

# SHIRE OF WILLIAMS

## BUDGET REVIEW REPORT

### FOR THE PERIOD ENDED 31 DECEMBER 2025

*LOCAL GOVERNMENT ACT 1995  
LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996*

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SHIRE OF WILLIAMS  
STATEMENT OF BUDGET REVIEW  
FOR THE PERIOD ENDED 31 DECEMBER 2025

		Budget v Actual			Estimated	Predicted	
		Adopted	Updated	Year to Date	Year at End	Variance	
Note		Budget	Budget	Actual	Amount	(b) - (a)	
		\$	\$	\$	\$	\$	
<b>OPERATING ACTIVITIES</b>							
<b>Revenue from operating activities</b>							
	General rates	2,454,318	2,454,318	2,454,318	2,454,318		
	Rates excluding general rates	47,971	54,538	54,538	54,538	6,567	▲
4.1	Grants, subsidies and contributions	450,799	450,799	428,752	450,799		
4.2	Fees and charges	1,300,073	1,252,357	578,004	1,252,357	(47,716)	▼
	Interest revenue	112,000	112,000	56,026	112,000		
4.3	Other revenue	2,360	49,860	38,952	49,860	47,500	▲
4.4	Profit on asset disposals		3,972	3,972	3,972	3,972	▲
		4,367,521	4,377,844	3,614,562	4,377,844	10,323	
<b>Expenditure from operating activities</b>							
4.5	Employee costs	(2,373,607)	(2,418,838)	(1,198,959)	(2,418,838)	(45,231)	▼
4.6	Materials and contracts	(1,311,745)	(1,320,815)	(755,539)	(1,320,815)	(9,070)	▼
	Utility charges	(310,215)	(310,215)	(91,667)	(310,215)		
	Depreciation	(2,437,849)	(2,437,849)	(1,196,122)	(2,437,849)		
	Finance costs	(14,256)	(14,256)	(7,449)	(14,256)		
4.7	Insurance	(186,501)	(187,433)	(187,433)	(187,433)	(932)	▼
	Other expenditure	(39,354)	(39,354)	(5,858)	(39,354)		
4.8	Loss on asset disposals	(7,677)	(7,116)	(7,116)	(7,116)	561	▲
		(6,681,204)	(6,735,876)	(3,450,143)	(6,735,876)	(54,672)	
4.9	Non-cash amounts excluded from operating activities	2,445,498	2,440,965	1,199,266	2,440,993	(4,505)	▲
<b>Amount attributable to operating activities</b>		131,815	82,933	1,363,685	82,961	(48,854)	
<b>INVESTING ACTIVITIES</b>							
<b>Inflows from investing activities</b>							
4.10	Capital grants, subsidies and contributions	4,143,138	2,328,173	109,947	2,328,173	(1,814,965)	▼
	Distributions from investments in associates	5,000	5,000	0	5,000		
4.11	Proceeds from disposal of assets	66,000	74,819	74,819	74,819	8,819	▲
	Proceeds from self supporting loans	18,926	18,926	9,383	18,926		
		4,233,064	2,426,918	194,149	2,426,918	(1,806,146)	
<b>Outflows from investing activities</b>							
4.12	Purchase of land and buildings	(3,171,717)	(986,033)	(126,851)	(986,033)	2,185,684	▲
4.13	Purchase of plant and equipment	(243,000)	(231,431)	(226,431)	(231,431)	11,569	▲
4.14	Purchase of furniture and equipment	(106,420)	(133,420)	(42,311)	(133,420)	(27,000)	▼
4.15	Purchase and construction of infrastructure-roads	(1,608,460)	(1,514,000)	(447,295)	(1,514,000)	94,460	▲
	Purchase and construction of infrastructure-other	(703,132)	(703,132)	(71,743)	(703,132)	0	
		(5,832,729)	(3,568,016)	(914,631)	(3,568,016)	2,264,713	
<b>Amount attributable to investing activities</b>		(1,599,665)	(1,141,098)	(720,482)	(1,141,098)	458,567	
<b>FINANCING ACTIVITIES</b>							
<b>Cash inflows from financing activities</b>							
4.16	Proceeds from new borrowings	250,000	0	0	0	(250,000)	▼
4.17	Transfers from reserve accounts	252,394	267,394	0	267,394	15,000	▲
		502,394	267,394	0	267,394	(235,000)	
<b>Cash outflows from financing activities</b>							
	Repayment of borrowings	(80,920)	(80,920)	(40,139)	(80,920)		
4.18	Transfers to reserve accounts	(107,620)	(347,162)	0	(347,162)	(239,542)	▼
		(188,540)	(428,082)	(40,139)	(428,082)	(239,542)	
<b>Amount attributable to financing activities</b>		313,854	(160,688)	(40,139)	(160,688)	(474,542)	
<b>MOVEMENT IN SURPLUS OR DEFICIT</b>							
4.19	<b>Surplus or deficit at the start of the financial year</b>	1,153,995	1,218,825	1,218,825	1,218,825	64,830	▲
	Amount attributable to operating activities	131,815	82,933	1,363,685	82,961	(48,854)	▼
	Amount attributable to investing activities	(1,599,665)	(1,141,098)	(720,482)	(1,141,098)	458,567	▲
	Amount attributable to financing activities	313,854	(160,688)	(40,139)	(160,688)	(474,542)	▼
3(a),4.20	<b>Surplus or deficit after imposition of general rates</b>	<b>0</b>	<b>(28)</b>	<b>1,821,889</b>	<b>0</b>	<b>0</b>	<b>▲</b>

## 1. BASIS OF PREPARATION

This budget review has been prepared in accordance with the *Local Government Act 1995* and accompanying regulations.

### **Local Government Act 1995 requirements**

Section 6.4(2) of the *Local Government Act 1995* read with the *Local Government (Financial Management) Regulations 1996*, prescribe that the budget review be prepared in accordance with the *Local Government Act 1995* and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards. The Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and Interpretations of the Australian Accounting Standards Board were applied where no inconsistencies exist.

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

*Local Government (Financial Management) Regulations 1996, regulation 33A* prescribes contents of the budget review.

Accounting policies which have been adopted in the preparation of this budget review have been consistently applied unless stated otherwise. Except for the statement of financial activity, the budget review 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.

### **Year to Date Actual balances**

Balances shown in this budget as Year to Date Actual are based on records at the time of preparation of the budget review and are subject to final adjustments.

### **Rounding off figures**

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

### **THE LOCAL GOVERNMENT REPORTING ENTITY**

All funds through which the Shire of Williams 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.

### **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 believed to be reasonable under the circumstances; the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

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 current financial year:

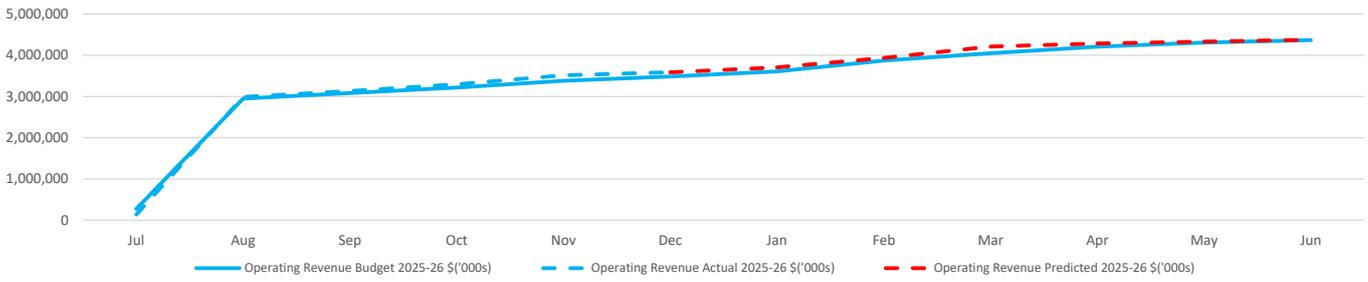
- estimated fair value of certain financial assets
- impairment of financial assets
- estimation of fair values of land and buildings, infrastructure and investment property
- estimation uncertainties made in relation to lease accounting
- estimation of fair values of provisions

### **MATERIAL ACCOUNTING POLICIES**

Material accounting policies utilised in the preparation of these statements are as described within the 2025-26 Annual Budget. Please refer to the adopted budget document for details of these policies.

2. SUMMARY GRAPHS - BUDGET REVIEW

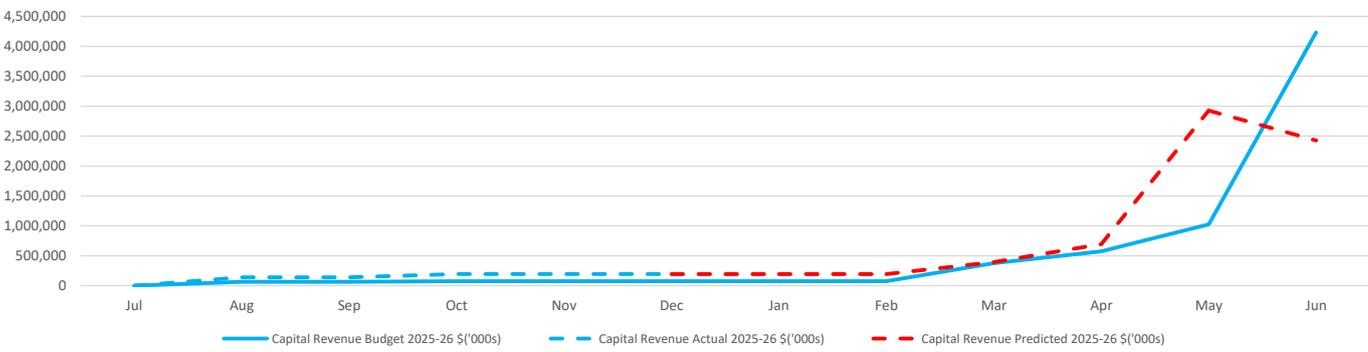
Operating Revenue



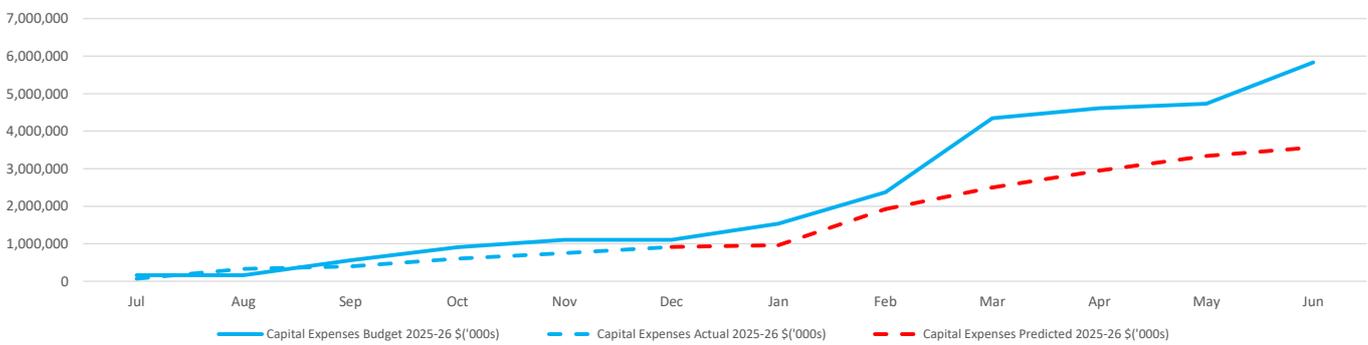
Operating Expenses



Capital Revenue



Capital Expenditure



This information is to be read in conjunction with the accompanying financial statements and notes.

3 NET CURRENT FUNDING POSITION  
EXPLANATION OF DIFFERENCE IN NET CURRENT ASSETS AND SURPLUS/(DEFICIT)

	Audited Actual 30 June 2025	Adopted Budget 30 June 2026	Updated Budget Estimates 30 June 2026	Year to Date Actual 31 December 2025	Estimated Year at End Amount 30 June 2026
	\$	\$	\$	\$	\$
<b>(a) Composition of estimated net current assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	3,535,477	2,236,950	2,552,889	5,422,218	2,552,889
Financial assets	23,926	24,574	24,574	12,043	24,574
Trade and other receivables	143,991	134,727	134,727	537,759	134,727
Inventories	46,005	46,005	46,005	59,048	46,005
Contract assets	278,234	278,234	278,234	278,234	278,234
	4,027,633	2,720,490	3,036,429	6,309,302	3,036,429
<b>Less: current liabilities</b>					
Trade and other payables	(106,781)	(91,396)	(91,396)	(39,271)	(91,396)
Contract liabilities	(764,839)	(764,839)	(893,066)	(2,520,333)	(893,066)
Borrowings	(80,920)	(63,115)	(63,115)	(40,781)	(63,115)
Employee related provisions	(240,723)	(240,723)	(240,723)	(240,723)	(240,723)
	(1,193,263)	(1,160,073)	(1,288,300)	(2,841,108)	(1,288,300)
<b>Net current assets</b>	<b>2,834,370</b>	<b>1,560,417</b>	<b>1,748,129</b>	<b>3,468,194</b>	<b>1,748,129</b>
Less: Total adjustments to net current assets	(1,615,546)	(1,560,421)	(1,748,129)	(1,646,301)	(1,748,129)
<b>Closing funding surplus / (deficit)</b>	<b>1,218,825</b>	<b>0</b>	<b>0</b>	<b>1,821,899</b>	<b>0</b>

**(b) Current assets and liabilities excluded from budgeted deficiency**

The following current assets and liabilities have been excluded from the net current assets used in the Statement of Financial Activity in accordance with *Financial Management Regulation 32* to agree to the surplus/(deficit) after imposition of general rates.

	Audited Actual 30 June 2025	Adopted Budget 30 June 2026	Updated Budget Estimates 30 June 2026	Year to Date Actual 31 December 2025	Estimated Year at End Amount 30 June 2026
	\$	\$	\$	\$	\$
<b>Adjustments to net current assets</b>					
Less: Reserve accounts	(1,746,885)	(1,602,109)	(1,826,651)	(1,746,885)	(1,826,651)
Less: Financial assets at amortised cost - self supporting loans	(23,926)	(23,926)	(23,926)	(12,043)	(23,926)
Add: Current liabilities not expected to be cleared at end of year					
- Current portion of borrowings	80,920	63,115	63,115	40,781	63,115
- Current portion of provisions held in reserve	37,833	39,333	39,333	39,362	39,333
<b>Total adjustments to net current assets</b>	<b>(1,615,546)</b>	<b>(1,560,421)</b>	<b>(1,748,129)</b>	<b>(1,646,301)</b>	<b>(1,748,129)</b>

**(c) Non-cash amounts excluded from operating activities**

The following non-cash revenue and expenditure has been excluded from operating activities within the Statement of Financial Activity in accordance with *Financial Management Regulation 32*.

	Audited Actual 30 June 2025	Adopted Budget 30 June 2026	Updated Budget Estimates 30 June 2026	Year to Date Actual 31 December 2025	Estimated Year at End Amount 30 June 2026
	\$	\$	\$	\$	\$
<b>Adjustments to operating activities</b>					
Less: Profit on asset disposals	(14,672)	0	(3,972)	(3,972)	(3,972)
Less: Movement in liabilities associated with restricted cash	(1,951)				
Add: Loss on disposal of assets	0	7,677	7,116	7,116	7,116
Add: Depreciation on assets	2,404,853	2,437,849	2,437,849	1,196,122	2,437,849
Non-cash movements in non-current assets and liabilities:					
Financial assets at amortised cost	18,926				
Employee benefit provisions	9,090				
<b>Non-cash amounts excluded from operating activities</b>	<b>2,416,246</b>	<b>2,445,498</b>	<b>2,440,965</b>	<b>1,199,266</b>	<b>2,440,993</b>



**SHIRE OF WILLIAMS**  
**NOTES TO THE REVIEW OF THE ANNUAL BUDGET**  
**FOR THE PERIOD ENDED 31 DECEMBER 2025**

**4 PREDICTED VARIANCES**

		<b>Variance</b>
		<b>\$</b>
<b>Revenue from operating activities</b>		
4.1	<b>Rates excluding general rates</b> Ex-gratia rate recovered above budget with re-calculation	6,567 ▲
4.2	<b>Fees and charges</b> Lower swimming pool fees, private works, hire of facilities	(47,716) ▼
4.3	<b>Other revenue</b> Community Chest funding & diesel fuel rebate not budgeted for	47,500 ▲
4.4	<b>Profit on asset disposals</b> Unbudgeted with sales not included at time budget was adopted	3,972 ▲
<b>Expenditure from operating activities</b>		
4.5	<b>Employee costs</b> Redirected from road capital projects with reduced scope	(45,231) ▼
4.6	<b>Materials and contracts</b> Increase in gravel operations	(9,070) ▼
4.7	<b>Insurance</b> Increased cost of insurance	(932) ▼
4.8	<b>Loss on asset disposals</b> Reduction in loss on sale of assets	561 ▲
4.9	<b>Non-cash amounts excluded from operating activities</b> Profit on sale of assets not budgeted	(4,505) ▲
<b>Inflows from investing activities</b>		
4.10	<b>Capital grants, subsidies and contributions</b> Reduced scope of project delivery to reflect unpredictable time delays	(1,814,965) ▼
4.11	<b>Proceeds from disposal of assets</b> Unbudgeted items disposed of	8,819 ▲
<b>Outflows from investing activities</b>		
4.12	<b>Purchase of land and buildings</b> Reduced scope of project delivery to reflect unpredictable time delays	2,185,684 ▲
4.13	<b>Purchase of plant and equipment</b> Reduced costs of asset replacement	11,569 ▲
4.14	<b>Purchase of furniture and equipment</b> Increased project scope for non complaint cybersecurity & community chest projects	(27,000) ▼
4.15	<b>Purchase and construction of infrastructure-roads</b> Reduction in scope of achievable projects	94,460 ▲
<b>Cash inflows from financing activities</b>		
4.16	<b>Proceeds from new borrowings</b> Loan for indoor court facility will no longer occur in this budget with the time delays	(250,000) ▼
4.17	<b>Transfers from reserve accounts</b> Additional funding for community chest projects	15,000 ▲
<b>Cash outflows from financing activities</b>		
4.18	<b>Transfers to reserve accounts</b> Funds no longer required for current projects - plan is to injected into reserves for future budgets	(239,542) ▼
4.19	<b>Surplus or deficit at the start of the financial year</b> Change in funds available after 2024/25 audited financial statements	64,830 ▲