

SHIRE OF LAKE GRACE



**Annual
Report
2024/25**



www.lakegrace.wa.gov.au



DISCLAIMER

The information contained in this document is a guide only. Verification with original Local Laws, Acts, Planning Schemes and other relevant documents is recommended for detailed references. The Shire of Lake Grace accepts no responsibility for errors or omissions. Copyright of this document belongs to the Shire of Lake Grace. It may not be sold or subject to any changes without the Shire's written permission. Apart from sales, the Shire freely permits copying, use and distribution providing the Shire of Lake Grace copyright is asserted and provided in this notice.

Table of Contents

INTRODUCTION	4
PRESIDENT REPORT	5
COUNCILLORS	6
COMMITTEES OF COUNCIL	7
COUNCILLOR REMUNERATION 24/25.....	8
CEO REPORT	9
EXECUTIVE TEAM	10
ORGANISATION CHART	11
CORPORATE SERVICES REPORT.....	12
STRATEGIC COMMUNITY PLAN 2023 - 2033	14
STATUTORY REPORTS	15
Complaints of Minor Breaches – Elected Members	15
Complaints to the Ombudsman WA.....	15
Disability Access and Inclusion Plan	15
Freedom of Information	16
National Competition Policy Statement.....	16
Primary and Annual Returns.....	17
Procurement of Goods and Services	17
Public Interest Disclosure	17
Record Keeping Plan (<i>State Records Act 2000</i>)	18
Statistical Information	18
INFRASTRUCTURE SERVICES.....	21
Roadworks	21
Maintenance Grading	21
Capital Roadworks	22
Fleet and Plant	23
Parks & Gardens	24
Buildings.....	24
Key Projects	24
Other Works	24
PLANNING SERVICES.....	25
ENVIRONMENTAL HEALTH SERVICES.....	26

PART 2

Shire of Lake Grace Annual Financial Report

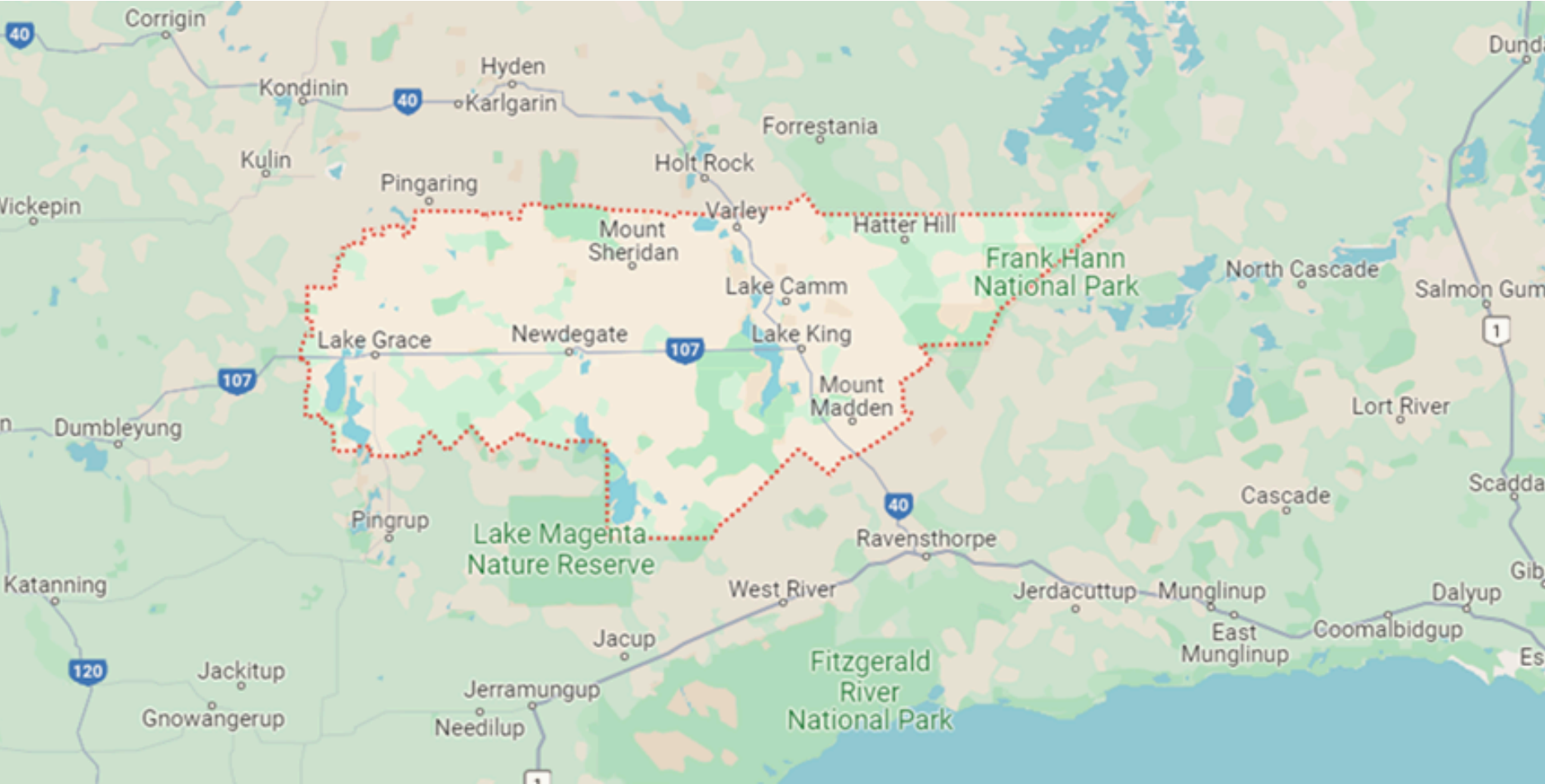
Pages 28 - 64

Auditor General, Opinion

Pages 65 - 67

INTRODUCTION

The Shire of Lake Grace is situated in the South-East of Western Australia and is one of the largest agricultural Shires in the State. It incorporates the communities of Lake Grace, Newdegate, Lake King, Varley and part of Pingaring and has 1,265 people inhabiting its 11,890km2 area. The administration office is in the town of Lake Grace.



Distance from Perth (kms)	345
Distance from Bunbury (kms)	297
Distance from Esperance (kms)	379
Area in km2	11,890
Length of sealed roads (kms)	259
Length of unsealed roads (kms)	2,167
Population (2021 census)	1,265
Number of electors	908
Number of dwellings (2021 census)	672
Levied rates 2024/25 (\$)	5,296,119
Total revenue for 2024/25 (\$)	10,366,193
Number of Shire employees	45

PRESIDENT REPORT

As always, it is a pleasure to be able to present the Shire of Lake Grace President's report for the period 2024/25.

This year, much like previous years, has focused on completing infrastructure projects largely supported by grant funding. These projects include, but are not limited to the following:

- Upgraded lighting on most sporting ovals, hockey fields and Lake Grace bowling green.
- New "shed type" building purpose built, as a hockey shed at Newdegate, including the landscaping and limestone retaining walls all being a part of the one project.
- Replacement of non-working solar lights on the footpath of Waddell Street, Newdegate.
- Completion and official opening of the Lake Grace All-Abilities Playground.

Community events conducted throughout the shire would include the following two events:

- Newdegate Machinery Field Days as always put together by the community volunteers, with some assistance by the shire.
- Lakes Without Brakes, a new Lake Grace initiative that exceeded all expectations in numbers attending and the number of exhibitors. Hopefully this event will be conducted on a regular basis.

Congratulations to all community members that got involved in any event throughout the shire.

It is still an ongoing issue within our shire and throughout all levels of governance throughout Australia and that is lack of tradies and materials to be able to achieve what we want, in any given period of time. However, against this ongoing problem, we the Shire of Lake Grace was still able to look after, refurbish and upgrade infrastructure.

Our road infrastructure is always an area that takes considerable amount of finance, manpower and machinery to keep up with the expectations of communities. Bitumen nowadays is placed at high level areas of maintenance of gravel roads, and that is why when out using our gravel roads you will occasionally come across a length of bitumen road that is seemingly placed in the middle of nowhere, and in fact that length of bitumen is saving numerous yearly trips to the same location for graders and maintenance crews for repairs of compromised road surfaces. In the past couple of years, West Kuender, North Buniche, Biddy Camm and Aylmore Rd have been subjected to this ad hoc treatment, as also Fitzgerald Rd, way out near Dunn Rock, had 9kms sealed this past year negating the need to continuously send machines and manpower to that gravel road to be repaired after each adverse weather event.

I can only congratulate the entire Shire of Lake Grace work force for the professional way they go about their daily tasks in looking after aspects of responsibility in serving the residents and visitors to our area.

Thank you to all staff on a job well done.

And in closing, I will take this opportunity to once again thank all fellow councillors for your input and support throughout the year, and an extra thank you to Deputy President Steve Hunt for filling in for me on my periods of absence.

Aspects of life within our shire don't change a great deal on a yearly basis, and so once again I will state that Lake Grace is a great place to live, work and play.

LEN ARMSTRONG
SHIRE PRESIDENT



COUNCILLORS



Cr Len Armstrong (President)
End of term 2027
crarmstrong@lakegrace.wa.gov.au
0429 843 785



Cr Stephen Hunt (Deputy President)
End of term 2025
crhunt@lakegrace.wa.gov.au
0427 651 585



Cr Ross Chappell
End of term 2025
crchappell@lakegrace.wa.gov.au
0428 654 058



Cr Ben Hyde
End of term 2025
crhyde@lakegrace.wa.gov.au
0428 752 042



Cr Roz Lloyd
End of term 2027
crllloyd@lakegrace.wa.gov.au
0428 711 534



Cr Debrah Clarke
End of term 2027
crclarke@lakegrace.wa.gov.au
0428 654 041



Cr Anton Kuchling
End of term 2025
crkuchling@lakegrace.wa.gov.au
0427 206 030

COMMITTEES OF COUNCIL

Audit Committee	Cr L Armstrong Cr S Hunt Cr B Hyde Cr R Lloyd
Bush Fire Advisory Committee	Cr A Kuchling Cr B Hyde
Local Emergency Management Committee	Cr L Armstrong Cr S Hunt
Lake Grace Library Resource and Community Resource Centre Management Committee	Cr D Clarke
Newdegate Library Resource and Community Resource Centre Management Committee	Cr R Lloyd
Newdegate Swimming Pool Management Committee	Cr L Armstrong Cr R Lloyd
Shire of Lake Grace Tourism Advisory Committee	Cr D Clarke





COUNCILLOR REMUNERATION 24/25

In accordance with Regulation 19BD of the *Local Government (Administration) Regulations 1996*, councillor remuneration for the year includes meeting fees, Presidential and Deputy allowances, travel allowances, and IT allowances.

Councillor	President	Deputy President	Meeting Fees	Travel	IT Allowance	Other
Len Armstrong	\$21,710	Nil	\$8,827	\$8,506.62	\$3,768	\$0.00
Ross Chappell	Nil	Nil	\$4,414	\$651.10	\$3,768	\$0.00
Debrah Clarke	Nil	Nil	\$4,414	\$0.00	\$3,768	\$0.00
Stephen Hunt	Nil	\$5,427.50	\$4,414	\$1,178.96	\$3,768	\$0.00
Ben Hyde	Nil	Nil	\$4,414	\$1,598.37	\$3,768	\$0.00
Anton Kuchling	Nil	Nil	\$4,414	\$202.54	\$3,768	\$0.00
Roz Lloyd	Nil	Nil	\$4,414	\$870.42	\$3,768	\$0.00

CEO REPORT

It brings me great pleasure to continue to lead the Shire of Lake Grace and deliver positive and valuable outcomes for the Community for now and into the future.

Council continued to work as a cohesive team, and I look forward to working with the Shire Councillors and staff to continue to work towards delivering results to the community.

During 2024/25, work and planning continued for the provision of both residential and industrial land within the town of Lake Grace. We along with 9 other councils were successful in receiving funding of \$3.34 million to develop 31 residential lots in Lake Grace on Wattle Drive. The funding is to cover the cost of the headworks to develop the lots. Development WA is still working away on the development of 5 light industrial lots on Dewar St. Work is still underway on the rezoning and subdivision of 18ha of land to the north of town for general industry. This has become necessary due to the growth of businesses in town and the demand for both industrial and residential land.



Funding is still being sought for the redevelopment of the Lake King Pavilion, which is well beyond its optimum use by date. We will continue to place money aside in reserves whilst we seek funding opportunities.

Newdegate produced another very successful Machinery Field Days event which continues to be a great asset to the town.

The Shire was successful with the renegotiation of the lease for the Newdegate Research Station for the Newdegate Cropping Group with a new lease for 10 years and a peppercorn payment of \$1.00 per year thus freeing up vital funds for the community benefit.

The supply of water for emergency firefighting and stock water remains a focus for Shire administration. A new dam was constructed on the southern end of the Newdegate airstrip with a tank and pump to be installed. Several water tanks have been placed around the Shire to provide further storage options.



The highlight before Christmas was the grand opening of the All-Abilities Playground and Pump Track in Lake Grace. This was combined with the annual Harvest Festival. It was judged to be a huge success with an estimated 500 people in attendance to see Father Christmas, visit the various stalls, have a feed and listen to the Perth Symphony Orchestra band provide entertainment.

Council still attends the Lake King and Varley Progress Association meetings on a regular basis to listen to any concerns they may have and to provide updates on what council is up to. It is an important relationship that Council values, both for the feedback and contributions provided.

With the success of the past year, we look forward to consolidating our position and the completion of our much-anticipated projects.



ALAN GEORGE
CHIEF EXECUTIVE OFFICER

EXECUTIVE TEAM



Chief Executive Officer
Alan George



Deputy Chief Executive Officer
Aaron Wooldridge

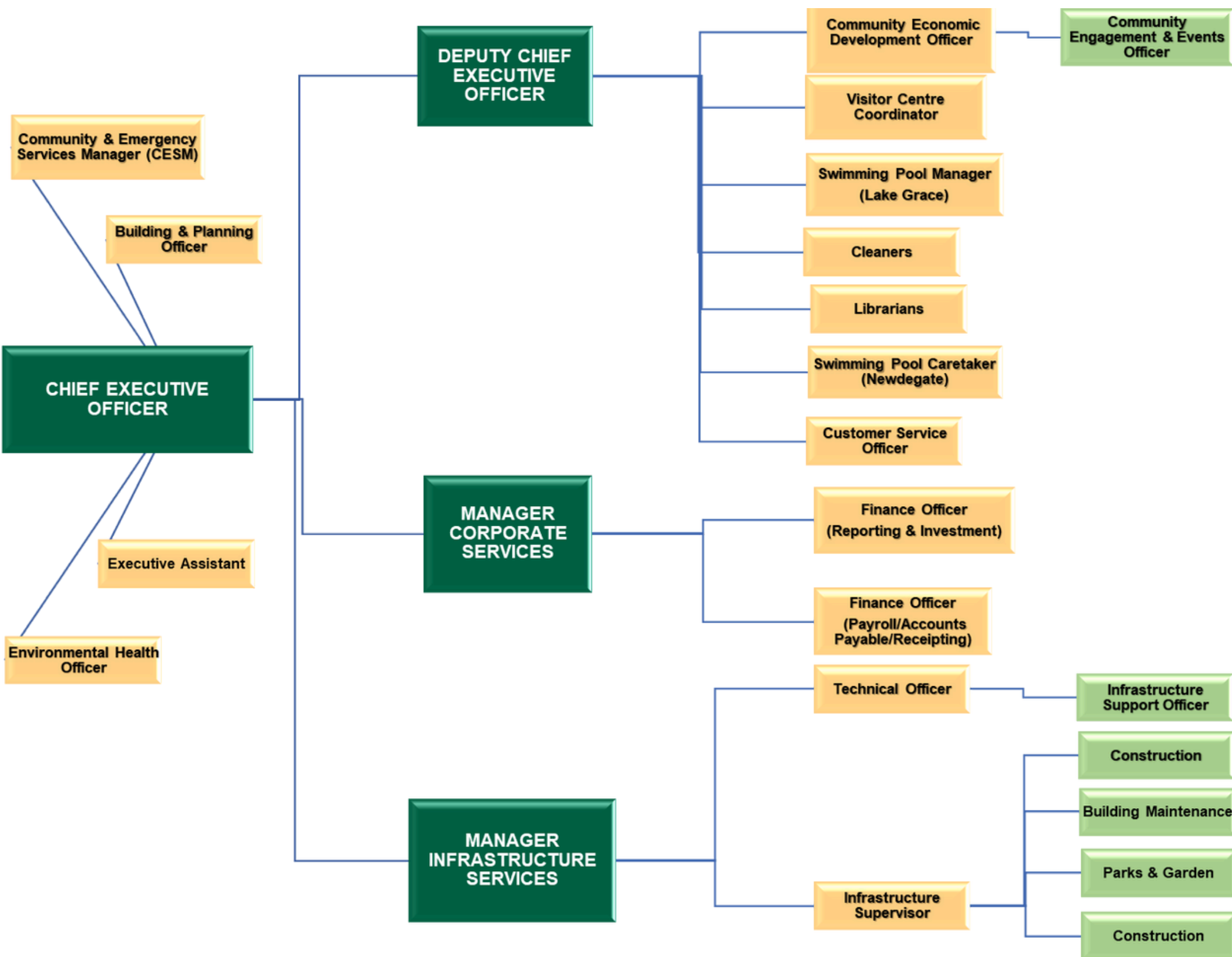


Manager Corporate Services
Tegan Hall



Manager Infrastructure Services
Craig Elefsen

ORGANISATION CHART



CORPORATE SERVICES REPORT

The 2024/25 Annual Financial Statements were audited by contract auditors through the Office of Auditor General, and the statements received a clear audit opinion which provides Council and the Shire community that the Shire has sound financial internal controls and financial management processes.

The 2024/25 budget was prepared with an increase of 3% on rate revenue for both GRV properties (within town site) and UV properties. The valuations carried out by Landgate substantially increased the value of these properties which has had a bearing on the setting of rates. This has led to the rate increase being formulated off total revenue that was raised the previous year thus reducing the rate in the dollar.

A new loan was taken out in 2024/25 for the construction of two dwellings to be leased long term by WA Country Health Service. The ongoing cost to the Shire will be offset by lease payments bearing zero effect to the ratepayer.

The 2024/25 budget provided, as normal, funds to meet the on-going operations of the Shire which includes shire building and facilities, parks and gardens, and recreational facilities maintained to acceptable standards, maintaining and upgrading the Shire's extensive road system which totals to some 2,500 kilometres.

The Corporate Services team involves rates management, financial and payroll processing, financial reporting and investment management. ReadyTech are contracted to perform the rates processing with a staff member carrying out ongoing training. It is still the intention to bring rates management back in house. One team member continues to work remotely in Perth which is proving to be a very successful part of our finance function.

Commonwealth Funding

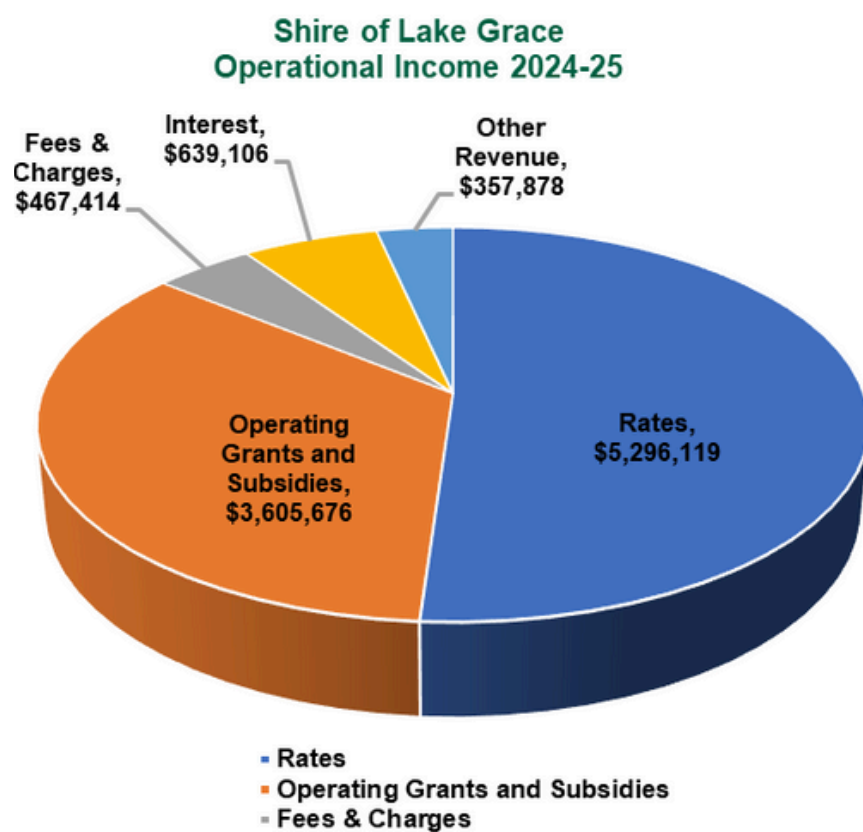
Financial Assistance grants are a vital part of the revenue base of all councils in essential community infrastructure and services ranging from local roads and parks to swimming pools and libraries.

The Shire of Lake Grace acknowledges the importance of the Commonwealth's funding through the Financial Assistance Grants programme for the combined delivery of council services and infrastructure.

The Shire of Lake Grace received \$3,735,544 Commonwealth Financial Assistance Grant of which \$3,297,882 was prepaid in June 2024.

Roads to Recovery funding for the 2024/25 financial year totalled \$1,437,285.

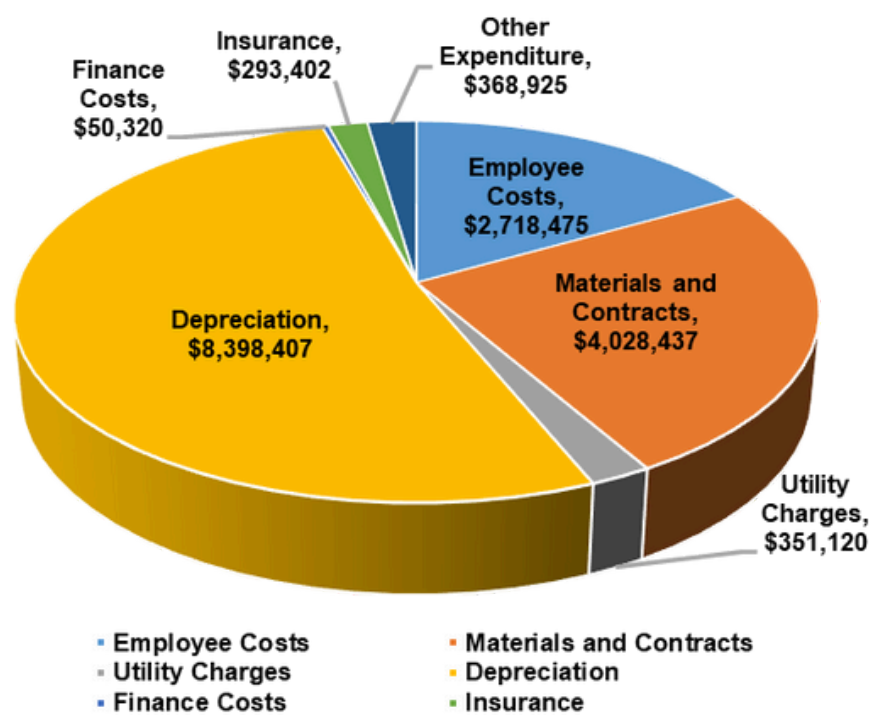
The Shire of Lake Grace ensures that this Commonwealth funding and any other funding provided by the Commonwealth Government under relevant grant programs, is appropriately identified as Commonwealth grant funding in Council's publications, including annual reports.



The key element in understanding financial performance is to view its operations, excluding capital expenditure, over time. Regular reports to Council on the Shire's financial performance demonstrate a good level of budgetary control; the Shire continues to receive unmodified audit reports.

The Shire's operating position reflects the revenues earned from rates and other income, such as fees and charges, and the expenses incurred in providing a wide range of services such as supporting the recreational facilities and sports grounds, roads, building and parks maintenance, as well as environmental and Fire Prevention Services.

**Shire of Lake Grace
Operational Expenditure 2024-25**



The Shires revenue is largely reliant upon operating grants and subsidies from Commonwealth, State and other funding bodies and fees and charges. Rates plus Operating Grants and Subsidies account for the majority of Council's income, which is predominantly derived to help fund the community's needs and infrastructure.

Due to prudent financial management within the 2024/25 budget period, Council is in the position to allocate funds to Shire reserves for the future preservation of assets and to invest in community infrastructure projects and recycling & waste.

TEGAN HALL
MANAGER CORPORATE SERVICES



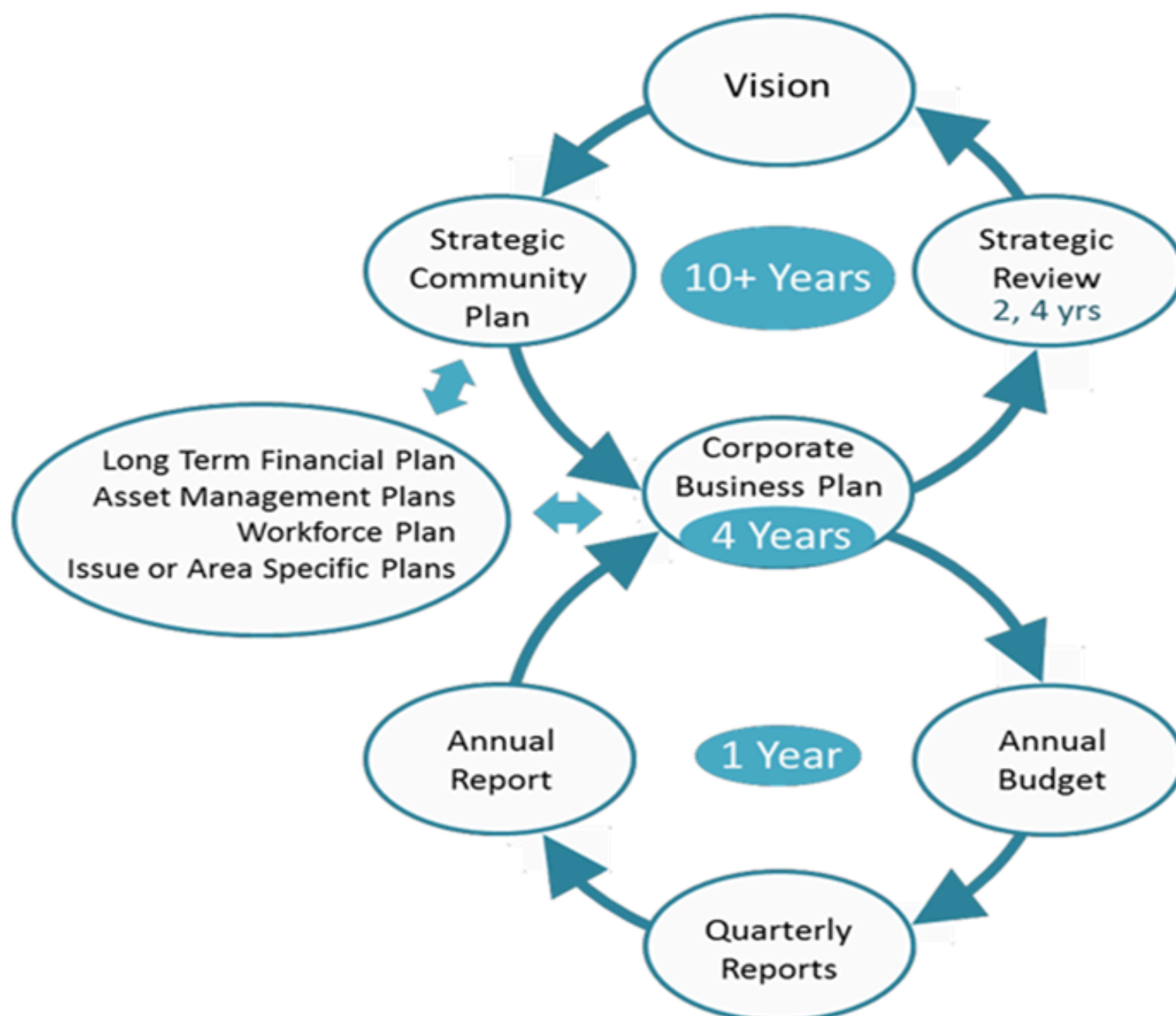
In accordance with Section 5.56(1) of the *Local Government Act 1995*, all local governments are required to prepare a Plan for the Future for their district. This Plan for the Future consists of the following two (2) key strategic documents as follows:

- **Strategic Community Plan** is the Shire's 10-year strategy and planning tool. It is the principal guiding document for the remainder of the Shire's strategic planning as community engagement is central to this Plan.

The Shire of Lake Grace conducted a major review of the Strategic Community Plan in the 2023/24 period. Extensive community consultation was undertaken in the development of the Plan which considers the communities aspirations and vision. The purpose of this document is to provide a clear strategic direction for our Shire.

- **Corporate Business Plan** is the Shire's 4-year planning document. The core components of this Plan include a four-year delivery program aligned to the Strategic Community Plan and accompanied by four-year financial projections.

It is important that the Strategic Plan and Corporate Business Plan are informed by several other key strategy documents and processes as shown in the diagram below:



Objectives and Outcomes

Our Vision: A safe, inclusive and growing community embracing opportunity

Our Aspirations: Rich in spirit, surrounded by nature and valuing our heritage

STATUTORY REPORTS

Complaints of Minor Breaches – Elected Members

The Shire maintains a register of complaints which records all complaints that result in an action under sections 5.121(6)(b) or (c) of the *Local Government Act 1995*. The register of complaints is to include for each recorded complaint:

- Name of Council Member about whom the complaint is made;
- Name of the person who makes the complaint;
- A description of the minor breach that the Standards Panel finds has occurred; and
- Details of the action taken.

In the financial year ending 30 June 2025 there were no reportable complaints entered into the Register under Section 5.121 of the *Local Government Act 1995*.

Complaints to the Ombudsman WA

During 2024/25 no complaints regarding actions or operations of the Shire Lake Grace were made to the Ombudsman of Western Australia.

Disability Access and Inclusion Plan

The *Disability Services Act 1993* requires all local governments to develop and implement a Disability Access and Inclusion Plan (DAIP) which aims not only to address the desired outcomes of the Disability Services Commission (DSC); but must be reviewed annually and reported to the Disability Services Commission by 31 July each year.

The Shire's current DAIP was updated in November 2024 and was further renewed for 5 years to the end of 2029.

The Shire of Lake Grace is committed to ensuring that the community is accessible for and inclusive of people with disability, their families and carers. The Shire of Lake Grace interprets an accessible and inclusive community as one in which all Council functions, facilities and services (both in-house and contracted) are open, available and accessible to people with disability.

The Shire of Lake Grace:

- Recognises that people with disability are valued members of the community who make a variety of contributions to local social, economic and cultural life.
- Believes that a community that recognises its diversity and supports the participation and inclusion of all its members makes for a richer community life.
- Believes that people with disability, their families and carers should be supported to remain in the community.
- Is committed to consulting with people who have disability, their families and carers and disability organisations in addressing barriers to access and inclusion;
- Will ensure its agents and contractors work towards the desired outcomes in the DAIP.
- Is committed to supporting local community groups and businesses to provide access and inclusion of people with disability, and
- Is committed to achieving the seven desired outcomes of its DAIP.

The Shire of Lake Grace is pleased to report compliance with the seven desired (7) outcomes stipulated by DSC.

Freedom of Information

In accordance with section 96 and 97 of the *Freedom of Information Act 1992*, the Shire is required to publish an Information Statement which details the process of applying for information under the Act, as well as information that the Shire provides outside the Act. This Information Statement is available on the Shire of Lake Grace website.

The Freedom of Information Act 1992 and associated regulations can be found on the State Law Publisher website at www.slp.wa.gov.au where a full copy of all State legislation is available. Further information about Freedom of Information can also be found on the Freedom of Information Commissioner's website <http://foi.wa.gov.au/>.

During the 2024/25 financial year there was one (1) Freedom of Information application received or processed by the Shire.

National Competition Policy Statement

The Federal and State governments have a Competition Principles Agreement in place which is binding on Local Government. The Agreement requires the Shire to carry out a number of procedures and include a report on the matter in each year's Annual Report. The three (3) areas that affect local government are:

1. Competitive neutrality - to remove benefits (and costs) which accrue to government business as a result of their public ownership.
2. Structural reform - Local Government is required to reform the structure of publicly owned monopoly businesses where it is proposed to introduce competition, and
3. Legislation review - to review any applicable legislation that may restrict competition.

The full requirements of the National Competition Policy (NCP) package are contained in a statement issued by the Department of Local Government, Industry Regulation and Safety and can be found at www.ncp.ncc.gov.au.

Competitive Neutrality

Local Governments are required to apply the principle of competitive neutrality to all business activities generating user-pays income. The principle of competitive neutrality is that government businesses should not enjoy a competitive advantage or disadvantage simply as a result of their public sector ownership. Annual Reports must show that a public benefit test has been conducted for all significant business activities (over \$200,000) to determine if competitive neutrality is in the public interest.

Within these criteria the Shire had no disclosures for the reporting period with respect to competitive neutrality:

- The Shire does not operate a business enterprise that has been classified by the Australian Bureau of Statistics as either a Public Trading Enterprise or a Public Financial Enterprise;
- During the reporting period, the Shire did not receive any complaints or did not become aware of any allegations of non-compliance with the competitive neutrality principles made by a private entity against the Shire; and
- The Shire continues to monitor Council policies and local laws for anti-competitive practices.

Structural Reform

Before Local Governments privatise a monopoly, business activity or introduce competition into a sector dominated by a monopoly or near monopoly the regulatory and commercial activities must be separated and a review undertaken. Where applicable, all Local Governments in Australia must report their adherence to the structural reform principles. At present this requirement has a very limited impact on Local Government in Western Australia and most will not need to provide this information.

The Shire of Lake Grace did not privatise any activities in 2024/25 and hence, there were no obligations for the Council with respect to structural reform under the NCP or Competing Principles Agreement.

Legislation Review

The Shire holds a portfolio of local laws (previously known as by-laws) which may or may not conflict with the Competition Principles Agreement. Section 3.16 of the *Local Government Act 1995* requires that all the local laws of a Local Government must be reviewed within an eight-year period after their commencement to determine if they should remain unchanged or be repealed or amended.

The Annual Report is to include a statement of which local laws that have been reviewed, the conclusions of those reviews, and a forward strategy for all local laws still to be reviewed. Local Governments are required to review local laws to ensure they do not restrict competition unless:

- The benefits of the restriction to the community outweigh the costs; and
- The objectives of the legislation can only be achieved by restricting competition.

Where necessary clause 7 legislation review principles have been complied with and the Shire of Lake Grace remains committed to reviewing its existing local laws as well as proposed local laws.

A full local law review was conducted during the 2024/25 year and endorsed by council in the August 2024 Ordinary Council Meeting. No new local laws were created in the 2024/25 year.



Public Interest Disclosure

The *Public Interest Disclosure Act 2003* facilitates the disclosure of public interest information and provides for the protection of those making such disclosure and those who are subject of the disclosures. The Act provides a system for the matters disclosed to be investigated and for appropriate action to be taken. Council has complied with all obligations under this Act including:

- Appointing the Chief Executive Officer and the Deputy Chief Executive Officer as the PID Officers for the Shire and publishing an internal procedure relating to the Shire's obligations.
- Providing protection from detrimental action or the threat of detrimental action for any employee of the Shire who makes an appropriate disclosure of public interest information.

There were no Public Interest Disclosures made to the Chief Executive Officer or the Deputy Chief Executive Officer in the 2024/25 year.



Primary and Annual Returns

In accordance with Section 5.75 and 5.76 of the *Local Government Act 1995* all relevant persons lodged an Annual Return by the due date of 31 August 2024 and a primary return within 3 months of their start date. In the 2024/25 year, there was 100% compliance in this area.

Procurement of Goods and Services

Procurement for the Shire of Lake Grace is conducted in compliance with the requirements of the *Local Government Act 1995*, the *Local Government (Functions and General) Regulations 1996* and in accordance with the Shire's Purchasing Policy and Code of Conduct.



Record Keeping Plan (State Records Act 2000).

In accordance with section 8 of the *State Records Act 2000* the Shire of Lake Grace is required to ensure that records are created, managed and maintained over time and disposed of in accordance with principles and standards issued by the SRC. In the SRC Standard 2 – Recordkeeping Plans comprises six recordkeeping principles, each of which contains minimum compliance requirements.

To guide this process, Shire maintains a Record Keeping Plan (RKP) which is reviewed once every 5 years as required under the Act. The Shire’s RKP was reviewed in 2025, and its next review will be in 2030.

All staff are required to undergo records management training, according to their roles and responsibilities as part of their employment.

Statistical Information

Council and Committee meetings

A total of 32 meetings were held during the period 1 July 2024 to 30 June 2025.

Ordinary Council meetings	11
Special Council meetings	1
Audit Committee meetings	3
Local Emergency Management Committee meetings	4
Bush Fire Advisory Committee meetings	2
Shire of Lake Grace Tourism Advisory Committee meetings	4
Lake Grace Library Resource and Community Resource Management Committee	4
Newdegate Library Resource and Community Resource Management Committee	1
Newdegate Pool Management Committee	2

Attendance to these meetings by Councillors as follows:

Cr Len Armstrong	19
Cr Ross Chappell	11
Cr Debrah Clarke	17
Cr Ben Hyde	13
Cr Roz Lloyd	19
Cr Steve Hunt	13
Cr Anton Kuchling	13



Elected Member Demographics as follows:

Gender	Females	2
	Males	5
Linguistic background		7 (English)
Country of Birth		7 (Australia)
Aboriginal Torres Strait Islander		0
<u>Ages</u>		
	Between 18 and 24 years	0
	Between 25 and 34 years	0
	Between 35 and 44 years	1
	Between 45 and 54 years	1
	Between 55 and 64 years	2
	Over 64 years	3

Citizenship Ceremonies

A total of one (1) Citizenship Ceremony was held during 2024/25.



Report of Employees Remuneration

Section 19B of the *Local Government (Administration) Regulations 1996*, requires a Local Government to report details of the number of employees entitled to an annual salary of \$130,000 or more in bands of \$10,000 for each band over \$130,000. The remuneration paid or provided to the CEO during the financial year must also be reported. These are disclosed as follows:

Salary Range	2024	2025
\$130,000 - \$140,000		
\$140,000 - \$150,000		
\$150,000 - \$160,000		
\$160,000 - \$170,000	1	
\$170,000 - \$180,000		
\$180,000 - \$190,000		1
\$190,000 - \$200,000		

CEO Total Remuneration for 2024/25: **\$240,381**

AARON WOOLDRIDGE
DEPUTY CHIEF EXECUTIVE OFFICER



INFRASTRUCTURE SERVICES

In 2024/25, the Infrastructure Services team successfully completed all projects under the Local Roads and Community Infrastructure Program (LRCIP). Although this led to a heavier than usual workload, the additional federal funding enabled the delivery of several long-awaited projects.

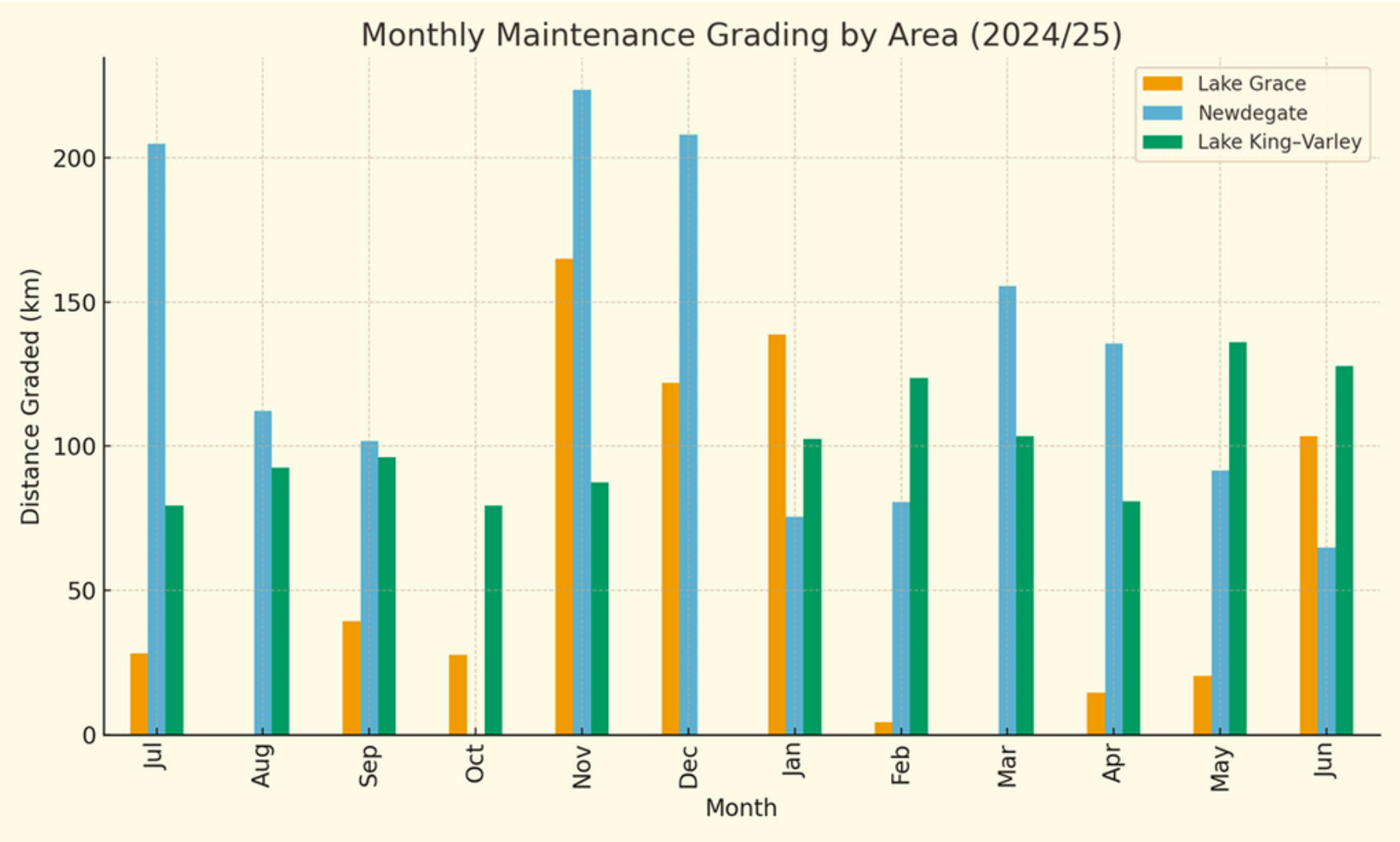
Contractors continued to play a vital role alongside Shire’s works crew, a necessity given our broad asset base and limited internal staffing. Labour shortages, driven by housing constraints and competition from mining regions, have made recruitment difficult.

Access to suitable gravel remains a major challenge. Regulatory hurdles, particularly vegetation clearing permits, have increased reliance on gravel sourced from local farms. Haulage distance remains a significant cost and time factor, doubling distance can increase carting time from 15 to 25 days.

Roadworks

Maintenance grading is split geographically: the Shire crew covers Lake Grace, while local contractors manage Newdegate and Lake King/Varley. During construction season, Lake Grace maintenance grading is impacted due to reallocation of limited crew.

Maintenance Grading



Month	Lake Grace	Newdegate	Lake King–Varley	Sub-Total
Jul	28.2	204.69	79.59	312.48
Aug	0	112.31	92.59	204.9
Sep	39.37	101.79	96.31	237.47
Oct	27.73	0	79.54	107.27
Nov	164.95	223.55	87.5	476
Dec	121.89	208.05	0	329.94
Jan	138.64	75.53	102.54	316.71
Feb	4.35	80.79	123.59	208.73
Mar	0	155.4	103.41	258.81
Apr	14.7	135.48	80.99	231.17
May	20.42	91.53	135.99	247.94
Jun	103.41	64.86	127.84	296.11
Sub-Total	663.66	1,453.98	1,109.89	3,227.53

Capital Roadworks

All capital roadworks proceeded as planned, including reconstruction, resealing, and gravel re-sheeting, focused on key traffic routes for heavy vehicles and inter-town travel.



Road	SLK From	SLK To	Description	Total SLK
Biddy Camm Road	58.32	62.83	Reseal	4.51
Biddy Camm Road	62.83	68.1	Re-sheet + new primer seal	5.27
Dykes Road	0	5	Gravel re-sheet	5
Fitzgerald Road	0	9.76	Reconstruction + 2-coat seal	9.76
Jarring South Road	6	11.5	Gravel re-sheet	5.5
Kent (Crooks) Road	0	4	Gravel re-sheet	4
Ladyman Road	0	4	Gravel re-sheet	4
Lake King–Norseman Rd	0	4	Stabilisation + reseal	4
Lockhart Road	3	5	Gravel re-sheet	2
Mount Vernon Road	7	13	Gravel re-sheet	6
Old Ravensthorpe Road	27	32	Gravel re-sheet	5
West Kuender Road	3.1	6.2	Re-sheet + 2-coat seal	3.1
			Total SLK	58.14

Fleet and Plant

The Shire continued modernising its fleet, replacing outdated equipment through trade-ins:

- 10x7 tipper trailer
- 2 x Toro Z-Master zero-turn mowers
- Isuzu D-Max space cab
- Isuzu D-Max SX crew cab
- 2 x 25kVA mobile diesel generators
- John Deere 670G motor grader
- 2 x Haulmore side-tipper trailers



Parks & Gardens

All towns have dedicated Shire gardeners. Ovals are mowed by the works crew (non-winter) and landscaping contractors (winter). Contractor recommendations have notably improved oval quality in Lake Grace, Newdegate, and Lake King.

Buildings

Capital building works were limited. Key developments include:

- Lake Grace Daycare: New toy library construction nearing completion.
- 84 Bennett Street: Two staff units built for nursing accommodation.
- Newdegate Country Club: Bowling green reconstruction to resolve drainage issues.
- Ongoing staff housing maintenance includes condition inspections, air-conditioning servicing, and pest control.

Key Projects

- Lake Grace Pump Track: Completed adjacent to the All-Abilities Playground, including asphalt surfacing, fencing, shade shelters, and relocation of skate park equipment.
- Lake King Centennial Park: Limestone retaining wall installed; turf and irrigation upgrades planned for next year.

Other Works

- McMahon Street: Uneven brick paving replaced with concrete for improved safety.
- Lake Grace Sporting Precinct: Entrance realigned and sealed for better access and parking.
- Newdegate Airstrip: New dam and 250kL tank installed to capture and re-use runoff water for irrigation and emergency supply.

CRAIG ELEFSEN
MANAGER INFRASTRUCTURE SERVICES



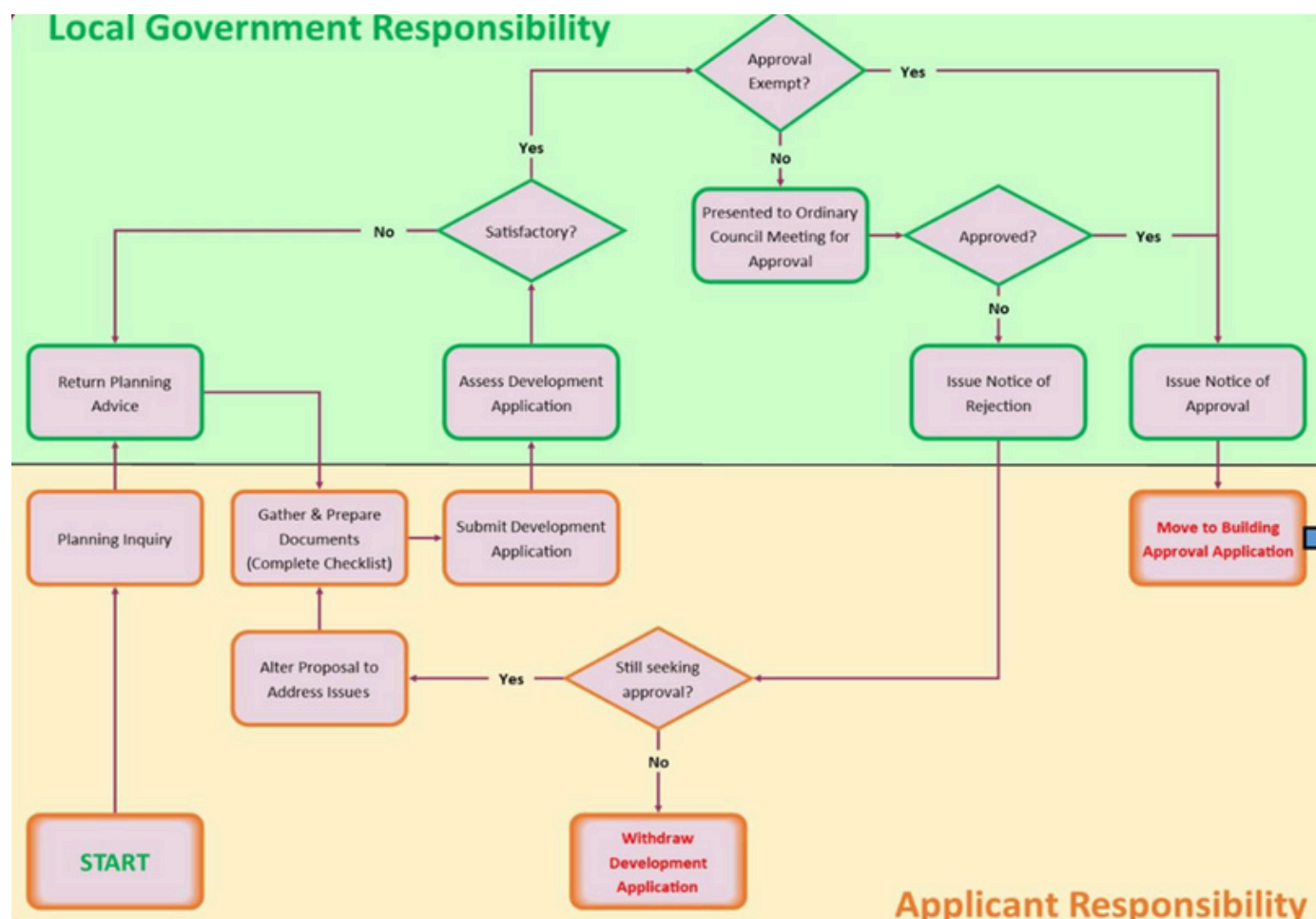
PLANNING SERVICES

During the period 1 July 2024 to 30 June 2025, the Shire considered and granted conditional development approval for eleven (11) development applications received for various works to the total value of \$22,171,883, excluding GST.

It is significant to note that no development applications were refused by Council and no development applications that were approved were the subject of an appeal to the State Administrative Tribunal or the Supreme Court of Western Australia, challenging Council's decision or any conditions imposed.

The Shire also responded to the Western Australian Planning Commission's request for comment regarding one subdivision application which was supported by the Shire unconditionally and ultimately approved by the Commission due to its consistency with the Shire's local planning framework.

The Shire has also continued progressing plans for the proposed subdivision of additional residential land in the eastern part of the Lake Grace townsite as well as the proposed subdivision of Crown land on Dewar Street and privately owned land on Mather Road, Lake Grace for light industrial purposes.



The Shire's local planning framework is due for review and will be the subject of discussion with Council in 2026 regarding the likely costs for consideration of inclusion in the budget for the 2026/27 financial year.

JOE DOUGLAS
TOWN PLANNER

ENVIRONMENTAL HEALTH SERVICES

Roe Regional Environmental Health Services' Principal Environmental Health Officer, Brendon Gerrard was employed from 28 October 2019 and has undertaken Environmental Health work in accordance with Operational Guidelines during the 2024/25 period. The work has generally been based on a 3 day, or 23 hours per fortnight schedule.

Waste Management

- Lake Grace Landfill - submission of Annual Environmental Report, Annual Audit Compliance Report, and the Annual Return under regulation 18C of the *Waste Avoidance and Resource Recovery Regulations 2008* to the Department of Water and Environmental Regulation.
- EHO inspected the Waste Facility sites in Lake Grace, Newdegate, Lake King and Varley on various occasions to ensure compliance with environmental licenses in liaison with the Manager Infrastructure Services.
- Implementation of WA Legislation Waste Avoidance and Resource Recovery (e-waste) Regulations 2024.

Wastewater

- Conducted assessments and approval of onsite effluent disposal systems.
- Received approval from the Department of Health for the Lake Grace Recycled Water Scheme which will provide irrigation of the Lake Grace Sports Pavilion oval and eliminate potential of wastewater overflows from wastewater ponds.

Swimming Pools – Water Quality

Lake Grace and Newdegate Pools were sampled monthly from October 2024 to March 2025 as per the Code of Practice for Aquatic Facilities and the *Health (Aquatic Facilities) Regulations 2007*.

Major resurfacing works are being undertaken at the Newdegate Pool in 2025 (to be undertaken by the Department of Education).

Swimming Pools - Fencing

- Submission of annual report to Department of Mining and Industry Regulation.
- This work is undertaken in conjunction with the Shire of Narrogin contracted Building Surveyor services.
- Decision to retain exclusion areas for Swimming Pool Inspections in the Shire of Lake Grace.

Food

- 32 inspections of registered Food Businesses in Lake Grace, Newdegate, Lake King and Varley.
- Two Mobile Food Van Registrations and associated Street Trading Permits.
- Maintained Food Business Register.
- Implementation of new Food Standard 3.2.2A requirement for all Food Premises to complete Food Safety Supervisor Training.
- Memorandum of Understanding with Department of Health for central register of Mobile Food Vans.
- Compilation of the *Food Act 2008* and the *Public Health Act 2016* reports required annually by the Department of Health Food Unit.



Accommodation

- The Lake Grace Caravan Park, Newdegate Caravan Park and the Lake King Caravan Park were inspected for compliance with the Caravan Parks and Camping Grounds Regulations.
- Established new Temporary Accommodation Policy framework in accordance with recent changes to the Caravan Parks and Camping Grounds Regulations which allow Local Governments to approve temporary accommodation applications for up to 24 months.
- 10 lodging houses were inspected throughout the Shire of Lake Grace including the CBH accommodation facilities at various locations, and the Spencer Shearing accommodation facilities.

Public Buildings

- 20 inspections of public buildings located in Lake Grace, Newdegate, Lake King and Varley.
- Event Application processed for the Newdegate Machinery Field Days Event.
- Supporting staff and CRC with event compliance requirements for the Harvest Festival, and Lakes without Brakes events.

Miscellaneous

- Advice or comments given to residents of the Shire of Lake Grace in relation to Environmental Health issues.
- Dealing with a number of noise complaints in both Lake Grace and Newdegate, and other complaints.
- Regular meetings with the Community Development Team staff regarding the Shire of Lake Grace Public Health Plan.
- Implementation of Orders and Requisitions process to check Health, Building and Planning issues during the sale of properties in the Shire.
- Convenor for the Central Wheatbelt Health & Building Regional Group.

BRENDON GERRARD
PRINCIPAL ENVIRONMENTAL HEALTH OFFICER

SHIRE OF LAKE GRACE
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

Statement by CEO	2
Statement of comprehensive income	3
Statement of financial position	4
Statement of changes in equity	5
Statement of cash flows	6
Statement of financial activity	7
Index of notes to the financial report	8
Independent auditor's report	39

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

A safe, inclusive and growing community embracing opportunity

Principal place of business:
1 Bishop Street
Shire of Lake Grace

SHIRE OF LAKE GRACE
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 Lake Grace 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 19th day of NOVEMBER 2025



CEO
ALAN GEORGE

Name of CEO

**SHIRE OF LAKE GRACE
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2025**

	Note	2025 Actual \$	2025 Budget \$	2024 Actual \$
Revenue				
Rates	2(a),21	5,296,119	5,309,734	5,146,844
Grants, subsidies and contributions	2(a)	3,605,676	1,512,684	4,128,058
Fees and charges	2(a)	467,414	419,735	388,050
Interest revenue	2(a)	639,106	695,393	653,153
Other revenue	2(a)	357,878	360,658	373,637
		10,366,193	8,298,204	10,689,742
Expenses				
Employee costs	2(b)	(2,718,475)	(2,579,645)	(2,467,406)
Materials and contracts		(4,028,437)	(5,380,838)	(3,577,704)
Utility charges		(351,120)	(319,468)	(294,568)
Depreciation		(8,398,407)	(8,350,957)	(8,179,561)
Finance costs	2(b)	(50,320)	(60,026)	(42,081)
Insurance		(293,402)	(291,597)	(278,280)
Other expenditure	2(b)	(368,925)	(418,827)	(329,530)
		(16,209,086)	(17,401,358)	(15,169,130)
		(5,842,893)	(9,103,154)	(4,479,388)
Capital grants, subsidies and contributions	2(a)	2,931,012	4,253,861	2,573,335
Profit on asset disposals		198,290	111,861	122,233
Loss on asset disposals		(11,061)	(35,772)	(95,167)
Fair value adjustments to financial assets at fair value through profit or loss	4(b)	(4,440)	0	2,102
		3,113,801	4,329,950	2,602,503
Net result for the period		(2,729,092)	(4,773,204)	(1,876,885)
Total comprehensive income for the period		(2,729,092)	(4,773,204)	(1,876,885)

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

SHIRE OF LAKE GRACE
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2025

	Note	2025 \$	2024 \$
CURRENT ASSETS			
Cash and cash equivalents	3	13,321,525	13,636,877
Trade and other receivables	5	304,860	179,743
Inventories	6	34,505	17,796
TOTAL CURRENT ASSETS		13,660,890	13,834,416
NON-CURRENT ASSETS			
Trade and other receivables	5	3,030	3,030
Other financial assets	4(b)	99,524	103,964
Property, plant and equipment	7	47,336,032	46,013,080
Infrastructure	8	247,397,701	249,875,048
TOTAL NON-CURRENT ASSETS		294,836,287	295,995,122
TOTAL ASSETS		308,497,177	309,829,538
CURRENT LIABILITIES			
Trade and other payables	10	1,102,853	374,153
Capital grant/contributions liabilities	11	12,492	4,043
Borrowings	12	202,299	169,214
Employee related provisions	13	475,309	443,553
TOTAL CURRENT LIABILITIES		1,792,953	990,963
NON-CURRENT LIABILITIES			
Borrowings	12	1,414,949	867,248
Employee related provisions	13	110,072	63,032
TOTAL NON-CURRENT LIABILITIES		1,525,021	930,280
TOTAL LIABILITIES		3,317,974	1,921,243
NET ASSETS		305,179,203	307,908,295
EQUITY			
Retained surplus		155,612,872	159,082,436
Reserve accounts	24	7,376,704	6,636,232
Revaluation surplus	14	142,189,627	142,189,627
TOTAL EQUITY		305,179,203	307,908,295

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

**SHIRE OF LAKE GRACE
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		162,323,460	5,272,093	142,189,627	309,785,180
Comprehensive income for the period					
Net result for the period		(1,876,885)	0	0	(1,876,885)
Total comprehensive income for the period		(1,876,885)	0	0	(1,876,885)
Transfers to reserve accounts	24	(1,364,139)	1,364,139	0	0
Balance as at 30 June 2024		159,082,436	6,636,232	142,189,627	307,908,295
Comprehensive income for the period					
Net result for the period		(2,729,092)	0	0	(2,729,092)
Total comprehensive income for the period		(2,729,092)	0	0	(2,729,092)
Transfers from reserve accounts	24	454,762	(454,762)	0	0
Transfers to reserve accounts	24	(1,195,234)	1,195,234	0	0
Balance as at 30 June 2025		155,612,872	7,376,704	142,189,627	305,179,203

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

**SHIRE OF LAKE GRACE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2025**

	Note	2025 Actual \$	2024 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Rates		5,306,807	5,148,615
Grants, subsidies and contributions		3,470,779	4,249,642
Fees and charges		467,414	388,050
Interest revenue		639,106	653,153
Other revenue		357,878	373,637
		10,241,984	10,813,097
Payments			
Employee costs		(2,622,775)	(2,412,862)
Materials and contracts		(3,334,258)	(3,511,101)
Utility charges		(351,120)	(294,568)
Finance costs		(50,320)	(42,081)
Insurance paid		(293,402)	(278,280)
Other expenditure		(368,925)	(329,530)
		(7,020,800)	(6,868,422)
Net cash provided by operating activities		3,221,184	3,944,675
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for purchase of property, plant & equipment	7(a)	(2,767,955)	(1,515,509)
Payments for construction of infrastructure	8(a)	(4,804,489)	(4,733,308)
Proceeds from capital grants, subsidies and contributions		2,939,461	2,577,378
Proceeds from sale of property, plant & equipment		515,661	852,186
Net cash (used in) investing activities		(4,117,322)	(2,819,253)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings	23(a)	(169,214)	(177,282)
Proceeds from new borrowings	23(a)	750,000	0
Net cash provided by (used in) financing activities		580,786	(177,282)
Net increase (decrease) in cash held		(315,352)	948,140
Cash at beginning of year		13,636,877	12,688,737
Cash and cash equivalents at the end of the year		13,321,525	13,636,877

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

**SHIRE OF LAKE GRACE
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	21	4,977,436	4,992,543	4,914,184
Rates excluding general rates	21	318,683	317,191	232,660
Grants, subsidies and contributions		3,605,676	1,512,684	4,128,058
Fees and charges		467,414	419,735	388,050
Interest revenue		639,106	695,393	653,153
Other revenue		357,878	360,658	373,637
Profit on asset disposals		198,290	111,861	122,233
Fair value adjustments to financial assets at fair value through profit or loss	4(b)	0	0	2,102
		10,564,483	8,410,065	10,814,077
Expenditure from operating activities				
Employee costs		(2,718,475)	(2,579,645)	(2,467,406)
Materials and contracts		(4,028,437)	(5,380,838)	(3,577,704)
Utility charges		(351,120)	(319,468)	(294,568)
Depreciation		(8,398,407)	(8,350,957)	(8,179,561)
Finance costs		(50,320)	(60,026)	(42,081)
Insurance		(293,402)	(291,597)	(278,280)
Other expenditure		(368,925)	(418,827)	(329,530)
Loss on asset disposals		(11,061)	(35,772)	(95,167)
Fair value adjustments to financial assets at fair value through profit or loss	4(b)	(4,440)	0	0
		(16,224,587)	(17,437,130)	(15,264,297)
Non-cash amounts excluded from operating activities	22(a)	8,262,658	8,291,282	8,151,437
Amount attributable to operating activities		2,602,554	(735,783)	3,701,217
INVESTING ACTIVITIES				
Inflows from investing activities				
Capital grants, subsidies and contributions		2,931,012	4,253,861	2,573,335
Proceeds from disposal of assets		515,661	426,500	852,186
		3,446,673	4,680,361	3,425,521
Outflows from investing activities				
Acquisition of property, plant and equipment	7(a)	(2,767,955)	(6,745,642)	(1,515,509)
Acquisition of infrastructure	8(a)	(4,804,489)	(5,535,409)	(4,733,308)
		(7,572,444)	(12,281,051)	(6,248,817)
Amount attributable to investing activities		(4,125,771)	(7,600,690)	(2,823,296)
FINANCING ACTIVITIES				
Inflows from financing activities				
Proceeds from borrowings	23(a)	750,000	1,350,000	0
Transfers from reserve accounts	24	454,762	1,331,816	0
		1,204,762	2,681,816	0
Outflows from financing activities				
Repayment of borrowings	23(a)	(169,214)	(185,235)	(177,282)
Transfers to reserve accounts	24	(1,195,234)	(1,195,533)	(1,364,139)
		(1,364,448)	(1,380,768)	(1,541,421)
Amount attributable to financing activities		(159,686)	1,301,048	(1,541,421)
MOVEMENT IN SURPLUS OR DEFICIT				
Surplus or deficit at the start of the financial year	22(b)	7,035,424	7,035,425	7,698,924
Amount attributable to operating activities		2,602,554	(735,783)	3,701,217
Amount attributable to investing activities		(4,125,771)	(7,600,690)	(2,823,296)
Amount attributable to financing activities		(159,686)	1,301,048	(1,541,421)
Surplus or deficit after imposition of general rates	22(b)	5,352,521	0	7,035,424

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

**SHIRE OF LAKE GRACE
FOR THE YEAR ENDED 30 JUNE 2025
INDEX OF NOTES TO THE FINANCIAL REPORT**

Note 1	Basis of preparation	9
Note 2	Revenue and expenses	10
Note 3	Cash and cash equivalents	12
Note 4	Other financial assets	12
Note 5	Trade and other receivables	13
Note 6	Inventories	13
Note 7	Property, plant and equipment	14
Note 8	Infrastructure	16
Note 9	Fixed assets	18
Note 10	Trade and other payables	20
Note 11	Other liabilities	21
Note 12	Borrowings	22
Note 13	Employee related provisions	23
Note 14	Revaluation surplus	24
Note 15	Restrictions over financial assets	25
Note 16	Undrawn borrowing facilities and credit standby arrangements	25
Note 17	Capital commitments	26
Note 18	Related party transactions	27
Note 19	Joint arrangements	29
Note 20	Other material accounting policies	30

Information required by legislation

Note 21	Rating information	31
Note 22	Determination of surplus or deficit	32
Note 23	Borrowing and lease liabilities	33
Note 24	Reserve accounts	35
Note 25	Trust funds	37

**SHIRE OF LAKE GRACE
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 Lake Grace which is a Class 4 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 7
 - Infrastructure - note 8
- Measurement of employee benefits - note 13

Fair value heirarchy information can be found in note 20

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 25 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 have not had any material impact on the financial report on initial application.

- AASB 2022-10 *Amendments to Australian Accounting Standards*
 - *Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities*

These amendments may result in changes to the fair value of certain non-financial assets on revaluation. The standard is applied prospectively therefore the impact will be quantified upon the next revaluation cycle.

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

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

Revenue recognition

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

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

For the year ended 30 June 2025

Nature	Contracts with customers	Capital grant/contributions	Statutory requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	5,296,119	0	5,296,119
Grants, subsidies and contributions	1,095,130	0	0	2,510,546	3,605,676
Fees and charges	401,298	0	66,116	0	467,414
Interest revenue	620,913	0	18,193	0	639,106
Other revenue	357,878	0	0	0	357,878
Capital grants, subsidies and contributions	2,931,012	0	0	0	2,931,012
Total	5,406,231	0	5,380,428	2,510,546	13,297,205

For the year ended 30 June 2024

Nature	Contracts with customers	Capital grant/contributions	Statutory requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	5,057,089	89,755	5,146,844
Grants, subsidies and contributions	661,914	0	0	3,466,144	4,128,058
Fees and charges	361,760	0	26,290	0	388,050
Interest revenue	633,511	0	19,642	0	653,153
Other revenue	373,637	0	0	0	373,637
Capital grants, subsidies and contributions	0	2,573,335	0	0	2,573,335
Total	2,030,822	2,573,335	5,103,021	3,555,899	13,263,077

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

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

Note	2025 Actual \$	2024 Actual \$
Interest revenue		
Interest on reserve account	307,281	253,305
Trade and other receivables overdue interest	18,193	19,642
Other interest revenue	313,632	380,206
	<u>639,106</u>	<u>653,153</u>

The 2025 original budget estimate in relation to:
Trade and other receivables overdue interest was \$21,000.

Fees and charges relating to rates receivable

Charges on instalment plan	3,487	3,267
----------------------------	-------	-------

The 2025 original budget estimate in relation to:
Charges on instalment plan was \$4,800.

(b) Expenses

Auditors remuneration

- Audit of the Annual Financial Report	40,245	37,700
- Other services – grant acquittals	4,680	4,550
	<u>44,925</u>	<u>42,250</u>

Employee Costs

Employee benefit costs	2,896,715	2,640,486
Other employee costs	(178,240)	(173,080)
	<u>2,718,475</u>	<u>2,467,406</u>

Finance costs

Interest and financial charges paid/payable for lease liabilities and financial liabilities not at fair value through profit or loss	50,320	42,081
	<u>50,320</u>	<u>42,081</u>

Other expenditure

Sundry expenses	368,925	329,530
	<u>368,925</u>	<u>329,530</u>

SHIRE OF LAKE GRACE
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		13,321,525	13,636,877
Total cash and cash equivalents		13,321,525	13,636,877
Held as			
- Unrestricted cash and cash equivalents		5,932,329	6,996,602
- Restricted cash and cash equivalents	15	7,389,196	6,640,275
		13,321,525	13,636,877

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

(b) 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	103,964
		99,524	103,964
		103,964	101,862
		(4,440)	2,102
		99,524	103,964

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 LAKE GRACE
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	46,707	56,487
Trade receivables	258,153	123,256
	304,860	179,743
Non-current		
Rates and statutory receivables	3,030	3,030
	3,030	3,030

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.

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 LAKE GRACE
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	34,505	17,796
	34,505	17,796
The following movements in inventories occurred during the year:		
Balance at beginning of year	17,796	6,545
Additions to inventory	16,709	11,251
Balance at end of year	34,505	17,796

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 LAKE GRACE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

7. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in balances

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

	Assets not subject to operating lease		Total property				Plant and equipment		Total property, plant and equipment	
	Note	Land	Buildings	Land	Buildings	Work in progress	Total property	Furniture and equipment		Plant and equipment
		\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2023		2,743,789	38,652,776	2,743,789	38,652,776	95,648	41,492,213	161,770	4,705,840	46,359,823
Additions		32,550	402,022	32,550	402,022	326,617	761,189	57,010	773,546	1,591,745
Disposals		(529,546)	(14,465)	(529,546)	(14,465)	0	(544,011)	0	(281,109)	(825,120)
Reduction in WIP		0	0	0	0	(112,029)	(112,029)	0	0	(112,029)
Depreciation		0	(575,519)	0	(575,519)	0	(575,519)	(26,909)	(434,704)	(1,037,132)
Transfers		0	0	0	0	35,793	35,793	0	0	35,793
Balance at 30 June 2024		2,246,793	38,464,814	2,246,793	38,464,814	346,029	41,057,636	191,871	4,763,573	46,013,080
Comprises:										
Gross balance amount at 30 June 2024		2,246,793	40,122,118	2,246,793	40,122,118	346,029	42,714,940	318,158	6,246,434	49,279,532
Accumulated depreciation at 30 June 2024		0	(1,657,304)	0	(1,657,304)	0	(1,657,304)	(126,287)	(1,482,861)	(3,266,452)
Balance at 30 June 2024	7(b)	2,246,793	38,464,814	2,246,793	38,464,814	346,029	41,057,636	191,871	4,763,573	46,013,080
Additions		0	553,551	0	553,551	734,780	1,288,331	142,331	1,337,293	2,767,955
Disposals		0	0	0	0	0	0	0	(328,432)	(328,432)
Depreciation		0	(582,961)	0	(582,961)	0	(582,961)	(30,675)	(502,935)	(1,116,571)
Balance at 30 June 2025		2,246,793	38,435,404	2,246,793	38,435,404	1,080,809	41,763,006	303,527	5,269,499	47,336,032
Comprises:										
Gross balance amount at 30 June 2025		2,246,793	40,675,668	2,246,793	40,675,668	1,080,809	44,003,270	460,489	7,028,982	51,492,741
Accumulated depreciation at 30 June 2025		0	(2,240,264)	0	(2,240,264)	0	(2,240,264)	(156,962)	(1,759,483)	(4,156,709)
Balance at 30 June 2025	7(b)	2,246,793	38,435,404	2,246,793	38,435,404	1,080,809	41,763,006	303,527	5,269,499	47,336,032

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

7. 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		2,246,793	2,246,793	2	Market approach using recent observable market data for similar properties	Independent registered valuers	June 2021	Price per hectare
Total land	7(a)	2,246,793	2,246,793					
Buildings - non specialised		3,528,860	3,562,151	2	Market approach using recent observable market data for similar properties	Independent registered valuers	June 2021	Price per square metre, design & construction, average cost of construction, dates of acquisition
Buildings - specialised		34,906,544	34,902,663	3	Improvements to land valued using depreciated replacement cost	Independent registered valuers	June 2021	Improvements to land using construction costs and current condition residual values and remaining useful life assessments inputs
Total buildings	7(a)	38,435,404	38,464,814					
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 by the local government to determine the fair value of property, plant and equipment using either level 2 or level 3 inputs.								
(ii) Cost								
Furniture and equipment					N/A	Cost	Not Applicable	N/A
Plant and equipment					N/A	Cost	Not Applicable	N/A

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

8. 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 - parks, gardens & recreational facilities	Infrastructure - sewerage	Infrastructure - urban infrastructure	Infrastructure - work in progress	Total infrastructure
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2023	236,014,561	8,817,269	1,580,148	5,471,967	400,224	252,284,169
Additions	3,535,155	1,268,643	0	162,030	62,854	5,028,682
Reduction in WIP	0	0	0	0	(259,581)	(259,581)
Depreciation	(6,407,669)	(527,532)	(40,340)	(166,888)	0	(7,142,429)
Transfers	0	0	0	0	(35,793)	(35,793)
Balance at 30 June 2024	233,142,047	9,558,380	1,539,808	5,467,109	167,704	249,875,048
Comprises:						
Gross balance at 30 June 2024	239,549,716	10,089,146	1,580,148	5,633,997	167,704	257,020,711
Accumulated depreciation at 30 June 2024	(6,407,669)	(530,766)	(40,340)	(166,888)	0	(7,145,663)
Balance at 30 June 2024	233,142,047	9,558,380	1,539,808	5,467,109	167,704	249,875,048
Additions	3,809,609	662,401	0	208,916	123,563	4,804,489
Depreciation	(6,478,373)	(592,341)	(40,340)	(170,782)	0	(7,281,836)
Balance at 30 June 2025	230,473,283	9,628,440	1,499,468	5,505,243	291,267	247,397,701
Comprises:						
Gross balance at 30 June 2025	243,359,325	10,751,547	1,580,148	5,842,913	291,267	261,825,200
Accumulated depreciation at 30 June 2025	(12,886,042)	(1,123,107)	(80,680)	(337,670)	0	(14,427,499)
Balance at 30 June 2025	230,473,283	9,628,440	1,499,468	5,505,243	291,267	247,397,701

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

8. 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 costs	Independent registered valuers	June 2023	Construction costs and current condition, residual values and remaining useful life assessments
Infrastructure - parks, gardens & recrea	3	Cost approach using depreciated replacement costs	Independent registered valuers	June 2023	Construction costs and current condition, residual values and remaining useful life assessments
Infrastructure - sewerage	3	Cost approach using depreciated replacement costs	Independent registered valuers	June 2023	Construction costs and current condition, residual values and remaining useful life assessments
Infrastructure - urban infrastructure	3	Cost approach using depreciated replacement costs	Independent registered valuers	June 2023	Construction costs and current condition, residual values and remaining useful life assessments

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 LAKE GRACE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

9. 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	30 to 50 years
Furniture and equipment	4 to 10 years
Plant and equipment	5 to 15 years
Sealed roads and streets:	
formation	not depreciated
pavement	50 years
seal:	
- bituminous seals	20 years
- asphalt surfaces	25 years
Gravel roads:	
formation	not depreciated
pavement	50 years
Parks, Gardens and Recreation facilities	4-50 years
Urban Infrastructure	5 - 50 years
Sewerage piping	20-50 years
Water supply piping and drainage systems	75 years

Revision of useful lives of plant and equipment

Plant & Equipment and Furniture & Equipment were assessed in house by Senior Management and no changes have been made from the review performed on 30.06.25

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

9. 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 LAKE GRACE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

10. TRADE AND OTHER PAYABLES

Current

Sundry creditors
 Prepaid rates
 Accrued payroll liabilities
 Other payables - Accrued interest on long term borrowings

2025	2024
\$	\$
994,139	296,293
8,720	7,812
77,719	60,815
22,275	9,233
1,102,853	374,153

MATERIAL ACCOUNTING POLICIES

Financial liabilities

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

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

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

Trade and other payables

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

Prepaid rates

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

11. OTHER LIABILITIES

Performance obligations in relation to capital grant/contribution liabilities are satisfied as project milestones are met on completion of construction or acquisition of the asset.

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 LAKE GRACE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025**

12. BORROWINGS

	Note	2025			2024		
		Current	Non-current	Total	Current	Non-current	Total
Secured		\$	\$	\$	\$	\$	\$
Debentures		202,299	1,414,949	1,617,248	169,214	867,248	1,036,462
Total secured borrowings	23(a)	202,299	1,414,949	1,617,248	169,214	867,248	1,036,462

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 hierarchy (see Note 20(i)) due to the unobservable inputs, including own credit risk.

Risk

Details of individual borrowings required by regulations are provided at Note 23(a).

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

13. EMPLOYEE RELATED PROVISIONS

Employee related provisions

Current provisions

Employee benefit provisions

Annual leave

Long service leave

Total current employee related provisions

Non-current provisions

Employee benefit provisions

Long service leave

Total non-current employee related provisions

Total employee related provisions

	2025	2024
	\$	\$
	230,716	227,910
	244,593	215,643
	475,309	443,553
	475,309	443,553
	110,072	63,032
	110,072	63,032
	110,072	63,032
	585,381	506,585

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 LAKE GRACE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

14. REVALUATION SURPLUS

	2025 Opening balance	2025 Closing balance	2024 Opening balance	2024 Closing balance
	\$	\$	\$	\$
Revaluation surplus - Buildings	26,197,283	26,197,283	26,197,283	26,197,283
Revaluation surplus - Infrastructure - roads	105,148,482	105,148,482	105,148,482	105,148,482
Revaluation surplus - Infrastructure - parks, gardens & recreational facilities	4,783,410	4,783,410	4,783,410	4,783,410
Revaluation surplus - Infrastructure - sewerage	1,788,861	1,788,861	1,788,861	1,788,861
Revaluation surplus - Infrastructure - urban infrastructure	4,271,591	4,271,591	4,271,591	4,271,591
	142,189,627	142,189,627	142,189,627	142,189,627

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

15. 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	7,389,196	6,640,275
	7,389,196	6,640,275
24	7,376,704	6,636,232
11	12,492	4,043
Total restricted financial assets	7,389,196	6,640,275

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

Restricted reserve accounts

Capital grant liabilities

Total restricted financial assets

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

Credit standby arrangements

Bank overdraft limit

Bank overdraft at balance date

Credit card limit

Credit card balance at balance date

Total amount of credit unused

Loan facilities

Loan facilities - current

Loan facilities - non-current

Total facilities in use at balance date

Unused loan facilities at balance date

0	100,000
0	0
20,000	15,000
(6,998)	(4,355)
13,002	110,645
202,299	169,214
1,414,949	867,248
1,617,248	1,036,462
NIL	NIL

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

17. CAPITAL COMMITMENTS

	2025	2024
	\$	\$
Contracted for:		
- capital expenditure projects	360,592	15,252
	360,592	15,252
Payable:		
- not later than one year	360,592	15,252

The capital expenditure projects outstanding at the end of the current reporting period represents several projects moved to 25/26 FY

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

18. 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	21,710	21,710	20,875
President's meeting attendance fees	8,827	8,827	8,487
President's annual allowance for ICT expenses	3,768	3,768	3,623
President's travel and accommodation expenses	8,389	8,500	9,548
	42,694	42,805	42,533
Deputy President's annual allowance	5,428	5,428	5,219
Deputy President's meeting attendance fees	4,414	4,414	4,244
Deputy President's annual allowance for ICT expenses	3,768	3,768	3,623
Deputy President's travel and accommodation expenses	1,179	2,500	2,593
	14,789	16,110	15,679
All other council member's meeting attendance fees	22,070	30,898	22,289
All other council member's annual allowance for ICT expenses	18,840	26,376	19,021
All other council member's travel and accommodation expenses	3,322	6,000	6,067
	44,232	63,274	47,377
18(b)	101,715	122,189	105,589

(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	647,187	594,731
Post-employment benefits	82,217	74,355
Employee - other long-term benefits	46,543	45,792
Council member costs	101,715	105,589
	877,662	820,467
18(a)		

Short-term employee benefits

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

Post-employment benefits

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

Other long-term benefits

These amounts represent annual leave and long service leave entitlements accruing during the year.

Council member costs

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

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

18. 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
	\$	\$
Amounts outstanding from related parties:		
Trade and other receivables	135,618	116,419

(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

ii. Other Related Parties

During the financial year, transactions were made at arm's length under the Shire's procurement policy for companies that one Council Members and one Employee have a vested interest in. These transactions were for IT repairs \$1,174 and air conditioner/refrigeration repairs, installation and maintenance \$67,053.

Short-term employee benefits of \$67,391 related to an associate person of the CEO who was employed by the Shire under normal employment terms and conditions.

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

iii. Entities subject to significant influence by the Shire

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

19. JOINT ARRANGEMENTS

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

20. 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 9.

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 LAKE GRACE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

21. 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
				\$	\$	\$	\$	\$	\$	\$
Gross rental valuations	Gross rental valuation	0.121564	386	5,482,642	666,492	4,826	671,318	666,492	4,000	652,394
Unimproved valuations	Unimproved valuation	0.006816	564	633,516,834	4,318,051	(11,933)	4,306,118	4,318,051	4,000	4,194,670
Total general rates			950	638,999,476	4,984,543	(7,107)	4,977,436	4,984,543	8,000	4,847,064
Minimum payment										
		\$								
Gross rental valuations	Gross rental valuation	550	48	59,084	26,400	0	26,400	26,400	0	20,140
Unimproved valuations	Unimproved valuation	550	93	1,617,645	51,150	0	51,150	51,150	0	46,980
Total minimum payments			141	1,676,729	77,550	0	77,550	77,550	0	67,120
Total general rates and minimum payments			1,091	640,676,205	5,062,093	(7,107)	5,054,986	5,062,093	8,000	4,914,184
Specified area rates										
Sewerage - GRV		0.040052	262	3,675,081	147,194	1,491	148,685	147,193	0	142,905
Ex-gratia rates										
Ex-gratia rates		0.059091	8	1,564,494	92,448	0	92,448	92,448	0	89,755
Total amount raised from rates (excluding general rates)			270	5,239,575	239,642	1,491	241,133	239,641	0	232,660
Total rates							5,296,119		5,309,734	5,146,844

(a) Rates related information

*Rateable Value at time of raising of rate.

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

22. 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	(198,290)	(111,861)	(122,233)
Less: Fair value adjustments to financial assets at fair value through profit or loss	4,440	0	(2,102)
Add: Loss on disposal of assets	11,061	35,772	95,167
Add: Depreciation	8,398,407	8,350,957	8,179,561
Non-cash movements in non-current assets and liabilities:			
Employee benefit provisions	47,040	16,414	1,044
Non-cash amounts excluded from operating activities	8,262,658	8,291,282	8,151,437
(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	24 (7,376,704)	(6,499,949)	(6,636,232)
Less: Financial assets at amortised cost			
Less: Current assets not expected to be received at end of year			
Less: Movement in provisions	(145,880)	(112,750)	(112,752)
Less: Municipal - restricted cash	(50,072)	(50,072)	(50,072)
Less: Capital grants In-kind contribution	573,390	573,390	573,390
Less: Municipal - restricted cash	(97,255)	(97,255)	(97,255)
Add: Current liabilities not expected to be cleared at end of year			
- Current portion of borrowings	12 202,299	1,333,979	169,214
- Employee benefit provisions	378,806	362,090	345,678
Total adjustments to net current assets	(6,515,416)	(4,490,567)	(5,808,029)
Net current assets used in the Statement of financial activity			
Total current assets	13,660,890	6,658,401	13,834,416
Less: Total current liabilities	(1,792,953)	(2,167,834)	(990,963)
Less: Total adjustments to net current assets	(6,515,416)	(4,490,567)	(5,808,029)
Surplus or deficit after imposition of general rates	5,352,521	0	7,035,424

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

23. BORROWING AND LEASE LIABILITIES

(a) Borrowings

Actual									Budget			
Purpose	Note	Principal at 1 July 2023	New loans during 2023-24	Principal repayments during 2023-24	Principal at 30 June 2024	New loans during 2024-25	Principal repayments during 2024-25	Principal at 30 June 2025	Principal at 1 July 2024	New loans during 2024-25	Principal repayments during 2024-25	Principal at 30 June 2025
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
L181 - Office Redevelopment		197,657	0	(20,069)	177,588	0	(21,245)	156,343	177,588	0	(21,245)	156,343
L 204 - CEO& Staff House		379,144	0	(49,101)	330,043	0	(49,540)	280,503	330,043	0	(49,541)	280,502
L182 - Lake Grace Sports Precinct		86,394	0	(19,623)	66,771	0	(20,885)	45,886	66,771	0	(20,885)	45,886
L198 - Lake Grace Precinct		24,216	0	(24,216)	0	0	0	0	0	0	0	0
L189 - LG Residential Land		96,954	0	(5,667)	91,287	0	(18,048)	73,239	91,287	0	(18,048)	73,239
L203 - Land Development		429,379	0	(58,606)	370,773	0	(59,496)	311,277	370,773	0	(59,495)	311,278
L205 - WACHS Housing		0	0	0	0	750,000	0	750,000	0	750,000	(16,021)	733,979
L206 - Staff Housing		0	0	0	0	0	0	0	0	600,000	0	600,000
Total		1,213,744	0	(177,282)	1,036,462	750,000	(169,214)	1,617,248	1,036,462	1,350,000	(185,235)	2,201,227
Borrowing finance cost payments												
Purpose	Loan number	Institution	Interest rate	Date final payment is due	Actual for year ending 30 June 2025		Budget for year ending 30 June 2025		Actual for year ending 30 June 2024			
					\$	\$	\$	\$	\$	\$	\$	\$
L181 - Office Redevelopment	181	WATC	5.78%	1/03/2031	(10,869)	(11,276)	(10,869)	(11,276)	(12,186)			
L 204 - CEO& Staff House	204	WATC	0.89%	4/11/2030	(5,009)	(5,081)	(5,009)	(5,081)	(5,786)			
L182 - Lake Grace Sports Precinct	182	WATC	6.33%	1/03/2027	(4,026)	(4,464)	(4,026)	(4,464)	(5,430)			
L198 - Lake Grace Precinct	198	WATC	4.48%	30/05/2024	(76)	(76)	(76)	(76)	(1,002)			
L189 - LG Residential Land	189	WATC	6.04%	30/06/2030	(5,629)	(8,387)	(5,629)	(8,387)	(6,400)			
L203 - Land Development	203	WATC	1.51%	15/04/2030	(7,803)	(7,992)	(7,803)	(7,992)	(9,098)			
L205 - WACHS Housing	205	WATC	5.13%	23/01/2040	(16,908)	(21,750)	(16,908)	(21,750)	0			
Total					(50,320)	(59,026)	(50,320)	(59,026)	(39,902)			
Total finance cost payments					(50,320)	(59,026)	(50,320)	(59,026)	(39,902)			

* WA Treasury Corporation

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

23. BORROWING AND LEASE LIABILITIES (Continued)

(b) New borrowings - 2024/25

Particulars/purpose	Institution	Loan type	Term years	Interest rate	Amount borrowed		Amount (used)		Total interest and charges	Actual balance unspent
					2025 Actual	2025 Budget	2025 Actual	2025 Budget		
				%	\$	\$	\$	\$	\$	\$
L205 - WACHS Housing	WATC	Semi-annual	15	5.80%	750,000	750,000	750,000	750,000	383,145	0
L206 - Staff Housing	WATC				0	600,000	0	600,000	0	0
					750,000	1,350,000	750,000	1,350,000	383,145	0

* WA Treasury Corporation

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

24. 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 legislation/agreement												
(a) Lake Grace Sewerage Reserve	1,576,313	151,042	0	1,727,355	1,576,313	150,899	0	1,727,212	1,409,139	167,174	0	1,576,313
	1,576,313	151,042	0	1,727,355	1,576,313	150,899	0	1,727,212	1,409,139	167,174	0	1,576,313
Restricted by council												
(b) Leave Reserve	362,090	16,716	0	378,806	362,090	15,932	0	378,022	345,678	16,412	0	362,090
(c) Emergency Services Reserve	29,596	1,366	0	30,962	29,596	1,302	0	30,898	28,254	1,342	0	29,596
(d) Housing Reserve	1,199,090	54,834	(247,274)	1,006,650	1,199,090	52,760	(634,000)	617,850	761,841	437,249	0	1,199,090
(e) Swimming Pool Reserve	689,250	232,242	0	921,492	689,250	239,127	0	928,377	489,693	199,557	0	689,250
(f) Land Development Reserve	269,267	12,431	0	281,698	269,267	11,848	(200,000)	81,115	127,834	141,433	0	269,267
(g) Plant Reserve	960,064	44,323	0	1,004,387	960,065	42,243	(293,000)	709,308	725,099	234,965	0	960,064
(h) Recreation Reserve	238,519	317,913	0	556,432	238,519	311,334	0	549,853	227,708	10,811	0	238,519
(i) Works & Services Reserve	412,568	34,608	0	447,176	412,568	33,683	0	446,251	393,868	18,700	0	412,568
(j) Newedgate Hall Reserve	60,778	2,672	(63,450)	0	60,778	0	(60,778)	0	58,023	2,755	0	60,778
(k) Radio Reserve	32,825	1,515	0	34,340	32,825	1,444	0	34,269	31,337	1,488	0	32,825
(l) Varley Sullage Reserve	1,816	0	(1,816)	0	1,816	0	(1,816)	0	1,733	83	0	1,816
(m) Newedgate Sports Dam Reserve	29,163	0	(29,163)	0	29,163	0	(29,163)	0	27,841	1,322	0	29,163
(n) Newdegate Stadium Floor Reserve	126,582	206,266	0	332,848	126,582	214,370	0	340,952	25,120	101,462	0	126,582
(o) Community Water Supplies Reserve	13,059	0	(13,059)	0	13,059	0	(13,059)	0	12,467	592	0	13,059
(p) Office Furniture & Equipment Reserve	14,508	10,691	0	25,199	14,508	11,078	0	25,586	13,851	657	0	14,508
(q) Centenary Reserve	0	30,063	0	30,063	0	30,000	0	30,000	0	0	0	0
(r) Essential Medical Reserve	602,996	27,627	(100,000)	530,623	602,996	26,532	(100,000)	529,528	575,664	27,332	0	602,996
(s) History Book Reserve	11,403	527	0	11,930	11,403	502	0	11,905	10,886	517	0	11,403
(t) AIM Hospital Museum Reserve	6,345	50,398	0	56,743	6,344	52,479	0	58,823	6,057	288	0	6,345
	5,059,919	1,044,192	(454,762)	5,649,349	5,059,919	1,044,634	(1,331,816)	4,772,737	3,862,954	1,196,965	0	5,059,919
	6,636,232	1,195,234	(454,762)	7,376,704	6,636,232	1,195,533	(1,331,816)	6,499,949	5,272,093	1,364,139	0	6,636,232

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

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

Name of reserve account	Purpose of the reserve account
Restricted by legislation/agreement	
(a) Lake Grace Sewerage Reserve	to fund maintenance, addition and improvements to the Lake Grace sewerage system.
Restricted by council	
(b) Leave Reserve	to fund employee leave liability entitlements.
(c) Emergency Services Reserve	to fund volunteer bush fire brigades and other emergency services.
(d) Housing Reserve	to fund the acquisition, construction, renovation or maintenance of shire staff housing.
(e) Swimming Pool Reserve	to fund maintenance and improvement of the Lake Grace swimming pool and associated infrastructure.
(f) Land Development Reserve	to fund the development of new residential, commercial and industrial land.
(g) Plant Reserve	to fund acquisition or replacement of plant and equipment in accordance with the plant replacement program.
(h) Recreation Reserve	to fund the development of sport and recreation facilities.
(i) Works & Services Reserve	to fund expenditure associated with road and street works, including drainage and rehabilitation works.
(j) Newdegate Hall Reserve	to fund maintenance, renovation, extension or improvements of the Newdegate Town Hall.
(k) Radio Reserve	to fund maintenance and upgrades of radio services in the Lake Grace town site.
(l) Varley Sullage Reserve	to fund expenses associated with the operations of the Varley Sullage Scheme.
(m) Newdegate Sports Dam Reserve	to fund upgrade works for the Newdegate sports dam.
(n) Newdegate Stadium Floor Reserve	to fund upgrade works for the Newdegate stadium floor.
(o) Community Water Supplies Reserve	to fund future commitments with the construction and maintenance of community water supplies.
(p) Office Furniture & Equipment Reserve	to fund replacement of furniture, office, electrical and computer equipment at the Lake Grace administration centre.
(q) Centenary Reserve	to fund the 100 year centenary of the Newdegate town site.
(r) Essential Medical Reserve	to fund the provision of essential medical services and associated legal expenses.
(s) History Book Reserve	to fund expenditure associated with producing local history books.
(t) AIM Hospital Museum Reserve	to fund expenditure associated with AIM Hospital Museum.

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

25. 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
	\$	\$	\$	\$
Standpipe bonds	12,107	867	(200)	12,774
	12,107	867	(200)	12,774



Auditor General

INDEPENDENT AUDITOR'S REPORT 2025 Shire of Lake Grace

To the Council of the Shire of Lake Grace

Opinion

I have audited the financial report of the Shire of Lake Grace (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 Lake Grace 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
25 November 2025



Email:
• shire@lakegrace.wa.gov.au

Facebook:
• facebook.com/ShireofLakeGrace/

Photography:
• Alan Godley (Prodrone Worx)
• Carla Hyde

Design:
• Aaron Wooldridge (Shire of Lake Grace)

Shire of Lake Grace

1 Bishop Street, Lake Grace WA 6353
PO Box 50, Lake Grace WA 6353