387,304,931
CURRENT LIABILITIES			
Trade and other payables	12	2,329,885	1,746,783
Contract liabilities	13	407,658	626,265
Capital grant/contributions liabilities	13	511,028	1,279,741
Lease liabilities	11(b)	151,979	55,365
Borrowings	14	554,938	683,844
Employee related provisions	15	1,910,224	1,784,916
TOTAL CURRENT LIABILITIES		5,865,712	6,176,914
NON-CURRENT LIABILITIES			
Lease liabilities	11(b)	395,752	33,152
Borrowings	14	7,400,742	7,724,710
Employee related provisions	15	207,691	199,282
Other provisions	16	1,891,040	1,803,739
TOTAL NON-CURRENT LIABILITIES		9,895,225	9,760,883
TOTAL LIABILITIES		15,760,937	15,937,797
NET ASSETS		368,746,216	371,367,134
EQUITY			
Retained surplus		(25,996,979)	(22,453,146)
Reserve accounts	28	9,197,064	8,274,148
Revaluation surplus	17	385,546,132	385,546,132
TOTAL EQUITY		368,746,216	371,367,134

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

* Restated refer to note 30 for correction of prior period error.

OAG AUDITED

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SHIRE OF MANJIMUP
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2025

	Note	Retained surplus	Reserve accounts	Revaluation surplus	Total equity
		$	$	$	$
Balance as at 1 July 2023		**(19,629,495)**	**6,970,021**	**385,546,132**	**372,886,658**
Comprehensive income for the period					
Net result for the period as previously reported		(1,402,519)	0	0	(1,402,519)
*Correction of prior year error	30	(117,005)	0	0	(117,005)
Total comprehensive income for the period		(1,519,524)	0	0	(1,519,524)
Transfers from reserve accounts	28	2,017,335	(2,017,335)	0	0
Transfers to reserve accounts	28	(3,321,462)	3,321,462	0	0
Restated balance as at 30 June 2024		**(22,453,146)**	**8,274,148**	**385,546,132**	**371,367,134**
Comprehensive income for the period					
Net result for the period		(2,620,918)	0	0	(2,620,918)
Total comprehensive income for the period		(2,620,918)	0	0	(2,620,918)
Transfers from reserve accounts	28	772,808	(772,808)	0	0
Transfers to reserve accounts	28	(1,695,724)	1,695,724	0	0
Balance as at 30 June 2025		**(25,996,979)**	**9,197,064**	**385,546,132**	**368,746,216**

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

* Restated refer to note 30 for correction of prior period error.

SHIRE OF MANJIMUP
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2025

	Note	2025 Actual	2024 Actual (Restated)*
		$	$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Rates		11,846,921	11,203,397
Grants, subsidies and contributions		6,266,115	7,132,868
Fees and charges		6,551,854	6,843,323
Interest revenue		634,452	733,743
Goods and services tax received		(169,042)	0
Other revenue		723,131	674,664
		25,853,431	26,587,995
Payments			
Employee costs		(12,550,411)	(12,453,982)
Materials and contracts		(8,913,556)	(8,836,676)
Utility charges		(764,382)	(716,290)
Finance costs		(368,100)	(199,758)
Insurance paid		(925,624)	(857,445)
Goods and services tax paid		0	92,535
Other expenditure		(397,456)	(655,894)
		(23,919,529)	(23,627,510)
Net cash provided by operating activities	18(b)	1,933,902	2,960,485
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for financial assets at amortised cost - self supporting loans		(250,000)	
Payments for purchase of property, plant & equipment	8(a)	(2,165,567)	(3,938,883)
Payments for construction of infrastructure	9(a)	(5,856,548)	(5,384,887)
Proceeds from capital grants, subsidies and contributions		4,167,343	3,878,541
Proceeds from financial assets at amortised cost - self-supporting loans		12,528	8,599
Proceeds from financial assets at fair values through profit and loss		5,329	(2,524)
Proceeds from sale of property, plant & equipment		304,358	492,365
Net cash (used in) investing activities		(3,782,557)	(4,946,789)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings	27(a)	(702,874)	(576,316)
Payments for principal portion of lease liabilities	26(d)	(119,490)	(89,670)
Proceeds from new borrowings	27(a)	250,000	3,750,000
Net cash provided by (used in) financing activities		(572,364)	3,084,014
Net increase (decrease) in cash held		(2,421,019)	1,097,710
Cash at beginning of year		18,929,238	17,831,528
Cash and cash equivalents at the end of the year	18(a)	16,508,219	18,929,238

Non-cash investing and financing movements are disclosed at note 18(c).

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

* Restated refer to note 30 for correction of prior period error.

SHIRE OF MANJIMUP
STATEMENT OF FINANCIAL ACTIVITY
FOR THE YEAR ENDED 30 JUNE 2025

	Note	2025 Actual	2025 Budget	2024 Actual (Restated)*
		$	$	$
OPERATING ACTIVITIES				
Revenue from operating activities				
General rates	25	10,565,507	10,601,268	9,358,693
Rates excluding general rates	25	1,357,050	1,357,050	1,981,680
Grants, subsidies and contributions		6,603,173	4,249,527	7,234,080
Fees and charges		6,556,668	6,023,647	6,822,579
Interest revenue		634,452	433,956	733,743
Other revenue		723,131	1,234,672	674,664
Profit on asset disposals		83,902	312,969	205,029
		26,523,883	24,213,089	27,010,468
Expenditure from operating activities				
Employee costs		(12,760,674)	(13,607,211)	(12,297,664)
Materials and contracts		(8,910,650)	(9,582,127)	(8,299,047)
Utility charges		(764,382)	(614,901)	(716,290)
Depreciation		(9,853,097)	(9,702,014)	(9,617,490)
Finance costs		(455,401)	(382,486)	(283,029)
Insurance		(925,624)	(901,317)	(857,445)
Other expenditure		(397,456)	(501,668)	(655,894)
Loss on asset disposals		(13,573)	(32,516)	(2,278)
		(34,080,857)	(35,324,240)	(32,729,137)
Non-cash amounts excluded from operating activities	26(a)	9,854,595	9,687,557	9,472,223
Amount attributable to operating activities		2,297,621	(1,423,594)	3,753,554
INVESTING ACTIVITIES				
Inflows from investing activities				
Capital grants, subsidies and contributions		4,936,056	10,177,020	4,199,145
Proceeds from disposal of assets		304,358	693,500	492,365
Proceeds from financial assets at amortised cost - self-supporting loans	27(a)	12,528	57,200	8,599
		5,252,942	10,927,720	4,700,109
Outflows from investing activities				
Payments for financial assets at amortised cost - self supporting loans		(250,000)	(650,000)	0
Right of use assets received - non cash	11(a)	(578,704)		(23,496)
Acquisition of property, plant and equipment	8(a)	(2,165,567)	(3,431,186)	(3,938,883)
Acquisition of infrastructure	9(a)	(5,856,548)	(14,419,116)	(7,105,356)
		(8,850,819)	(18,500,302)	(11,067,735)
Non-cash amounts excluded from investing activities	26(b)	578,704	0	1,720,469
Amount attributable to investing activities		(3,019,173)	(7,572,582)	(4,647,157)
FINANCING ACTIVITIES				
Inflows from financing activities				
Proceeds from borrowings	27(a)	250,000	3,073,757	3,750,000
Proceeds from new leases - non cash	27(d)	578,704	200,000	23,496
Transfers from reserve accounts	28	772,808	1,927,730	2,017,335
		1,601,512	5,201,487	5,790,831
Outflows from financing activities				
Repayment of borrowings	27(a)	(702,874)	(732,135)	(576,316)
Payments for principal portion of lease liabilities	27(d)	(119,490)	(130,000)	(89,670)
Transfers to reserve accounts	28	(1,695,724)	(4,042,149)	(3,321,462)
		(2,518,088)	(4,904,284)	(3,987,448)
Non-cash amounts excluded from financing activities	26(c)	(578,704)	(200,000)	(23,496)
Amount attributable to financing activities		(1,495,280)	97,203	1,779,887
MOVEMENT IN SURPLUS OR DEFICIT				
Surplus or deficit at the start of the financial year	26(d)	8,812,791	8,898,973	7,926,507
Amount attributable to operating activities		2,297,621	(1,423,594)	3,753,554
Amount attributable to investing activities		(3,019,173)	(7,572,582)	(4,647,157)
Amount attributable to financing activities		(1,495,280)	97,203	1,779,887
Surplus or deficit after imposition of general rates	26(d)	**6,595,959**	**0**	**8,812,791**

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

* Restated refer to note 30 for correction of prior period error.

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SHIRE OF MANJIMUP
FOR THE YEAR ENDED 30 JUNE 2025
INDEX OF NOTES TO THE FINANCIAL REPORT

Note 1	Basis of preparation	9
Note 2	Revenue and expenses	10
Note 3	Cash and cash equivalents	12
Note 4	Other financial assets	12
Note 5	Trade and other receivables	13
Note 6	Inventories	14
Note 7	Other assets	15
Note 8	Property, plant and equipment	16
Note 9	Infrastructure	18
Note 10	Fixed assets	20
Note 11	Leases	22
Note 12	Trade and other payables	23
Note 13	Other liabilities	24
Note 14	Borrowings	25
Note 15	Employee related provisions	26
Note 16	Other provisions	27
Note 17	Revaluation surplus	28
Note 18	Notes to the statement of cash flows	29
Note 19	Contingent liabilities	30
Note 20	Capital commitments	30
Note 21	Related party transactions	31
Note 22	Financial risk management	33
Note 23	Other material accounting policies	37
Note 24	Function and activity	38

Information required by legislation

Note 25	Rating information	40
Note 26	Determination of surplus or deficit	41
Note 27	Borrowing and lease liabilities	42
Note 28	Reserve accounts	46
Note 29	Trust funds	48
Note 30	Correction of error	49

SHIRE OF MANJIMUP
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

1. BASIS OF PREPARATION

The financial report of the Shire of Manjimup which is a Class 2 local government comprises general purpose financial statements which have 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 financial report be prepared in accordance with the *Local Government Act 1995* and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards. The Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and Interpretations of the Australian Accounting Standards Board were applied where no inconsistencies exist.

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

The *Local Government (Financial Management) Regulations 1996* provide that:
- land and buildings classified as property, plant and equipment;or
- infrastructure; or
- vested improvements that the local government controls ;

and measured at reportable value, are only required to be revalued every five years. Revaluing these non-financial assets every five years is a departure from *AASB 116 Property, Plant and Equipment*, which would have required the Shire to assess at each reporting date whether the carrying amount of the above mentioned non-financial assets materially differs from their fair value and, if so, revalue the class of non-financial assets.

Accounting policies which have been adopted in the preparation of this financial report have been consistently applied unless stated otherwise. Except for cash flow and rate setting information, the financial report 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.

Critical accounting estimates and judgements
The preparation of a financial report 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 amounts of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

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

- Fair value measurement of assets carried at reportable value including:
  - Property, plant and equipment - Note 8
  - Infrastructure - Note 9
- Expected credit losses on financial assets - Note 5
- Measurement of employee benefits - Note 15
- Measurement of provisions - Note 16

Fair value heirarchy information can be found in Note 23

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 financial report.

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 29 of the financial report.

Initial application of accounting standards
During the current year, the following new or revised Australian Accounting Standards and Interpretations were applied for the first time.
- *AASB 2020-1 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current*
- *AASB 2022-5 Amendments to Australian Accounting Standards - Lease Liability in a Sale and Leaseback*
- *AASB 2022-6 Amendments to Australian Accounting Standards - Non-current Liabilities with Covenants*
- *AASB 2023-3 Amendments to Australian Accounting Standards - Disclosure of Non-current Liabilities with Covenants: Tier 2*
- *AASB 2024-1 Amendments to Australian Accounting Standards - Supplier Finance Arrangements: Tier 2 Disclosures*
- *AASB 2023-1 Amendments to Australian Accounting Standards - Supplier Finance Arrangements*

These amendments are not expected to have any material impact on the financial report on initial application.
- *AASB 2022-10 Amendments to Australian Accounting Standards - Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities*

These amendment may result in changes to the fair value of certain non-financial assets on revaluation. The impact has not been quantified as it is not considered practicable to determine the amount of the difference in fair value attributable to the change in the standard.

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

These amendments are not expected to have any material impact on the financial report on initial application.

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2. REVENUE AND EXPENSES

(a) Revenue

Contracts with customers
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	Timing of revenue recognition
Grants, subsidies and contributions	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Output method based on project milestones and/or completion date matched to performance obligations
Fees and charges - licences, registrations, approvals	Building, planning, development and animal management.	Single point in time	Full payment prior to issue	None	On payment of the licence, registration or approval
Fees and charges - waste management entry fees	Waste treatment, recycling and disposal service at disposal sites	Single point in time	Payment in advance at gate or on normal trading terms if credit provided	None	On entry to facility
Fees and charges - airport landing charges	Permission to use facilities and runway	Single point in time	Monthly in arrears	None	On landing/departure event
Fees and charges - sale of stock	Aviation fuel, kiosk and visitor centre stock	Single point in time	In full in advance, on 15 day credit	Refund for faulty goods	At point of sale
Other revenue - private works	Contracted private works	Single point in time	Monthly in arrears	None	At point of service

Consideration from contracts with customers is included in the transaction price.

Revenue recognition

Rate revenue was recognised from the rate record as soon as practicable after the Shire resolved to impose rates in the financial year as well as when the rate record was amended to ensure the information in the record was current and correct.

Revenue recognised during the year under each basis of recognition by nature of goods or services is provided in the table below:

For the year ended 30 June 2025

Nature	Contracts with customers	Capital grant/contributions	Statutory requirements	Other	Total
	$	$	$	$	$
Rates	0	0	11,922,557	0	11,922,557
Grants, subsidies and contributions	6,603,173	0	0	0	6,603,173
Fees and charges	4,154,996	0	2,401,672	0	6,556,668
Interest revenue	0	0	49,030	585,422	634,452
Other revenue	0	0	0	723,131	723,131
Capital grants, subsidies and contributions	0	4,936,056	0	0	4,936,056
Total	10,758,169	4,936,056	14,373,259	1,308,553	31,376,037

For the year ended 30 June 2024

Nature	Contracts with customers	Capital grant/contributions	Statutory requirements	Other	Total
	$	$	$	$	$
Rates	0	0	11,340,373	0	11,340,373
Grants, subsidies and contributions	7,234,080	0		0	7,234,080
Fees and charges	4,617,435	0	2,205,144	0	6,822,579
Interest revenue	0	0	97,418	636,325	733,743
Other revenue	0	0	0	674,664	674,664
Capital grants, subsidies and contributions	0	4,199,145	0	0	4,199,145
Total	11,851,515	4,199,145	13,642,935	1,310,989	31,004,584

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

	Note	2025 Actual	2024 Actual (Restated)*
		$	$
Interest revenue			
Financial assets at amortised cost - self-supporting loans		15,072	3,457
Interest on reserve account		560,616	632,374
Trade and other receivables overdue interest		49,030	97,418
Other interest revenue		9,734	494
		634,452	733,743
The 2025 original budget estimate in relation to: Trade and other receivables overdue interest was $30,000.			
Fees and charges relating to rates receivable			
Charges on instalment plan		40,100	35,969
The 2025 original budget estimate in relation to: Charges on instalment plan was $38,500.			

(b) Expenses

Auditors remuneration			
- Audit of the Annual Financial Report		40,500	41,840
- Other services – grant acquittals		6,580	8,500
		47,080	50,340
Employee Costs			
Employee benefit costs		12,503,837	12,038,195
Other employee costs		256,837	259,469
		12,760,674	12,297,664
Finance costs			
Interest and financial charges paid/payable for lease liabilities and financial liabilities not at fair value through profit or loss		368,100	199,758
Provisions: unwinding of discount		87,301	83,271
		455,401	283,029
Other expenditure			
Sundry expenses		397,456	655,894
		397,456	655,894

* Restated refer to note 30 for correction of prior period error.

3. CASH AND CASH EQUIVALENTS

	Note	2025	2024
		$	$
Cash at bank and on hand		16,508,219	18,929,238
Total cash and cash equivalents	18(a)	16,508,219	18,929,238
Held as			
- Unrestricted cash and cash equivalents		6,189,783	7,313,276
- Restricted cash and cash equivalents	18(a)	10,318,436	11,615,962
		16,508,219	18,929,238

Non-council controlled funds

On the 8 November 2017 the Shire of Manjimup and ARC Infrastructure Pty Ltd opened an escrow account held at Westpac Banking Corporation for $500,000. The funds were required to be set aside as part of the Town Centre Revitalisation Stage 2, in particular, related to the removal of rail infrastructure within the townsite of Manjimup. The funds are to be used should there be a requirement to reinstate the rail infrastructure within the Shire of Manjimup lease term with ARC Infrastructure Pty Ltd (expiry 17 June 2049). The $500,000 is deemed not to be an asset of the Shire of Manjimup and as such does not appear in the annual financial accounts. The balance as at 30 June 2025 including interest is $632,043.16.

MATERIAL ACCOUNTING POLICIES

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

Bank overdrafts are reported as short term borrowings in current liabilities in the statement of financial position.

Restricted financial assets
Restricted financial asset balances are not available for general use by the local government due to externally imposed restrictions. Restrictions are specified in an agreement, contract or legislation. This applies to reserve accounts, unspent grants, subsidies and contributions and unspent loans that have not been fully expended in the manner specified by the contributor, legislation or loan agreement.

4. OTHER FINANCIAL ASSETS

	Note	2025	2024
		$	$
(a) Current assets			
Financial assets at amortised cost		16,752	8,908
		16,752	8,908
Other financial assets at amortised cost			
Self-supporting loans receivable	26(d)	16,752	8,908
		16,752	8,908
Held as			
- Unrestricted other financial assets at amortised cost		16,752	8,908
		16,752	8,908
(b) Non-current assets			
Financial assets at amortised cost		313,385	83,757
Financial assets at fair value through profit or loss		119,429	124,758
		432,814	208,515
Financial assets at amortised cost			
Self-supporting loans receivable		313,384	83,757
		313,384	83,757
Financial assets at fair value through profit or loss			
Units in Local Government House Trust - opening balance		119,429	124,758
Units in Local Government House Trust - closing balance		119,429	124,758

MATERIAL ACCOUNTING POLICIES

Other 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.

Fair values of financial assets at amortised cost are not materially different to their carrying amounts, since the interest receivable on those assets is either close to current market rates or the assets are of a short term nature. Non-current financial assets at amortised cost fair values are based on discounted cash flows using a current market rates. They are classified as level 2 fair values in the fair value hierachy (see Note 23 (i)) due to the observable market rates.

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.

Financial assets at fair value through profit or loss
The Shire classifies the following financial assets at fair value through profit or loss:
- debt investments which do not qualify for measurement at either amortised cost or fair value through other comprehensive income.
- equity investments which the Shire has elected to recognise as fair value gains and losses through profit or loss.

Impairment and risk
Information regarding impairment and exposure to risk can be found at Note 22.

5. TRADE AND OTHER RECEIVABLES

	Note	2025	2024
		$	$
Current			
Rates and statutory receivables		1,097,508	1,046,370
Trade receivables		604,371	490,792
Other receivables		1,280	1,600
GST receivable		171,992	2,950
Allowance for credit losses of trade receivables	22(b)	(30,583)	(35,397)
Allowance for credit losses of other receivables	22(b)	(231,992)	(230,859)
Other receivables - Infringement debtors		35,456	42,056
Other receivables - Office State Revenue		22,449	9,524
		1,670,481	1,327,036
Non-current			
Rates and statutory receivables		294,767	270,884
		294,767	270,884

Disclosure of opening and closing balances related to contracts with customers

Information about receivables from contracts with customers along with financial assets and associated liabilities arising from transfers to enable the acquisition or construction of recognisable non-financial assets is:	Note	30 June 2025 Actual	30 June 2024 Actual	1 July 2023 Actual
		$	$	$
Contract assets	7	1,387,097	1,023,991	582,298
Allowance for credit losses of trade receivables	5	(30,583)	(35,397)	(14,653)
Accrued interest - self supporting loans	7	5,832	494	556
Total trade and other receivables from contracts with customers		1,362,346	989,088	568,201

MATERIAL ACCOUNTING POLICIES

Rates and statutory receivables
Rates and statutory receivables are non-contractual receivables arising from statutory requirements and include amounts due from ratepayers for unpaid rates and service charges and other statutory charges or fines.

Rates and statutory receivables are recognised when the taxable event has occurred and can be measured reliably.

Trade receivables
Trade receivables are amounts receivable from contractual arrangements with customers for goods sold, services performed or grants or contributions with sufficiently specific performance obligations or for the construction of recognisable non financial assets as part of the ordinary course of business.

Other receivables
Other receivables are amounts receivable from contractual arrangements with third parties other than contracts with customers and amounts received as grants for the construction of recognisable non financial assets.

Measurement
Trade and other receivables are recognised initially at the amount of the transaction price, unless they contain a significant financing component, and are to be recognised at fair value.

Classification and subsequent measurement
Receivables which are generally due for settlement within 30 days except rates receivables which are expected to be collected within 12 months are classified as current assets. All other receivables such as, deferred pensioner rates receivable after the end of the reporting period are classified as non-current assets.

Trade and other 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.

Impairment and risk exposure
Information about the impairment of trade receivables and their exposure to credit risk and interest rate risk can be found in Note 22.

6. INVENTORIES

	Note	2025	2024
Current		$	$
Fuel and materials		26,901	38,081
Bitumen products		5,621	8,481
Other inventories		117,244	118,733
		149,766	165,295
The following movements in inventories occurred during the year:			
Balance at beginning of year		165,295	226,768
Inventories expensed during the year		(390,160)	(422,797)
Additions to inventory		374,631	361,324
Balance at end of year		149,766	165,295

MATERIAL ACCOUNTING POLICIES
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.

7. OTHER ASSETS

	2025	2024
	$	$
Other assets - current		
Prepayments	162,998	166,724
Accrued income	160,888	0
Contract assets	1,387,097	1,023,991
Accrued interest - self supporting loans	5,832	494
	1,716,815	1,191,209

MATERIAL ACCOUNTING POLICIES
Other current assets
Other non-financial assets include prepayments which represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period.

8. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in balances

Movement in the balances of each class of property, plant and equipment between the beginning and the end of the current financial year.

		Assets not subject to operating lease		Total property			Plant and equipment		
	Note	Land	Buildings	Land	Buildings	Total property	Furniture and equipment	Plant and equipment	Total property, plant and equipment
		$	$	$	$	$	$	$	$
Balance at 1 July 2023		3,676,000	55,016,631	3,676,000	55,016,631	58,692,631	1,620,553	6,157,253	66,470,437
Additions		0	1,739,858	0	1,739,858	1,739,858	39,665	2,159,360	3,938,883
Disposals		0	0	0	0	0	0	(289,614)	(289,614)
Depreciation		0	(1,892,942)	0	(1,892,942)	(1,892,942)	(103,683)	(1,031,516)	(3,028,141)
Balance at 30 June 2024		3,676,000	54,863,547	3,676,000	54,863,547	58,539,547	1,556,535	6,995,483	67,091,565
Comprises:									
Gross balance amount at 30 June 2024		3,676,000	95,162,960	3,676,000	95,162,960	98,838,960	2,340,156	16,555,672	117,734,788
Accumulated depreciation at 30 June 2024		0	(40,299,413)	0	(40,299,413)	(40,299,413)	(783,621)	(9,560,189)	(50,643,223)
Balance at 30 June 2024	8(b)	3,676,000	54,863,547	3,676,000	54,863,547	58,539,547	1,556,535	6,995,483	67,091,565
Additions		0	1,074,734	0	1,074,734	1,074,734	0	1,090,833	2,165,567
Disposals		0	0	0	0	0	0	(234,030)	(234,030)
Depreciation		0	(1,936,605)	0	(1,936,605)	(1,936,605)	(104,375)	(1,038,859)	(3,079,839)
Balance at 30 June 2025		3,676,000	54,001,676	3,676,000	54,001,676	57,677,676	1,452,161	6,813,427	65,943,264
Comprises:									
Gross balance amount at 30 June 2025		3,676,000	96,237,694	3,676,000	96,237,694	99,913,694	2,340,156	16,863,115	119,116,965
Accumulated depreciation at 30 June 2025		0	(42,236,018)	0	(42,236,018)	(42,236,018)	(887,995)	(10,049,688)	(53,173,701)
Balance at 30 June 2025	8(b)	3,676,000	54,001,676	3,676,000	54,001,676	57,677,676	1,452,161	6,813,427	65,943,264

AMD

8. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Carrying amount measurements

Asset class	Note	Carrying amount 2025	Carrying amount 2024	Fair value hierarchy	Valuation technique	Basis of valuation	Date of last valuation	Inputs used
		$	$					
(i) Fair value - as determined at the last valuation date								
Land and buildings								
Land - market value		3,676,000	3,676,000	2 & 3	Market approach using recent observable market data for similar assets	Independent registered valuer	June 2022	Price per hectare / market borrowing rate
Total land	8(a)	3,676,000	3,676,000					
Buildings - non specialised		54,001,676	54,863,547	2 & 3	Cost approach using current replacement cost	Independent registered valuer	June 2022	Construction costs and current condition, residual values and remaining useful life assessment inputs
Total buildings	8(a)	54,001,676	54,863,547					

AMD

9. INFRASTRUCTURE

(a) Movements in balances

Movement in the balances of each class of infrastructure between the beginning and the end of the current financial year.

	Infrastructure - roads	Other infrastructure - footpaths	Other infrastructure - drainage	Other infrastructure - bridges	Other infrastructure - refuse sites and transfer stations	Other infrastructure - carparks	Other infrastructure - cemeteries	Other infrastructure - airfields and runways	Other infrastructure - parks and ovals	Other infrastructure - Landfill rehabilitation	Total infrastructure
	$	$	$	$	$	$	$	$	$	$	$
Balance at 1 July 2023	225,234,789	6,427,564	19,049,543	34,864,156	440,820	2,269,619	184,090	3,026,030	5,923,465	0	297,420,076
Additions	2,809,856	425,780	257,226	0	0	361,055	6,980	16,219	1,507,771	1,720,469	7,105,356
Depreciation	(4,313,805)	(232,704)	(411,701)	(768,389)	(41,001)	(81,058)	(14,529)	(202,100)	(402,645)	(33,735)	(6,501,667)
***Restated Balance at 30 June 2024**	223,730,840	6,620,640	18,895,068	34,095,767	399,819	2,549,616	176,541	2,840,149	7,028,591	1,686,734	298,023,765
Comprises:											
Gross balance at 30 June 2024	362,149,986	10,575,267	30,540,423	59,801,484	1,058,200	3,490,712	502,780	6,063,920	12,820,670	1,720,469	488,723,911
Accumulated depreciation at 30 June 2024	(138,419,146)	(3,954,627)	(11,645,355)	(25,705,717)	(658,381)	(941,096)	(326,239)	(3,223,771)	(5,792,079)	(33,735)	(190,700,146)
***Restated Balance at 30 June 2024**	223,730,840	6,620,640	18,895,068	34,095,767	399,819	2,549,616	176,541	2,840,149	7,028,591	1,686,734	298,023,765
Additions	3,851,621	0	171,006	676,827	0	966	32,594	0	1,123,534	0	5,856,548
Depreciation	(4,389,801)	(242,339)	(414,922)	(768,427)	(41,001)	(92,661)	(15,342)	(203,231)	(455,219)	(33,735)	(6,656,678)
Balance at 30 June 2025	223,192,660	6,378,301	18,651,152	34,004,167	358,818	2,457,921	193,793	2,636,918	7,696,906	1,652,999	297,223,635
Comprises:											
Gross balance at 30 June 2025	366,001,607	10,575,267	30,711,429	60,478,311	1,058,200	3,491,678	535,374	6,063,920	13,944,205	1,720,469	494,580,460
Accumulated depreciation at 30 June 2025	(142,808,947)	(4,196,966)	(12,060,277)	(26,474,144)	(699,382)	(1,033,757)	(341,581)	(3,427,002)	(6,247,299)	(67,470)	(197,356,825)
Balance at 30 June 2025	223,192,660	6,378,301	18,651,152	34,004,167	358,818	2,457,921	193,793	2,636,918	7,696,906	1,652,999	297,223,635

* Restated refer to note 30 for correction of prior period error.

AMD

9. INFRASTRUCTURE (Continued)

(b) Carrying amount measurements

Asset class	Fair value hierarchy	Valuation technique	Basis of valuation	Date of last valuation	Inputs used
(i) Fair value - as determined at the last valuation date					
Infrastructure - roads	3	Cost approach using depreciated replacement cost	Management valuation	June 2023	Construction costs and current condition, residual values and remianing useful life assessments inputs
Other infrastructure - footpaths	3	Cost approach using depreciated replacement cost	Management valuation	June 2023	Construction costs and current condition, residual values and remianing useful life assessments inputs
Other infrastructure - drainage	3	Cost approach using depreciated replacement cost	Management valuation	June 2023	Construction costs and current condition, residual values and remaining useful life assessments inputs
Other infrastructure - bridges	3	Cost approach using depreciated replacement cost	Management valuation	June 2023	Construction costs and current condition, residual values and remaining useful life assessments inputs
Other infrastructure - refuse sites and tr	3	Cost approach using depreciated replacement cost	Management valuation	June 2023	Construction costs and current condition, residual values and remaining useful life assessments inputs
Other infrastructure - carparks	3	approach using depreciated replacement	Management valuation	June 2023	Construction costs and current condition, residual values and remaining useful life assessments inputs
Other infrastructure - cemeteries	3	Cost approach using depreciated replacement cost	Management valuation	June 2023	Construction costs and current condition, residual values and remaining useful life assessments inputs
Other infrastructure - airfields and runw	3	approach using depreciated replacement	Management valuation	June 2023	Construction costs and current condition, residual values and remaining useful life assessments inputs
Other infrastructure - parks and ovals	3	approach using depreciated replacement	Management valuation	June 2023	Construction costs and current condition, residual values and remaining useful life assessments inputs

Level 3 inputs are based on assumptions with regards to future values and patterns of consumption utilising current information. If the basis of these assumptions were varied, they have the potential to result in a significantly higher or lower fair value measurement.

During the period there were no changes in the valuation techniques used to determine the fair value of infrastructure using level 3 inputs.

AMD

10. FIXED ASSETS

(a) Depreciation

Depreciation rates

Typical estimated useful lives for the different asset classes for the current and prior years are included in the table below:

Asset class	Useful life
Buildings	25 to 60 years
Furniture and equipment	4 to 10 years
Plant and equipment	2.5 to 25 years
Sealed roads and streets	
formation	not depreciated
pavement	80 years
seal	
- bituminous seals	27 years
- asphalt surfaces	27 years
Gravel roads	
formation	not depreciated
pavement	80 years
Bridges	60 years
Footpaths - slab	50 years
Sewerage piping	50 years
Water supply piping and drainage systems	50 years
Refuse Sites and transfer stations	25 to 40 years
Carparks	25 to 60 years
Cemeteries	25 to 40 years
Airfield and runways	30 years
Parks and ovals	20 to 40 years
Right-of-use (plant and equipment)	Based on the remaining lease

Revision of useful lives of plant and equipment

The Shire of Manjimup has undertaken a cursory review of useful lives and as a result of that review, has made no changes during the 2024/25 financial year.

(b) Fully depreciated assets in use

The gross carrying amount of assets held by the Shire which are currently in use yet fully depreciated are shown in the table below.

Buildings - non specialised	59,000	0
Furniture and equipment	344,519	344,519
Plant and equipment	5,180,443	5,053,070
Other infrastructure - parks and ovals	143,735	0
	5,727,697	5,397,589

10. FIXED ASSETS (Continued)

MATERIAL ACCOUNTING POLICIES

Initial recognition

An item of property, plant and equipment or infrastructure that qualifies for recognition as an asset is measured at its cost.

Upon initial recognition, cost is determined as the amount paid (or other consideration given) to acquire the assets, plus costs incidental to the acquisition. The cost of non-current assets constructed by the Shire includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads. For assets acquired at zero cost or otherwise significantly less than fair value, cost is determined as fair value at the date of acquisition.

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 *Local Government (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.

Individual assets that are land, buildings and infrastructure acquired between scheduled revaluation dates of the asset class in accordance with the Shire's revaluation policy, are recognised at cost and disclosed as being at reportable value.

Measurement after recognition

Plant and equipment including furniture and equipment and right-of-use assets (other than vested improvements) are measured using the cost model as required under *Local Government (Financial Management) Regulation 17A(2).* Assets held under the cost model are carried at cost less accumulated depreciation and any impairment losses being their reportable value.

Reportable value

In accordance with *Local Government (Financial Management) Regulation 17A(2)* , the carrying amount of non-financial assets that are land and buildings classified as property, plant and equipment, investment properties, infrastructure or vested improvements that the local government controls.

Reportable value is for the purpose of *Local Government (Financial Management) Regulation 17A(4)* is the fair value of the asset at its last valuation date minus (to the extent applicable) the accumulated depreciation and any accumulated impairment losses in respect of the non-financial asset subsequent to its last valuation date.

Revaluation

Land and buildings classified as property, plant and equipment, infrastructure or vested improvements that the local government controls and measured at reportable value, are only required to be revalued every five years in accordance with the regulatory framework. This includes buildings and infrastructure items which were pre-existing improvements (i.e. vested improvements) on land vested in the Shire.

Whilst the regulatory framework only requires a revaluation to occur every five years, it also provides for the Shire to revalue earlier if it chooses to do so.

For land, buildings and infrastructure, increases in the carrying amount arising on revaluation of asset classes are credited to a revaluation surplus in equity.

Decreases that offset previous increases of the same class of asset are recognised against revaluation surplus directly in equity. All other decreases are recognised in profit or loss.

Subsequent increases are then recognised in profit or loss to the extent they reverse a net revaluation decrease previously recognised in profit or loss for the same class of asset.

Depreciation

The depreciable amount of all property, plant and equipment and infrastructure, 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.

Depreciation on revaluation

When an item of property, plant and equipment and infrastructure is revalued, any accumulated depreciation at the date of the revaluation is treated in one of the following ways:
(i) The gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset; or
(ii) Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

Impairment

In accordance with *Local Government (Financial Management)* Regulations 17A(4C), the Shire is not required to comply with *AASB 136 Impairment of Assets* to determine the recoverable amount of its non-financial assets that are land or buildings classified as property, plant and equipment, infrastructure or vested improvements that the local government controls in circumstances where there has been an impairment indication of a general decrease in asset values.

In other circumstances where it has been assessed that one or more of these non-financial assets are impaired, the 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.

Gains or losses on disposal

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income in the period in which they arise.

11. LEASES

(a) Right-of-use assets

Movement in the balance of each class of right-of-use asset between the beginning and the end of the current financial year.	Note	Right-of-use assets - plant and equipment	Total right-of-use assets
		$	$
Balance at 1 July 2023		152,702	152,702
Additions *		23,496	23,496
Depreciation		(87,682)	(87,682)
Balance at 30 June 2024		88,516	88,516
Gross balance amount at 30 June 2024		272,123	272,123
Accumulated depreciation at 30 June 2024		(183,607)	(183,607)
Balance at 30 June 2024		88,516	88,516
Additions *		578,704	578,704
Depreciation		(116,580)	(116,580)
Balance at 30 June 2025		550,640	550,640
Gross balance amount at 30 June 2025		682,097	682,097
Accumulated depreciation at 30 June 2025		(131,457)	(131,457)
Balance at 30 June 2025		550,640	550,640

* Right of use asset additions are non-cash additions. Refer to note 18(c).

The following amounts were recognised in the statement of comprehensive income during the period in respect of leases where the Shire is the lessee:		2025 Actual	2024 Actual
		$	$
Depreciation on right-of-use assets		(116,580)	(87,682)
Finance charge on lease liabilities	27	(11,004)	(3,777)
Low-value asset lease payments recognised as expense		(33,851)	(79,108)
Total amount recognised in the statement of comprehensive income		(161,435)	(170,567)
Total cash outflow from leases		(130,494)	(93,447)

(b) Lease liabilities

Current		151,979	55,365
Non-current		395,752	33,152
	27	547,731	88,517

MATERIAL ACCOUNTING POLICIES

Leases

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

At the commencement date, a right-of-use asset is recognised at cost and 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.

All contracts that are classified as short-term leases (i.e. a lease with a term of 12 months or less) and leases of low value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Details of individual lease liabilities required by regulations are provided at Note 2727..

Right-of-use assets - measurement

Right-of-use assets are measured at cost. All right-of-use assets (other than vested improvements) under zero cost concessionary leases are measured at zero cost (i.e. not recognised in the Statement of Financial Position). The exception is vested improvements on concessionary land leases such as roads, buildings or other infrastructure which are reported at fair value.

Refer to Note 10 under revaluation for details on the material accounting policies applying to vested improvements.

Right-of-use assets - depreciation

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shorter. Where a lease transfers ownership of the underlying asset, or the cost of the right-of-use asset reflects that the Shire anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

12. TRADE AND OTHER PAYABLES

	2025	2024
	$	$
Current		
Sundry creditors	746,010	315,241
Prepaid rates	369,888	370,503
Accrued payroll liabilities	465,801	389,255
Bonds and deposits held	190,425	215,213
Accrued expenses	362,009	269,624
Accrued interest on loans	58,777	58,027
Accrued employee deductions/hours bank	136,975	128,920
	2,329,885	1,746,783

MATERIAL ACCOUNTING POLICIES

Financial liabilities

Financial liabilities are initially recognised at fair value when the Shire becomes a party to the contractual provisions of the instrument.

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Financial liabilities are derecognised where the related obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and any consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

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 usually 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 income for the prepaid rates that have not been refunded.

13. OTHER LIABILITIES

	2025	2024
	$	$
Current		
Contract liabilities	407,658	626,265
Capital grant/contributions liabilities	511,028	1,279,741
	918,686	1,906,006
Reconciliation of changes in contract liabilities		
Opening balance	626,265	450,805
Additions	407,658	626,265
Revenue from contracts with customers included as a contract liability at the start of the period	(626,265)	(450,805)
	407,658	626,265
Reconciliation of changes in capital grant/contribution liabilities		
Opening balance	1,279,741	1,600,345
Additions	451,028	1,219,741
Revenue from capital grant/contributions held as a liability at the start of the period	(1,219,741)	(1,540,345)
	511,028	1,279,741

MATERIAL ACCOUNTING POLICIES

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.

Capital grant/contribution liabilities

Capital grant/contribution liabilities represent the Shire's obligations to construct recognisable non-financial assets to identified specifications to be controlled by the Shire which are yet to be satisfied. Capital grant/contribution liabilities are recognised as income when the obligations in the contract are satisfied.

14. BORROWINGS

		2025			2024		
	Note	Current	Non-current	Total	Current	Non-current	Total
Secured		$	$	$	$	$	$
Debentures		554,938	7,400,742	7,955,680	683,844	7,724,710	8,408,554
Total secured borrowings	27(a)	554,938	7,400,742	7,955,680	683,844	7,724,710	8,408,554

MATERIAL ACCOUNTING POLICIES

Borrowing costs

The Shire has elected to recognise borrowing costs as an expense when incurred regardless of how the borrowings are applied.

Fair values of borrowings are not materially different to their carrying amounts, since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short term nature. Borrowings fair values are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierachy (see Note 23(i)) due to the unobservable inputs, including own credit risk.

Risk

Details of individual borrowings required by regulations are provided at Note 27(a).

Information regarding exposure to risk can be found at Note 22.

15. EMPLOYEE RELATED PROVISIONS

Employee related provisions

	2025	2024
Current provisions	$	$
Employee benefit provisions		
Annual leave	878,418	830,587
Long service leave	990,098	915,186
Other leave provisions - workers compensation	41,708	39,143
	1,910,224	1,784,916
Total current employee related provisions	1,910,224	1,784,916
Non-current provisions		
Employee benefit provisions		
Long service leave	203,156	194,912
Other leave provisions - workers compensation	4,535	4,370
	207,691	199,282
Total non-current employee related provisions	207,691	199,282
Total employee related provisions	2,117,915	1,984,198

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave and associated on costs for services rendered up to the reporting date and recorded as an expense during the period the services are delivered.

Annual leave liabilities are classified as current, as there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period. Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

	Note	2025	2024
Amounts are expected to be settled on the following basis:		$	$
Less than 12 months after the reporting date		1,002,686	938,563
More than 12 months from reporting date		1,115,229	1,045,635
		2,117,915	1,984,198

MATERIAL ACCOUNTING POLICIES

Employee benefits

The Shire's obligations for employees' annual leave, long service leave and other employee leave entitlements are recognised as employee related provisions in the Statement of Financial Position.

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.

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.

16. OTHER PROVISIONS

	Make good provisions - Manjimup Waste Site	Total
	$	$
Opening balance at 1 July 2024		
Non-current provisions	1,803,739	1,803,739
	1,803,739	1,803,739
Charged to profit or loss		
- unwinding of discount	87,301	87,301
Balance at 30 June 2025	1,891,040	1,891,040
Comprises		
Non-current	1,891,040	1,891,040
	1,891,040	1,891,040

Other provisions

MATERIAL ACCOUNTING POLICIES
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.

17. REVALUATION SURPLUS

	2025 Opening balance	2025 Closing balance	2024 Opening balance	2024 Closing balance
	$	$	$	$
Revaluation surplus - Land	1,722,921	1,722,921	1,722,921	1,722,921
Revaluation surplus - Buildings	52,900,298	52,900,298	52,900,298	52,900,298
Revaluation surplus - Furniture and equipment	798,087	798,087	798,087	798,087
Revaluation surplus - Infrastructure - roads	330,124,826	330,124,826	330,124,826	330,124,826
	385,546,132	385,546,132	385,546,132	385,546,132

18. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of cash

For the purposes of the Statement of cash flows, cash includes cash and cash equivalents, net of outstanding bank overdrafts. Cash at the end of the reporting period is reconciled to the related items in the Statement of Financial Position as follows:

	Note	2025 Actual	2024 Actual (Restated)*
		$	$
Cash and cash equivalents	3	16,508,219	18,929,238
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	3	10,318,436	11,615,962
		10,318,436	11,615,962
The restricted financial assets are a result of the following specific purposes to which the assets may be used:			
Restricted reserve accounts	28	9,197,064	8,274,148
Contract liabilities	13	407,658	626,265
Capital grant liabilities	13	511,028	1,279,741
Unspent loans	27(c)	202,686	1,435,808
Total restricted financial assets		10,318,436	11,615,962

(b) Reconciliation of net result to net cash provided by operating activities

Net result		(2,620,918)	(1,519,524)
Non-cash items:			
Depreciation/amortisation		9,853,097	9,617,490
(Profit)/loss on sale of asset		(70,329)	(202,751)
Changes in assets and liabilities:			
(Increase)/decrease in trade and other receivables		(367,328)	(266,347)
(Increase)/decrease in other assets		(525,606)	(399,415)
(Increase)/decrease in inventories		15,529	61,473
Increase/(decrease) in trade and other payables		583,102	(210,083)
Increase/(decrease) in employee related provisions		133,717	(179,944)
Increase/(decrease) in other provisions		87,301	83,271
Increase/(decrease) in other liabilities		(987,320)	(145,144)
Capital grants, subsidies and contributions		(4,167,343)	(3,878,541)
Net cash provided by/(used in) operating activities		1,933,902	2,960,485

(c) Non-cash investing and financing activities

Acquisition of Infrastructure by assuming directly related liabilities	16	0	1,720,469
Acquisition of right of use assets by means of a lease	11(a)	578,704	23,496

(d) Undrawn borrowing facilities

Credit standby arrangements		
Bank overdraft limit		
Bank overdraft at balance date		
Credit card limit	60,000	40,000
Credit card balance at balance date	1,323	7,567
Total amount of credit unused	61,323	47,567
Loan facilities		
Loan facilities - current	554,938	683,844
Loan facilities - non-current	7,400,742	7,724,710
Total facilities in use at balance date	7,955,680	8,408,554
Unused loan facilities at balance date	202,686	1,435,808

19. CONTINGENT LIABILITIES

In compliance with the Contaminated Sites Act 2003 Section 11, the Shire has listed sites to be possible sources of contamination. Details of those sites are:

- Lot 778, Plan 189109 Manjimup WA 6258 (Starkies Pit - Remediated)
- 16 Wetherell St, Manjimup WA 6258 (Shire of Manjimup Depot)
- Lot 501 Ralston Road Ringbark (Manjimup Refuse Site)
- Lot 305 Ralston Road Ringbark (Closed Landfill Site)
- R24003 Pemberton-Northcliffe Rd, Yeagarup (Pemberton Transfer Station)
- R29991 Pemberton-Northcliffe Rd, Northcliffe (Northcliffe Transfer Station)
- R21092 South West Hwy, Walpole (Walpole Transfer Station)
- R38881 Windy Harbour Rd, Windy Harbour (Windy Harbour Refuse Site)
- Lease 1451/140, State Forest 38 Wheatley Coast Rd, Quinninup (Closed Sanitary Site)
- Lease 1451/140, State Forest 38 Kurandra Rd, Middlesex (Closed Liquid Waste Facility)

The Shire has undertaken full remediation of Lot 778, Plan 189109 Manjimup WA 6258 and the site is currently being monitored through regular ground water bore testing. For 16 Wetherell St, Manjimup WA 6258 (Depot), the Shire has set aside funding in the 2025/26 Annual Budget to continue the investigation to the level of contamination.

The Shire undertakes biannual ground water bore testing on the Pemberton, Northcliffe and Walpole transfer stations with no issues of contamination indicated. Until the Shire conducts an investigation on the remaining sites to determine the presence and scope of contamination, assess the risk, and agree with the Department of Water and Environmental Regulation on the need and criteria for remediation of a risk based approach, the Shire is unable to estimate the potential costs associated with remediation of these sites. This approach is consistent with the Department of Water and Environmental Regulation Guidelines.

20. CAPITAL COMMITMENTS

	2025	2024
	$	$
Contracted for:		
- capital expenditure projects	1,339,278	1,327,416
- plant & equipment purchases	160,089	53,000
	1,499,367	1,380,416

21. RELATED PARTY TRANSACTIONS

(a) Council member remuneration

Fees, expenses and allowances to be paid or reimbursed to council members.	Note	2025 Actual	2025 Budget	2024 Actual
		$	$	$
President's annual allowance		40,957	42,596	39,856
President's meeting attendance fees		23,940	24,897	23,363
President's annual allowance for ICT expenses		2,000	2,000	2,000
President's travel and accommodation expenses		2,592	2,333	1,155
		69,489	71,826	66,374
Deputy President's annual allowance		10,239	10,649	10,129
Deputy President's meeting attendance fees		19,820	20,613	19,820
Deputy President's annual allowance for ICT expenses		2,000	2,000	2,000
Deputy President's travel and accommodation expenses		0	2,333	382
		32,059	35,595	32,331
All other council member's meeting attendance fees		138,740	144,291	151,466
All other council member's annual allowance for ICT expenses		14,000	14,000	15,172
All other council member's travel and accommodation expenses		21,049	16,334	16,820
		173,789	174,625	183,458
	21(b)	275,337	282,046	282,163

(b) Key management personnel (KMP) compensation

The total of compensation paid to KMP of the Shire during the year are as follows:				
Short-term employee benefits		1,447,889		1,312,190
Post-employment benefits		162,985		148,458
Employee - other long-term benefits		23,715		22,126
Council member costs	21(a)	275,337		282,163
		1,909,926		1,764,937

Short-term employee benefits
These amounts include all salary and fringe benefits awarded to KMP except for details in respect to fees and benefits paid to council members which may be separately found in the table above.

Post-employment benefits
These amounts are the current-year's cost of the Shire's superannuation contributions made during the year.

Other long-term benefits
These amounts represent annual leave and long service leave entitlements accruing during the year.

Council member costs
These amounts represent payments of member fees, expenses, allowances and reimbursements during the year.

21. RELATED PARTY TRANSACTIONS (Continued)

(c) Transactions with related parties

Transactions between related parties and the Shire are on normal commercial terms and conditions, no more favourable than those available to other parties, unless otherwise stated.

No outstanding balances or provisions for doubtful debts or guarantees exist in relation to related parties at year end.

In addition to KMP compensation above the following transactions occurred with related parties:	2025 Actual $	2024 Actual $
Sale of goods and services	967	4,491

(d) Related parties

The Shire's main related parties are as follows:

i. Key management personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the Shire, directly or indirectly, including any council member, are considered key management personnel.

ii. Other Related Parties

Outside of normal citizen type transactions with the Shire, there were no other related party transactions involving key management personnel and/or their close family members and/or their controlled (or jointly controlled) entities.

iii. Entities subject to significant influence by the Shire

There were no such entities requiring disclosure during the current or previous year.

22. FINANCIAL RISK MANAGEMENT

This note explains the Shire's exposure to financial risks and how these risks could affect the Shire's future financial performance.

Risk	Exposure arising from	Measurement	Management
Market risk - interest rates	Long term borrowings at variable rates	Sensitivity analysis	Utilise fixed interest rate borrowings
Credit risk	Cash and cash equivalents, trade receivables, financial assets and debt investments	Aging analysis Credit analysis	Diversification of bank deposits, credit limits. Investment policy
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities

The Shire does not engage in transactions expressed in foreign currencies and is therefore not subject to foreign currency risk.

Financial risk management is carried out by the finance department under policies approved by the council. The finance department identifies, evaluates and manages financial risks in close co-operation with the operating divisions. Council have approved the overall risk management policy and provide policies on specific areas such as investment policy.

(a) Interest rate risk

Cash and cash equivalents
The Shire's main interest rate risk arises from cash and cash equivalents with variable interest rates, which exposes the Shire to cash flow interest rate risk. Short term overdraft facilities also have variable interest rates however these are repaid within 12 months, reducing the risk level to minimal.

Excess cash and cash equivalents are invested in fixed interest rate term deposits which do not expose the Shire to cash flow interest rate risk. Cash and cash equivalents required for working capital are held in variable interest rate accounts and non-interest bearing accounts. Carrying amounts of cash and cash equivalents at the 30 June and the weighted average interest rate across all cash and cash equivalents, term deposits, and Treasury bonds held disclosed as financial assets at amortised cost are reflected in the table below.

	Weighted average interest rate	Carrying amounts	Fixed interest rate	Variable interest rate	Non interest bearing
	%	$	$	$	$
2025					
Cash and cash equivalents		16,508,219	0	16,508,219	
Financial assets at amortised cost - term deposits		(1)	(1)		
Financial assets at amortised cost - Treasury bonds					
2024					
Cash and cash equivalents	1.55%	18,929,238	0	18,926,688	2,550
Financial assets at amortised cost - term deposits		0	0		
Financial assets at amortised cost - Treasury bonds					

Sensitivity
Profit or loss is sensitive to higher/lower interest income from cash and cash equivalents as a result of changes in interest rates.

	2025	2024
	$	$
Impact of a 1% movement in interest rates on profit or loss and equity*	165,082	189,267

* Holding all other variables constant

Borrowings
Borrowings are subject to interest rate risk - the risk that movements in interest rates could adversely affect funding costs. The Shire manages this risk by borrowing long term and fixing the interest rate to the situation considered the most advantageous at the time of negotiation. The Shire does not consider there to be any interest rate risk in relation to borrowings. Details of interest rates applicable to each borrowing may be found at Note 27(a).

22. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

Trade and other receivables
The Shire's major trade and other receivables comprise contractual non-statutory user fees and charges, grants, contributions and reimbursements. The major risk associated with these receivables is credit risk – the risk that the debts may not be repaid. The Shire manages this risk by monitoring outstanding debt and employing debt recovery policies.

The level of outstanding receivables is reported to council monthly and benchmarks are set and monitored for acceptable collection performance.

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

The expected loss rates are based on the payment profiles of trade and other receivables over a period of 36 months before 1 July 2024 or 1 July 2025 respectively and the corresponding historical losses experienced within this period. Historical credit loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors such as the ability of users to settle the receivables.

The loss allowance as at 30 June 2025 and 30 June 2024 was determined as follows for trade and other receivables.

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
30 June 2025					
Trade receivables					
Expected credit loss	0.00%	25.00%	50.00%	75.00%	
Gross carrying amount	557,450	5,682	7,067	34,172	604,371
Loss allowance	0	1,421	3,533	25,629	30,583
Rate and statutory receivables					
Expected credit loss	0.00%	0.00%	0.00%	22.89%	
Gross carrying amount	72,950	5,930	5,321	1,013,307	1,097,508
Loss allowance	0	0	0	231,992	231,992
30 June 2024					
Trade receivables					
Expected credit loss	0.00%	25.00%	50.00%	75.00%	
Gross carrying amount	414,689	31,705	23,313	21,086	490,793
Loss allowance	0	7,926	11,657	15,815	35,397
Rate and statutory receivables					
Expected credit loss	0.00%	0.00%	0.00%	53.2453%	
Gross carrying amount	617	150,006	462,171	433,576	1,046,370
Loss allowance	0	0	0	230,859	230,859

22. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk (Continued)

The loss allowances for trade, other receivables and contract assets as at 30 June reconcile to the opening loss allowances as follows:

	Trade receivables		Rates and statutory receivables		Contract assets	
	2025 Actual	2024 Actual	2025 Actual	2024 Actual	2025 Actual	2024 Actual
	$	$	$	$	$	$
Opening loss allowance as at 1 July	35,397	14,653	231,992	229,781	(494)	(556)
Increase in loss allowance recognised in profit or loss during the year	0	0	0	0	0	0
Receivables written off during the year as uncollectible	0	(6,611)	(992)	0	0	0
Unused amount reversed	(4,814)	27,355	992	1,078	(5,338)	62
Closing loss allowance at 30 June	30,583	35,397	231,992	230,859	(5,832)	(494)

Trade, other receivables and contract assets are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Shire, and a failure to make contractual payments for a period of greater than 120 days past due.

Impairment losses on rates and statutory receivables, trade, other receivables and contract assets are presented as net impairment losses within other expenditure. Subsequent recoveries of amounts previously written off are credited against the same line item.

Contract assets

The Shire's contract assets represent work completed, which have not been invoiced at year end. This is due to the Shire not having met all the performance obligations in the contract which give an unconditional right to receive consideration. The Shire applies the simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all contract assets. To measure the expected credit losses, contract assets have been grouped based on shared credit risk characteristics and the days past due. Contract assets have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Shire has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

22. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk

Payables and borrowings
Payables and borrowings are both subject to liquidity risk – that is the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. The Shire manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer. Payment terms can be extended and overdraft facilities drawn upon if required and disclosed in Note 18(d).

The contractual undiscounted cash flows of the Shire's payables and borrowings are set out in the liquidity table below. Balances due within 12 months equal their carrying amounts, as the impact of discounting is not significant.

2025	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying amount
	$	$	$	$	$
Trade and other payables	2,329,885	0	0	2,329,885	2,329,885
Borrowings	554,938	1,946,629	8,608,598	11,110,165	7,955,680
Lease liabilities	151,979	395,752	0	547,731	547,731
	3,036,802	2,342,381	8,608,598	13,987,781	10,833,296
2024					
Trade and other payables	1,746,783	0	0	1,746,783	1,746,783
Borrowings	1,033,341	3,177,942	7,545,741	11,757,024	8,408,554
Lease liabilities	57,269	34,435	0	91,704	88,516
	2,837,393	3,212,377	7,545,741	13,595,511	10,243,854

23. OTHER MATERIAL ACCOUNTING POLICIES

a) 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.

b) 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.

c) Rounding off figures
All figures shown in this annual financial report, other than a rate in the dollar, are rounded to the nearest dollar. Amounts are presented in Australian Dollars.

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

When the Shire applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements that has a material effect on the statement of financial position, an additional (third) Statement of Financial Position as at the beginning of the preceding period in addition to the minimum comparative financial report is presented.

e) Budget comparative figures
Unless otherwise stated, the budget comparative figures shown in this annual financial report relate to the original budget estimate for the relevant item of disclosure.

f) Superannuation
The Shire contributes to a number of Superannuation Funds on behalf of employees. All funds to which the Shire contributes are defined contribution plans.

g) Fair value of assets and liabilities
Fair value is the price that the Shire would receive to sell the asset or would have to pay to transfer a liability, in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

h) Interest revenue
Interest revenue is calculated by applying the effective interest rate to the gross carrying amount of a financial asset measured at amortised cost except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

i) Fair value hierarchy
AASB 13 Fair Value Measurement requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurement into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1
Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2
Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3
Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

Valuation techniques
The Shire selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Shire are consistent with one or more of the following valuation approaches:

Market approach
Valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.

Income approach
Valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.

Cost approach
Valuation techniques that reflect the current replacement cost of the service capacity of an asset.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Shire gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

j) Impairment of assets
In accordance with Australian Accounting Standards the Shire's assets, other than inventories, are assessed at each reporting date to determine whether there is any indication they may be impaired.

Where such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount except for non-financial assets that are:
- land and buildings classified as property, plant and equipment;
- infrastructure; or
- vested improvements that the local government controls, in circumstances where there has been an impairment indication of a general decrease in asset values.

These non-financial assets are assessed in accordance with the regulatory framework detailed in Note 10.

Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. AASB 116 *Property, Plant and Equipment*) whereby any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

24. FUNCTION AND ACTIVITY

(a) Service objectives and descriptions

Shire operations as disclosed in this financial report encompass the following service orientated functions and activities.

Objective	Description
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 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 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 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 centres, beaches, recreation centres, and various sporting facilities. Provision and maintenance of parks, gardens and playgrounds. Operation of library, museum and cultural facilities.
Transport To provide safe, effective and efficient transport services to the community	Construction and maintenance of roads, streets, footpaths, cycle ways, parking facilities and traffic control. Cleaning of streets and maintenance of street trees, street lighting ect.
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 operation, plant repair and costs

24. FUNCTION AND ACTIVITY (Continued)

(b) Income and expenses

	2025 Actual	2024 Actual (Restated)*
	$	$
Income excluding grants, subsidies and contributions and capital grants, subsidies and contributions		
Governance	1,542,790	1,472,199
General purpose funding	12,052,806	11,511,137
Law, order, public safety	101,286	97,263
Health	64,938	21,776
Education and welfare	2,368,077	2,801,558
Housing	0	30,537
Community amenities	2,459,497	2,453,747
Recreation and culture	844,902	893,939
Transport	47,355	139,318
Economic services	168,303	70,876
Other property and services	270,757	284,038
	19,920,711	19,776,388
Grants, subsidies and contributions and capital grants, subsidies and contributions		
Governance	239,924	479,327
General purpose funding	2,008,253	2,808,959
Law, order, public safety	883,561	697,558
Health	4,558	3,381
Education and welfare	1,657,560	882,754
Community amenities	315,321	39,597
Recreation and culture	902,590	1,623,252
Transport	5,442,154	4,733,376
Economic services	3,876	71,908
Other property and services	81,431	93,113
	11,539,228	11,433,225
Total income	31,459,939	31,209,613
Expenses		
Governance	(3,830,728)	(3,281,580)
General purpose funding	(32,405)	(143,534)
Law, order, public safety	(1,929,465)	(1,804,440)
Health	(425,556)	(413,584)
Education and welfare	(3,255,570)	(3,375,374)
Housing	(35,858)	(55,352)
Community amenities	(3,604,700)	(3,312,832)
Recreation and culture	(7,021,556)	(6,600,134)
Transport	(11,220,247)	(11,383,615)
Economic services	(2,237,249)	(2,202,857)
Other property and services	(487,523)	(155,835)
Total expenses	(34,080,857)	(32,729,137)
Net result for the period	(2,620,918)	(1,519,524)

(c) Assets

Governance	5,308,346	5,404,803
Law, order, public safety	4,478,305	4,467,556
Health	52,287	81,658
Education and welfare	6,493,224	6,593,478
Housing	3,009,172	3,081,184
Community amenities	1,669,125	1,723,377
Recreation and culture	47,191,918	46,787,330
Transport	291,478,286	293,416,718
Economic services	1,808,602	1,841,854
Other property and services	24,635	30,637
Unallocated	22,993,253	23,876,336
Total assets	384,507,153	387,304,931

* Restated refer to note 30 for correction of prior period error.

25. RATING INFORMATION

(a) General rates

RATE TYPE Rate description	Basis of valuation	Rate in $	Number of properties	2024/25 Actual rateable value*	2024/25 Actual rate revenue	2024/25 Actual interim rates	2024/25 Actual total revenue	2024/25 Budget rate revenue	2024/25 Budget interim rate	2024/25 Budget total revenue	2023/24 Actual total revenue
				$	$	$	$	$	$	$	$
GRV Rate	Gross rental valuation	0.090112	3,189	67,668,068	6,097,725	32,108	6,129,833	6,095,995	40,000	6,135,995	5,133,058
UV Rate	Unimproved valuation	0.005854	1,356	776,108,234	4,543,570	(9,619)	4,533,951	4,543,570	20,000	4,563,570	4,315,110
CALM Leases	Unimproved valuation	0.005854	2	108,854	637	0	637	723	0	723	467
CALM Leases Dam	Unimproved valuation	0.005854	1	14,652	86	0	86	0	0	0	0
Total general rates			4,548	843,899,808	10,642,018	22,489	10,664,507	10,640,288	60,000	10,700,288	9,448,635
		Minimum payment $									
Minimum payment											
GRV Rate	Gross rental valuation	1,150	945	7,112,063	1,086,750		1,086,750	1,086,750		1,086,750	1,666,035
UV Rate	Unimproved valuation	1,150	235	29,106,062	270,250		270,250	270,250		270,250	315,495
CALM Leases	Unimproved valuation	100	0	0	0		0	0		0	100
CALM Leases Dam	Unimproved valuation	50	1	5,500	50		50	50		50	50
Total minimum payments			1,181	36,223,625	1,357,050	0	1,357,050	1,357,050	0	1,357,050	1,981,680
Total general rates and minimum payments			5,729	880,123,433	11,999,068	22,489	12,021,557	11,997,338	60,000	12,057,338	11,430,315
Concessions							(99,000)			(99,020)	(89,942)
Total rates							11,922,557			11,958,318	11,340,373

(b) Rates related information

Rates instalment interest							0			0	37,424
Rates instalment plan charges							40,100			42,300	35,968
Rates overdue interest							49,030			45,000	56,474

*Rateable Value at time of raising of rate.

AMD

26. DETERMINATION OF SURPLUS OR DEFICIT

	Note	2024/25 (30 June 2025 carried forward)	2024/25 Budget (30 June 2025 carried forward)	2023/24 (30 June 2024 carried forward)
		$	$	$
(a) Non-cash amounts excluded from operating activities				
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Statement of Financial Activity in accordance with *Financial Management Regulation 32.*				
Adjustments to operating activities				
Less: Profit on asset disposals		(83,902)	(312,969)	(205,029)
Add: Loss on disposal of assets		13,573	32,516	2,278
Add: Depreciation	10(a)	9,853,097	9,702,014	9,617,490
Non-cash movements in non-current assets and liabilities:				
Pensioner deferred rates		(23,883)	0	(40,596)
Employee benefit provisions		8,409	265,996	14,809
Other provisions		87,301	0	83,271
Non-cash amounts excluded from operating activities		9,854,595	9,687,557	9,472,223
(b) Non-cash amounts excluded from investing activities				
The following non-cash revenue or expenditure has been excluded from amounts attributable to investing activities within the Statement of Financial Activity in accordance with *Financial Management Regulation 32.*				
Adjustments to investing activities				
Acquisition of Infrastructure by assuming directly related liabilities	16	0	0	1,720,469
Right of use assets received - non cash	11(a)	578,704	0	0
Non-cash amounts excluded from investing activities		578,704	0	1,720,469
(c) Non-cash amounts excluded from financing activities				
The following non-cash revenue or expenditure has been excluded from amounts attributable to financing activities within the Statement of Financial Activity in accordance with *Financial Management Regulation 32.*				
Adjustments to financing activities				
Non cash proceeds from new leases	27(d)	(578,704)	(200,000)	(23,496)
Non-cash amounts excluded from financing activities		(578,704)	(200,000)	(23,496)
(d) Surplus or deficit after imposition of general rates				
The following current assets and liabilities have been excluded from the net current assets used in the Statement of Financial Activity in accordance with *Financial Management Regulation 32* to agree to the surplus/(deficit) after imposition of general rates.				
Adjustments to net current assets				
Less: Reserve accounts	28	(9,197,064)	(10,388,567)	(8,274,148)
Less: Financial assets at amortised cost - self-supporting loans	4(a)	(16,752)	(8,908)	(8,908)
Add: Current liabilities not expected to be cleared at end of year				
- Current portion of borrowings	14	554,938	683,844	683,844
- Current portion of lease liabilities	11(b)	151,979	55,365	55,365
- Employee benefit provisions		906,537	667,020	911,866
Total adjustments to net current assets		(7,600,362)	(8,991,246)	(6,631,981)
Net current assets used in the Statement of financial activity				
Total current assets		20,062,033	14,576,311	21,621,686
Less: Total current liabilities		(5,865,712)	(5,585,065)	(6,176,914)
Less: Total adjustments to net current assets		(7,600,362)	(8,991,246)	(6,631,981)
Surplus or deficit after imposition of general rates		6,595,959	0	8,812,791

27. BORROWING AND LEASE LIABILITIES

(a) Borrowings

		Actual							Budget			
Purpose	Note	Principal at 1 July 2023	New loans during 2023-24	Principal repayments during 2023-24	Principal at 30 June 2024	New loans during 2024-25	Principal repayments during 2024-25	Principal at 30 June 2025	Principal at 1 July 2024	New loans during 2024-25	Principal repayments during 2024-25	Principal at 30 June 2025
		$	$	$	$	$	$	$	$	$	$	$
Brockman St (RGC)		350,238	0	(19,067)	331,171	0	(19,842)	311,329	331,171	0	(19,842)	311,329
Freehold Land Acquisition (RGC)		655,337	0	(35,678)	619,659	0	(37,127)	582,532	619,659	0	(37,127)	582,532
Archive Storage Shed		122,028	0	(6,206)	115,822	0	(6,317)	109,505	115,822	0	(6,317)	109,505
Medical Professionals Accommodation		374,871	0	(23,468)	351,403	0	(24,445)	326,958	351,403	0	(24,445)	326,958
Manjimup Waste Site Development		157,733	0	(22,132)	135,601	0	(23,649)	111,952	135,601	0	(23,649)	111,952
Manjimup VRC Building Expansion		139,816	0	(12,933)	126,883	0	(13,517)	113,366	126,883	0	(13,517)	113,366
CBD Solar Efficiency Project		356,486	0	(49,043)	307,443	0	(49,658)	257,785	307,443	0	(49,658)	257,785
NICC, Walpole Telecentre carpark		26,698	0	(26,698)	0	0	0	0	0	0	0	0
Swimming pool		172,119	0	(83,541)	88,578	0	(88,578)	0	88,578	0	(88,578)	0
Swimming pool		241,553	0	(92,374)	149,179	0	(97,981)	51,198	149,179	0	(97,981)	51,198
Swimming pool		155,831	0	(48,422)	107,409	0	(67,477)	39,932	107,409	0	(51,528)	55,881
Walpole Country Club		30,424	0	(11,863)	18,561	0	(12,270)	6,291	18,561	0	(12,270)	6,291
Air Source Heat Pumps AquaCentre		124,771	0	(17,165)	107,606	0	(17,380)	90,226	107,606	0	(17,380)	90,226
Pemberton Colocation Redevelopment		644,199	0	(28,927)	615,272	0	(29,633)	585,639	615,272	0	(29,633)	585,639
Stage 1 - Recreation/Community Amenities U		1,380,426	0	(61,986)	1,318,440	0	(63,499)	1,254,941	1,318,440	0	(63,499)	1,254,941
Depot Building extensions, WP T/Hall Entry, WP Aged Accomm, WP SSR Shed		201,077	0	(28,214)	172,863	0	(30,147)	142,716	172,863	0	(30,147)	142,716
Stage 2a - Recreation/Community Facilities U		0	500,000	0	500,000	0	(14,514)	485,486	500,000	0	(14,514)	485,486
Stage 2b - Collier Street/ Rea Park Redevel		0	2,500,000	0	2,500,000	0	(72,571)	2,427,429	2,500,000	0	(72,572)	2,427,428
Stage 2C - Collier Street/ Rea Park Redevel		0	0	0	0	0	0	0	0	2,423,757	0	2,423,757
Staff Housing		0	750,000	0	750,000	0	(21,741)	728,259	750,000	0	(22,278)	727,722
Total		5,133,607	3,750,000	(567,717)	8,315,890	0	(690,346)	7,625,544	8,315,890	2,423,757	(674,935)	10,064,712
Self-supporting loans												
Pemberton Golf Club		101,263		(8,599)	92,664	0	(8,908)	83,756	92,664	0	(8,907)	83,757
Manjimup Tennis Club		0		0	0	250,000	(3,620)	246,380	0	250,000	(3,702)	246,298
Dunreath Cottages Inc		0		0	0	0	0	0	0	400,000	(44,591)	355,409
Total self-supporting loans		101,263	0	(8,599)	92,664	250,000	(12,528)	330,136	92,664	650,000	(57,200)	685,464
Total borrowings	14	5,234,870	3,750,000	(576,316)	8,408,554	250,000	(702,874)	7,955,680	8,408,554	3,073,757	(732,135)	10,750,176

Self-supporting loans are financed by payments from third parties. These are shown in Note 4 as other financial assets at amortised cost.
All other loan repayments were financed by general purpose revenue.

AMD

27. BORROWING AND LEASE LIABILITIES (Continued)

Borrowing finance cost payments

Purpose	Loan number	Institution	Interest rate	Date final payment is due	Actual for year ending 30 June 2025	Budget for year ending 30 June 2025	Actual for year ending 30 June 2024
					$	$	$
Brockman St (RGC)	223	WATC	4.02%	23/03/2037	(12,933)	(13,116)	(13,682)
Freehold Land Acquisition (RGC)	224	WATC	4.02%	23/03/2037	(24,235)	(24,541)	(25,564)
Archive Storage Shed	229	WATC	1.78%	6/03/2040	(2,004)	(2,034)	(2,110)
Medical Professionals Accommodation	219	WATC	5.00%	24/07/2035	(13,824)	(14,229)	(14,791)
Manjimup Waste Site Development	213	WATC	6.74%	5/06/2029	(8,659)	(8,748)	(10,188)
Manjimup VRC Building Expansion	215	WATC	4.57%	22/06/2032	(5,553)	(5,522)	(6,064)
CBD Solar Efficiency Project	228	WATC	1.25%	6/03/2030	(3,501)	(3,688)	(4,110)
NICC, Walpole Telecentre carpark	202	WATC	6.50%	7/05/2024	0		(1,037)
Swimming pool	206	WATC	5.94%	13/05/2025	(3,279)	(3,965)	(8,402)
Swimming pool	207	WATC	5.98%	15/11/2025	(6,772)	(7,478)	(12,405)
Swimming pool	210	Westpac	6.27%	17/03/2026	(4,720)	(5,947)	(8,180)
Walpole Country Club	220	WATC	3.61%	24/07/2025	(347)	(528)	(759)
Air Source Heat Pumps AquaCentre	227	WATC	1.25%	6/03/2030	(1,226)	(1,291)	(1,438)
Pemberton Colocation Redevelopment	230	WATC	2.43%	9/04/2041	(14,677)	(14,754)	(15,173)
Stage 1 - Recreation/Community Amenities U	231	WATC	2.43%	9/04/2041	(31,451)	(31,616)	(32,901)
Depot Building extensions, WP T/Hall Entry, WP Aged Accomm, WP SSR Shed	214	WATC	6.74%	5/06/2029	(11,067)	(11,151)	(12,960)
Stage 2a - Recreation/Community Facilities U	232	WATC	5.31%	16/05/2044	(26,318)	(26,388)	(3,366)
Stage 2b - Collier Street/ Rea Park Redevel	233	WATC	5.31%	16/05/2044	(131,807)	(131,938)	(16,611)
Staff Housing	237	WATC	5.31%	6/06/2044	(39,651)	(39,355)	(2,783)
Total					(342,024)	(346,289)	(192,524)
Self-supporting loans finance cost payments							
Pemberton Golf Club	226	WATC	3.55%	4/05/2033	(3,186)	(3,211)	(3,457)
Manjimup Tennis Club	235	TBA	4.80%	1/08/2044	(11,886)	(6,571)	0
Dunreath Cottages Inc	236	TBA	4.27%		0	(8,591)	0
Total self-supporting loans finance cost payments					(15,072)	(18,373)	(3,457)
Total finance cost payments					(357,096)	(364,662)	(195,981)

* WA Treasury Corporation

AMD

27. BORROWING AND LEASE LIABILITIES (Continued)

(b) New borrowings - 2024/25

Particulars/purpose	Institution	Loan type	Term years	Interest rate	Amount borrowed 2025 Actual	Amount borrowed 2025 Budget	Amount (used) 2025 Actual	Amount (used) 2025 Budget	Total interest and charges	Actual balance unspent
				%	$	$	$	$	$	$
Stage 2C - Collier Street/ Rea Park Redevelopment		Principal/Int	20	4.80%	0	2,423,757	0	2,423,757	0	0
Manjimup Tennis Club - S/S Loan		Principal/Int	20	5.22%	250,000	250,000	(250,000)	250,000	155,730	0
Dunreath Cottages Inc - S/S Loan		Principal/Int	4	4.27%	0	400,000	0	400,000	0	0
					250,000	3,073,757	(250,000)	3,073,757	155,730	0

* WA Treasury Corporation

(c) Unspent borrowings

Particulars	Institution	Date Borrowed	Unspent balance 1 July 2024	Borrowed during 2024-25	Expended during 2024-25	Unspent balance 30 June 2025
			$	$	$	$
Energy Efficiency Project / Brockman St Upgr	WATC	2019/2020	62,067	0	(62,067)	0
Archive Storage Building	WATC	2019/2020	14,176	0	(14,176)	0
Stage 2a - Recreation/Community Facilities Upgrade	WATC	2023/2024	152,607	0	(152,607)	0
Stage 2b - Collier Street/ Rea Park Redevel	WATC	2023/2024	1,206,958	0	(1,004,272)	202,686
			1,435,808	0	(1,233,122)	202,686

* WA Treasury Corporation

AMD

27. BORROWING AND LEASE LIABILITIES (Continued)

(d) Lease liabilities

		Actual							Budget			
Purpose	Note	Principal at 1 July 2023	New leases during 2023-24	Principal repayments during 2023-24	Principal at 30 June 2024	New leases during 2024-25	Principal repayments during 2024-25	Principal at 30 June 2025	Principal at 1 July 2024	New leases during 2024-25	Principal repayments during 2024-25	Principal at 30 June 2025
		$	$	$	$	$	$	$	$	$	$	$
Network Equipment		5,434	0	(5,434)	0	0	0	0	0	0	0	0
Switching Equipment ICT		22,993	0	(9,121)	13,872	0	(9,222)	4,650	13,116	0	(9,222)	3,894
Ford Ranger - 1030WA		6,381	0	(6,381)	0	0	0	0	0	0	0	0
Nutanix Block		46,070	0	(30,561)	15,509	0	(15,509)	0	15,510	0	(15,510)	0
Toyota Hilux - 1005WA		15,253	0	(8,609)	6,644	0	(6,644)	0	6,643	0	(6,643)	0
Ford Ranger - 1028WA		7,546	0	(6,962)	584	0	(584)	0	1,342	0	(1,342)	0
Shire Firewall Hardware		21,339	0	(10,475)	10,864	0	(10,864)	0	10,862	0	(10,862)	0
HP Design Jet XL3600		29,675	0	(6,574)	23,101	0	(6,820)	16,281	23,101	0	(6,819)	16,282
Nissan xTrail - 1026WA		0	23,496	(5,553)	17,943	0	(5,721)	12,222	0	0	0	0
Various lease renewals		0	0	0	0	0	0	0	0	200,000	(79,602)	120,398
1005WA Toyota Hilux		0	0	0	0	57,019	(7,655)	49,364	0	0	0	0
1028WA Ford Ranger XL		0	0	0	0	34,834	(6,465)	28,369	0	0	0	0
1001WA Mistsubishi Triton		0	0	0	0	36,211	(13,260)	22,951	0	0	0	0
Nutanix Block		0	0	0	0	169,186	(13,046)	156,140	0	0	0	0
CCTV Server		0	0	0	0	44,095	(10,325)	33,770	0	0	0	0
Firewalls		0	0	0	0	184,039	(5,957)	178,082	0	0	0	0
Photocopiers x 3		0	0	0	0	53,320	(7,418)	45,902	0	0	0	0
Total lease liabilities	11(b)	154,691	23,496	(89,670)	88,517	578,704	(119,490)	547,731	70,574	200,000	(130,000)	140,574

Lease finance cost payments

Purpose	Lease number	Institution	Interest rate	Date final payment is due	Actual for year ending 30 June 2025	Budget for year ending 30 June 2025	Actual for year ending 30 June 2024	Lease term
					$	$	$	
Network Equipment	E6N0163073	MAIA	2.10%	20/05/2024	0	0	(52)	60 Months
Switching Equipment ICT	5546295549AUS1	HP Financial	1.10%	31/12/2025	(106)	0	(207)	36 Months
Ford Ranger - 1030WA	988158	SG Fleet	1.20%	31/03/2024	0	0	(32)	36 Months
Nutanix Block	5546295549AUS2	HP Financial	2.00%	30/01/2025	(91)	0	(639)	60 Months
Toyota Hilux - 1005WA	998878	SG Fleet	2.30%	25/04/2025	(91)	0	(370)	36 Months
Ford Ranger - 1028WA	990366	SG Fleet	1.30%	10/08/2024	(1)	0	(57)	36 Months
Shire Firewall Hardware	5546295549AUS4	HP Financial	3.70%	20/06/2025	(216)	0	(605)	36 Months
HP Design Jet XL3600	52295/0504884	Finlease	3.70%	30/09/2027	(728)	0	(974)	36 Months
Nissan xTrail - 1026WA	1068377	SG Fleet	4.47%	28/07/2027	(673)	0	(841)	36 Months
1005WA Toyota Hilux		Fleetcare	4.41%	10/12/2027	(774)	0	0	36 Months
1028WA Ford Ranger XL		Fleetcare	4.41%	15/10/2026	(760)	0	0	36 Months
1001WA Mistsubishi Triton	30975	Fleetcare	4.41%	15/10/2026	(912)	0	0	24 Months
Nutanix Block	5546295549AUS9	HP Financial	4.41%	14/02/2030	(2,628)	0	0	60 Months
CCTV Server	5546295549AUS8	HP Financial	4.41%	30/06/2028	(1,699)	0	0	48 Months
Firewalls	5546295549AUS11	HP Financial	4.41%	20/05/2030	(860)	0	0	60 Months
Photocopiers x 3		Finrent	4.41%	23/10/2029	(1,465)	0	0	60 Months
Total finance cost payments					(11,004)	0	(3,777)	

AMD

28. RESERVE ACCOUNTS

	2025 Actual opening balance	2025 Actual transfer to	2025 Actual transfer (from)	2025 Actual closing balance	2025 Budget opening balance	2025 Budget transfer to	2025 Budget transfer (from)	2025 Budget closing balance	2024 Actual opening balance	2024 Actual transfer to	2024 Actual transfer (from)	2024 Actual closing balance
	$	$	$	$	$	$	$	$	$	$	$	$
Restricted by council												
(a) Leave reserve	605,913	0	(86,182)	519,731	605,913	0	0	605,913	605,913	0	0	605,913
(b) Airfield construction and maintenance	191,798	20,000	0	211,798	191,798	20,000	(30,000)	181,798	188,018	20,000	(16,220)	191,798
(c) AquaCentre building	113,551	53,775	(9,591)	157,735	113,551	53,775	(73,707)	93,619	134,166	20,000	(40,615)	113,551
(d) AquaCentre plant	40,605	35,000	(57,399)	18,206	40,605	35,000	(43,810)	31,795	25,595	20,000	(4,990)	40,605
(e) Arts and culture	38,892	0	(3,595)	35,297	38,892	0	0	38,892	39,807	5,000	(5,915)	38,892
(f) Bridge	283,584	0	0	283,584	283,584	0	(30,000)	253,584	283,584	0	0	283,584
(g) Building asset management	148,064	25,000	0	173,064	148,064	25,000	(125,504)	47,560	188,012	0	(39,948)	148,064
(h) Community bus	1,370	0	(1,370)	0	1,370	0	(1,370)	0	1,370	0	0	1,370
(i) Construction and resource research	477,555	0	(9,445)	468,110	477,555	5,000	(24,872)	457,683	481,271	0	(3,716)	477,555
(j) Future carpark	5,190	0	0	5,190	5,190	5,000	0	10,190	5,190	0	0	5,190
(k) MHCC annual and long service leave	256,656	42,573	(58,950)	240,279	256,656	24,914	0	281,570	238,536	20,653	(2,533)	256,656
(l) MHCC asset replacement	1,762,207	544,044	(92,526)	2,213,725	1,762,207	209,966	(92,618)	1,879,555	1,597,075	387,589	(222,457)	1,762,207
(m) Heritage	44,646	5,000	0	49,646	44,646	5,000	(5,000)	44,646	39,646	5,000	0	44,646
(n) Heritage trail	92,500	7,500	0	100,000	92,500	7,500	0	100,000	77,500	15,000	0	92,500
(o) ICT hardware replacement	0	0	0	0	0	0	0	0	0	21,850	(21,850)	0
(p) Land resumption	14,053	20,000	(3,500)	30,553	14,053	20,000	(20,000)	14,053	24,638	10,000	(20,585)	14,053
(q) Medical Professionals Housing Building Renewal	39,052	19,526	0	58,578	39,052	19,526		58,578	19,526	19,526	0	39,052
(r) Northcliffe town hall	1,859	0	(1,859)	0	1,859		(1,859)	0	1,859	0	0	1,859
(s) Occupational health and safety	21,000	0	(11,600)	9,400	21,000	0	(21,000)	0	21,000	0	0	21,000
(t) Plant and equipment replacement	523,383	457,171	(91,244)	889,310	523,383	834,710	(1,115,000)	243,093	917,103	631,013	(1,024,733)	523,383
(u) Playground major repair	57,041	50,000	0	107,041	57,041	50,000	(23,800)	83,241	71,000	15,000	(28,959)	57,041
(v) Rea Park/Collier St Development and Renewal	1,104,041	106,243	0	1,210,284	1,104,041	2,530,000	0	3,634,041	0	1,104,041	0	1,104,041
(w) Recreation floor	44,429	5,000	0	49,429	44,429	5,000	0	49,429	47,671	5,000	(8,242)	44,429
(x) Recreation ground/facility improvement	190,162	41,540	(86,017)	145,685	190,162	41,540	(170,996)	60,706	354,825	41,540	(206,203)	190,162
(y) Revaluation	40,742	12,500	0	53,242	40,742	12,500	0	53,242	143,988	6,000	(109,246)	40,742
(z) Self insurance	9,547	0	(9,547)	0	9,547	0	(9,547)	0	9,547	15,000	(15,000)	9,547
({) Solar System Maintenance	20,236	10,000	0	30,236	20,236	10,000	0	30,236	15,748	10,000	(5,512)	20,236
(|) Strategic asset and development	505,503	113,134	(48,426)	570,211	505,503	0	(50,000)	455,503	0	678,136	(172,633)	505,503
(}) Telecommunications	6,000	0	(6,000)	0	6,000	0	(6,000)	0	6,000	0	0	6,000
(~) Waste management and site development	578,774	50,000	0	628,774	578,774	50,000	0	628,774	401,441	193,396	(16,063)	578,774
( ) Windy Harbour infrastructure	957,253	77,718	(133,399)	901,572	957,253	77,718	(82,647)	952,324	931,450	77,718	(51,915)	957,253
(€) Workers compensation	98,542	0	(62,158)	36,384	98,542	0	0	98,542	98,542	0	0	98,542
	8,274,148	1,695,724	(772,808)	9,197,064	8,274,148	4,042,149	(1,927,730)	10,388,567	6,970,021	3,321,462	(2,017,335)	8,274,148

All reserves are supported by cash and cash equivalents and financial assets at amortised cost and are restricted within equity as Reserve accounts.

AMD

28. RESERVE ACCOUNTS (Continued)

In accordance with council resolutions or adopted budget in relation to each reserve account, the purpose for which the reserves are set aside and their anticipated date of use are as follows:

	Name of reserve account Restricted by council	Purpose of the reserve account
(a)	Leave reserve	funding entitlements (other than MHCC) for annual leave and long service.
(b)	Airfield construction and maintenance	to be applied upon recommendations from the Airfield Committee.
(c)	AquaCentre building	monies for the programmed replacement of the Aqua Centre building, in particular the Hoecker inflated roof component of the building.
(d)	AquaCentre plant	monies for the replacement of the Aqua Centre plant and equipment, in particular the pumps, heat pumps and air-conditioning plant.
(e)	Arts and culture	to foster and support the community at the local level by including the delivery of a diverse range of art and cultural opportunities, an increased awareness of artistic and cultural opportunities, the development of identified infrastructure to support the arts, and skill development and education in respect of the arts.
(f)	Bridge	for the construction, maintenance, replacement or substantial repair of bridges or major culverts within the Shire, and for the possible development of a bridge crew to attend to work inside and outside the Shire boundaries.
(g)	Building asset management	for the construction, maintenance, replacement or substantial repair of buildings and associated infrastructure owned or managed by the Shire of Manjimup
(h)	Community bus	monies not used during the year, set aside for future maintenance on the bus.
(i)	Construction and resource research	monies to be used to fund construction resources.
(j)	Future carpark	funding from developer contributions for developments to be applied to specific car parking works in the Shire of Manjimup.
(k)	MHCC annual and long service leave	monies set aside for the purpose of annual and long service leave liability specifically relating to the Home and Community Care Scheme.
(l)	MHCC asset replacement	monies set aside for the purpose of asset replacement, including vehicles, specifically relating to the Home and Community Care Scheme.
(m)	Heritage	grant monies allocated to the Shire of Manjimup for heritage building maintenance & general heritage functions.
(n)	Heritage trail	funds set aside to promote our unique heritage for residents and visitors.
(o)	ICT hardware replacement	funding set aside for the purpose of ICT asset replacement, including desktops, laptops, servers and the hardware required to deliver ICT services to the Shire of Manjimup.
(p)	Land resumption	funding for the resumption of land for infrastructure purposes (road reserves, footpaths, boundary setbacks etc.) where the resumption is not part of a budgeted infrastructure project.
(q)	Medical Professionals Housing Building Renewal	fund renewal maintenance to keep the propoerty suitable for accommodation of Medical Professionals
(r)	Northcliffe town hall	monies to be used for the purpose of meeting future maintenance costs associated with the Northcliffe Town Hall.
(s)	Occupational health and safety	for the funding of any unbudgeted issues arising in the area of Occupational Safety and Health
(t)	Plant and equipment replacement	monies set aside to offset costs associated with the implementation of the annual plant replacement program, including purchase of new plant. “Plant” means light vehicles, roadworks plant, parks & gardens plant, and tools.
(u)	Playground major repair	to set aside fund for future major repairs required for playgrounds within the Shire of Manjimup.
(v)	Rea Park/Collier St Development and Renewal	to set aside funds for the developmentof recreation facilities and future renewal costs at the reserve.
(w)	Recreation floor	set aside funds for sealing and line marking of timber courts in the Shire’s four indoor recreation facilities.
(x)	Recreation ground/facility improvement	for funding the improvement or development of recreation grounds and facilities.
(y)	Revaluation	for the funding of future revaluation cycles for GRV valuations (currently four years), and Building revaluations (currently four years).
(z)	Self insurance	funding to meet the cost of excess and/or the cost of insurance claims which may be below the excess level under the Shires insurance policy.
({)	Solar System Maintenance	funding for preventaiove and reactive maintenance to Shire solar systems
(|)	Strategic asset and development	to enable Council to capture and address capital and operational strategic issues as opportunities arise.
(})	Telecommunications	replacement of Shire managed television and radio retransmission equipment.
(~)	Waste management and site development	funding for the development of waste facility sites upon the expiry of existing landfill sites and the rehabilitation of existing land fill sites.
( )	Windy Harbour infrastructure	for the development of core infrastructure at Windy Harbour as outlined in the Windy Harbour Management Plan.
(€)	Workers compensation	for the purpose of providing funding to meet any additional premium demand by LGIS in any particular year, and direct any workers compensation insurance premium savings into such account sufficient to cover 2 years maximum additional premium claim.

29. TRUST FUNDS

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

	1 July 2024	Amounts received	Amounts paid	30 June 2025
	$	$	$	$
Public open space bond	39,650	0	0	39,650
	39,650	0	0	39,650

30. CORRECTION OF ERROR

The 2024 comparative figures have been restated to include a provision for the Manjimup landfill site rehabilitation and corresponding infrastructure asset.

As part of the end of financial year audit process, it was identified that, through the commissioning of a Landfill Closure Management Plan for the Manjimup landfill site in November 2023, the Shire had obtained sufficient information regarding the site's rehabilitation costs to enable the calculation and recognition of a rehabilitation provision. Given the timing of the report, it was determined that an error existed in the 2024 Annual Financial Accounts which required correction.

An adjustment was therefore made to the 2024 Annual Financial Accounts as at 30 June 2024, recognising a Rehabilitation Provision of $1,803,739 and a corresponding Waste Site Rehabilitation Asset of $1,686,734. No adjustment was made to comparative amounts at 1 July 2023 as it was impracticable to do so.

Statement of Financial Position (Extract)	**30 June 2024**	**Adjustment**	**30 June 2024 (Restated)**
	$	**$**	**$**
Assets			
Infrastructure	296,337,031	1,686,734	298,023,765
Liabilities			
Other Provisions	0	(1,803,739)	(1,803,739)
Net assets	371,484,139	(117,005)	371,367,134
Retained earnings	(22,336,141)	(117,005)	(22,453,146)
Total equity	371,484,139	(117,005)	371,367,134

Statement of Comprehensive Income (Extract)	**2024**	**Adjustment**	**2024 (Restated)**
	$	**$**	**$**
Depreciation	(9,583,755)	(33,735)	(9,617,490)
Finance Costs	(199,758)	(83,271)	(283,029)
Net result for the period	**(1,402,518)**	**(117,005)**	**(1,519,524)**
Total comprehensive income for the period	**(1,402,518)**	**(117,005)**	**(1,519,524)**

Auditor General

INDEPENDENT AUDITOR'S REPORT

2025

Shire of Manjimup

To the Council of the Shire of Manjimup

Opinion

I have audited the financial report of the Shire of Manjimup (Shire) which comprises:

- the statement of financial position as at 30 June 2025, the statement of comprehensive income, statement of changes in equity, statement of cash flows and statement of financial activity for the year then ended
- notes comprising a summary of material accounting policies and other explanatory information.

In my opinion, the financial report:

- is based on proper accounts and records
- presents fairly, in all material respects, the results of the operations of the Shire for the year ended 30 June 2025 and its financial position at the end of that period
- is in accordance with the *Local Government Act 1995* (the Act) and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards.

Basis for opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial report section below.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matter – Restatement of Comparative Balances

I draw attention to Note 30 of the financial report which states that the amounts reported in the previously issued 30 June 2024 financial report have been restated and disclosed as comparatives in this financial report. My opinion is not modified in respect of this matter.

Other information

The Chief Executive Officer (CEO) is responsible for the preparation and the Council for overseeing the other information. The other information is the information in the entity's annual report for the year ended 30 June 2025, but not the financial report and my auditor's report.

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My opinion on the financial report does not cover the other information and accordingly, I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I did not receive the other information prior to the date of this auditor's report. When I do receive it, I will read it and if I conclude that there is a material misstatement in this information, I am required to communicate the matter to the CEO and Council and request them to correct the misstated information. If the misstated information is not corrected, I may need to retract this auditor's report and re-issue an amended report.

Responsibilities of the Chief Executive Officer and Council for the financial report

The Chief Executive Officer (CEO) of the Shire is responsible for:

- keeping proper accounts and records
- preparation and fair presentation of the financial report in accordance with the requirements of the Act, the Regulations and Australian Accounting Standards
- managing internal control as required by the CEO to ensure the financial report is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the CEO is responsible for:

- assessing the Shire's ability to continue as a going concern
- disclosing, as applicable, matters related to going concern
- using the going concern basis of accounting unless the State Government has made decisions affecting the continued existence of the Shire.

The Council is responsible for overseeing the Shire's financial reporting process.

Auditor's responsibilities for the audit of the financial report

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial report. The objectives of my audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

A further description of my responsibilities for the audit of the financial report is located on the Auditing and Assurance Standards Board website. This description forms part of my auditor's report and can be found at https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf.

My independence and quality management relating to the report on the financial report

I have complied with the independence requirements of the *Auditor General Act 2006* and the relevant ethical requirements relating to assurance engagements. In accordance with ASQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements*, the Office of the Auditor General maintains a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Matters relating to the electronic publication of the audited financial report

This auditor's report relates to the financial report of the Shire of Manjimup for the year ended 30 June 2025 included in the annual report on the Shire's website. The Shire's management is responsible for the integrity of the Shire's website. This audit does not provide assurance on the integrity of the Shire's website. The auditor's report refers only to the financial report. It does not provide an opinion on any other information which may have been hyperlinked to/from the annual report. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to contact the Shire to confirm the information contained in the website version.

Aram Madnack
Acting Senior Director Financial Audit
Delegate of the Auditor General for Western Australia
Perth, Western Australia
25 November 2025

SHIRE OF
MANJIMUP