



AGENDA

Special Council Meeting

23 December 2025

TO: THE SHIRE PRESIDENT AND COUNCILLORS

NOTICE is hereby given that a Special Meeting of the Council will be held in the Council Chambers, Administration Building, 93 Albany Highway, Kojonup on Tuesday, 23 December 2025 commencing at 3:00pm.

I certify that with respect to all advice, information or recommendation provided to the Council in or with this Agenda:

- i. The advice, information or recommendation is given by a person who has the qualifications or experience necessary to give such advice, information or recommendation; and
- ii. Where any advice is directly given by a person who does not have the required qualifications or experience, that person has obtained and taken into account in that person's general advice the advice from an appropriately qualified or experienced person.

GRANT THOMPSON
CHIEF EXECUTIVE OFFICER
18 December 2025

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for people with disability

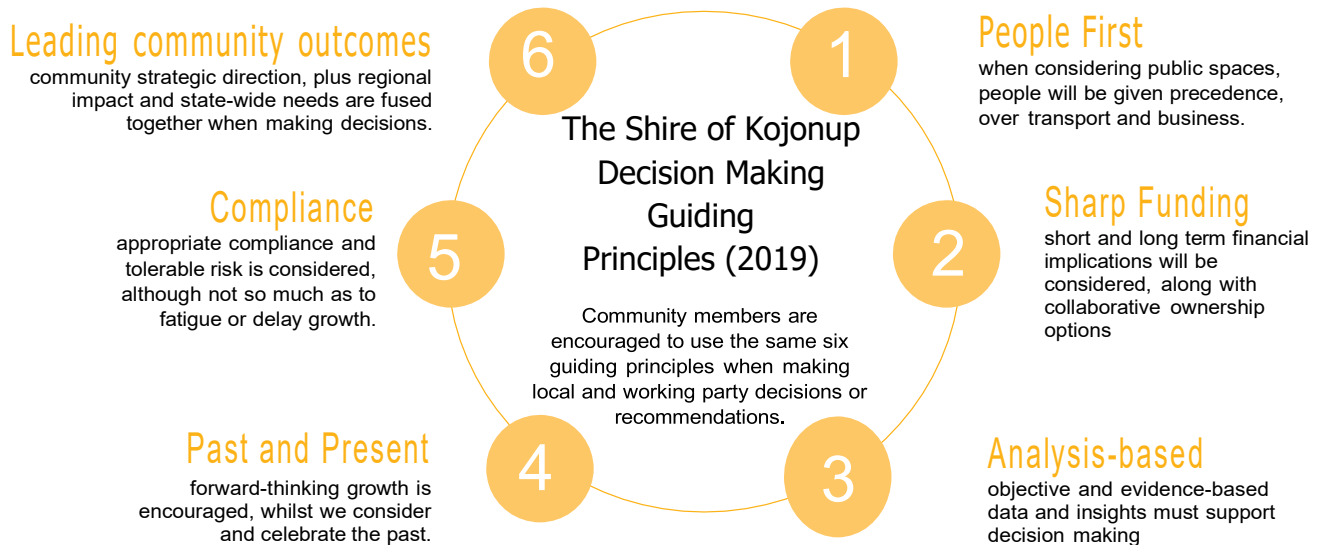
AGENDA FOR A SPECIAL COUNCIL MEETING TO BE HELD ON 23 December 2025

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The Shire of Kojonup has a set of six guiding principles it uses when making decisions. These principles are checked and enhanced every two years in line with the Strategic Community Plan review schedule.



AGENDA

1 DECLARATION OF OPENING AND ANNOUNCEMENT OF GUESTS

The Shire President shall declare the meeting open at ____ and draw the meeting's attention to the disclaimer below:

Disclaimer

No person should rely on or act on the basis of any advice or information provided by a Member or Officer, or on the content of any discussion occurring, during the course of the meeting.

The Shire of Kojonup expressly disclaims liability for any loss or damage suffered by any person as a result of relying on or acting on the basis of any advice or information provided by a member or officer, or the content of any discussion occurring, during the course of the meeting.

Where an application for an approval, a license or the like is discussed or determined during the meeting, the Shire warns that neither the applicant, nor any other person or body, should rely upon that discussion or determination until written notice of either an approval and the conditions which relate to it, or the refusal of the application has been issued by the Shire.

Acknowledgement of Country

The Shire of Kojonup acknowledges the first nations people of Australia as the Traditional custodians of this land and in particular the Keneang people of the Noongar nation upon whose land we meet.

We pay our respect to their Elders past, present and emerging.

Prayer

Almighty God, we pray for wisdom for our reigning monarch King Charles.

We ask for guidance in our decision making and pray for the welfare of all the people of Kojonup.

Grant us grace to listen and work together as a Council to nurture the bonds of one community.

Amen

2 ANNOUNCEMENTS FROM THE PRESIDING MEMBER

3 ATTENDANCE

COUNCILLORS

Cr Bilney	Shire President
Cr Mathwin	Deputy Shire President
Cr Mickle	Councillor
Cr Michael	Councillor
Cr Mitchell	Councillor
Cr Wieringa	Councillor

STAFF

Grant Thompson	Chief Executive Officer
Jill Johnson	Manager Financial and Corporate Services
Darryn Watkins	Manager Works and Infrastructure

3.1 APOLOGIES

Cr Radford	Councillor
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3.2 APPROVED LEAVE OF ABSENCE

4 DECLARATION OF INTEREST

5 PUBLIC QUESTION TIME

5.1 RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE

Nil

5.2 PUBLIC QUESTION TIME

6 CONFIRMATION OF MINUTES

Nil

7 PRESENTATIONS

- 7.1 PETITIONS
- 7.2 PRESENTATIONS
- 7.3 DEPUTATIONS
- 7.4 DELEGATES' REPORTS

8 **METHOD OF DEALING WITH AGENDA BUSINESS**

9 **REPORTS**

9.1 KEY PILLAR ‘LIFESTYLE’ REPORTS

9.2 KEY PILLAR ‘ECONOMICS’ REPORTS

9.3 KEY PILLAR ‘VISITATION’ REPORTS

9.4 KEY PILLAR ‘PERFORMANCE’ REPORTS

9.4.1 Transfer of Reserve Funds – Mechanical Repair of Hino 6 Wheel water Cart KO 122

AUTHOR	Darryn Watkins – Manager Works & Infrastructure
DATE	Monday 1 st December 2025
FILE NO	
ATTACHMENT(S)	Nil

‘PLACEMAKING’ STRATEGIC COMMUNITY PLAN JULY 2023 TO JUNE 2033 To be “The Cultural Experience Centre of the Great Southern” STRATEGIC/CORPORATE IMPLICATIONS		
Key Strategic Pillar/s	Community Goal/s	Corporate Objective/s
KP – Performance	12. High Performing Council	12.1 SoK Finances and Funding

DECLARATION OF INTEREST

Nil

SUMMARY

The purpose of this report is for Council to approve a funds transfer from Plant Reserve to fund the mechanical repairs to Hino KO 122 6 Wheel water cart.

BACKGROUND

The Shire has one Hino 6 Wheel tip truck with a 10,000lt water body with spray bar. The truck is a Hino 700 series 6 Wheeler 2018 model. It is estimated that the truck has approximately 105,000km on the odometer with an average usage of 13,500km per annum.

Hino KO122 is scheduled for replacement in the Plant Replacement Program in the FY 2027/2028.

COMMENT

During the course of the Shamrock Rd widening and reconstruction capital project (RRG 001) the vehicle suffered catastrophic failure of the transmission whilst in transit at the end of day. The vehicle was transported to WA Hino in Perth for diagnosis and repair.

The report back from WA Hino is that the auto transmission has suffered heat damage due to having very low oil.

There is a leak from where the PTO mounts onto the gearbox.

The transmission is a sealed unit and therefore not subject to operator pre start checks.

WA Hino have offered 2 options for the repair.

Option 1: Replace with all new parts \$62,381.78 ex GST. Genuine parts, 3-year unlimited parts warranty for manufacture defects

Option 2: Service exchange unit \$31,050 ex GST. Comes with 6-month workmanship warranty.

The pricing above is supply and fit, along with costs incurred to date for the diagnosis being \$1,755 ex GST

CONSULTATION

Chief Executive Officer

Manager Financial & Corporate Services

STATUTORY REQUIREMENTS

Local Government Act 1995

6.2 Local Government to prepare annual budget

Local Government (Function and General) Regulations 1996

Part4 – Provision of Goods and Services

POLICY IMPLICATIONS

2.1.8 Financial Governance

The Shire will make decisions in relation to financial management and financial governance that encompass the following principles:

1. Management of financial risk prudently, having regard to economic circumstances;
2. Examples of financial risks to be managed prudently include the level of debt, commercial activities, community business activities, financial assets and liabilities.

FINANCIAL IMPLICATIONS

As a part of the terms and conditions of the Plant reserve emergency repairs are allowed. \$32,805 will be transferred from this reserve to the municipal account and thus reduce the principal in the reserve.

The current balance of this reserve is \$269,951.

RISK MANAGEMENT IMPLICATIONS

RISK MANAGEMENT FRAMEWORK			
Risk Profile	Risk Description/Cause	Key Control	Current Action
Supplier Contract Control: Adequate	Limited availability of suppliers	<ul style="list-style-type: none">• Ongoing reviews of supplier/contractor arrangements• Regular monitoring of delivery of contracts	<ul style="list-style-type: none">• Service Interruption• Financial
Risk rating – Moderate			
IMPLICATIONS			
The risk of contractor not being able to deliver within time frame due to: <ul style="list-style-type: none">• Weather conditions• Staff availability			

ASSET MANAGEMENT IMPLICATIONS

Nil

GREAT SOUTHERN VROC (VOLUNTARY REGIONAL ORGANISATION OF COUNCILS) IMPLICATIONS

Nil

VOTING REQUIREMENTS

Absolute Majority

OFFICER RECOMMENDATION

That Council approves the transfer of \$32,805 excluding GST from the Plant Reserve to fund the emergency mechanical repairs to Hino KO 122.

9.4.2 ELECTED MEMBER FEES & ALLOWANCES 2025 2026 FINANCIAL YEAR

AUTHOR	Grant Thompson
DATE	Monday 22 December 2025
FILE NO	
ATTACHMENT(S)	9.4.2.1 - Policy 3.7 Councillors Fees & Reimbursements 9.4.2.2 - local government ceo and elected council members determination 2025

'PLACEMAKING' STRATEGIC COMMUNITY PLAN JULY 2023 TO JUNE 2033 To be "The Cultural Experience Centre of the Great Southern" STRATEGIC/CORPORATE IMPLICATIONS		
Key Strategic Pillar/s	Community Goal/s	Corporate Objective/s
KP – Performance	12. High Performing Council	12.1 SoK Finances and Funding

DECLARATION OF INTEREST

Nil

SUMMARY

The purpose of this report is for Council to consider retrospectively setting the Councillor Fees and Allowances for the 2025 2026 budget.

BACKGROUND

Council has previously agreed to the option of paying an annual attendance fee in lieu of council meeting, committee meeting and prescribed meeting attendance fees which is permissible under the Local Government Act and the Salaries and Allowances Tribunal determination 4 April 2025.

Furthermore, Council Policy 3.7 – 'Councillors Fees & Reimbursements', [attachment 9.4.2.1 - Policy 3.7 Councillors Fees & Reimbursements](#), states as follows:

'Elected member fees and allowances are set annually by the Salaries and Allowances Tribunal and are to be set at 75%, determined by the allocated band, of the maximum level permitted under the Local Government Act 1995 and Salaries and Allowances Act 1975.

The Information and Communication Technology allowance be set at \$3,000 or 75% of the maximum level permitted, whichever is the greater.'

COMMENT

The Salaries and Allowances Tribunal classifies Western Australian local governments into four (4) bands, with band 1 being the largest local governments and band 4 being the smallest. The Shire of Kojonup is a band 3 local government.

The annual meeting attendance fee range within the bands, as defined in the *Determination of the Salaries and Allowances Tribunal on Local Government Chief Executive Officers and Elected Members* made on 4 April 2025 are as follows:

The ranges of fees in **Table 1** apply where a local government or regional local government decides by an absolute majority that, instead of paying council members an attendance fee referred to in section 5.98 of the LG Act, it will pay an annual fee to all council members who attend council, committee or prescribed meetings. Council has previously decided this is the preferred method.

Table 1: Annual attendance fees in lieu of council meeting, committee meeting and prescribed meeting attendance fees – local governments

Elected council member			Mayor or President	
Band	Minimum	Maximum	Minimum	Maximum
1	\$27,560	\$35,480	\$27,560	\$53,215
2	\$16,655	\$26,020	\$16,655	\$34,890
3	\$8,615	\$18,335	\$8,615	\$28,385
4	\$4,020	\$10,650	\$4,020	\$21,880

Allowances

The annual allowance for a Deputy Shire President is set within the determination and section 5.98A(1) of the *Local Government Act 1995* as 25% of that the Shire President is entitled to. Therefore, the minimum allowance that can be paid to the Deputy President is \$7,760 as per the current SAT determination.

The annual allowance for ICT expenses is also set within the determination and section 5.99A(b) of the *Local Government Act 1995*, which the SAT sets at a minimum of \$500 and maximum of \$3,500.

The current Shire allowance is set at \$3,000 which is within the threshold of the current determination therefore it is recommended it remain at \$3,000.

Transport allowance will remain as is and as per the SAT determination.

Process of setting annual sitting fees

The *Local Government Act 1995* legislates the manner and types of payments able to be made to elected members.

Section 5.98 '*Fees etc. for council members*', part (6) states as follows:

'A local government cannot —

(a) make any payment to; or

(b) reimburse an expense of,
a person who is a council member or a mayor or president in that person's capacity as council member, mayor or president unless the payment or reimbursement is in accordance with this Division.'

Section 5.99 'Annual fee for council members in lieu of fees for attending meetings' states as follows:

'A local government may decide* that instead of paying council members a fee referred to in section 5.98(1), it will instead pay all council members who attend council or committee meetings —

(a) the annual fee determined by the Salaries and Allowances Tribunal under the Salaries and Allowances Act 1975 section 7B; or

(b) where the local government has set a fee within the range for annual fees determined by that Tribunal under that section, that fee.

* Absolute majority required.'

As such, the Council is required to set the annual fee for meeting attendance, which is currently undertaken via Policy 3.10.

The following recommendations are made on the Annual Fees and Allowances for Elected Members at the Shire of Kojonup.

Table 4: Recommended Annual sitting fee Councillors and President of a local government as per the SAT Determination and Shire Policy 3.7

For a Councillor	Elected council member		Recommended as per Shire Policy 3.7
LG Band	Minimum	Maximum	Councillor Sitting Fee
3	\$8,615	\$18,335	\$13,751
For President	President		Recommended as per Shire Policy 3.7
LG Band	Minimum	Maximum	President Sitting Fee
3	\$8,615	\$28,385	\$21,289

Table 3: Recommended Annual allowance for a mayor or president of a local government as per the SAT Determination and Shire Policy 3.7.

For a President			Recommended as per Shire Policy 3.8
LG Band	Minimum	Maximum	President Allowance
3	\$1,152	\$41,388	\$31,041
For a Deputy President (25% of Entitlement)			Recommended as per Shire Policy 3.7
LG Band	Minimum	Maximum	Deputy President Allowance
3	\$288	\$10,347	\$7,760

CONSULTATION

Manager Finance Corporate Community

STATUTORY REQUIREMENTS

Section 5.98 to 5.102 of the Local Government Act 1995 legislates payments and gifts local governments can make to its members.

The Determination of the Salaries and Allowances Tribunal on Local Government Chief Executive Officers and Elected Members made on 4 April 2025 is made under section 7A of the Salaries and Allowances Act 1975, [attachment 9.4.2.2 - local government ceo and elected council members determination 2025](#).

POLICY IMPLICATIONS

Council Policy 3.7 – ‘Councillors Fees & Reimbursements’ sets the level of allowances paid to elected members within the range prescribed by the Salaries and Allowances Tribunal.

FINANCIAL IMPLICATIONS

An increase in Elected Member Fees and allowances. The combination of the increase and the Shire policy means this is a higher increase than 3%. If Council wants to reduce these fees then Policy 3.7 requires to be amended.

RISK MANAGEMENT IMPLICATIONS

RISK MANAGEMENT FRAMEWORK			
Risk Profile	Risk Description/Cause	Key Control	Current Action
16) Financial Sustainability	Failure or reduction in controls associated with financial management, accounting standards, purchasing to pay, order to cash, plant, equipment or machinery lease or purchase, Treasury Functions, bank reconciliations, budget etc. These include processes and controls that are end to end in external and internal to the organisation.	Budget Controls	Cash Flow Budget and reporting to be implemented.
Risk rating – <i>Adequate</i>			
IMPLICATIONS			
Council sets the policies for setting fees and allowances as per the SAT determinations.			

ASSET MANAGEMENT IMPLICATIONS

Nil

GREAT SOUTHERN VROC (VOLUNTARY REGIONAL ORGANISATION OF COUNCILS) IMPLICATIONS

Nil

VOTING REQUIREMENTS

Absolute Majority

(If setting an annual fee for council members in lieu of fees for attending meetings, otherwise simple majority)

OFFICERS RECOMMENDATION:

That Council:

1. Notes the Salaries Allowances Tribunal Determination 4 April 2025 related to the setting of Elected Members Fees and Allowances (**attachment 9.4.2.2 - local government ceo and elected council members determination 2025**).
2. Approves the President Allowance to be set at \$31,041 to be compliant with the Shire Policy 3.7;
3. Approve the Deputy President Allowance to be set at \$7760 to be compliant with the Shire Policy 3.7;
4. Approve the President annual sitting fee in lieu of fees for attending meetings to be compliant with the Shire Policy 3.7 at \$21,289;
5. Approve the elected Member annual sitting fee in lieu of fees for attending meetings to be compliant with the Shire Policy 3.7 at \$13,751.

9.4.3 ANNUAL REPORT INCLUDING AUDITED ANNUAL FINANCIAL STATEMENTS
2024/2025 AND GENERAL MEETINGS OF ELECTORS

AUTHOR	Grant Thompson – Chief Executive Officer
DATE	Wednesday, 10 December 2025
FILE NO	FM.AUD.2 & FM.FNR.1
ATTACHMENT(S)	<p>9.4.3.1 Annual Report including Audited Annual Financial Report - Shire of Kojonup - 30 June 2025</p> <p>9.4.3.2 Interim Management Letter Attachment - Shire of Kojonup - 30 June 2025</p> <p>9.4.3.3 Transmittal Letter to CEO - Shire of Kojonup - 30 June 2025</p> <p>9.4.3.4 Opinion - Shire of Kojonup - 30 June 2025</p>

<p>‘PLACEMAKING’ STRATEGIC COMMUNITY PLAN JULY 2023 TO JUNE 2033 To be “The Cultural Experience Centre of the Great Southern” STRATEGIC/CORPORATE IMPLICATIONS</p>		
Key Strategic Pillar/s	Community Goal/s	Corporate Objective/s
Performance	12. A High Performing Council	12.1 SoK finances and funding 12.2 SoK monitoring and reporting

DECLARATION OF INTEREST

Nil

SUMMARY

The purpose of this report is to consider acceptance of the 2024 2025 Annual Report incorporating the Audited Annual Financial Statements, and associated correspondence, and consider adopting the 2024 2025 Annual Report and schedule for the Electors meeting.

BACKGROUND

Each local government is to prepare an annual financial report for each financial year. The report is a record of the Shire of Kojonup’s (Shire) activities for the financial year and is an integral part of the accountability principles established for local governments in Western Australia.

COMMENT

The audited financial reports are now finalized and incorporated into the Annual Report, [attachment 9.4.3.1 Annual Report including Audited Annual Financial Report - Shire of Kojonup - 30 June 2025](#).

This year’s Annual Report contains the annual snapshot of the activities of Council for 2024 2025 including statistical information, the Elected Members who formed Council, President’s Report, Councillors’ attendance at meetings, Chief Executive Officer’s Report, Council’s Senior Management Team, the Organisational Structure, changes to staffing, a ‘traffic light’ system indicating progress within Key Pillars of the Shire’s Strategic Community Plan, Statutory Statements, and the Audited Financial Statements for the financial year.

It is recommended that the Annual Report including the Audited Annual Financial Report, incorporating the aforementioned documents and the regulatory reporting, be approved.

The Annual Electors Meeting must be held within 56 days of the Council accepting the Annual Financial Report, with appropriate time being allowed after adoption to give notice of the meeting.

If the Council adopts this recommendation it effectively means that the Annual Electors Meeting needs to be held on or prior to the 17 February 2026.

In previous years, the Annual Electors Meeting has been held in the evening following an Ordinary Council Meeting (OCM). However, as the OCM is in late February it is recommended that the Annual Electors Meeting be held on Tuesday 17 February 2026 at the Kojonup Sporting Complex.

The Annual Electors Meeting will be publicised in the Great Southern Herald, on the Shire website and Shire Facebook page as soon as possible after the date is set, and in the next available Kojonup News and Shire mediums.

FINDINGS IDENTIFIED DURING THE FINAL AUDIT

Index of findings	Potential impact on audit opinion	Rating			Prior year finding
		Significant	Moderate	Minor	
1. Monthly reconciliation process	No	✓			✓
2. General journal review processes	No	✓			✓
3. General IT controls – Access rights & permissions	No		✓		✓
4. Quotes	No			✓	
5. Leave applications	No		✓		

Key to ratings

The Ratings in this management letter are based on the audit team's assessment of risks and concerns with respect to the probability and/or consequence of adverse outcomes if action is not taken. The auditors give consideration to potential adverse outcomes in the context of both quantitative impact (for example financial loss) and qualitative impact (for example inefficiency, non-compliance, poor service to the public or loss of public confidence).

Significant - Those findings where there is potentially a significant risk to the entity should the finding not be addressed by the entity promptly. A significant rating could indicate the need for a modified audit opinion in the current year, or in a subsequent reporting period

if not addressed. However, even if the issue is not likely to impact the audit opinion, it should be addressed promptly.

Moderate - Those findings which are of sufficient concern to warrant action being taken by the entity as soon as practicable.

Minor - Those findings that are not of primary concern but still warrant action being taken.

Contained within the 2023/2024 Audit Report were matters identified as significant by the Auditor. The matters raised as significant by the Auditor were as follows:

1. Monthly reconciliation process

Finding

The auditors identified weaknesses with the preparation and review of monthly reconciliations, including the following observations:

- Several key account reconciliations (e.g. bank, debtors, creditors, and rates) were not performed on a timely basis for the months of July 2024 to January 2025
- The August 2024 reconciliation for Trust and Reserve bank accounts had no evidence of review by an authorised officer
- Debtors' reconciliations for August 2024, February & March 2025 were either not completed or not evidenced.

The auditors acknowledged the Shire has made improvements to its monthly reconciliation processes from when this finding was first identified in 2023.

Rating: Significant (2024: Significant)

Implication

Reconciliations are a key control to ensure financial data is completely and accurately reflected in the general ledger from which financial statements are derived. There is a risk that internal controls are not being fully applied and that unreconciled or unauthorised transactions may go undetected and/or unresolved.

Recommendation

Management should ensure that all month-end reconciliations are completed and reviewed by an independent officer as soon as practicable in the following month. Evidence of review and follow-up actions taken where required should also be retained.

Management comment

- *The Shire has taken the steps to train the Senior Finance Officer in bank reconciliations to support the process by providing a back-up officer with this skillset in the event these circumstances prevail again.*
- *Key finance personal have now been appointed and will oversee the monthly processes in Creditors and Debtors.*

2. General journal review processes finding

From our sample of 30 journal entries examined, we noted the following:

- *Seventeen journals relating to Department of Transport payments made were incorrectly processed via general journals instead of the appropriate payment process*
- *Two rates journal entries for amalgamations and adjustments did not include evidence of review prior to posting.*

This finding was first identified in 2024.

Rating: Significant (2024: Significant)

Implication

In the absence of, incorrect use, or adequate review of all general journals posted, there is an increased risk of unauthorised journals being posted whether due to fraud or error which may result in errors posted to the annual financial report.

Recommendation

Management should ensure that all general journals are reviewed by an appropriate person who is independent of the person performing the tasks. All general journals and supporting documentation should be reviewed by an appropriate officer and signed as evidence of review. General journals should also not be used to recognise payments made; this should be performed using the appropriate accounts payable functions.

Management comment

- *Acknowledged that the current process of raising journals to receipt Department of Transport payments is perhaps not a preferred process by the auditor's method but was in place in the absence of other controls.*
- *Changes will be instigated immediately and the payments received on the bank, will now be processed via the Creditors function in Synergy where 2 Factor authorisation is in place.*
- *It is already the Shire policy/procedure that all general journals are reviewed by an appropriate officer.*
- *As such the Rates Officer will receive training on providing following the correct process for Rate journals, which will be approved by an authorised officer.*

Greater detail of all findings can be read in the management letter and correspondence attached [9.4.3.2 Interim Management Letter Attachment - Shire of Kojonup - 30 June 2025](#); [9.4.3.3 Transmittal Letter to CEO - Shire of Kojonup - 30 June 2025](#); [9.4.3.4 Opinion - Shire of Kojonup - 30 June 2025](#).

Further to this the Shire officers received the audited financials on 3 December 2025.

CONSULTATION

Auditors – Lincolns Accountants Albany
The Office of the Auditor General
Shire President
Briefing Session
Manager Financial Corporate Community

STATUTORY REQUIREMENTS

Section 5.26 to 5.33; 5.53 & 5.54 of the *Local Government Act 1995*
Section 7.12A (Duties of local government with respect to audits) of the *Local Government Act 1995*
Regulation 50(1) (c) of the Local Government (Financial Management) Regulations 1996

POLICY IMPLICATIONS

There are no policy implications for this report.

FINANCIAL IMPLICATIONS

This item reports on the financial position of the Shire as at 30 June 2025. The recommendation does not in itself have a financial implication.

RISK MANAGEMENT IMPLICATIONS

There are no risk management implications for this report.

ASSET MANAGEMENT IMPLICATIONS

There are no asset management implications for this report.

GREAT SOUTHERN VROC (VOLUNTARY REGIONAL ORGANISATION OF COUNCILS) IMPLICATIONS

Nil

VOTING REQUIREMENTS

Absolute Majority

OFFICER RECOMMENDATION/COMMITTEE DECISION

That the Council accept and receive the 2024 2025 Audited Annual Financial Statements and:

1. Approve the 2024 2025 Annual Report, as presented, incorporating the adopted Annual Financial Statements, in readiness for the Annual Electors Meeting; and
2. The Chief Executive Officer forward a copy of the Annual Report to the Minister for Local Government and places the Annual Report on the Shire of Kojonup website in accordance with Section 7.12A (Duties of local government with respect to audits) of the Local Government Act 1995.
3. The matters raised in the Auditor's Management Letter be noted, a report produced internally on how the significant items will be addressed, and those actions be included in the Committee Status Report of future Audit and Risk Committee agendas; and
4. Schedule an Annual Electors Meeting to be held at 6.00pm, Tuesday, 17 February 2026 at the Kojonup Sporting Complex.

10 APPLICATIONS FOR LEAVE OF ABSENCE

Nil

11 MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

Nil

12 QUESTIONS FROM MEMBERS WITHOUT NOTICE

13 NEW BUSINESS OF AN URGENT NATURE INTRODUCED BY DECISION OF THE MEETING

14 MEETING CLOSED TO THE PUBLIC

14.1 MATTERS FOR WHICH THE MEETING MAY BE CLOSED

14.1.1 Quotation for Provision of Bitumen Sealing Services – Broomehill Kojonup Road – Regional Road Safety Program

14.2 PUBLIC READING OF RESOLUTIONS THAT MAY BE MADE PUBLIC

15 CLOSURE

There being no further business to discuss, the President thanked the members for their attendance and declared the meeting closed at _____ pm.

16

ATTACHMENTS

9.4.2

9.4.2.1 - Policy 3.7 Councillors Fees & Reimbursements
9.4.2.2 - local government ceo and elected council members
determination 2025

9.4.3

9.4.3.1 Annual Report including Audited Annual Financial Report - Shire
of Kojonup - 30 June 2025

9.4.3.2 Interim Management Letter Attachment - Shire of Kojonup - 30
June 2025

9.4.3.3 Transmittal Letter to CEO - Shire of Kojonup - 30 June 2025

9.4.3.4 Opinion - Shire of Kojonup - 30 June 2025

Under Separate Cover

14.1

14.1.1.1

Quotation – Bitumen Sealing – Fulton Hogan Pty Ltd

14.1.1.2

Quotation – Bitumen Sealing – Bitumen Surfacing WA

14.1.1.3

Quotation – Bitumen Sealing – Colas WA PTY LTD

3.7 COUNCILLORS FEES & REIMBURSEMENTS

Adopted or Reviewed by Council: 17/11/15

Council Minute

183/15

Reference:

Reviewer: Chief Executive Officer/Governance and Rates Officer/Manager Financial and Corporate Services

Local Law:

Procedure:

Delegation:

OBJECTIVE

To define elected member fees and allowances as determined by the *Local Government Act 1995*, Local Government (Administration) Regulations 1996 and the *Salaries and Allowances Act 1975*.

To encourage elected members' use of Council vehicles, where possible, for Council business.

POLICY

Fees and Allowances

Elected member fees and allowances are set annually by the Salaries and Allowances Tribunal and are to be set at 75%, determined by the allocated band, of the maximum level permitted under the *Local Government Act 1995* and *Salaries and Allowances Act 1975*.

The Information and Communication Technology allowance be set at \$3,000 or 75% of the maximum level permitted, whichever is the greater.

Reimbursement of Expenses

Conferences

Council will pay for reasonable expenses incurred (including out of pocket expenses) in relation to nomination, travel and accommodation of any Councillor that is authorised by Council to attend a conference relating to Council Business. The President and Chief Executive Officer of the Shire shall approve the amount of expenses to be incurred.

Travel

Council will reimburse Councillors' travelling expenses when attending Council Meetings, Committee Meetings, Advisory Committees and Council authorised meetings. Travel with the Shire President or Council Officer is encouraged where this is convenient and effective. If this is not convenient or effective, a Councillor may claim the appropriate mileage allowance. Reimbursement will be at the current rate per kilometre in the Local Government Industry Award on presentation of a completed log book.

Out of Pocket Expenses

Reasonable out of pocket expenses will be reimbursed on presentation of a receipt to the Manager Financial and Corporate Services.

Administration

1. Councillors attending official Council meetings as an observer authorised by the Presiding Member or the Council in general will be entitled to travel reimbursement.
2. Councillors attending Council related meetings in a private capacity are not entitled to travel reimbursement.
3. Councillors may elect not to receive meeting fees and other allowances.
4. Councillor fees and allowances shall be paid on a quarterly basis, in arrears.
5. Payment of travel reimbursements and out of pocket expenses shall be made on application to the Manager Financial and Corporate Services.
6. Only one amount can be claimed for annual attendance fees i.e.; two positions cannot be added so as to get a higher figure.

SALARIES AND ALLOWANCES ACT 1975

DETERMINATION OF THE SALARIES AND ALLOWANCES TRIBUNAL

FOR LOCAL GOVERNMENT CHIEF EXECUTIVE OFFICERS AND ELECTED COUNCIL MEMBERS

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PREAMBLE

Statutory context

1. Section 7A of the Salaries and Allowances Act 1975 ('the SA Act') requires the Salaries and Allowances Tribunal ('the Tribunal') to "inquire into and determine, the amount of remuneration, or the minimum and maximum amounts of remuneration, to be paid or provided to chief executive officers of local governments".
2. Under Section 7B(2) of the SA Act, the Tribunal must inquire into and determine the amount of:
 - fees, or the minimum and maximum amounts of fees, to be paid under the *Local Government Act 1995* ('the LG Act') to elected council members for attendance at meetings;
 - expenses, or the minimum and maximum amounts of expenses, to be reimbursed under the LG Act to elected council members; and
 - allowances, or the minimum and maximum amounts of allowances, to be paid under the LG Act to elected council members.
3. By issuing this Determination, the Tribunal discharges its obligations under Section 8 of the SA Act, which requires determinations under sections 7A and 7B to be issued at intervals of not more than 12 months.

Considerations

4. The Tribunal has considered sections 2.7 to 2.10 and section 5.41 of the LG Act, which outlines the roles and responsibilities of local governments, councillors, mayors, presidents and their deputies, and the functions of local government Chief Executive Officers.
5. The Tribunal invited individual local governments, the Department of Local Government, Sport and Cultural Industries, the Western Australian Local Government Association, Local Government Professionals WA and other interested individuals to provide information or submissions regarding developments across the sector.
6. Seven submissions were received, and all were considered within the Tribunal's deliberations.

Band allocation model

7. The Tribunal continues to apply the four Band allocation model. The model allows a number of measurable and non-measurable factors to be considered when assessing appropriate levels of remuneration. The model is adjusted annually to accommodate incremental increases experienced by all organisations.
8. The Tribunal notes that the remuneration ranges provide flexibility to local governments to set remuneration within the allocated Band. The Tribunal will only adjust a Band classification when a local government or regional local government can demonstrate a substantial and sustained increase in functions, roles or scope of the organisation.

Christmas and Cocos (Keeling) Islands

9. In 2016, the Commonwealth and WA Governments entered an agreement under the *Christmas Island Act 1958* (Cth), the *Cocos (Keeling) Islands Act 1995* (Cth) and the *Indian Oceans Territories (Administration of Laws) Act 1992* (WA), by which the Tribunal has the power to determine the remuneration of local government CEOs and the fees, expenses and allowances for local government elected council members of the Shires of Christmas Island and Cocos (Keeling) Islands.
10. This inquiry reviewed remuneration provided by the Shires of Christmas and Cocos (Keeling) Islands.

Conclusions

11. The Tribunal has determined that CEO remuneration bands be increased by 3.5%. The Tribunal considered this appropriate given the current economic conditions, including WA data on CPI and WPI, and the wider public sector framework. Further, the changes to the Superannuation Guarantee mean that minimum superannuation contributions will increase by 0.5% to 12% on 1 July 2025. In recognition of this, the Tribunal has applied a 0.5% increase to the CEO remuneration bands in addition to the 3.5%. Therefore, the total increase to the **CEO** remuneration bands is **4%**.
12. The Tribunal notes that each local government must set remuneration within the band to which it is allocated. Any increase, within the bands, must be determined by each local government through its own assessment of whether changes are justified.
13. In reviewing the band allocation model and all other relevant information, the Tribunal has examined local governments with potential to change band classification, including those provided in submissions. The Tribunal considers no change is warranted for any local government at this time.
14. However, the Tribunal resolved to conduct a comprehensive survey of the remuneration provided to local government CEOs and the fees and allowances provided to elected council members. As the Tribunal determines the bands for local governments, it is essential that the Tribunal has visibility as to where local governments are placed within these bands in order to ensure the suitability of the band ranges and other allowances.
15. This survey, to be conducted in the second half of this year, will also request information with respect to Regional/Isolation Allowances provided by local governments to CEOs, with the intention of reviewing the allowance to ensure that it is fit for purpose and achieving the desired outcome for those working in regional and isolated locations.
16. The main factor considered by the Tribunal in determining the eligibility and quantum of the Regional/Isolation Allowance has been the *District Allowance (Government Officers) General Agreement 2010* amount and boundaries, together with some other regional factors. Previously, the Tribunal has altered these amounts for certain local governments after consideration of specific regional issues via submissions or discussions.

17. The Tribunal reviewed submissions and determined that no change to the Regional/Isolation Allowance would be applied at present. However, subject to the results of the survey and review thereof, changes to the eligibility and quantum of the allowance may be made, and the submissions made to this inquiry and previous inquiries, will be re-considered.
18. As a result of changes to the *Metropolitan Region Town Planning Scheme Act 1959*, the definition of metropolitan / non-metropolitan region has been redefined, and reference is now made to Schedule 4 of *Planning and Development Act 2005*.
19. The motor vehicle allowance was significantly reviewed last year, and the Tribunal resolved to provide some clarity as to the impact of FBT on the TRP.
20. The Tribunal has determined **elected council member** attendance fees, and annual allowance ranges be increased by **3.5%** (and rounded). The Tribunal considered various submissions calling for increases, with the determined increase reflecting a variety of issues raised in the submissions.
21. The Tribunal maintains that elected council members' fees should be set to compensate costs for the prescribed role of an elected council member. The role of an elected council member was specifically described as not being a full-time occupation in parliamentary debates regarding the *Local Government Amendment Act 2011* and re-iterated again in the Parliament last year through the passing of the *Local Government Amendment Bill 2024*.
22. The Tribunal notes the recent legislative changes which enable superannuation payments to be made to local government elected council members. Any superannuation payments are in addition to the fees and allowances provided to elected council members as determined by the Tribunal.
23. Further, the Tribunal is cognisant of the forthcoming requirement for local governments to appoint an independent Chair for Audit, Risk and Improvement Committees. The Tribunal will determine rates with respect to this at a future date, to coincide with the commencement of these changes.
24. In the meantime, in order for local governments to adequately attract, retain and remunerate suitable people with the relevant skills and expertise to be independent committee members in general, the Tribunal has collapsed the bands into one fee range, and has also provided for the reimbursement of expenses for independent committee members to attend committee meetings.
25. Further amendments to the determination reflect changes to Regional Councils with Tamala Park Regional Council renamed as Catalina Regional Council; Rivers Regional Council becoming Rivers Regional Subsidiary and no longer within the Tribunal's jurisdiction; and Pilbara Regional Council being wound up.
26. All other allowances remain unchanged.

The Determination will now issue.

DETERMINATION

PART 1 INTRODUCTORY MATTERS

This Part deals with some matters that are relevant to the determination generally.

1.1 Short Title

This determination may be cited as the Local Government Chief Executive Officers and Elected Council Members Determination No. 1 of 2025.

1.2 Commencement

This determination comes into operation on **1 July 2025**.

1.3 Content and intent

- (1) The remuneration listed in this determination comprises all remuneration as defined under the *Salaries and Allowances Act 1975* as including salary, allowances, fees, emoluments and benefits.
- (2) The determination applies to:
 - (a) Chief Executive Officers (CEOs)
 - (b) Acting Chief Executive Officers
 - (c) Elected Council Members.
- (3) The remuneration specified in this determination for CEOs is based on a person being appointed to one local government CEO position only. In the case of a person appointed to undertake the duties of more than one CEO position simultaneously, the relevant local governments must seek a determination from the Tribunal for the multiple CEO positions held by that person.
- (4) If a local government undergoes an amalgamation or a rezoning of local government boundaries, the local government is required to seek a new determination from the Tribunal.
- (5) This determination provides for the amount of fees, expenses and allowances to be paid or reimbursed to elected council members under the *Local Government Act 1995* ('the LG Act') Part 5 Division 8. The determination applies to elected council members who are members of the council of a local government, and under section 3.66 of the LG Act.
- (6) Where the Tribunal has determined a specific amount for a fee, expense or allowance for elected council members of a local government or regional local government, the amount determined by the Tribunal will be payable to an eligible elected council member.

- (7) Where the Tribunal has determined a minimum and maximum amount for a fee, expense or allowance for elected council members of a local government or regional local government, each local government or regional local government will set an amount within the relevant range determined and the amount set will be payable to an eligible elected council member.
- (8) The fees, expenses and allowances determined are intended to recognise the responsibilities of elected council members, mayors and presidents of local governments and chairs of regional local governments and to remunerate them for the performance of the duties associated with their office.
- (9) Nothing in this determination shall be interpreted and/or applied in such a manner as to circumvent the intention of the Tribunal to ensure transparency and accountability in the remuneration of Local Government CEOs and the provision of fees, expenses and allowances to elected council members.

1.4 Terms used

- (1) In this determination, unless the contrary intention appears:

Chair means a person who is elected or appointed from among the members of a council of a regional local government as its chair;

Committee meeting means a meeting of a committee of a council where the committee comprises:

- (a) council members only; or
- (b) council members and employees of the local government or regional local government.

Council, in relation to:

- (a) a local government, means the council of the local government;
- (b) a regional local government, means the council of the regional local government;

Elected Council Member, in relation to:

- (a) a local government –
 - i means a person elected under the LG Act as a member of the council of the local government; and
 - ii includes the mayor or president of the local government;
- (b) a regional local government –
 - i means a person elected under the LG Act as a member of the council of a local government and who is a member of the council of the regional local government; and
 - ii includes the chair of the regional local government;

Independent committee member means a person who is a committee member but who is neither a council member nor an employee.

LG Regulations means the *Local Government (Administration) Regulations 1996*;

Mayor means a council member holding the office of mayor, whether elected by the council from amongst its members or elected by the electors;

Non-Metropolitan region means a local government defined in Schedule 4 of the *Planning and Development Act 2005*.

President means a council member holding the office of president, whether elected by the council from amongst its members or elected by the electors.

1.5 Pro rata payments

- (1) The Total Reward Package specified in this determination for CEOs is based on a person serving in the office on a full-time basis. The relevant range shall be payable on a pro rata basis if the position is undertaken on a part time basis.
- (2) The amount of a person's entitlement to remuneration, annual attendance fee or annual allowance specified in this determination shall be apportioned on a pro rata basis according to the portion of a year that the person holds office.

1.6 Local government band allocations

Unless the contrary intention appears, this determination allocates local governments to the bands set out in Schedule 1. Regional local governments (as constituted under Part 3 Division 4 of the LG Act) are allocated to a Band only with respect to CEOs.

PART 2 TOTAL REWARD PACKAGE

This Part deals with the remuneration payable to Chief Executive Officers.

2.1 General

- (1) Offices listed in this Part have been assigned by the Tribunal to one of four classifications designated Band 1 to Band 4.
- (2) Each classification (Band 1 to Band 4) has a commensurate Total Reward Package (TRP) range.
- (3) Typical components of a TRP include:
 - (a) Base salary
 - (b) Annual leave loading
 - (c) Associated FBT accrued (total annual amount of fringe benefits tax paid by the local government for all fringe benefits provided to a CEO; FBT for a motor vehicle, even if tool of trade, is to be included in the TRP)
 - (d) Association membership fees
 - (e) Attraction/retention allowance, not being provided under Part 3
 - (f) Personal benefit value of the provision of a motor vehicle for private use (if applicable) as defined under Part 5 of this determination
 - (g) Cash bonus and performance incentives
 - (h) Cash in lieu of a motor vehicle
 - (i) Fitness club fees
 - (j) Grooming/clothing allowance
 - (k) Health insurance
 - (l) School fees and/or child's uniform
 - (m) Superannuation (all mandatory and non-mandatory employer superannuation contributions)
 - (n) Travel or any other benefit taken in lieu of salary
 - (o) Travel for spouse or any other member of family
 - (p) Unrestricted entertainment allowance
 - (q) Utilities allowance (any water, power or other utility subsidy provided to the CEO).
- (4) Any other form of payment, in cash or not, in consideration as a reward or benefit of the CEOs duties.

- (5) The only exclusions from the TRP are:
- (a) items listed in Parts 3, 4 and 5 of this determination (however, any superannuation guarantee associated with the payment of a Regional/Isolation Allowance and any associated FBT accrued from the provision of a motor vehicle or accommodation are to be included as part of the TRP);
 - (b) employer obligations such as professional development (restricted to the CEO), reimbursement for genuine work expenses or the cost of recruitment and relocation expenses; and
 - (c) items considered by the local government to be a tool of trade (i.e. equipment needed to undertake the duties of a CEO) and which are not a direct or indirect reward or benefit for the performance of duties as a CEO.

2.2 Local Government Classification

- (1) The TRP ranges in table 1 apply where a local government or regional local government has been classified into the relevant band.

Table 1: Local government band classification – Total Reward Package range

Band	Total Reward Package
1	\$288,727 - \$439,682
2	\$238,132 - \$370,428
3	\$182,109 - \$300,370
4	\$163,051 - \$250,012

- (2) Local governments have been classified in Schedule 1.
- (3) Regional local governments have been classified in table 2 below.

Table 2: Regional local government band classification

Regional local government	Band
Bunbury-Harvey Regional Council	4
Catalina Regional Council	2
Eastern Metropolitan Regional Council	2
Mindarie Regional Council	3
Murchison Regional Vermin Council	4
Resource Recovery Group	2
Western Metropolitan Regional Council	4

PART 3 REGIONAL/ISOLATION ALLOWANCE

This Part deals with the Regional/Isolation Allowance that may be payable to Chief Executive Officers from local governments identified in this Part.

3.1 General

- (1) Local governments listed in table 3 in this Part may provide a Regional/Isolation Allowance to a CEO, in addition to the CEO's Total Reward Package, in recognition of the regional and isolation factors which may affect the attraction and retention of the CEOs of those local governments.
- (2) There is no requirement to provide a Regional/Isolation Allowance to a CEO. Payment of this allowance is at the discretion of the local government, within the parameters set by the Tribunal.
- (3) When a local government chooses to use any or all of this allowance, the payment of the allowance should be properly justified and applied in a transparent manner considering the issues outlined in 3.2.
- (4) When a local government chooses to pay all or any of this allowance, it is to be paid to the CEO as salary.

3.2 Determining appropriateness and rate of allowance

- (1) When assessing the appropriateness of providing a Regional/Isolation Allowance, an eligible local government must consider the impact of factors outlined in 3.2(3) on attraction and retention of a CEO. In the event these factors have little or no impact, the Local Government should not provide this Allowance.
- (2) In the event a Regional/Isolation Allowance is considered appropriate, the amount of the Allowance should be proportionate to the circumstances faced by the Local Government.
- (3) The following factors should be considered when determining whether to apply the Regional/Isolation Allowance:
 - (a) Remoteness - issues associated with the vast distances separating communities within a Local Government or the distance of the Local Government from Perth or a Regional Centre.
 - (b) Cost of living - the increased cost of living highlighted specifically in the Regional Price Index.
 - (c) Social disadvantage - reduced specialist health services, schooling opportunities for children, employment opportunities for spouse, reduced lifestyle commodities when compared to Perth and regional centres, and access to professional and personal support networks.

- (d) Dominant industry - the impact that a dominant industry such a mining or agriculture has on an area and the ability to attract and retain people in the face of a dominant industry.
- (e) Attraction/retention - the ability to recruit suitably qualified candidates and being able to retain them in light of the above concerns in competition with positions in Perth, regional centres and private industry.
- (f) Community expectations - the pressures on a CEO to meet expectations when professional or operational expertise is not readily available.

3.3 Regional/Isolation Allowance

Local governments eligible for the Regional/Isolation Allowance are listed in table 3.

Table 3: Regional/Isolation Allowance

Local Government	Maximum Regional/Isolation Allowance Per Annum
Ashburton Shire	\$55,000
Broome Shire	\$45,000
Carnamah Shire	\$38,600
Carnarvon Shire	\$38,600
Chapman Valley Shire	\$38,600
Christmas Island Shire	\$90,000
Cocos (Keeling) Islands Shire	\$90,000
Coolgardie Shire	\$38,600
Coorow Shire	\$38,600
Cue Shire	\$50,000
Derby-West Kimberley Shire	\$55,000
Dundas Shire	\$38,600
East Pilbara Shire	\$55,000
Esperance Shire	\$32,200
Exmouth Shire	\$45,000
Greater Geraldton City	\$32,200
Halls Creek Shire	\$75,000
Irwin Shire	\$38,600
Jerramungup Shire	\$32,200
Kalgoorlie-Boulder City	\$38,600
Karratha City	\$70,000
Kent Shire	\$12,900
Kondinin Shire	\$12,900

Local Government	Maximum Regional/Isolation Allowance Per Annum
Kulin Shire	\$12,900
Lake Grace Shire	\$12,900
Laverton Shire	\$50,000
Leonora Shire	\$50,000
Meekatharra Shire	\$50,000
Menzies Shire	\$38,600
Merredin Shire	\$12,900
Mingenew Shire	\$38,600
Morawa Shire	\$38,600
Mount Magnet Shire	\$38,600
Mount Marshall Shire	\$12,900
Mukinbudin Shire	\$32,200
Murchison Shire	\$38,600
Narembeen Shire	\$12,900
Ngaanyatjarraku Shire	\$50,000
Northampton Shire	\$38,600
Nungarin Shire	\$12,900
Perenjori Shire	\$38,600
Port Hedland Town	\$70,000
Ravensthorpe Shire	\$38,600
Sandstone Shire	\$38,600
Shark Bay Shire	\$45,000
Three Springs Shire	\$38,600
Upper Gascoyne Shire	\$50,000
Westonia Shire	\$32,200
Wiluna Shire	\$50,000
Wyndham-East Kimberley Shire	\$55,000
Yalgoo Shire	\$38,600
Yilgarn Shire	\$32,200

PART 4 HOUSING ALLOWANCE

This Part deals with the Housing Allowance that may be payable to Chief Executive Officers.

4.1 General

- (1) In recognition of the need for local governments to provide accommodation as a result of a lack of suitable housing or recruitment issues, on either a permanent or temporary basis, local governments are able to utilise this allowance as required.
- (2) When a local government utilises this allowance, the payment of the allowance should be properly justified and applied in a transparent manner.
- (3) Any accommodation provided under this Part must be located within or adjacent to the local government area in which the CEO is employed.
- (4) Local governments should tailor the provision of any housing allowance to suit their particular circumstances. This may include the CEO making contributions towards the cost of the accommodation.

4.2 Applicable housing allowance

- (1) Where a local government owns a property and provides that property to the CEO for accommodation, the value of this accommodation will not be included in the Total Reward Package.
- (2) For reporting purposes, the value of the local government owned property shall be valued at the annual Gross Rental Value of the property as determined by the Valuer General.
- (3) Where a local government leases accommodation for the use of the CEO, the lease costs will not be included in the Total Reward Package.
- (4) For reporting purposes, the value of the local government leased property shall be the annual actual costs of the accommodation lease.
- (5) Where a local government provides a Home Ownership Subsidy to the CEO, this will not be included in the Total Reward Package.
- (6) For reporting purposes, the value of the Home Ownership Subsidy shall be the annual actual costs of the Home Ownership Subsidy.

PART 5 MOTOR VEHICLES

This Part deals with the provision of motor vehicles to Chief Executive Officers.

5.1 General

- (1) For local governments generally, except those outlined in (2) below, the private benefit value of any motor vehicle provided to the CEO by the local government is to be included in the Total Reward Package.
- (2) For local governments listed in Table 3 under Part 3 of this determination and/or local governments classified as Band 3 or Band 4 located in a non-metropolitan region, any motor vehicle provided to the CEO or an allowance provided to a CEO for use of a private motor vehicle for work-related purposes, is to be considered a tool of trade (i.e. equipment needed to undertake the duties of a CEO in these local governments) and any private benefit will not be considered as part of the Total Reward Package.

5.2 Private benefit value

- (1) The private benefit value of the motor vehicle will be dependent on the type of motor vehicle provided, method of ownership (i.e. local government owned or leased), maintenance and running costs, insurance, any applicable luxury car tax and the amount of private use of the vehicle (i.e. non-business use).
- (2) As a general rule, the private benefit value will be based upon the annual costs multiplied by the percentage of private use.
- (3) Local governments and CEOs will need to agree on the most appropriate way to record the amount of private use in order to calculate the private benefit value.

PART 6 MEETING ATTENDANCE FEES

This Part deals with fees payable to council members for attendance at council and other meetings

6.1 General

- (1) Pursuant to section 5.98(1)(b) of the LG Act, an elected council member who attends a council meeting is entitled to be paid the fee set by the local government or the regional local government within the range determined in section 6.2 of this Part for council meeting attendance fees.
- (2) Pursuant to section 5.98(1)(b) and (2A)(b) of the LG Act, an elected council member who attends a committee meeting or (at the request of the local government or regional local government) a meeting of a type prescribed in regulation 30(3A) of the LG Regulations is entitled to be paid the fee set by the local government or regional local government within the range determined in section 6.3 of this Part for attending committee meetings or, as the case requires, meetings of that type.
- (3) Pursuant to section 5.100(2)(b) and (3)(b) of the LG Act, a committee member who is not an elected council member or employee of the local government, who attends a committee meeting or (at the request of the local government or regional local government) a meeting of a type prescribed in regulation 30(3A) of the LG Regulations is entitled to be paid the fee set by the local government or regional local government within the range determined in section 6.3 of this Part for attending committee meetings or, as the case requires, meetings of that type.
- (4) Each of the following meetings is a type of meeting prescribed in regulation 30(3A) of the LG Regulations:
 - (a) meeting of a WALGA Zone, where the council member is representing a local government as a delegate elected or appointed by the local government
 - (b) meeting of a Regional Road Group established by Main Roads Western Australia, where the council member is representing a local government as a delegate elected or appointed by the local government
 - (c) council meeting of a regional local government where the council member is the deputy of a member of the regional local government and is attending in the place of the member of the regional local government
 - (d) meeting other than a council or committee meeting where the council member is attending at the request of a Minister of the Crown who is attending the meeting

- (e) meeting other than a council meeting or committee meeting where the council member is representing a local government as a delegate elected or appointed by the local government.
- (5) Pursuant to section 5.99 of the LG Act, a local government or regional local government may decide by an absolute majority that instead of paying council members an attendance fee referred to in section 5.98(1) of the LG Act, it will pay all council members who attend council or committee meetings a fee set within the range for annual fees determined in section 6.4 of this Part.
- (6) Regulation 30(3C) of the LG Regulations prevents the payment of a fee to a council member for attending a meeting of a type prescribed in regulation 30(3A) of those regulations if the:
 - (a) person who organises the meeting pays the council member a fee for attending the meeting; or
 - (b) council member is paid an annual fee in accordance with section 5.99 of the LG Act; or
 - (c) council member is deputising for a council member at a meeting of a regional local government and the member of the regional local government is paid an annual fee in accordance with section 5.99 of the LG Act.
- (7) In determining the fees set out in this Part, the Tribunal has taken into account a range of factors including the:
 - (a) time required to prepare adequately for the meetings including consideration of agenda papers, site visits related to agenda items and consultation with council staff and community members
 - (b) role of the council member, mayor or president including, but not limited to, representation, advocacy, and oversight and determination of policy and local legislation
 - (c) particular responsibilities associated with the types of meetings attended;
 - (d) responsibilities of a mayor, president or chair to preside over meetings
 - (e) relative “size” of the local government as reflected in the Tribunal’s local government banding model.
- (8) The Tribunal has not determined a specific meeting attendance fee for the purposes of section 5.98(1)(a) or (2A)(a) of the LG Act.
- (9) The entitlement of an elected council member to a fee, allowance or reimbursement of an expense established under the LG Act, the LG Regulations and this determination, cannot be proscribed, limited or waived by a local government. Any eligible claim against those entitlements is to be paid in accordance with the applicable financial procedures of the local government.

6.2 Council meeting attendance fees – per meeting

- (1) The ranges of fees in table 4 and table 5 apply where a local government or regional local government decides by an absolute majority to pay a council member a fee referred to in section 5.98(1)(b) of the LG Act for attendance at a council meeting.

Table 4: Council meeting fees per meeting – local governments

LG Band	Elected council member		Elected council member mayor or president	
	Minimum	Maximum	Minimum	Maximum
1	\$700	\$890	\$700	\$1,215
2	\$420	\$660	\$420	\$880
3	\$225	\$465	\$225	\$710
4	\$105	\$270	\$105	\$550

Table 5: Council meeting fees per meeting – regional local governments

Regional LG Band	Elected council member		Elected council member chair	
	Minimum	Maximum	Minimum	Maximum
1 – 4	\$105	\$270	\$105	\$550

6.3 Committee meeting and prescribed meeting attendance fees – per meeting

- (1) The ranges of fees in tables 6 and 7 apply where a local government or regional local government decides to pay an elected council member a fee referred to in sections:
- (a) 5.98(1)(b) of the LG Act for attendance at a committee meeting; or
 - (b) 5.98(2A)(b) of the LG Act for attendance at a meeting of a type prescribed in regulation 30(3A) of the LG Regulations.

Table 6: Committee meeting and prescribed meeting fees per meeting – local governments

Elected council member		
LG Band	Minimum	Maximum
1	\$350	\$450
2	\$210	\$330
3	\$110	\$235
4	\$55	\$135

Table 7: Committee meeting and prescribed meeting fees per meeting – regional local governments

Elected council member		
Regional LG Band	Minimum	Maximum
1 – 4	\$55	\$135

6.4 Meeting attendance fees for independent committee members – per meeting

- (1) The range of fees in table 8 apply where a local government or regional local government decides to pay an **independent committee member** a fee referred to in:
 - (a) section 5.100(2)(b) of the LG Act for attendance at a committee meeting; or
 - (b) section 5.100(3)(a) of the LG Act for attendance at a meeting of a type prescribed in regulation 30(3A) of the LG Regulations.
- (2) The range is provided to enable local governments to appropriately compensate independent committee members depending on the skills and expertise they bring to the committee.

Table 8: Committee meeting and prescribed meeting fees per meeting for independent committee members – local government and regional local governments

Independent Committee Member		
Bands	Minimum	Maximum
1 – 4	\$0	\$450

- (3) In accordance with sections 5.100(4), (5) and (6) of the LG Act, an independent committee member can be reimbursed for attending committee meetings referred to in 6.4(1) above.
- (4) The extent to which an independent committee member can be reimbursed for attending committee meetings is the actual travel and associated costs incurred by the independent member demonstrated to the satisfaction of the local government.

6.5 Annual attendance fees in lieu of council meeting, committee meeting and prescribed meeting attendance fees

- (1) The ranges of fees in table 9 and table 10 apply where a local government or regional local government decides by an absolute majority that, instead of paying council members an attendance fee referred to in section 5.98 of the LG Act, it will pay an annual fee to all council members who attend council, committee or prescribed meetings.

Table 9: Annual attendance fees in lieu of council meeting, committee meeting and prescribed meeting attendance fees – local governments

Elected council member			Elected council member mayor or president	
Band	Minimum	Maximum	Minimum	Maximum
1	\$27,560	\$35,480	\$27,560	\$53,215
2	\$16,655	\$26,020	\$16,655	\$34,890
3	\$8,615	\$18,335	\$8,615	\$28,385
4	\$4,020	\$10,650	\$4,020	\$21,880

Table 10: Annual attendance fees in lieu of council meeting, committee meeting and prescribed meeting attendance fees – regional local government

Elected council member			Elected council member mayor or president	
Regional LG Band	Minimum	Maximum	Minimum	Maximum
1 – 4	\$2,015	\$11,830	\$2,215	\$17,740

PART 7 ANNUAL ALLOWANCE FOR A MAYOR, PRESIDENT, CHAIR, DEPUTY MAYOR, DEPUTY PRESIDENT AND DEPUTY CHAIR

This Part deals with annual allowances payable to mayors, presidents, chair and their deputies, in addition to any entitlement to meeting attendance fees or the reimbursement of expenses.

7.1 General

- (1) Pursuant to section 5.98(5) of the LG Act, the mayor or president of a local government and the chair of a regional local government are entitled, in addition to any fees or reimbursement of expenses payable under section 5.98(1) or (2), to be paid the annual allowance set by the local government or regional local government council within the range determined in section 7.2 of this Part.
- (2) Pursuant to section 5.98A(1) of the LG Act, a local government or regional local government may decide, by an absolute majority, to pay the deputy mayor or deputy president of the local government, or the deputy chair of the regional local government, an allowance of up to the percentage that is determined by the Tribunal of the annual allowance to which the mayor or president of the local government, or the chair of the regional local government, is entitled under section 5.98(5) of the LG Act. That percentage is determined in section 7.3 of this Part. This allowance is in addition to any fees or reimbursement of expenses payable to the deputy mayor, deputy president or deputy chair under section 5.98 of the LG Act.
- (3) In determining the allowances set out in this Part, the Tribunal has taken into account a range of factors including the following:
 - (a) the leadership role of the mayor, president or chair;
 - (b) the statutory functions for which the mayor, president or chair is accountable;
 - (c) the ceremonial and civic duties required of the mayor, president or chair, including local government business related entertainment;
 - (d) the responsibilities of the deputy mayor, deputy president or deputy chair when deputising;
 - (e) the relative “size” of the local government as reflected in the Tribunal’s local government banding model;
 - (f) the civic, ceremonial and representation duties particular to the Lord Mayor of Western Australia’s capital city.

7.2 Annual allowance for a Mayor, President or Chair

- (1) The ranges of allowances in table 10 apply where a local government sets the amount of the annual local government allowance to which a mayor or president is entitled under section 5.98(5) of the LG Act.
- (2) The range of allowances in table 11 apply where a regional local government sets the amount of the annual local government allowance to which a chair is entitled under section 5.98(5) of the LG Act.
- (3) Despite the provisions of subsection (1), the City of Perth is to set the amount of the annual local government allowance to which the Lord Mayor is entitled within the range of \$67,201 to \$149,971.

Table 11: Annual allowance for a mayor or president of a local government

For a mayor or president		
LG Band	Minimum	Maximum
1	\$57,404	\$100,514
2	\$17,222	\$70,951
3	\$1,152	\$41,388
4	\$575	\$22,470

Table 12: Annual allowance for a chair of a regional local government

For a chair		
Regional LG Band	Minimum	Maximum
1 – 4	\$575	\$22,470

7.3 Annual allowance for a Deputy Mayor, Deputy President or Deputy Chair

- (1) The percentage determined for the purposes of section 5.98A(1) of the LG Act is 25 per cent.
- (2) If the deputy performs the functions of mayor or president for a continuous period of no less than four months, the deputy will be entitled to receive the mayor or president allowance according to the applicable local government band in 7.2 of the Determination. This can be applied retrospectively, in instances where an initial short-term period of acting becomes a continuous period of acting for four months or more.

PART 8 EXPENSES TO BE REIMBURSED

This Part deals with expenses for which council members are entitled to be reimbursed.

8.1 General

- (1) Pursuant to section 5.98(2)(a) and (3) of the LG Act, an elected council member who incurs an expense of a kind prescribed in regulation 31(1) of the LG Regulations is entitled to be reimbursed for the expense to the extent determined in section 8.2(1) to (5) of this Part.
- (2) Regulation 31(1) of the LG Regulations prescribes the following kinds of expenses that are to be reimbursed:
 - (a) rental charges incurred by a council member in relation to one telephone and one facsimile machine; and
 - (b) child care and travel costs incurred by a council member because of the member's attendance at a council meeting or a meeting of a committee of which he or she is also a member.
- (3) Pursuant to section 5.98(2)(a) and (3) of the LG Act, an elected council member who incurs an expense of a kind prescribed in regulation 32(1) of the LG Regulations is entitled to be reimbursed for the expense to the extent determined in section 8.2(6) to (8) of this Part.
- (4) Regulation 32(1) of the LG Regulations prescribes the following kinds of expenses that may be approved by a local government for reimbursement:
 - (a) an expense incurred by an elected council member in performing a function under the express authority of the local government;
 - (b) an expense incurred by an elected council member to whom paragraph (a) applies by reason of the elected council member being accompanied by not more than one other person while performing the function if, having regard to the nature of the function, the local government considers that it is appropriate for the elected council member to be accompanied by that other person; and
 - (c) an expense incurred by an elected council member in performing a function in his or her capacity as an elected council member.

8.2 Extent of expenses to be reimbursed

- (1) The extent to which an elected council member can be reimbursed for rental charges in relation to one telephone and one facsimile machine is the actual expense incurred by the elected council member.

- (2) The extent to which an elected council member can be reimbursed for childcare costs incurred because of attendance at a meeting referred to in regulation 31(1)(b) of the LG Regulations is the actual cost per hour up to \$35 per hour. If an elected council member incurs costs greater than \$35 per hour due to having multiple children, children with special needs, lack of adequate childcare facilities or services or another extenuating circumstance, a local government may reimburse the elected council member for the actual costs upon the provision of sufficient receipts/evidence to satisfy the local government that the expense has been legitimately incurred.
- (3) The extent to which an elected council member of a local government can be reimbursed for reasonable travel costs referred to in regulation 31(1)(b) of the LG Regulations is:
- (a) if the person lives or works in the local government district or an adjoining local government district, the actual cost for the person to travel from the person's place of residence or work to the meeting and back; or
 - (b) if the person does not live or work in the local government district or an adjoining local government district, the actual cost, in relation to a journey from the person's place of residence or work and back:
 - i for the person to travel from the person's place of residence or work to the meeting and back; or
 - ii if the distance travelled referred to in subparagraph (i) is more than 100 kilometres, for the person to travel from the outer boundary of an adjoining local government district to the meeting and back to that boundary.
- (4) The extent to which an elected council member of a regional local government can be reimbursed for reasonable travel costs referred to in regulation 31(1)(b) of the LG Regulations is the actual cost for the person to travel from the person's place of residence or work to the meeting and back.
- (5) For the purposes of subsections (3) and (4), travel costs incurred while driving a privately owned or leased vehicle (rather than a commercially hired vehicle) are to be calculated at the same rate contained in Section 30.6 of the *Local Government Officers' (Western Australia) Award 2021* as at the date of this determination. For elected council members with Electric Vehicles, the 1600cc Motor Vehicle Allowance rate should be applied.

- (6) The extent to which an elected council member can be reimbursed for childcare costs incurred because of attendance at a meeting referred to in regulation 32(1) of the LG Regulations is the actual cost per hour up to \$35 per hour. If an elected council member incurs costs greater than \$35 per hour due to having multiple children, children with special needs, lack of adequate childcare facilities or services or another extenuating circumstance, a local government may reimburse the member for the actual costs upon the provision of sufficient receipts/evidence to satisfy the local government that the expense has been legitimately incurred.
- (7) The extent to which an elected council member can be reimbursed for intrastate or interstate travel and accommodation costs incurred in any of the circumstances referred to in regulation 32(1) of the LG Regulations is at the same rate applicable to the reimbursement of travel and accommodation costs in the same or similar circumstances under the *Public Service Award 1992* issued by the Western Australian Industrial Relations Commission as at the date of this determination.
- (8) The extent to which an elected council member can be reimbursed for any other cost incurred under regulation 32(1) of the LG Regulations is the actual cost upon presentation of sufficient evidence of the cost incurred.

PART 9 ANNUAL ALLOWANCES IN LIEU OF REIMBURSEMENT OF EXPENSES

This Part deals with annual allowances that a local government or regional local government may decide to pay.

9.1 General

- (1) Pursuant to section 5.99A of the LG Act, a local government or regional local government may decide by absolute majority that instead of reimbursing elected council members under the LG Act section 5.98(2) for all of a particular type of expense, it will pay all elected council members, for that type of expense, the annual allowance determined in section 9.2 of this Part or, as the case requires, an annual allowance within the range determined in that section.
- (2) Where a local government or regional local government has decided to pay elected council members an annual allowance for an expense of a particular type instead of reimbursing expenses of that type under section 5.98(2) of the LG Act, section 5.99A of the LG Act provides for reimbursement of expenses of that type in excess of the amount of the allowance.
- (3) In determining the maximum annual allowance for expenses of a particular type, the Tribunal has taken into account a range of factors including the following:
 - (a) the intent of the allowance to reflect the extent and nature of the expenses incurred and not to result in a windfall gain for council members;
 - (b) the capacity of local governments to set allowances appropriate to their varying operational needs;
 - (c) the particular practices of local governments in the use of information and communication technology (e.g. laptop computers, iPads); and
 - (d) the varying travel requirements of elected council members in local governments associated with geography, isolation and other factors.
- (4) With respect to ICT expenses, the Tribunal's intention is for the maximum annual allowance to cover the cost of providing ICT hardware and equipment. It is not the intention for the allowance to be paid in addition to providing equipment and hardware.

9.2 Annual allowances determined instead of reimbursement for particular types of expenses for Elected Council Members

(1) In this section:

ICT expenses means:

- (a) rental charges in relation to one telephone and one facsimile machine, as prescribed by regulation 31(1)(a) of the LG Regulations;
- (b) any other expenses that relate to information and communications technology (for example, telephone call charges and internet service provider fees) and that are a kind of expense prescribed by regulation 32(1) of the LG Regulations; or
- (c) any expenses, including the purchase costs, of ICT hardware provided to elected council members.

Travel and accommodation expenses means:

- (a) travel costs, as prescribed by regulation 31(1)(b) of the LG Regulations; or
- (b) any other expenses that relate to travel or accommodation and that are a kind of expense prescribed by regulation 32(1) of the LG Regulations.

- (2) For the purposes of section 5.99A(b) of the LG Act, the minimum annual allowance for ICT expenses is \$500 and the maximum annual allowance for ICT expenses is \$3,500.
- (3) For the purposes of section 5.99A(a) of the LG Act, the annual allowance for travel and accommodation expenses is \$100.

SCHEDULE 1: LOCAL GOVERNMENT BAND ALLOCATIONS

Local Government	Band
Albany City	1
Armadale City	1
Ashburton Shire	2
Augusta-Margaret River Shire	2
Bassendean Town	3
Bayswater City	1
Belmont City	1
Beverley Shire	4
Boddington Shire	4
Boyup Brook Shire	4
Bridgetown-Greenbushes Shire	3
Brookton Shire	4
Broome Shire	2
Broomehill-Tambellup Shire	4
Bruce Rock Shire	4
Bunbury City	1
Busselton City	1
Cambridge Town	2
Canning City	1
Capel Shire	3
Carnamah Shire	4
Carnarvon Shire	2
Chapman Valley Shire	4
Chittering Shire	3
Christmas Island Shire	3
Claremont Town	3
Cocos (Keeling) Islands Shire	4
Cockburn City	1
Collie Shire	3
Coolgardie Shire	3
Coorow Shire	4
Corrigin Shire	4
Cottesloe Town	3
Cranbrook Shire	4
Cuballing Shire	4
Cue Shire	4
Cunderdin Shire	4

Local Government	Band
Dalwallinu Shire	3
Dandaragan Shire	3
Dardanup Shire	3
Denmark Shire	3
Derby-West Kimberley Shire	2
Donnybrook Balingup Shire	3
Dowerin Shire	4
Dumbleyung Shire	4
Dundas Shire	4
East Fremantle Town	3
East Pilbara Shire	2
Esperance Shire	2
Exmouth Shire	3
Fremantle City	1
Gingin Shire	3
Gnowangerup Shire	4
Goomalling Shire	4
Gosnells City	1
Greater Geraldton City	1
Halls Creek Shire	3
Harvey Shire	2
Irwin Shire	3
Jerramungup Shire	4
Joondalup City	1
Kalamunda Shire	2
Kalgoorlie-Boulder City	1
Karratha City	1
Katanning Shire	3
Kellerberrin Shire	4
Kent Shire	4
Kojonup Shire	3
Kondinin Shire	4
Koorda Shire	4
Kulin Shire	4
Kwinana City	1
Lake Grace Shire	4
Laverton Shire	3
Leonora Shire	3

Local Government	Band
Mandurah City	1
Manjimup Shire	2
Meekatharra Shire	3
Melville City	1
Menzies Shire	4
Merredin Shire	3
Mingenew Shire	4
Moora Shire	3
Morawa Shire	4
Mosman Park Town	3
Mount Magnet Shire	4
Mount Marshall Shire	4
Mukinbudin Shire	4
Mundaring Shire	2
Murchison Shire	4
Murray Shire	2
Nannup Shire	4
Narembeen Shire	4
Narrogin Shire	3
Nedlands City	2
Ngaanyatjarraku Shire	4
Northam Shire	2
Northampton Shire	3
Nungarin Shire	4
Peppermint Grove Shire	4
Perenjori Shire	4
Perth City	1
Pingelly Shire	4
Plantagenet Shire	3
Port Hedland Town	1
Quairading Shire	4
Ravensthorpe Shire	3
Rockingham City	1
Sandstone Shire	4
Serpentine-Jarrahdale Shire	2
Shark Bay Shire	4
South Perth City	2
Stirling City	1

Local Government	Band
Subiaco City	2
Swan City	1
Tammin Shire	4
Three Springs Shire	4
Toodyay Shire	3
Trayning Shire	4
Upper Gascoyne Shire	4
Victoria Park Town	2
Victoria Plains Shire	4
Vincent City	2
Wagin Shire	4
Wandering Shire	4
Wanneroo City	1
Waroon Shire	3
West Arthur Shire	4
Westonia Shire	4
Wickepin Shire	4
Williams Shire	4
Wiluna Shire	4
Wongan-Ballidu Shire	4
Woodanilling Shire	4
Wyalkatchem Shire	4
Wyndham-East Kimberley Shire	2
Yalgoo Shire	4
Yilgarn Shire	3
York Shire	3

Signed on 4 April 2025



E Prof M Seares AO
CHAIR



Hon. J Day AM
MEMBER



Dr M Schaper
MEMBER

SALARIES AND ALLOWANCES TRIBUNAL

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

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

"The Cultural Experience Centre of the Great Southern"

Principal place of business:
93 Albany Highway
Kojonup WA 6395



**SHIRE OF KOJONUP
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 Kojonup 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 1st day of December 2025



CEO

GRANT THOMPSON

Name of CEO



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

	Note	2025 Actual \$	2025 Budget \$	2024 Actual \$
Revenue				
Rates	2(a),23	5,151,750	5,149,958	4,895,815
Grants, subsidies and contributions	2(a)	2,069,861	1,083,978	4,227,254
Fees and charges	2(a)	1,175,634	1,039,188	1,571,978
Interest revenue	2(a)	93,019	90,040	156,794
Other revenue	2(a)	961,140	1,075,481	1,020,803
		<u>9,451,404</u>	<u>8,438,645</u>	<u>11,872,644</u>
Expenses				
Employee costs	2(b)	(4,372,425)	(4,266,839)	(5,632,862)
Materials and contracts		(2,956,837)	(3,144,823)	(2,794,347)
Utility charges		(442,615)	(356,674)	(449,295)
Depreciation		(5,303,487)	(4,637,570)	(5,189,105)
Finance costs	2(b)	(136,066)	(154,521)	(142,449)
Insurance		(567,189)	(480,131)	(471,633)
Other expenditure	2(b)	(237,605)	(296,585)	(354,330)
		<u>(14,016,224)</u>	<u>(13,337,143)</u>	<u>(15,034,021)</u>
		(4,564,820)	(4,898,498)	(3,161,377)
Capital grants, subsidies and contributions	2(a)	2,759,138	3,382,881	3,301,772
Profit on asset disposals		75,521	-	10,320
Fair value adjustments to financial assets at fair value through profit or loss	4(a)	(4,438)	-	2,100
		<u>2,830,221</u>	<u>3,382,881</u>	<u>3,314,192</u>
Net result for the period		(1,734,599)	(1,515,617)	152,815
Total other comprehensive income for the period		-	-	-
Total comprehensive income for the period		(1,734,599)	(1,515,617)	152,815

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



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

	Note	2025	2024
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	3	3,586,705	8,105,816
Trade and other receivables	5	788,354	1,186,795
Inventories	6	255,874	215,910
Other assets	7	296,071	3,766
TOTAL CURRENT ASSETS		4,927,004	9,512,287
NON-CURRENT ASSETS			
Trade and other receivables	5	114,776	110,473
Other financial assets	4(a)	99,524	103,962
Property, plant and equipment	8	32,458,711	33,176,529
Infrastructure	9	122,123,117	123,336,973
TOTAL NON-CURRENT ASSETS		154,796,128	156,727,937
TOTAL ASSETS		159,723,132	166,240,224
CURRENT LIABILITIES			
Trade and other payables	11	497,757	4,224,764
Capital grant/contributions liabilities	12	496,045	841,285
Borrowings	13	486,694	517,952
Employee related provisions	14	524,215	741,815
TOTAL CURRENT LIABILITIES		2,004,711	6,325,816
NON-CURRENT LIABILITIES			
Borrowings	13	3,993,184	4,479,878
Employee related provisions	14	94,599	69,293
TOTAL NON-CURRENT LIABILITIES		4,087,783	4,549,171
TOTAL LIABILITIES		6,092,494	10,874,987
NET ASSETS		153,630,638	155,365,237
EQUITY			
Retained surplus		71,354,746	69,384,025
Reserve accounts	26	1,135,418	4,840,738
Revaluation surplus	15	81,140,474	81,140,474
TOTAL EQUITY		153,630,638	155,365,237

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



SHIRE OF KOJONUP
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		71,068,011	3,003,937	81,140,474	155,212,422
Comprehensive income for the period					
Net result for the period		152,815	-	-	152,815
Total comprehensive income for the period		152,815	-	-	152,815
Transfers to reserve accounts	26	(1,836,801)	1,836,801	-	-
Balance as at 30 June 2024		69,384,025	4,840,738	81,140,474	155,365,237
Comprehensive income for the period					
Net result for the period		(1,734,599)	-	-	(1,734,599)
Total comprehensive income for the period		(1,734,599)	-	-	(1,734,599)
Transfers from reserve accounts	26	4,233,703	(4,233,703)	-	-
Transfers to reserve accounts	26	(528,383)	528,383	-	-
Balance as at 30 June 2025		71,354,746	1,135,418	81,140,474	153,630,638

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



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

	Note	2025 Actual \$	2024 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Rates		5,138,924	4,878,209
Grants, subsidies and contributions		2,539,331	5,362,272
Fees and charges		1,175,634	1,579,829
Interest revenue		93,019	156,794
Goods and services tax received		597,628	163,223
Other revenue		961,140	1,020,803
		10,505,676	13,161,130
Payments			
Employee costs		(4,670,041)	(5,759,224)
Materials and contracts		(6,916,480)	(1,022,951)
Utility charges		(442,615)	(449,295)
Finance costs		(136,066)	(142,449)
Insurance paid		(567,189)	(471,633)
Goods and services tax paid		(654,445)	(264,895)
Other expenditure		(237,605)	(354,330)
		(13,624,441)	(8,464,777)
Net cash provided by (used in) operating activities		(3,118,765)	4,696,353
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for purchase of property, plant & equipment	8(a)	(641,962)	(903,018)
Payments for construction of infrastructure	9(a)	(2,911,603)	(4,641,732)
Capital grants, subsidies and contributions		2,413,898	3,323,511
Proceeds from sale of property, plant & equipment		257,273	49,499
Net cash (used in) investing activities		(882,394)	(2,171,740)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings	25(a)	(517,952)	(438,070)
Net cash (used in) financing activities		(517,952)	(438,070)
Net increase (decrease) in cash held		(4,519,111)	2,086,543
Cash at beginning of year		8,105,816	6,019,273
Cash and cash equivalents at the end of the year	3	3,586,705	8,105,816

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



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

	Note	2025 Actual \$	2025 Budget \$	2024 Actual \$
OPERATING ACTIVITIES				
Revenue from operating activities				
General rates	23	5,151,750	5,149,958	4,895,815
Grants, subsidies and contributions		2,069,861	1,083,978	4,227,254
Fees and charges		1,175,634	1,039,188	1,571,978
Interest revenue		93,019	90,040	156,794
Other revenue		961,140	1,075,481	1,020,803
Profit on asset disposals		75,521	-	10,320
Fair value adjustments to financial assets at fair value through profit or loss	4(a)	(4,438)	-	2,100
		9,522,487	8,438,645	11,885,064
Expenditure from operating activities				
Employee costs		(4,372,425)	(4,266,839)	(5,632,862)
Materials and contracts		(2,956,837)	(3,144,823)	(2,794,347)
Utility charges		(442,615)	(356,674)	(449,295)
Depreciation		(5,303,487)	(4,637,570)	(5,189,105)
Finance costs		(136,066)	(154,521)	(142,449)
Insurance		(567,189)	(480,131)	(471,633)
Other expenditure		(237,605)	(296,585)	(354,330)
		(14,016,224)	(13,337,143)	(15,034,021)
Non-cash amounts excluded from operating activities	24(a)	1,238,500	4,639,570	6,901,752
Amount attributable to operating activities		(3,255,237)	(258,928)	3,752,795
INVESTING ACTIVITIES				
Inflows from investing activities				
Capital grants, subsidies and contributions		2,759,138	3,382,881	3,301,772
Proceeds from disposal of assets		257,273	135,000	49,499
		3,016,411	3,517,881	3,351,271
Outflows from investing activities				
Acquisition of property, plant and equipment	8(a)	(641,962)	(1,348,252)	(903,018)
Acquisition of infrastructure	9(a)	(2,911,603)	(3,864,814)	(4,641,732)
		(3,553,565)	(5,213,066)	(5,544,750)
Amount attributable to investing activities		(537,154)	(1,695,185)	(2,193,479)
FINANCING ACTIVITIES				
Inflows from financing activities				
Transfers from reserve accounts	26	4,233,703	50,392	-
		4,233,703	50,392	-
Outflows from financing activities				
Repayment of borrowings	25(a)	(517,952)	(508,766)	(438,070)
Transfers to reserve accounts	26	(528,383)	(207,347)	(1,836,801)
		(1,046,335)	(716,113)	(2,274,871)
Amount attributable to financing activities		3,187,368	(665,721)	(2,274,871)
MOVEMENT IN SURPLUS OR DEFICIT				
Surplus or deficit at the start of the financial year	24(b)	3,200,111	2,619,834	3,915,666
Amount attributable to operating activities		(3,255,237)	(258,928)	3,752,795
Amount attributable to investing activities		(537,154)	(1,695,185)	(2,193,479)
Amount attributable to financing activities		3,187,368	(665,721)	(2,274,871)
Surplus or deficit after imposition of general rates	24(b)	2,595,088	-	3,200,111

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



SHIRE OF KOJONUP
FOR THE YEAR ENDED 30 JUNE 2025
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**SHIRE OF KOJONUP
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 Kojonup which is a Class 3 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 *Local Government Act 1995*, 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 except for disclosure requirements of:

- AASB 7 Financial Instruments Disclosures
- AASB 16 Leases paragraph 58
- AASB 101 Presentation of Financial Statements paragraph 61
- AASB 107 Statement of Cash Flows paragraphs 43 and 45
- AASB 116 Property, Plant and Equipment paragraph 79
- AASB 137 Provisions, Contingent Liabilities and Contingent Assets paragraph 85
- AASB 140 Investment Property paragraph 75(f)
- AASB 1052 Disaggregated Disclosures paragraph 11
- AASB 1054 Australian Additional Disclosures paragraph 16

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

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 14

Fair value hierarchy information can be found in note 22

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 27 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 did not 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*

The Shire will apply AASB2022-10 prospectively in the year of revaluation for relevant assets.

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.

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

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
Rates	General Rates	Over time	Payment dates adopted by Council during the year	None	When rates notice is issued
Specified area rates	Rates charge for specific defined purpose	Over time	Payment dates adopted by Council during the year	Refund in event monies are unspent	When rates notice is issued
Service charges	Charge for specific service	Over time	Payment dates adopted by Council during the year	Refund in event monies are unspent	When rates notice is issued
Grant contracts with customers	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants, subsidies or contributions for the construction of non-financial assets	Construction or acquisition of recognisable non-financial assets to be controlled by the local government	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants with no contract commitments	General appropriations and contributions with no reciprocal commitment	No obligations	Not applicable	Not applicable	When assets are controlled
Fees and charges	Building, cemetery services, library fees, property hire, private works, planning, development, animal management	Single point in time	Full payment prior to issue	None	Output method based on provision of service or completion of works, or on payment and issue of the licence, registration or approval
Commissions	Commissions on licencing and ticket sales	Over time	Payment in full on sale	None	When assets are controlled
Reimbursements	Insurance claims and reimbursable expenses	Single point in time	Payment in arrears for claimable event	None	When claim is agreed or when expense is incurred

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

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

2 REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

Revenue Recognition

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	-	-	5,151,750	-	5,151,750
Grants, subsidies and contributions	757,029	-	-	1,312,832	2,069,861
Fees and charges	814,785	-	360,849	-	1,175,634
Interest revenue	-	-	62,439	30,580	93,019
Other revenue	829,206	-	342	131,592	961,140
Capital grants, subsidies and contributions	-	2,759,138	-	-	2,759,138
Total	2,401,020	2,759,138	5,575,380	1,475,004	12,210,542

For the year ended 30 June 2024

Nature	Contracts with customers	Capital grant/contributions	Statutory requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	-	-	4,895,815	-	4,895,815
Grants, subsidies and contributions	2,345,752	-	-	1,881,502	4,227,254
Fees and charges	1,244,679	-	327,299	-	1,571,978
Interest revenue	-	-	52,301	104,493	156,794
Other revenue	762,954	-	106	257,743	1,020,803
Capital grants, subsidies and contributions	-	3,359,305	-	(57,533)	3,301,772
Total	4,353,385	3,359,305	5,275,521	2,186,205	15,174,416

Note	2025 Actual \$	2024 Actual \$
Interest revenue		
Interest on reserve account	25,739	52,643
Trade and other receivables overdue interest	49,125	39,903
Other interest revenue	18,155	64,248
	93,019	156,794
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	4,401	4,293
The 2025 original budget estimate in relation to: Charges on instalment plan was \$4,000.		
(b) Expenses		
Auditors remuneration		
- Audit of the Annual Financial Report	42,700	40,000
- Other services – grant acquittals	7,080	5,895
	49,780	45,895
Employee Costs		
Employee benefit costs	4,372,425	5,632,862
	4,372,425	5,632,862
Finance costs		
Interest and financial charges paid/payable for lease liabilities and financial liabilities not at fair value through profit or loss	136,066	142,449
	136,066	142,449
Other expenditure		
Sundry expenses	237,605	354,330
	237,605	354,330

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

3. CASH AND CASH EQUIVALENTS

	Note	2025	2024
		\$	\$
Cash at bank and on hand		3,586,705	8,105,816
Total cash and cash equivalents		3,586,705	8,105,816
Held as			
- Unrestricted cash and cash equivalents		1,805,995	2,296,340
- Restricted cash and cash equivalents	16	1,780,710	5,809,476
		3,586,705	8,105,816

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

(a) Non-current assets

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss

Units in Local Government House Trust - opening balance
Movement attributable to fair value increment
Units in Local Government House Trust - closing balance

	Note	2025	2024
		\$	\$
		99,524	103,962
		99,524	103,962
		103,962	101,862
		(4,438)	2,100
		99,524	103,962

MATERIAL ACCOUNTING POLICIES

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.

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

5. TRADE AND OTHER RECEIVABLES

	Note	2025	2024
		\$	\$
Current			
Rates and statutory receivables		492,026	473,511
Trade receivables		217,135	722,277
Other receivables- FBT		31,369	-
GST receivable		56,817	-
Allowance for credit losses of trade receivables		(8,993)	(8,993)
		788,354	1,186,795
Non-current			
Other receivables [describe]		114,776	110,473
		114,776	110,473

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	296,071	3,766	12,760
Allowance for credit losses of trade receivables		(8,993)	(8,993)	(1,142)
Total trade and other receivables from contracts with customers		287,078	(5,227)	11,618

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.

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

6. INVENTORIES

	Note	2025	2024
Current		\$	\$
Fuel and materials		22,290	1,452
Land held for resale		233,584	214,458
		255,874	215,910
The following movements in inventories occurred during the year:			
Balance at beginning of year		215,910	185,739
Inventories expensed during the year		(274,347)	(319,700)
Additions to inventory		314,311	349,871
Balance at end of year		255,874	215,910

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.

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

7. OTHER ASSETS

Other assets - current

Contract assets

2025	2024
\$	\$
296,071	3,766
296,071	3,766

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.

Contract assets

Contract assets primarily relate to the Shire's right to consideration for work completed but not billed at the end of the period.

Impairment of assets associated with contracts with customers are detailed at Note 2(b).



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

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.

	Note	Land	Buildings	Total property	Furniture and equipment	Plant and equipment	Tools	Total property, plant and equipment
		\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2023		2,281,424	26,963,384	29,244,808	356,922	3,926,522	797	33,529,049
Additions		10,661	743,763	754,424	-	148,594	-	903,018
Depreciation			(667,664)	(667,664)	(37,625)	(549,452)	(797)	(1,255,538)
Balance at 30 June 2024		2,292,085	27,039,483	29,331,568	319,297	3,525,664	-	33,176,529
Comprises:								
Gross balance amount at 30 June 2024		2,292,085	28,361,791	30,653,876	427,750	5,667,488	12,541	36,761,655
Accumulated depreciation at 30 June 2024		-	(1,322,308)	(1,322,308)	(108,453)	(2,141,824)	(12,541)	(3,585,126)
Balance at 30 June 2024	8(b)	2,292,085	27,039,483	29,331,568	319,297	3,525,664	-	33,176,529
Additions		-	394,700	394,700	165,939	81,323	-	641,962
Disposals		-	-	-	(90,027)	(91,725)	-	(181,752)
Depreciation		-	(684,564)	(684,564)	(27,864)	(465,600)	-	(1,178,028)
Balance at 30 June 2025		2,292,085	26,749,619	29,041,704	367,345	3,049,662	-	32,458,711
Comprises:								
Gross balance amount at 30 June 2025		2,292,085	28,756,492	31,048,577	481,912	5,611,813	12,541	37,154,843
Accumulated depreciation at 30 June 2025		-	(2,006,873)	(2,006,873)	(114,567)	(2,562,151)	(12,541)	(4,696,132)
Balance at 30 June 2025	8(b)	2,292,085	26,749,619	29,041,704	367,345	3,049,662	-	32,458,711

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

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		-	-	2	Market approach using recent observable market data for similar properties / income approach using discounted cashflow methodology	Independent registered valuers	June 2022	Price per m²/market borrowing rate
Land - subject to usage restrictions		2,292,085	2,292,085					
Total land	8(a)	2,292,085	2,292,085					
Buildings - non specialised		10,308,140	10,528,774	2	Market approach using recent observable market data for similar properties / income approach using discounted cashflow methodology	Independent registered valuers	June 2022	Observable open market values of similar assets adjusted for condition and comparability at the highest value and best use.
Buildings - specialised		16,441,479	16,510,709	3	Cost approach using current replacement cost	Independent registered valuers	June 2022	Construction costs and current condition, residual values and remaining useful life assessment inputs
Total buildings	8(a)	26,749,619	27,039,483					
(ii) Cost								
Furniture and equipment					N/A	Cost	N/A	N/A
Plant and equipment					N/A	Cost	N/A	N/A

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

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	Infrastructure Kerbing	Infrastructure drainage	Infrastructure bridges	Infrastructure footpaths	Infrastructure parks	Other infrastructure	Total infrastructure
	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2023	94,418,900	2,484,656	11,018,976	5,680,026	1,049,712	2,352,627	5,623,911	122,628,808
Additions	3,802,734	-	-	-	298,901	70,030	470,067	4,641,732
Depreciation	(2,648,763)	(199,439)	(500,411)	(113,328)	(61,557)	(126,819)	(283,250)	(3,933,567)
Balance at 30 June 2024	95,572,871	2,285,217	10,518,565	5,566,698	1,287,056	2,295,838	5,810,728	123,336,973
Comprises:								
Gross balance at 30 June 2024	151,611,037	4,985,965	25,020,548	11,332,778	2,122,877	2,551,039	6,368,951	203,993,195
Accumulated depreciation at 30 June 2024	(56,038,166)	(2,700,748)	(14,501,983)	(5,766,080)	(835,821)	(255,201)	(558,223)	(80,656,222)
Balance at 30 June 2024	95,572,871	2,285,217	10,518,565	5,566,698	1,287,056	2,295,838	5,810,728	123,336,973
Additions	2,113,251	-	-	422,000	1,133	68,819	306,400	2,911,603
Depreciation	(2,815,014)	(199,439)	(500,411)	(113,327)	(70,692)	(130,033)	(296,543)	(4,125,459)
Balance at 30 June 2025	94,871,108	2,085,778	10,018,154	5,875,371	1,217,497	2,234,624	5,820,585	122,123,117
Comprises:								
Gross balance at 30 June 2025	153,724,287	4,985,965	25,020,548	11,754,779	2,124,010	2,619,858	6,675,351	206,904,798
Accumulated depreciation at 30 June 2025	(58,853,179)	(2,900,187)	(15,002,394)	(5,879,408)	(906,513)	(385,234)	(854,766)	(84,781,681)
Balance at 30 June 2025	94,871,108	2,085,778	10,018,154	5,875,371	1,217,497	2,234,624	5,820,585	122,123,117

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

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 2022	Construction costs (Level 2) and current condition , residual values and remaining useful life assessments (Level 3) inputs
Infrastructure Kerbing	3	Cost Approach using depreciated replacement cost	Management valuation	June 2022	Construction costs (Level 2) and current condition , residual values and remaining useful life assessments (Level 3) inputs
Infrastructure drainage	3	Cost Approach using depreciated replacement cost	Management valuation	June 2022	Construction costs (Level 2) and current condition , residual values and remaining useful life assessments (Level 3) inputs
Infrastructure bridges	3	Cost Approach using depreciated replacement cost	Management valuation	June 2022	Construction costs (Level 2) and current condition , residual values and remaining useful life assessments (Level 3) inputs
Infrastructure footpaths	3	Cost Approach using depreciated replacement cost	Management valuation	June 2022	Construction costs (Level 2) and current condition , residual values and remaining useful life assessments (Level 3) inputs
Infrastructure parks	3	Cost Approach using depreciated replacement cost	Independent registered valuers/Management Valuation	June 2022	Construction costs (Level 2) and current condition , residual values and remaining useful life assessments (Level 3) inputs
Other infrastructure	3	Cost Approach using depreciated replacement cost	Independent registered valuers/Management Valuation	June 2022	Construction costs (Level 2) and current condition , residual values and remaining useful life assessments (Level 3) 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.

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

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 - non-specialised	30 to 50 years
Buildings - specialised	30 to 50 years
Furniture and equipment	4 to 10 years
Plant and equipment	5 to 15 years
Tools	4 to 10 years
Infrastructure - roads	12 to 50 years
Infrastructure kerbing	12 to 50 years
Infrastructure drainage	20 to 50 years
Infrastructure bridges	20 to 50 years
Infrastructure footpaths	20 to 50 years
Infrastructure parks	20 to 100 years
Other infrastructure	20 to 100 years

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

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.

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

11. TRADE AND OTHER PAYABLES

Current

Sundry creditors	193,580
Prepaid rates	70,709
Accrued payroll liabilities	108,382
ATO liabilities	-
Bonds and deposits held	60,491
Accrued interest on long term borrowings	21,895
Springhaven accommodation bonds	-
Accrued expenses	42,700
	497,757

	2025	2024
\$		\$
	193,580	120,191
	70,709	65,020
	108,382	143,844
	-	69,860
	60,491	31,428
	21,895	41,618
	-	3,695,000
	42,700	57,803
	497,757	4,224,764

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.

Statutory liabilities

Statutory liabilities, are amounts owed to regulatory authorities due to statutory obligations such as FBT and PAYG. GST payable is offset against GST receivable and any net GST payable is included as a statutory liability.

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.

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

12. OTHER LIABILITIES

Current

Capital grant/contributions liabilities

Reconciliation of changes in capital grant/contribution liabilities

Opening balance

Additions

Revenue from capital grant/contributions held as a liability at the start of the period

	2025	2024
	\$	\$
	496,045	841,285
	496,045	841,285
	841,285	819,546
	1,623,224	841,285
	(1,968,464)	(819,546)
	496,045	841,285

MATERIAL ACCOUNTING POLICIES

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.



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

13. BORROWINGS

	Note	2025			2024		
		Current	Non-current	Total	Current	Non-current	Total
Secured		\$	\$	\$	\$	\$	\$
Debentures		486,694	3,993,184	4,479,878	517,952	4,479,878	4,997,830
Total secured borrowings	25(a)	486,694	3,993,184	4,479,878	517,952	4,479,878	4,997,830

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 22(i)) due to the unobservable inputs, including own credit risk.

Risk

Details of individual borrowings required by regulations are provided at Note 25(a).



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

14. EMPLOYEE RELATED PROVISIONS

Employee related provisions

Current provisions

Employee benefit provisions

Annual leave

Long service leave

Employee related other provisions

Employment on-costs

Total current employee related provisions

Non-current provisions

Employee benefit provisions

Long service leave

Employee related other provisions

Employment on-costs

Total non-current employee related provisions

Total employee related provisions

	2025	2024
	\$	\$
	304,810	429,832
	142,747	228,776
	447,557	658,608
	76,658	83,207
	76,658	83,207
	524,215	741,815
	78,833	60,783
	78,833	60,783
	15,766	8,510
	15,766	8,510
	94,599	69,293
	618,814	811,108

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.

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.

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

15. REVALUATION SURPLUS

	2025 Opening balance	2025 Closing balance	2024 Opening balance	2024 Closing balance
	\$	\$	\$	\$
Revaluation surplus - Land & Buildings	11,659,617	11,659,617	11,659,617	11,659,617
Revaluation surplus - Furniture and equipment	77,021	77,021	77,021	77,021
Revaluation surplus - Plant and equipment	497,970	497,970	497,970	497,970
Revaluation surplus - Infrastructure - roads	62,418,740	62,418,740	62,418,740	62,418,740
Revaluation surplus - Other infrastructure	6,487,126	6,487,126	6,487,126	6,487,126
	81,140,474	81,140,474	81,140,474	81,140,474



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

16. RESTRICTIONS OVER FINANCIAL ASSETS

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

Note	2025 Actual \$	2024 Actual \$
3	1,780,710	5,809,476
	1,780,710	5,809,476

The restricted financial assets are a result of the following specific purposes to which the assets may be used:

Restricted reserve accounts

26 1,135,418 4,840,738

Capital grant liabilities

12 496,045 841,285

Bonds and Deposits

11 60,491 31,428

Unspent loans

25(b) 88,756 96,025

Total restricted financial assets

1,780,710 5,809,476

**17. UNDRAWN BORROWING FACILITIES AND CREDIT
STANDBY ARRANGEMENTS**

Credit standby arrangements

Bank overdraft limit

200,000 200,000

Bank overdraft at balance date

- -

Credit card limit

30,000 30,000

Credit card balance at balance date

- -

Total amount of credit unused

230,000 230,000

Loan facilities

Loan facilities - current

486,694 517,952

Loan facilities - non-current

3,993,184 4,479,878

Total facilities in use at balance date

4,479,878 4,997,830

Unused loan facilities at balance date

Nil Nil

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

18. CONTINGENT LIABILITIES

In compliance with the Contaminated Sites Act 2003 Section 11, the Shire of Kojonup has identified the following sites to be possible sources of contamination:

Kojonup Shire Airport, Lot 3 on diagram 72650, 175 Aerodrome Road, Kojonup.
Kojonup Shire Depot, Lot 31 on diagram 63815, 19 Bilson Street, Kojonup.

Until the Shire conducts an investigation 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 or 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.

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

19. 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	22,800	30,400	12,582
President's meeting attendance fees	16,050	22,924	22,800
President's annual allowance for ICT expenses	750	3,000	-
	39,600	56,324	35,382
Deputy President's annual allowance	7,600	7,600	13,845
Deputy President's meeting attendance fees	12,582	13,372	9,376
Deputy President's annual allowance for ICT expenses	3,000	3,000	-
Deputy President's travel and accommodation expenses	317	346	175
	23,499	24,318	23,396
All other council member's meeting attendance fees	62,909	66,861	73,765
All other council member's annual allowance for ICT expenses	15,000	15,000	-
All other council member's travel and accommodation expenses	2,361	2,574	604
	80,270	84,435	74,369
	143,369	165,077	133,147

(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	621,525	575,218
Post-employment benefits	68,013	69,391
Employee - other long-term benefits	11,909	11,071
Employee - termination benefits	91,493	-
Council member costs	143,369	133,147
	936,309	788,827

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.

Termination benefits

These amounts represent termination benefits paid to KMP (Note: may or may not be applicable in any given year).

Council member costs

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

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

19. 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	654	2,912
Purchase of goods and services	418,845	412,223
Amounts outstanding from related parties:		
Trade and other receivables	339	145
Amounts payable to related parties:		
Trade and other payables	34	167

(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

Joint arrangements detailed in Note 20.

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

20. JOINT ARRANGEMENTS

Share of joint operations

In 1998/99, the Shire in conjunction with Homeswest, constructed 2 units for low income residents in the Kojonup townsite. In 2002 an additional 3 units were constructed. The Shire's interest in these units is as follows:

5A and 5B Vanzuilecom Street (2 x 2 Bedroom Units) - 18.20%
 2,4 and 6 Elverd Street (2 x 2 Bedroom Units & 1x3 bedroom Unit) - 20.65%

	2025 Actual	2024 Actual
Statement of financial position		
	\$	\$
Land and buildings (6 x 2 bedroom units) @ 25%	236,209	236,209
Less: accumulated depreciation	(12,798)	(8,372)
Cash backed reserve account	91,023	88,963
Total assets	314,434	316,800
Accumulated surplus	314,434	316,800
Total equity	314,434	316,800
Statement of comprehensive income		
Other revenue	38,863	37,960
Depreciation	(4,426)	(4,264)
Other expense	(31,679)	(29,530)
Profit/(loss) for the period	2,758	4,166
Other comprehensive income		
Total comprehensive income for the period	2,758	4,166
Statement of cash flows		
Other revenue	38,863	37,960
Other expense	(31,679)	(29,530)
Net cash provided by (used in) operating activities	7,184	8,430

MATERIAL ACCOUNTING POLICIES

Joint operations

A joint operation is a joint arrangement where the Shire has joint control with two or more parties to the joint arrangement. All parties to joint arrangement have rights to the assets, and obligations for the liabilities relating to the arrangement.

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



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

21. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

The Shire did not have any events occurring after the reporting date that have a significant effect on the financial statements.

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

22. 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.



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

23. RATING INFORMATION

(a) General rates

RATE TYPE				2024/25	2024/25	2024/25	2024/25	2024/25	2024/25	2023/24
Rate description	Basis of valuation	Rate in \$	Number of properties	Actual rateable value*	Actual rate revenue	Actual interim rates	Actual total revenue	Budget rate revenue	Budget interim rate	Actual total revenue
GRV - Urban	Gross rental valuation	0.154515	564	7,604,361	1,174,988	1,721	1,176,709	1,174,988	400	1,119,425
UV - Rural	Unimproved valuation	0.005232	484	734,232,000	3,841,502	5,284	3,846,786	3,841,501	-	3,672,490
Total general rates			1,048	741,836,361	5,016,490	7,005	5,023,495	5,016,489	400	4,791,915
Minimum payment										
GRV - Urban	Gross rental valuation	873	70	112,178	61,110	-	61,110	61,110	-	59,001
UV - Rural	Unimproved valuation	873	80	6,602,300	69,840	(3,492)	66,348	69,840	-	46,536
Total minimum payments			150	6,714,478	130,950	(3,492)	127,458	130,950	-	105,537
Total general rates and minimum payments			1,198	748,550,839	5,147,440	3,513	5,150,953	5,147,439	400	4,897,452
Ex-gratia rates										
CBH Ex-gratia rates			-	-	2,442	-	2,442	2,219	-	2,046
Total amount raised from rates (excluding general rates)			-	-	2,442	-	2,442	2,219	-	2,046
Rate write-offs							(1,645)		(100)	(3,683)
Total rates							5,151,750		5,149,958	4,895,815
(b) Rates related information										
Rates instalment interest							13,314			12,399
Rates overdue interest							49,125			39,902

*Rateable Value at time of raising of rate.

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

24. DETERMINATION OF SURPLUS OR DEFICIT

		2024/25 Budget (30 June 2025 carried forward)	2023/24 (30 June 2024 carried forward)
Note	2024/25 (30 June 2025 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 <i>Financial Management Regulation 32</i> .			
Adjustments to operating activities			
Less: Profit on asset disposals	(75,521)	-	(10,320)
Less: Fair value adjustments to financial assets at fair value through profit or loss	4,438	-	(2,100)
Add: Depreciation	5,303,487	4,637,570	5,189,105
Non-cash movements in non-current assets and liabilities:			
Pensioner deferred rates	(4,303)	-	-
Add: Movement on springhaven bonds	(3,695,000)	-	1,750,000
Movement in accrued interest on loans	(19,723)	-	15,767
Employee benefit provisions	(192,294)	-	(151,760)
Add: Provisions for doubtful debt movement	-	2,000	7,851
Other current liabilities	-	-	84,348
Land held for resale movement	(63,458)	-	-
Inventory - Land held for resale	(19,126)	-	18,861
Non-cash amounts excluded from operating activities	1,238,500	4,639,570	6,901,752
(b) 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 <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.			
Adjustments to net current assets			
Less: Reserve accounts	(1,135,418)	(4,997,694)	(4,840,738)
Less: Financial assets at amortised cost			
Less: Current assets not expected to be received at end of year			
- Land held for resale	(233,584)	(195,597)	(151,000)
- Provision for doubtful debts	8,993	3,142	8,993
Add: Current liabilities not expected to be cleared at end of year			
- Current portion of borrowings	486,694	516,750	517,952
- Accrued interest on loans	21,895	41,620	41,618
- Springhaven lodge bonds	-	3,695,000	3,695,000
- Employee benefit provisions	524,215	830,163	741,815
Total adjustments to net current assets	(327,205)	(106,616)	13,640
Net current assets used in the Statement of financial activity			
Total current assets	4,927,004	5,713,851	9,512,287
Less: Total current liabilities	(2,004,711)	(5,607,235)	(6,325,816)
Less: Total adjustments to net current assets	(327,205)	(106,616)	13,640
Surplus or deficit after imposition of general rates	2,595,088		200,111



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

25. BORROWING AND LEASE LIABILITIES

(a) Borrowings

		Actual							Budget			
		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
Purpose	Note	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Medical Centre Donation		119,229	-	(8,699)	110,530	-	(8,851)	101,679	180,685	-	(18,921)	161,764
Bagg Street unit		53,802	-	(10,115)	43,687	-	(10,428)	33,259	43,687	-	(10,428)	33,259
GROH Housing - GSHI		818,822	-	(112,583)	706,239	-	(114,210)	592,029	52,474	-	(10,083)	42,391
Aged Units - GSHI		20,369	-	(10,125)	10,244	-	(10,244)	-	106,272	-	(8,850)	97,422
Staff Housing - GSHI		791,569	-	(60,276)	731,293	-	(61,323)	669,970	710,496	-	(114,210)	596,286
Sports Complex		198,705	-	(8,900)	189,805	-	(28,041)	161,764	10,244	-	(10,244)	-
Sports Complex Retaining Wall		62,359	-	(9,885)	52,474	-	(10,083)	42,391	736,315	-	(61,323)	674,992
Oval Lighting		206,908	-	(24,573)	182,335	-	(24,931)	157,404	116,421	-	(10,311)	106,110
Netball Courts & Roof		1,337,732	-	(53,783)	1,283,949	-	(55,342)	1,228,607	182,335	-	(24,931)	157,404
Airstrip Lighting		131,599	-	(10,157)	121,442	-	(10,311)	111,131	1,283,949	-	(55,342)	1,228,607
Staff Housing		44,406	-	(10,793)	33,613	-	(10,996)	22,617	33,613	-	(10,996)	22,617
GROH Housing		44,406	-	(10,793)	33,613	-	(10,996)	22,617	33,613	-	(10,996)	22,617
Harrison Place Toilets & Park		366,615	-	(34,706)	331,909	-	(36,078)	295,831	331,909	-	(36,078)	295,831
Land development		353,855	-	(33,498)	320,357	-	(34,823)	285,534	320,357	-	(34,823)	285,534
Staff Housing Renovations		285,524	-	(15,121)	270,403	-	(15,796)	254,607	270,403	-	(15,731)	254,672
Communications Tower		400,000	-	(16,042)	383,958	-	(50,333)	333,625	383,960	-	(50,333)	333,627
Harrison Place Toilets & Park (New)		200,000	-	(8,021)	191,979	-	(25,166)	166,813	191,979	-	(25,166)	166,813
Total		5,435,900	-	(438,070)	4,997,830	-	(517,952)	4,479,878	4,988,712	-	(508,766)	4,479,946
Borrowing finance cost payments												

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

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
					\$	\$	\$
Medical Centre Donation	137	WATC*	1.73%	28/02/2035	(1,747)	(1,800)	(1,902)
Bagg Street unit	135	WATC*	3.07%	22/06/2028	(1,254)	(1,262)	(1,567)
GROH Housing - GSHI	138	WATC*	1.44%	28/02/2030	(9,253)	(9,821)	(10,907)
Aged Units - GSHI	139	WATC*	1.17%	28/02/2025	(49)	(90)	(169)
Staff Housing - GSHI	140	WATC*	1.73%	28/02/2035	(12,103)	(12,474)	(13,178)
Sports Complex	134	WATC*	4.94%	29/06/2032	(8,690)	(9,800)	(9,591)
Sports Complex Retaining Wall	136	WATC*	1.99%	31/05/2029	(977)	(1,192)	(1,175)
Oval Lighting	142	WATC*	1.45%	28/04/2031	(2,493)	(2,915)	(2,853)
Netball Courts & Roof	143	WATC*	2.88%	4/03/2042	(36,034)	(38,108)	(37,607)
Airstrip Lighting	141	WATC*	1.51%	28/08/2034	(1,667)	(1,721)	(1,825)
Staff Housing	144	WATC*	1.87%	4/03/2027	(511)	(578)	(715)
GROH Housing	145	WATC*	1.87%	4/03/2027	(511)	(578)	(715)
Harrison Place Toilets & Park	146	WATC*	3.92%	8/06/2032	(12,563)	(12,652)	(13,939)
Land development	147	WATC*	3.92%	8/06/2032	(12,126)	(12,212)	(13,454)
Staff Housing Renovations	148	WATC*	4.49%	28/06/2037	(11,755)	(11,960)	(6,295)
Communications Tower	150	WATC*	4.52%	29/06/2033	(16,222)	(24,905)	(17,705)
Harrison Place Toilets & Park (New)	149	WATC*	4.52%	29/06/2033	(8,111)	(12,453)	(8,852)
Total					(136,066)	(154,521)	(142,449)
Total finance cost payments					(136,066)	(154,521)	(142,449)

* WA Treasury Corporation

25. BORROWING AND LEASE LIABILITIES (Continued)

(b) Unspent borrowings

Particulars	Institution	Date Borrowed	Unspent balance 1 July 2024	Borrowed during 2024-25	Expended during 2024-25	Unspent balance 30 June 2025
			\$	\$	\$	\$
Loan 148 - Staff house renovations	WATC*	24/06/2022	\$ 96,025	\$ -	\$ (7,269)	\$ 88,756
			\$ 96,025	\$ -	\$ (7,269)	\$ 88,756

* WA Treasury Corporation

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

26. 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	290,394	6,014		296,408	290,394	34,634	-	325,028	247,421	42,973	-	290,394
(b) Plant reserve	263,841	6,110		269,951	263,841	2,378	-	266,219	251,346	12,495	-	263,841
(c) Springhaven lodge reserve	3,695,000	400,000	(4,095,000)	-	3,695,000		-	3,695,000	1,945,000	1,750,000	-	3,695,000
(d) Low income housing reserve	88,963	2,060		91,023	88,963	3,020	-	91,983	84,750	4,213	-	88,963
(e) Sporting facility reserve	66,819	1,548	(68,367)	-	66,819	2,270	-	69,089	63,655	3,164	-	66,819
(f) Landfill waste management reserve	85,302	1,974		87,276	85,302	2,900	-	88,202	81,262	4,040	-	85,302
(g) Community grants reserve	10,386	240		10,626	10,386	355	-	10,741	9,894	492	-	10,386
(h) Independent living units reserve	168,552	3,903		172,455	168,552	5,725	-	174,277	160,569	7,983	-	168,552
(i) Natural resource management reserve	103,826	2,404		106,230	103,826	3,527	-	107,353	98,909	4,917	-	103,826
(j) Swimming pool reserve	43,125	2,222	(45,347)	-	43,126	1,464	(44,590)	-	41,083	2,042	-	43,125
(k) Kodja place building upgrade & renewal reserve	18,769	434	(19,203)	-	18,769	655	-	19,424	17,880	889	-	18,769
(l) Kodja place tourist precinct reserve	18	-	(18)	-	18	-	(18)	-	17	1	-	18
(m) Netball court resurface reserve	4,548	25	(4,573)	-	4,548	-	(4,548)	-	1,013	3,535	-	4,548
(n) Sporting complex building upgrade & renewal reserve	1,193	-	(1,193)	-	1,193	45	(1,234)	4	1,136	57	-	1,193
(o) Trails network construction reserve	2	-	(2)	-	2	-	(2)	-	2	-	-	2
(p) Asset Acquisition and Replacement Reserve	-	-	-	-	-	100,000	-	100,000	-	-	-	-
(q) Sporting complex - P&E, upgrades and renewals reserve	-	82,228	-	82,228	-	50,374	-	50,374	-	-	-	-
(r) Kodja place renewals and upgrades reserve	-	19,221	-	19,221	-	-	-	-	-	-	-	-
	4,840,738	528,383	(4,233,703)	1,135,418	4,840,739	207,347	(50,392)	4,997,694	3,003,937	1,836,801	-	4,840,738

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

Name of reserve account	Purpose of the reserve account
Restricted by council	
(a) Leave reserve	To be used to fund annual and long service leave requirements.
(b) Plant reserve	To smooth funding allocations over financial years for the purchase of major plant items.
(c) Springhaven lodge reserve	To cash back refundable bonds paid by residents of the facility.
(d) Low income housing reserve	To be used for major maintenance of Jean Sullivan Units. All operating profit is to be transferred to this reserve in accordance with the joint venture agreement.
(e) Sporting facility reserve	To fund Council contribution to CSRFF Funding grants or to fund construction or renewal of Shire sporting facilities.
(f) Landfill waste management reserve	To be used for future upkeep, maintenance, expansion, post closure activities and or reclamation of the Shire's waste management facilities.
(g) Community grants reserve	To finance community grant scheme rounds and to financially manage larger community grants that may extend over more than one financial year.
(h) Independent living units reserve	To transfer operating profits from Loton Close units to this reserve to fund major maintenance and future asset replacement.
(i) Natural resource management reserve	For the Shire of Kojonup to progress the following projects:- 1. Bridal Creeper and tagasaste Eradication program. 2. Managing water resources including water harvesting and re-use opportunities in the Shire for the use in Kojonup parks and reserves during summer. 3. Undertake weed management and planting of native trees and shrubs in conjunction with Schools, Kojonup Aboriginal Corporation and community groups within identified Reserves such as: a) Myrtle Benn, Farrar and Quin Quin; b) Showground's area; and c) Blackwood Road arboretum to improve bio diversity, fauna habitat and natural resource management outcomes.
(j) Swimming pool reserve	To fund major refurbishment and/or asset replacement of the Kevin O'Halloran Memorial Swimming Pool.
(k) Kodja place building upgrade & renewal reserve	To be used for building upgrades and renewals to Kodja Place.
(l) Kodja place tourist precinct reserve	To be used to fund the implementation of the recommendations contained within the Kodja Place Master Plan.
(m) Netball court resurface reserve	To be used for the future replacement of the netball court playing surfaces.
(n) Sporting complex building upgrade & renewal reserve	To be used for major upgrade and renewal of the Sporting Complex Building.
(o) Trails network construction reserve	To be used to construct recreational trails within the Shire of Kojonup in accordance with the Great Southern Master Trails Plan and the Shire of Kojonup Trails Plan.
(p) Asset Acquisition and Replacement Reserve	To be used to fund the acquisition, replacement, renewal and upgrade of the Council assets.
(q) Sporting complex - P&E, upgrades and renewals reserve	To fund asset upgrades and renewals to sporting complex buildings, plant and equipment, swimming pool and other infrastructure
(r) Kodja place renewals and upgrades reserve	To be used for buildings and other infrastructure upgrades and renewals to Kodja Place.

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

27. 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
	\$	\$	\$	\$
Loton Close bonds	761	-	-	761
	761	-	-	761



SHIRE OF KOJONUP

PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2025

FINDINGS IDENTIFIED DURING THE INTERIM AUDIT

Index of findings	Potential impact on audit opinion	Rating			Prior year finding
		Significant	Moderate	Minor	
1. Monthly reconciliation process	No	✓			✓
2. General journal review processes	No	✓			✓
3. General IT controls – Access rights & permissions	No		✓		✓
4. Quotes	No			✓	
5. Leave applications	No		✓		

Key to ratings

The Ratings in this management letter are based on the audit team's assessment of risks and concerns with respect to the probability and/or consequence of adverse outcomes if action is not taken. We give consideration to these potential adverse outcomes in the context of both quantitative impact (for example financial loss) and qualitative impact (for example inefficiency, non-compliance, poor service to the public or loss of public confidence).

Significant - Those findings where there is potentially a significant risk to the entity should the finding not be addressed by the entity promptly. A significant rating could indicate the need for a modified audit opinion in the current year, or in a subsequent reporting period if not addressed. However, even if the issue is not likely to impact the audit opinion, it should be addressed promptly.

Moderate - Those findings which are of sufficient concern to warrant action being taken by the entity as soon as practicable.

Minor - Those findings that are not of primary concern but still warrant action being taken.

SHIRE OF KOJONUP**PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2025****FINDINGS IDENTIFIED DURING THE INTERIM AUDIT****1. Monthly reconciliation process****Finding**

During our audit we identified weaknesses with the preparation and review of monthly reconciliations, including the following observations:

- Several key account reconciliations (e.g. bank, debtors, creditors, and rates) were not performed on a timely basis for the months of July 2024 to January 2025
- The August 2024 reconciliation for Trust and Reserve bank accounts had no evidence of review by an authorised officer
- Debtors' reconciliations for August 2024, February & March 2025 were either not completed or not evidenced.

We acknowledge the Shire has made improvements to its monthly reconciliation processes from when this finding was first identified in 2023.

Rating: Significant (2024: Significant)

Implication

Reconciliations are a key control to ensure financial data is completely and accurately reflected in the general ledger from which financial statements are derived. There is a risk that internal controls are not being fully applied and that unreconciled or unauthorised transactions may go undetected and/or unresolved.

Recommendation

Management should ensure that all month-end reconciliations are completed and reviewed by an independent officer as soon as practicable in the following month. Evidence of review and follow-up actions taken where required should also be retained.

Management comment

- *The Shire has taken the steps to train the Senior Finance Officer in bank reconciliations to support the process by providing a back-up officer with this skillset in the event these circumstances prevail again.*
- *Key finance personal have now been appointed and will oversee the monthly processes in Creditors and Debtors.*

Responsible person:

Manager Finance & Corporate Services

Completion date:

Immediately

SHIRE OF KOJONUP

PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2025

FINDINGS IDENTIFIED DURING THE INTERIM AUDIT

2. General journal review processes

Finding

From our sample of 30 journal entries examined, we noted the following:

- Seventeen journals relating to Department of Transport payments made were incorrectly processed via general journals instead of the appropriate payment process
- Two rates journal entries for amalgamations and adjustments did not include evidence of review prior to posting.

This finding was first identified in 2024.

Rating: Significant (2024: Significant)

Implication

In the absence of, incorrect use, or adequate review of all general journals posted, there is an increased risk of unauthorised journals being posted whether due to fraud or error which may result in errors posted to the annual financial report.

Recommendation

Management should ensure that all general journals are reviewed by an appropriate person who is independent of the person performing the tasks. All general journals and supporting documentation should be reviewed by an appropriate officer and signed as evidence of review.

General journals should also not be used to recognise payments made; this should be performed using the appropriate accounts payable functions.

Management comment

- *Acknowledged that the current process of raising journals to receipt Department of Transport payments is perhaps not a preferred process by the auditor's method but was in place in the absence of other controls.*
- *Changes will be instigated immediately and the payments received on the bank, will now be processed via the Creditors function in Synergy where 2 Factor authorisation is in place.*
- *It is already the Shire policy/procedure that all general journals are reviewed by an appropriate officer.*
- *As such the Rates Officer will receive training on providing following the correct process for Rate journals, which will be approved by an authorised officer.*

Responsible person: Senior Finance Officer
Completion date: Immediately

SHIRE OF KOJONUP

PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2025

FINDINGS IDENTIFIED DURING THE INTERIM AUDIT

3. General IT controls – Access rights & permissions

Finding

During our audit we identified four users with “SUPERUSER” rights with access to Synergy. Of these four users, three were external consultants to the Shire. Our audit testing did not identify any instances of misuse as a result of the users having permissions that were not required for them to carry out their role.

Rating: Moderate (2024: Moderate)

Implication

Users with access in Synergy functions that are not required as part of their role may allow inappropriate and unauthorised changes to go undetected.

Recommendation

Management should review all user accounts with access to Synergy to ensure appropriately levels of access are granted to appropriate officers currently employed by the Shire.

Management comment

- *External consultants' 'access rights and permissions' to be reviewed by Manager Finance & Corporate Services in an immediate timeframe.*
- *Senior Finance Officer has SUPERUSER access in accordance with her role, which is appropriate as she provides support to other finance team members and maintains the financial records. This role is teamed with the Manager Finance & Corporate Services.*
- *A review of user access will take place by September 30.*

Responsible person: Manager Finance & Corporate Services
Completion date: 30 September 2025

SHIRE OF KOJONUP

PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2025

FINDINGS IDENTIFIED DURING THE INTERIM AUDIT

4. Quotes

Finding

We noted one instance from our sample of 30 transactions that did not include evidence of three written quotes required by the Shire's purchasing policy for purchases above \$20,000.

Rating: Minor

Implication

Quotes are an essential control in the purchasing process and failure to obtain required quotes as per purchasing policy risks non-compliance.

Recommendation

Management should ensure that all staff are aware of the purchasing policy and requirements for having quotes before ordering goods or requesting services.

Management comment

- *This one (1) incident identified was a one off and may be due to a misunderstanding of the common user agreement (CUA) for procuring a vehicle versus the Shire Policy.*
- *The Shire will be reinforcing the existing purchasing policy with Managers to make them aware that; the Shire purchasing policy is to obtain 3 x written quotes for all purchases exceeding \$20,001.00. To be approved by CEO based on presentation of quotes.*
- *For purchases under a CUA, the current Shire Policy does exempt direct purchases from having three quotes but as a result of this interpretive issue of the CUA, under the direct purchases the Shire will explore and identify explicit suppliers that are approved for purchasing through the policy review.*
- *CEO will review the purchasing policy.*

Responsible person: CEO

Completion date: Immediately

SHIRE OF KOJONUP

PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2025

FINDINGS IDENTIFIED DURING THE INTERIM AUDIT

5. Leave applications

Finding

The Shire has an established process for staff to lodge leave applications through Altus to seek a manager's approval prior to taking personal, annual, long-service leave or an equivalent leave entitlement. Through discussions with Shire staff, we understand this process is not always followed by all staff, reliance is often placed on email communication to confirm employee leave arrangements rather than the established leave application process.

In our testing of fortnightly pay runs, we noted one instance where an employee's pay needed to be reversed and re-processed due to incorrect leave type being entered.

Rating: Moderate

Implication

Where established leave application processes are not followed, there is an increased risk that leave taken may not be recorded or the incorrect leave type may be used. This can increase the risk of inaccurate leave entitlements as manual adjustments would need to be made which can be difficult to track or evidence. This risk may be further compounded when other corroborating evidence such as timesheets are not available.

Recommendation

Management should ensure all employees submit leave applications for approval in accordance with the Shire's established process. Leave applications should be approved by a manager or other appropriate officer prior to employees taking leave wherever possible.

In situations where an employee is unable to submit a formal leave application prior to taking leave, this should be completed upon the employee's return to work.

Management comment

As a result of this finding the Shire will review its controls for leave management, re-educate the team on how to use the leave portal and reinforce the policies for leave management. It will reinforce the importance of all team members to do a timesheet.

Responsible person: CEO
Completion date: Immediately



Our Ref: 8326-002

7th Floor, Albert Facey House
469 Wellington Street, Perth

Mr Grant Thompson
Chief Executive Officer
Shire of Kojonup
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KOJONUP WA 6395

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PERTH WA 6849

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Email: ceo@kojonup.wa.gov.au

Dear Mr Thompson

ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2025

The Office has completed the audit of the annual financial report for your Shire. In accordance with section 7.12AD (2) of the *Local Government Act 1995*, we enclose the Auditor General's auditor's report, together with the audited annual financial report.

We have also forwarded the reports to the President and the Minister for Local Government, as required by the Act. You are required to publish the annual report, including the auditor's report and the audited financial report, on your Shire's official website within 14 days after the annual report has been accepted by your Council.

Management control issues

While the result of the audit was generally satisfactory, I would like to draw your attention to the attached listing of deficiencies in internal control and other matters that were identified during the audit. These matters have been discussed with management and their comments have been included in the attachment.

Please note that the purpose of our audit was to express an opinion on the financial report. The audit included consideration of internal control relevant to the preparation of the financial report in order to design audit procedures that were appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control.

An audit is not designed to identify all internal control deficiencies that may require management attention. The matters being reported are limited to those deficiencies that have been identified during the audit that are of sufficient importance to warrant being reported. It is possible that other irregularities and deficiencies may have occurred and not been identified as a result of our audit.

Unresolved matters from prior audits

We also draw your attention to the Matters Outstanding from Prior Audits issues set out in the attachment. We would appreciate your attention to these matters before next year's audit.

The date the financial statements submitted by your entity and considered to be of audit ready quality is 26 September 2025. This date will be reported in our local government sector audit results report to be tabled in Parliament. I am providing this date for completeness of our Office's procedural fairness process.

If you have any queries in relation to this date, please contact me on 6557 7763 within 14 days of the date of this letter. If we do not hear from you, we will take this as confirmation of the date.

This letter has been provided for the purposes of the Shire and the Minister for Local Government and may not be suitable for other purposes.

I would like to take this opportunity to thank you, the management and the staff of the Shire for their cooperation with the audit team during our audit.

Yours sincerely

Shellian Cassanova
Assistant Director
Financial Audit
2 December 2025

Attach



Auditor General

INDEPENDENT AUDITOR'S REPORT 2025 Shire of Kojonup

To the Council of the Shire of Kojonup

Opinion

I have audited the financial report of the Shire of Kojonup (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.

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.

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 Kojonup 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.

Tim Sanya
Senior Director Financial Audit
Delegate of the Auditor General for Western Australia
Perth, Western Australia
2 December 2025