

Annual Report



For the year ended
30 June 2025



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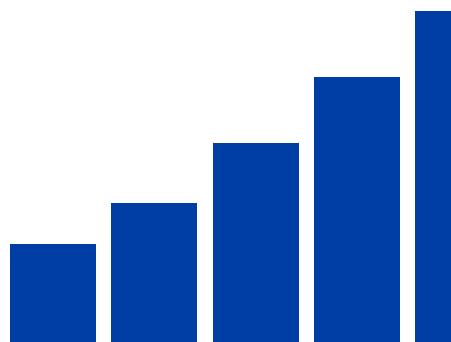
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Shire Snapshot



- The Shire covers about 5,634 square kilometres.
- The road network includes about 230 kilometres of sealed roads and about 1,200 kilometres of unsealed roads.



- There are about 262 dwellings across the Shire accommodating an average of 2.6 people per household.[1]



- The Shire of Kent has a population of about 526 people (2024), with a median age of 39.



- There was a total of 135 registered businesses in Kent as of 2024.



Agriculture is the main industry in the Shire. The most recent ABS agricultural data available is from 2020/21.

- The gross value of total crop production was \$152,513,925.
- The gross value of livestock production was \$27,903,557.
- The total gross value of agricultural commodities was \$180,417,491.[2]



- Average annual rainfall ranges from about 340 to 390 millimetres.
- The average maximum temperature is about 23 degrees Celsius.
- The average minimum temperature is about 10 degrees Celsius.

[1] ABS (2021), *Census Profile*, accessed at <https://www.abs.gov.au/census/find-census-data/quickstats/2021/LGA54480>

[2] ABS (2021), *Agricultural Commodities*, accessed at <https://www.abs.gov.au/statistics/industry/agriculture/agricultural-commodities-australia/2020-21#data-downloads>

Vision & Mission



“

A Proud, inclusive
and growing
community.

”

We demonstrate proactive leadership; work cooperatively with others; facilitate sustainable opportunities for our community and we are an employer of choice.



Shire President & CEO Message

The 2024-2025 year has seen strong progress across the Shire of Kent, with Council and administration continuing to work in partnership to deliver sound financial management, infrastructure renewal, and strategic planning outcomes. Despite the challenges faced by regional communities, we remain committed to ensuring that essential services, community wellbeing and long-term sustainability remain at the core of our decisions.



KATE JOHNSTON
SHIRE PRESIDENT

Key achievements this year included the construction of two new 3-bedroom houses in Nyabing, the relining of the Chesterpass Road water tank, installation of new water tanks at the Nyabing Town Dam, and delivery of various road improvements across the Shire. These works included continued sealing of Range Road, approximately 12.5 km of gravel sheeting across four priority roads through Regional Road Group funding, the widening and resealing of Dumbleyung Road under the Local Roads and Community Infrastructure Program, and upgrades to Newdegate-Pingrup Road as part of the Secondary Freight Network.

We also invested in planning for future community needs, completing the Nyabing Pavilion Feasibility Study and Cost Benefit Analysis, and adopting both the Strategic Waste Management Plan and the Local Heritage Survey. Creative and place-based projects were supported through external funding, including WasteSorted bin stickers designed by local students, and solar lighting and a bridge installation along the Pingrup Silo Trail.



CHRISTIE SMITH
CHIEF EXECUTIVE
OFFICER

Community connection remains a Shire priority, and we continued to support events such as Beasts in the Bush, the Pingrup Races, Seniors Week, Thank a Volunteer, centenary celebrations, local sporting programs and the annual fox shoot. Council also engaged in active advocacy on issues affecting our region, including education, telecommunications, renewable energy, live sheep policy, and bushfire management.

We thank the community, volunteers, Councillors and staff for their contribution throughout the year. We remain focused on transparent governance and responsible asset stewardship, and look forward to building on these achievements in 2025-2026.

Elected Members

2024 / 2025



KATE JOHNSTON

Shire President

Elected: 2017
Retiring: 2025

Delegate on the following Committees:

- Audit
- LEMA
- Great Southern WALGA Zone
- Great Southern Treasures

Proxy on the following Committees:

- Recreation Advisory Group



SCOTT CROSBY

Elected Member Elected: 2015

Retiring: 2027

Delegate on the following Committees:

- Great Southern WALGA Zone
- Nyabing Sports Club
- Bushfire Advisory

Proxy on the following Committees:

- Great Southern Treasures
- Recreation Advisory Group



DARREN GRAY

Deputy Shire President

Elected: 2021
Retiring: 2025

Delegate on the following Committees:

- Audit
- Regional Road Group

Proxy on the following Committees:

- Bushfire Advisory
- Recreation Advisory Group
- LEMA



GREG HOBLEY

Elected Member

Elected: 2021
Retiring: 2025

Delegate on the following Committees:

- Audit
- Bushfire Advisory
- Regional Road Group

Proxy on the following Committees:

- Nyabing Sports Club
- Recreation Advisory Group



SUMA REID

Elected Member

Elected: 2023
Retiring: 2027

Delegate on the following Committees:

- Pingrup CRC
- Recreation Advisory Group

Proxy on the following Committees:

- Pingrup Ground Improvement
- Regional Road Group



DUSTIN HARRIS

Elected Member

Elected: 2023
Retiring: 2027

Delegate on the following Committees:

- Pingrup Ground Improvement

Proxy on the following Committees:

- Pingrup CRC
- Recreation Advisory Group
- Great Southern WALGA Zone



Elected Members

2024 / 2025 (Continued)



The Ordinary Meetings of the full Council are held at the Council Chambers in Nyabing, with one meeting per annum being held at the Pingrup Sporting Pavilion.

In accordance with regulation 19B (f) of the Local Government (Administration) Regulations 1996 the number of council and committee meetings attended by each council member during the financial year is as follows:

Member	Gender	Country of Birth	Linguistic Background	Ordinary meeting	Special Meeting	Committee Meeting	Annual Electors
Cr K Johnston	Female	Australia	English	11	1	2	1
Cr D Gray	Male	Australia	English	11	1	2	1
Cr G Hobley	Male	Australia	English	11	1	2	1
Cr S Crosby	Male	Australia	English	11	1	0	1
Cr S Reid	Female	Australia	English	11	1	0	1
Cr D Harris	Male	Australia	English	11	0	0	1

In accordance with regulation 19B (h)(i) of the Local Government (Administration) Regulations 1996 the structure of Council is as follows:

Elected Member Structure 2024 / 2025			
Elected Members aged between 18-24 years old	0	Elected Members aged between 55-64 years old	0
Elected Members aged between 25-34 years old	0	Elected Members aged 65 years and over	0
Elected Members aged between 35-44 years old	2	Aboriginal or Torres Strait Islander Members	0
Elected Members aged between 45-54 years old	4		



Organisational Structure



Executive

- Chief Executive Officer
- Deputy Chief Executive Officer
- Manager Infrastructure



Administration

- Finance Coordinator
- HR & WHS Admin Officer
- Admin & Property Officer
- Administration Officer
- Finance Officer
- Creditors Officer
- Office Assistant
- IT Manager
- Community Emergency Services Manager (CESM)

Works & Services

- Team Leader Construction
- Team Leader Maintenance
- Mechanic
- Building Maintenance Officer
- 2 x General Hand / Plant Operators
- 4 x Truck / Plant Operators
- 3 x Maintenance Grader Operators

Regulation 19B - Local Government (Administration) Regulations 1996

The Local Government (Administration) Regulations 1996 as amended - Regulation 19B requires that the annual report for a Local Government for financial year must disclose the number of:

employees of the Shire entitled to an annual salary of \$130,000 or more
those employees with an annual salary entitlement that falls within each band of \$10,000 over \$130,000.

Annual Salary	# of Employees
\$130,000 - \$139,999	0
\$140,000 - \$149,999	0
\$150,000 - \$159,999	0
\$160,000 - \$169,999	1

The Shire of Kent Chief Executive Officer was paid a reward package of \$219,733 in the 2024/2025 financial year. The reward package comprised a salary (cash) component, superannuation, and benefits including FBT and utilities allowance.

Statutory Statements



National Competition Policy

This policy has been introduced by the Commonwealth Government so as to promote competition for the benefit of business, consumers and the economy by removing unnecessary protection of monopolies of markets where competition can be enhanced. It affects local governments as factors such as exemption from company and income tax or possible local regulations and laws may give local government a potential advantage over private contractors. In respect to competitive neutrality, the Shire of Kent reports:

- The Shire of Kent during 2024/2025 did not engage in any significant business activities which generated in excess of \$200,000 annual income. Therefore, the introduction of competitive neutrality under Clause 7 of the policy was not required.
- There is no indication that the Council will become involved in any significant business activities during the next financial reporting period.
- There have been no allegations received by the Council of non-compliance with the neutrality principles.

Freedom of Information Statement

The Shire of Kent welcomes any inquiries for information held by Council. If information cannot be accessed by less formal means, a freedom of information request can be made by contacting the Chief Executive Officer.

It should be noted that some documents are for viewing only and documents cannot be copied which would breach the Copyright Act. No inquiries were received during the 2024/2025 period however and no formal application for information was received. Council's Information Statement is reviewed annually and a copy made available at its Nyabing office for perusal, as required under the Freedom of Information Act 1992.

Complaints Register: Elected Members

Section 5.121 of the Local Government Act 1995 requires Annual Reports to contain details of entries made in the Complaints Register regarding complaints made about elected members.

There were no complaints lodged against elected members in the year under review.

Record Keeping Plan (State Records Act 2000)

The last review of the Shire of Kent Record Keeping Plan was completed in 2021 and approved by the State Records Commission on 5 April 2022. Following this review, the Record Keeping Policy and the Elected Member's Record Keeping Policy were completed. The next review date is due by 5 April 2027.

Public Interest Disclosures

The Public Interest Disclosure Act 2003 facilitates the disclosure of public interest information and provides protection for those making such disclosure and those who are the subject of disclosures.

The Act provides a system for the matters disclosed to be investigated and for appropriate action to be taken.

The Chief Executive Officer is the designated responsible officer under the Act and has complied with all obligations. There were no disclosures or complaints lodged during 2024-25.



Disability Access & Inclusion Plan (DAIP)



The Disability Services Act (1993) requires the Shire to report on the implementation of its DAIP in its annual report. The Shire is also required to report on progress, in the prescribed format, to the Department of Communities by July 31 each year.

Outcome 1: People with disability have the same opportunities as other people to access the services of, and any events organised by, a public authority.

- The Shire of Kent monitors services regularly to ensure equitable access and inclusion and rectifies any identified barriers.
- All objectives and strategies of the DAIP are considered when reviewing Council's integrated planning documents.
- All Council events are accessible to people with disability.

Outcome 2: People with disability have the same opportunities as other people to access the buildings and other facilities of a public authority.

- The Shire of Kent has recently installed an ACROD parking bay at the Administration Centre.
- All development applications are assessed to ensure compliance

Outcome 3: People with disability receive information from a public authority in a format that will enable them to access the information as readily as other people are able to access it.

- All Shire information is available in alternative formats upon request.

Outcome 4: People with disability receive the same level and quality of service from the staff of a public authority as other people receive from the staff of that public authority.

- Staff are aware of the limitations that may occur to people with different forms of disabilities.
- Provide comprehensive training for all staff on disability awareness, inclusive practises, and effective communication with people with disabilities.

Outcome 5: People with disability have the same opportunities as other people to make complaints to a public authority.

- The Shire of Kent ensures that grievance mechanisms are accessible for people with disability and are acted upon.

Outcome 6: People with disability have the same opportunities as other people to participate in any public consultation by a public authority.

- Through various forms of communication, people with disability are encouraged to participate in any public consultation.

Outcome 7: People with disability have the same opportunities as other people to obtain and maintain employment with a public authority.

- Equal Opportunity Employment statements included in all recruiting procedures.
- Job flexibility considered where possible.
- Consultation with Disability Employment Services where required.

Plan for the Future



Consistent with Section 5.56 of the Local Government Act 1995 and the Strategic Community Plan 2023–2033, the Shire has set a forward agenda of key initiatives for 2025–2026. These actions are focused on improving liveability, progressing sustainable development and reinforcing the economic future of our region.

Council will continue to implement this program with a disciplined financial approach, ensuring rate increases remain below CPI while providing positive outcomes for our community.

Service Delivery aligned to Community Priorities 2023 - 2033

1. Community

SCP	Community Priority	Actions
1.1	Our communities are healthy, connected and safe communities	<ul style="list-style-type: none">Advocacy for better streetlighting in townsites
1.2	Inclusive community activities, events, services and initiatives	<ul style="list-style-type: none">Continued support for local events and activities such as Beasts in the Bush, Pingrup Races, local sporting events, seniors' events, school events and Thank a Volunteer Sundowner.
1.3	Well maintained community spaces and infrastructure	<ul style="list-style-type: none">Explore grant funding opportunities for redevelopment of the Nyabing Pavilion.Review of Shire owned community buildings and heritage spaces are well maintained, accessible and activated
1.4	Support emergency services planning, risk mitigation, response and recovery	<ul style="list-style-type: none">Review of the Bushfire Risk Mitigation PlanRollout volunteers' induction program



Plan for the Future (Continued)



Service Delivery aligned to Community Priorities 2023 - 2033

2. Economy

SCP	Community Priority	Actions
2.1	Coordinated delivery of economic services and projects	<ul style="list-style-type: none"> Continued advocacy to reduce the number of mobile black spots across the Shire. Construction of 2 x 2 bedroom units, Nyabing.
2.2	Access to local education pathways	<ul style="list-style-type: none"> Continued advocacy on regional education and the retention of local schools.
2.3	Safe and efficient transport network enables economic growth	<ul style="list-style-type: none"> Purchase of Road plant and equipment in line with Council's 10yr Road Plan. Expand the Capital Roadworks Program from 5 years to 10 years. Ensure delivery of Council's adopted Road Maintenance Management Plan.
2.4	Visitors have a positive experience across our Shire	<ul style="list-style-type: none"> Replacement of lawn and reticulation at Memorial and Burston Street parks. Undertake the Pingrup Town Teams Place Plan. Continue town enhancement projects. Continued upkeep of Caravan Parks and camping areas to ensure they are attractive, modern and well utilised.

3. Environment

SCP	Community Priority	Actions
3.1	Maintain a high standard of environmental health and waste services	<ul style="list-style-type: none"> Delivery Council's adopted Waste Strategy. Community education about waste avoidance, reduction and re-use.
3.2	Conservation of our natural environment and resources	<ul style="list-style-type: none"> Continuation in delivery of Ranger services. Investigate upgrades to Standpipes were required.

Plan for the Future (Continued)



Service Delivery aligned to Community Priorities 2023 - 2033

4. Civic Leadership

SCP	Community Priority	Actions
4.1	Forward planning and implementation of plans to achieve community priorities.	<ul style="list-style-type: none">Increased service delivery improvement ascertained by results from Customer Satisfaction Survey.Review of our Customer Service Charter.Actively participate and work with Great Southern VROC to deliver benefit to our communities.
4.2	Proactive and well governed Shire	<ul style="list-style-type: none">Obtain unqualified audit opinion from the Office of the Auditor General.Elected Members to attend training.



Annual Financial Report



SHIRE OF KENT

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2025

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

A proud, inclusive and growing community.

Principal place of business:
24-26 Richmond Street
NYABING WA 6341



**SHIRE OF KENT
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 Kent has been prepared in compliance with the provisions of the *Local Government Act 1995* from proper accounts and records to present fairly the financial transactions for the reporting period ended 30 June 2025 and the financial position as at 30 June 2025.

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

Signed on the 1st day of December 2025



Signed

Christie Smith
Chief Executive Officer



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

	Note	2025 Actual	2025 Budget	2024 Actual
		\$	\$	\$
Revenue				
Rates	2(a),23	2,602,348	2,612,637	2,548,863
Grants, subsidies and contributions	2(a)	2,122,908	427,512	2,550,981
Fees and charges	2(a)	560,360	890,693	536,550
Interest revenue	2(a)	398,192	248,298	342,774
Other revenue	2(a)	74,532	81,000	69,796
		5,758,340	4,260,140	6,048,964
Expenses				
Employee costs	2(b)	(2,465,755)	(2,680,825)	(2,355,238)
Materials and contracts		(771,207)	(1,581,651)	(860,759)
Utility charges		(171,540)	(190,700)	(194,641)
Depreciation		(1,980,232)	(2,742,500)	(2,821,486)
Finance costs	2(b)	(12,711)	(12,777)	(26,940)
Insurance		(189,706)	(210,379)	(185,687)
Other expenditure	2(b)	(66,558)	(382,811)	(114,869)
		(5,657,709)	(7,801,643)	(6,559,620)
		100,631	(3,541,503)	(510,656)
Capital grants, subsidies and contributions	2(a)	3,220,683	2,238,494	1,285,458
Profit on asset disposals		211,699	266,451	38,678
Loss on asset disposals		(65,177)	(3,815)	(53,546)
Fair value adjustments to financial assets at fair value through profit or loss	4(b)	(3,551)	0	(1,319)
		3,363,654	2,501,130	1,269,271
Net result for the period		3,464,285	(1,040,373)	758,615
Other comprehensive income for the period				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	16	12,913,320	0	41,726,865
Total other comprehensive income for the period	16	12,913,320	0	41,726,865
Total comprehensive income for the period		16,377,605	(1,040,373)	42,485,480

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



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

	Note	2025	2024
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	3	3,081,308	4,591,952
Trade and other receivables	5	131,519	123,174
Other financial assets	4(a)	5,425,742	4,640,130
Inventories	6	105,573	98,647
Other assets	7	780,851	391,651
TOTAL CURRENT ASSETS		9,524,993	9,845,554
NON-CURRENT ASSETS			
Trade and other receivables	5	9,822	8,849
Other financial assets	4(b)	79,620	83,171
Property, plant and equipment	8	26,991,659	13,294,700
Infrastructure	9	167,774,733	165,017,476
TOTAL NON-CURRENT ASSETS		194,855,834	178,404,196
TOTAL ASSETS		204,380,827	188,249,750
CURRENT LIABILITIES			
Trade and other payables	11	456,299	194,715
Contract liabilities	12	0	474,517
Borrowings	13	73,734	72,267
Employee related provisions	14	248,521	218,370
TOTAL CURRENT LIABILITIES		778,554	959,869
NON-CURRENT LIABILITIES			
Borrowings	13	431,167	504,543
Employee related provisions	14	64,718	56,553
Other provisions	15	60,184	60,184
TOTAL NON-CURRENT LIABILITIES		556,069	621,280
TOTAL LIABILITIES		1,334,623	1,581,149
NET ASSETS		203,046,204	186,668,601
EQUITY			
Retained surplus		42,077,135	39,398,467
Reserve accounts	26	5,425,742	4,640,130
Revaluation surplus	16	155,543,327	142,630,004
TOTAL EQUITY		203,046,204	186,668,601

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



SHIRE OF KENT
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		38,750,433	4,530,196	100,903,139	144,183,768
Correction of error		(647)	0	0	(647)
Restated balance at the beginning of the financial year		38,749,786	4,530,196	100,903,139	144,183,121
Comprehensive income for the period					
Net result for the period		758,615	0	0	758,615
Other comprehensive income for the period	16	0	0	41,726,865	41,726,865
Total comprehensive income for the period		758,615	0	41,726,865	42,485,480
Transfers from reserve accounts	26	440,000	(440,000)	0	0
Transfers to reserve accounts	26	(549,934)	549,934	0	0
Balance as at 30 June 2024		39,398,467	4,640,130	142,630,004	186,668,601
Comprehensive income for the period					
Net result for the period		3,464,285	0	0	3,464,285
Other comprehensive income for the period	16	0	0	12,913,320	12,913,320
Total comprehensive income for the period		3,464,285	0	12,913,320	16,377,605
Transfers from reserve accounts	26	551,481	(551,481)	0	0
Transfers to reserve accounts	26	(1,337,093)	1,337,093	0	0
Balance as at 30 June 2025		42,077,135	5,425,742	155,543,327	203,046,204

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



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

	Note	2025 Actual	2024 Actual
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Rates		2,590,922	2,535,139
Grants, subsidies and contributions		1,635,758	2,722,509
Fees and charges		560,435	536,316
Interest revenue		398,192	342,774
Other revenue		74,532	69,796
		5,259,839	6,206,534
Payments			
Employee costs		(2,415,079)	(2,309,937)
Materials and contracts		(518,778)	(612,159)
Utility charges		(171,540)	(194,641)
Finance costs		(12,711)	(18,044)
Insurance paid		(189,706)	(185,687)
Goods and services tax paid		(3,385)	27,221
Other expenditure		(58,641)	109,156
		(3,369,839)	(3,184,091)
Net cash provided by operating activities		1,890,000	3,022,443
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for financial assets at amortised cost		0	1,305
Payments for purchase of property, plant & equipment	8(a)	(2,179,579)	(1,075,769)
Payments for construction of infrastructure	9(a)	(3,860,029)	(1,896,270)
Proceeds from capital grants, subsidies and contributions		2,831,483	1,285,458
Proceeds for financial assets at amortised cost		(785,612)	(109,931)
Proceeds from sale of property, plant & equipment		665,002	262,500
Net cash (used in) investing activities		(3,328,735)	(1,532,707)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings	25(a)	(71,909)	(138,096)
Net cash (used in) financing activities		(71,909)	(138,096)
Net increase (decrease) in cash held		(1,510,644)	1,351,640
Cash at beginning of year		4,591,952	3,240,312
Cash and cash equivalents at the end of the year		3,081,308	4,591,952

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



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

	Note	2025 Actual	2025 Budget	2024 Actual
		\$	\$	\$
OPERATING ACTIVITIES				
Revenue from operating activities				
General rates	23	2,568,193	2,567,496	2,505,037
Rates excluding general rates	23	34,155	45,141	43,826
Grants, subsidies and contributions		2,122,908	427,512	2,550,981
Fees and charges		560,360	890,693	536,550
Interest revenue		398,192	248,298	342,774
Other revenue		74,532	81,000	69,796
Profit on asset disposals		211,699	266,451	38,678
Fair value adjustments to financial assets at fair value through profit or loss	4(b)	(3,551)	0	(1,319)
		5,966,488	4,526,591	6,086,323
Expenditure from operating activities				
Employee costs		(2,465,755)	(2,680,825)	(2,355,238)
Materials and contracts		(771,207)	(1,581,651)	(860,759)
Utility charges		(171,540)	(190,700)	(194,641)
Depreciation		(1,980,232)	(2,742,500)	(2,821,486)
Finance costs		(12,711)	(12,777)	(26,940)
Insurance		(189,706)	(210,379)	(185,687)
Other expenditure		(66,559)	(382,811)	(114,869)
Loss on asset disposals		(65,177)	(3,815)	(53,546)
		(5,722,887)	(7,805,458)	(6,613,166)
Non-cash amounts excluded from operating activities	24(a)	1,844,453	2,484,864	2,905,428
Amount attributable to operating activities		2,088,054	(794,003)	2,378,585
INVESTING ACTIVITIES				
Inflows from investing activities				
Capital grants, subsidies and contributions		3,220,683	2,238,494	1,285,458
Proceeds from disposal of assets		665,002	673,000	262,500
		3,885,685	2,911,494	1,547,958
Outflows from investing activities				
Acquisition of property, plant and equipment	8(a)	(2,179,579)	(2,705,480)	(1,075,769)
Acquisition of infrastructure	9(a)	(3,860,029)	(3,561,904)	(1,896,270)
		(6,039,608)	(6,267,384)	(2,972,039)
Non-cash amounts excluded from investing activities	24(b)	0	0	(51,284)
Amount attributable to investing activities		(2,153,923)	(3,355,890)	(1,475,365)
FINANCING ACTIVITIES				
Inflows from financing activities				
Transfers from reserve accounts	26	551,481	883,000	440,000
		551,481	883,000	440,000
Outflows from financing activities				
Repayment of borrowings	25(a)	(71,909)	(70,472)	(138,096)
Transfers to reserve accounts	26	(1,337,093)	(1,093,288)	(549,934)
		(1,409,002)	(1,163,760)	(688,030)
Amount attributable to financing activities		(857,521)	(280,760)	(248,030)
MOVEMENT IN SURPLUS OR DEFICIT				
Surplus or deficit at the start of the financial year				
Amount attributable to operating activities	24(c)	4,316,518	4,430,653	3,661,328
Amount attributable to investing activities		2,088,054	(794,003)	2,378,585
Amount attributable to financing activities		(2,153,923)	(3,355,890)	(1,475,365)
Surplus or deficit after imposition of general rates	24(c)	(857,521)	(280,760)	(248,030)
		3,393,128	0	4,316,518

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



SHIRE OF KENT
FOR THE YEAR ENDED 30 JUNE 2025
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SHIRE OF KENT
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 Kent 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 8
 - Infrastructure - note 9
- Expected credit losses on financial assets - note 5
- Impairment losses of non-financial assets - Note 9
- Measurement of employee benefits - note 14
- Measurement of provisions - note 15

Fair value hierarchy information can be found in note 22

The local government reporting entity

All funds through which the Shire controls resources to carry on its functions have been included in the financial statements forming part of this financial report.

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 27 of the financial report.

Initial application of accounting standards

During the current year, the following new or revised Australian Accounting Standards and Interpretations were applied for the first time.

- AASB 2020-1 Amendments to Australian Accounting Standards
 - Classification of Liabilities as Current or Non-current
- AASB 2022-5 Amendments to Australian Accounting Standards
 - Lease Liability in a Sale and Leaseback
- AASB 2022-6 Amendments to Australian Accounting Standards
 - Non-current Liabilities with Covenants
- AASB 2023-3 Amendments to Australian Accounting Standards
 - Disclosure of Non-current Liabilities with Covenants: Tier 2
- AASB 2024-1 Amendments to Australian Accounting Standards
 - Supplier Finance Arrangements: Tier 2 Disclosures
- AASB 2023-1 Amendments to Australian Accounting Standards
 - Supplier Finance Arrangements

These amendments did not have a material impact on the financial report on initial application.

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

The Shire has applied the requirements of AASB 2022-10 in the valuation of the land and buildings during the year ended 30 June 2025 and will apply AASB 2022-10 prospectively in the year of revaluation for infrastructure assets in the year of valuation.

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 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 KENT
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 & Charges - Pool inspections	Compliance safety check	Single point in time	Equal proportion based on an equal annually fee	None	After inspection complete based on a 4 year cycle
Fees & Charges - Other inspections	Regulatory Food, Health and Safety	Single point in time	Full payment prior to inspection	None	Revenue recognised after inspection event occurs
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 & Charges - waste management collections	Kerbside collection service	Over time	Payment on an annual basis in advance	None	Output method based on regular weekly and fortnightly period as proportionate to collection service
Fees & Charges - property hire and entry	Use of halls and facilities	Single point in time	In full in advance	Refund if event cancelled within 7 days	On entry or at conclusion of hire
Fees & Charges - for other goods and services	Cemetery services, library fees, reinstatements, sale of water and private works	Single point in time	Payment in full in advance	None	Output method based on provision of service or completion of works
Fees & Charges - sale of stock	Stock sales	Single point in time	In full in advance or 15 day credit	Refund for faulty goods	Output method based on goods
Fees & Charges - fines and penalties	Fines issued for breaches of local laws	Single point in time	Payment in full within a defined time	None	When fine notice is issued
Other revenue - commissions	Commissions on licencing	Over time	Payment in full on sale	None	When assets are controlled
Other revenue - reimbursements	Insurance claims	Single point in time	Payment in arrears for claimable event	None	When claim is agreed
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	2,602,348	0	2,602,348
Grants, subsidies and contributions	45,251	0	0	2,077,657	2,122,908
Fees and charges	506,746	0	53,614	0	560,360
Interest revenue	0	0	4,431	393,761	398,192
Other revenue	0	0	0	74,532	74,532
Capital grants, subsidies and contributions	0	3,224,975	0	(4,292)	3,220,683
Total	551,997	3,224,975	2,660,393	2,541,658	8,979,023

For the year ended 30 June 2024

Nature	Contracts with customers	Capital grant/contributions	Statutory requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	2,548,863	0	2,548,863
Grants, subsidies and contributions	15,666	0	0	2,535,315	2,550,981
Fees and charges	481,707	0	54,843	0	536,550
Interest revenue	0	0	3,743	339,031	342,774
Other revenue	0	0	0	69,796	69,796
Capital grants, subsidies and contributions	0	1,738,653	0	(453,195)	1,285,458
Total	497,373	1,738,653	2,607,449	2,490,947	7,334,422



SHIRE OF KENT
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	228,328	228,935
Trade and other receivables overdue interest	4,431	0
Other interest revenue	165,433	113,839
	398,192	342,774
The 2025 original budget estimate in relation to: Trade and other receivables overdue interest was \$2,500.		
Fees and charges relating to rates receivable		
Charges on instalment plan	2,620	1,750
The 2025 original budget estimate in relation to: Charges on instalment plan was \$2,000.		
(b) Expenses		
Auditors remuneration		
- Audit of the Annual Financial Report	44,600	39,425
- Other services – grant acquittals	3,200	3,800
	47,800	43,225
Employee Costs		
Employee benefit costs	2,268,775	1,910,497
Other employee costs	196,980	444,741
	2,465,755	2,355,238
Finance costs		
Interest and financial charges paid/payable for lease liabilities and financial liabilities not at fair value through profit or loss	12,711	18,043
Provisions: unwinding of discount	0	8,896
	12,711	26,939
Other expenditure		
Impairment losses on trade receivables	7,917	7,842
Licensing	0	216,183
Sundry expenses	58,641	(109,156)
	66,558	114,869



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

3. CASH AND CASH EQUIVALENTS

Note	2025	2024
	\$	\$
Cash at bank and on hand	3,081,308	4,591,952
Total cash and cash equivalents	3,081,308	4,591,952
Held as		
- Unrestricted cash and cash equivalents	3,081,308	4,117,435
- Restricted cash and cash equivalents	0	474,517
	3,081,308	4,591,952
17		

MATERIAL ACCOUNTING POLICIES

Cash and cash equivalents

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

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

Restricted financial assets

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

4. OTHER FINANCIAL ASSETS

(a) Current assets

Financial assets at amortised cost

Note	2025	2024
	\$	\$
	5,425,742	4,640,130
	5,425,742	4,640,130
	5,425,742	4,640,130
	5,425,742	4,640,130
	5,425,742	4,640,130
	5,425,742	4,640,130
	5,425,742	4,640,130
	5,425,742	4,640,130
	79,620	83,171
	79,620	83,171
	83,171	84,490
	(3,551)	(1,319)
	79,620	83,171

(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

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.

Fair values of financial assets at amortised cost are not materially different to their carrying amounts, since the interest receivable on those assets is either close to current market rates or the assets are of a short term nature. Non-current financial assets at amortised cost fair values are based on discounted cash flows using a current market rates. They are classified as level 2 fair values in the fair value hierarchy (see Note 22 (i)) due to the observable market rates.

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



SHIRE OF KENT
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		49,617	49,297
Trade receivables		29,513	37,708
GST receivable		40,549	37,164
Receivables for employee related provisions		19,555	6,645
Allowance for credit losses of trade receivables		(7,917)	(7,842)
Other receivables - Accrued Interest		202	202
		131,519	123,174
Non-current			
Rates and statutory receivables		9,822	8,849
		9,822	8,849

Disclosure of opening and closing balances related to contracts with customers

Information about receivables from contracts with customers along with financial assets and associated liabilities arising from transfers to enable the acquisition or construction of recognisable non-financial assets is:

Trade and other receivables from contracts with customers
 Contract assets
 Allowance for credit losses of trade receivables
 Total trade and other receivables from contracts with customers

Note	30 June 2025 Actual	30 June 2024 Actual	1 July 2023 Actual
	\$	\$	\$
7	149,258	139,861	163,991
5	780,851 (7,917)	391,651 (7,842)	0 (8,076)
	922,192	523,670	155,915

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 KENT
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		105,573	98,647
		105,573	98,647
Balance at beginning of year		98,647	70,393
Inventories expensed during the year		(317,876)	(334,231)
Additions to inventory		324,802	362,485
Balance at end of year		105,573	98,647

The following movements in inventories occurred during the year:

Balance at beginning of year	98,647	70,393
Inventories expensed during the year	(317,876)	(334,231)
Additions to inventory	324,802	362,485
Balance at end of year	105,573	98,647

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

7. OTHER ASSETS

	2025	2024
	\$	\$
Other assets - current		
Contract assets	780,851	391,651
	780,851	391,651

MATERIAL ACCOUNTING POLICIES

Other current assets

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

Contract assets

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



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

8. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in balances

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

	Note	Total property			Plant and equipment		Total property, plant and equipment
		Land	Buildings	Total property	Furniture and equipment	Plant and equipment	
		\$	\$	\$	\$	\$	
Balance at 1 July 2023		563,163	9,559,190	10,122,353	83,259	3,311,328	13,516,940
Additions		7,400	192,074	199,474	9,130	867,165	1,075,769
Disposals		0	0	0	0	(277,369)	(277,369)
Depreciation		0	(613,964)	(613,964)	(12,250)	(394,426)	(1,020,640)
Balance at 30 June 2024		570,563	9,137,300	9,707,863	80,139	3,506,698	13,294,700
Comprises:							
Gross balance amount at 30 June 2024		570,563	11,186,903	11,757,466	137,254	5,342,773	17,237,493
Accumulated depreciation at 30 June 2024		0	(2,049,603)	(2,049,603)	(57,115)	(1,836,075)	(3,942,793)
Balance at 30 June 2024	8(b)	570,563	9,137,300	9,707,863	80,139	3,506,698	13,294,700
Additions		3,324	1,164,323	1,167,647	30,312	981,620	2,179,579
Disposals		(36,500)	(163,619)	(200,119)	0	(318,361)	(518,480)
Revaluation increments / (decrements) transferred to revaluation surplus		373,613	12,671,272	13,044,885	0	0	13,044,885
Depreciation		0	(628,463)	(628,463)	(16,041)	(364,521)	(1,009,025)
Balance at 30 June 2025		911,000	22,180,813	23,091,813	94,410	3,805,436	26,991,659
Comprises:							
Gross balance amount at 30 June 2025		911,000	22,180,813	23,091,813	167,566	5,803,180	29,062,559
Accumulated depreciation at 30 June 2025		0	0	0	(73,156)	(1,997,744)	(2,070,900)
Balance at 30 June 2025	8(b)	911,000	22,180,813	23,091,813	94,410	3,805,436	26,991,659

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

8. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Carrying amount measurements

Asset class	Note	Carrying amount 2025 \$	Carrying amount 2024 \$	Fair value hierarchy	Valuation technique	Basis of valuation	Date of last valuation	Inputs used
(i) Fair value - as determined at the last valuation date								
Land and buildings								
Land - market value		911,000	570,563	2	Market	Independent Valuers	June 2025	Observable market evidence on a market bases, analysis of surrounding sales.
Total land	8(a)	911,000	570,563					
Buildings - non specialised		22,070,056	6,848,410	3	Cost	Independent Valuers	June 2025	Replacement cost, residual value, the building have been disaggregated into components and further split into short life and long-life parts and using condition scores to assess the assets service potential
Buildings - specialised		110,757	2,288,890	3	Cost	Independent Valuers	June 2025	Replacement cost, residual value, the building have been disaggregated into components and further split into short life and long-life parts and using condition scores to assess the assets service potential
Total buildings	8(a)	22,180,813	9,137,300					
(ii) Cost								
Furniture and equipment								
Plant and equipment								

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.

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

9. INFRASTRUCTURE

(a) Movements in balances

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

	Infrastructure - roads	Other infrastructure	Infrastructure - landfill assets	Total
	\$	\$	\$	\$
Balance at 1 July 2023	118,276,809	4,867,091	0	123,143,900
Additions	1,701,787	194,483	0	1,896,270
Revaluation increments / (decrements) transferred to revaluation surplus	41,573,505	153,360	0	41,726,865
Impairment (losses) / reversals	0	0	51,287	51,287
Depreciation	(1,576,973)	(209,219)	(14,654)	(1,800,846)
Balance at 30 June 2024	159,975,128	5,005,715	36,633	165,017,476
Comprises:				
Gross balance at 30 June 2024	159,975,128	5,007,512	51,287	165,033,927
Accumulated depreciation at 30 June 2024	0	(1,797)	(14,654)	(16,451)
Balance at 30 June 2024	159,975,128	5,005,715	36,633	165,017,476
Additions	3,842,810	17,219	0	3,860,029
Revaluation increments / (decrements) transferred to revaluation surplus	0	(131,565)	0	(131,565)
Depreciation	(801,171)	(170,036)	0	(971,207)
Balance at 30 June 2025	163,016,767	4,721,333	36,633	167,774,733
Comprises:				
Gross balance at 30 June 2025	163,817,938	4,893,166	51,287	168,762,391
Accumulated depreciation at 30 June 2025	(801,171)	(171,833)	(14,654)	(987,658)
Balance at 30 June 2025	163,016,767	4,721,333	36,633	167,774,733

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

9. INFRASTRUCTURE (Continued)

(b) Carrying amount measurements

Asset class	Fair value hierarchy	Valuation technique	Basis of valuation	Date of last valuation	Inputs used
(i) Fair value - as determined at the last valuation date					
Infrastructure - roads	3	Cost Approach	Fair Value	June 2024	Observable inputs: replacement costs for modern equivalent assets. Unobservable inputs: Physical depreciation and obsolescence.
Other infrastructure	3	Cost Approach	Fair Value	June 2024	Observable inputs: replacement costs for modern equivalent assets. Unobservable inputs: Physical depreciation and obsolescence.

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

10. FIXED ASSETS

(a) Depreciation

Depreciation rates

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

Asset class	Useful life
Buildings	50 years
Furniture and equipment	10 years
Plant and equipment - heavy	12 years
Plant and equipment - light	7 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
Footpaths - slab	20 years
Sewerage piping	100 years
Water supply piping and drainage systems	75 years
Landfill assets	5 years



SHIRE OF KENT
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FOR THE YEAR ENDED 30 JUNE 2025

10. FIXED ASSETS (Continued)

MATERIAL ACCOUNTING POLICIES

Initial recognition

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

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

Assets for which the fair value as at the date of acquisition is under \$5,000 are not recognised as an asset in accordance with *Local Government (Financial Management) Regulation 17A(5)*. These assets are expensed immediately.

Where multiple individual low value assets are purchased together as part of a larger asset or collectively forming a larger asset exceeding the threshold, the individual assets are recognised as one asset and capitalised.

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

Measurement after recognition

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

Reportable value

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

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

Revaluation

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

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

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

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

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

Depreciation

The depreciable amount of all property, plant and equipment and infrastructure, are depreciated on a straight-line basis over the individual asset's useful life from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful life of the improvements.

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

Depreciation on revaluation

When an item of property, plant and equipment and infrastructure is revalued, any accumulated depreciation at the date of the revaluation is treated in one of the following ways:

- (i) The gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset; or
- (ii) Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

Impairment

In accordance with *Local Government (Financial Management) Regulation 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 KENT
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FOR THE YEAR ENDED 30 JUNE 2025

11. TRADE AND OTHER PAYABLES

Current

Sundry creditors
 Prepaid rates
 Accrued payroll liabilities
 Statutory liabilities
 Accrued expenses
 Accrued Interest on borrowings
 GST
 Department of Transport clearing account

	2025	2024
	\$	\$
Sundry creditors	319,418	72,277
Prepaid rates	7,752	17,885
Accrued payroll liabilities	56,451	44,089
Statutory liabilities	52,509	34,199
Accrued expenses	183	78
Accrued Interest on borrowings	6,584	5,213
GST	12,657	4,996
Department of Transport clearing account	745	15,978
	456,299	194,715

MATERIAL ACCOUNTING POLICIES

Financial liabilities

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

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

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

Statutory liabilities

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

Trade and other payables

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

Prepaid rates

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



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

12. OTHER LIABILITIES

	2025	2024
	\$	\$
Current		
Contract liabilities	0	474,517
	0	474,517
Reconciliation of changes in contract liabilities		
Opening balance	474,517	100,166
Additions	0	474,517
Revenue from contracts with customers included as a contract liability at the start of the period	(474,517)	(100,166)
	0	474,517

MATERIAL ACCOUNTING POLICIES

Contract liabilities

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

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



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

13. BORROWINGS

	Note	2025			2024		
		Current	Non-current	Total	Current	Non-current	Total
Secured		\$	\$	\$	\$	\$	\$
Debentures		73,734	431,167	504,901	72,267	504,543	576,810
Total secured borrowings	25(a)	73,734	431,167	504,901	72,267	504,543	576,810

Secured liabilities and assets pledged as security

The Shire of Kent has complied with the financial covenants of its borrowing facilities during the 2025 and 2024 years.

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

Risk

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



SHIRE OF KENT
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FOR THE YEAR ENDED 30 JUNE 2025

14. EMPLOYEE RELATED PROVISIONS

Employee related provisions

	2025	2024
	\$	\$
Current provisions		
Employee benefit provisions		
Annual leave	153,173	140,221
Long service leave	95,348	78,149
	248,521	218,370
Total current employee related provisions	248,521	218,370
Non-current provisions		
Employee benefit provisions		
Long service leave	64,718	56,553
	64,718	56,553
Total non-current employee related provisions	64,718	56,553
Total employee related provisions	313,239	274,923

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 KENT
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FOR THE YEAR ENDED 30 JUNE 2025

15. OTHER PROVISIONS

	Make good provisions	Total
	\$	\$
Opening balance at 1 July 2024		
Non-current provisions	60,184	60,184
	60,184	60,184
Balance at 30 June 2025	60,184	60,184
Comprises		
Non-current	60,184	60,184
	60,184	60,184

Other provisions

Amounts which are expected to be paid out within 12 months of the reporting date are classified as current. Exact timing of payment of non-current obligations is unable to be reliably estimated as it is dependent on factors beyond the control of the local government.

Make good provisions

Under the licence for the operation of the Shire of Kent waste landfill site, the Shire has a legal obligation to restore the site and continue to monitor the site for contamination.

The provision for future remediation costs is the best estimate of the present value of the expenditure required to settle the remediation obligation and continued monitoring of the site at the reporting date. Expected future remediation costs are reviewed annually and any changes in the estimate are reflected in the remediation provision at each reporting date.

The provision is reassessed annually whilst the fair value of the related landfill asset is only required to be assessed every 5 years, as such the balances may differ significantly.

MATERIAL ACCOUNTING POLICIES

Provisions

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

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



SHIRE OF KENT
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FOR THE YEAR ENDED 30 JUNE 2025

16. REVALUATION SURPLUS

	2025 Opening balance	Total Movement on revaluation	2025 Closing balance	2024 Opening balance	Total Movement on revaluation	2024 Closing balance
Revaluation surplus - Land	\$ 44,943	\$ 373,613	\$ 418,556	\$ 44,943	0	\$ 44,943
Revaluation surplus - Buildings	5,123,408	12,671,272	17,794,680	5,123,408	0	5,123,408
Revaluation surplus - Furniture and equipment	(10,685)	0	(10,685)	(10,685)	0	(10,685)
Revaluation surplus - Plant and equipment	599,809	0	599,809	599,809	0	599,809
Revaluation surplus - Other property, plant and equipment	11,107,639	0	11,107,639	11,107,636	0	11,107,639
Revaluation surplus - Infrastructure - roads	123,038,959	0	123,038,959	81,465,454	41,573,505	123,038,959
Revaluation surplus - Other infrastructure	2,725,934	(131,565)	2,594,369	2,572,574	153,360	2,725,934
	142,630,007	12,913,320	155,543,327	100,903,139	41,726,865	142,630,007



SHIRE OF KENT
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FOR THE YEAR ENDED 30 JUNE 2025

17. RESTRICTIONS OVER FINANCIAL ASSETS

	Note	2025 Actual	2024 Actual
		\$	\$
The following classes of financial assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:			
- Cash and cash equivalents	3	0	474,517
- Financial assets at amortised cost	4	5,425,742	4,640,130
		5,425,742	5,114,647
The restricted financial assets are a result of the following specific purposes to which the assets may be used:			
Restricted reserve accounts	26	5,425,742	4,640,130
Contract liabilities	12	0	474,517
Total restricted financial assets		5,425,742	5,114,647
18. UNDRAWN BORROWING FACILITIES AND CREDIT STANDBY ARRANGEMENTS			
Credit standby arrangements			
Bank overdraft limit		100,000	100,000
Bank overdraft at balance date		0	0
Credit card limit		18,000	18,000
Credit card balance at balance date		183	78
Total amount of credit unused		118,183	118,078
Loan facilities			
Loan facilities - current		73,734	72,267
Loan facilities - non-current		431,167	504,543
Total facilities in use at balance date		504,901	576,810
Unused loan facilities at balance date		0	0



SHIRE OF KENT
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FOR THE YEAR ENDED 30 JUNE 2025

19. CAPITAL COMMITMENTS

	2025	2024
	\$	\$
Contracted for:		
- capital expenditure projects	0	1,011,697
- plant & equipment purchases	604,562	79,728
	604,562	1,091,425
Payable:		
- not later than one year	604,562	1,091,425

The capital commitments outstanding at the end of the current reporting period represent the purchase of a new Hino 700 prime mover and new Western Star primemover.

The prior year commitment was for construction of staff housing by Modular WA and the purchase of a mower from T-Quip.



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

20. 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	21,000	21,000	20,416
President's meeting attendance fees	10,000	10,000	9,000
President's annual allowance for ICT expenses	1,000	1,000	1,000
President's travel and accommodation expenses	274	800	0
	32,274	32,800	30,416
Deputy President's annual allowance	5,250	5,250	4,583
Deputy President's meeting attendance fees	10,000	10,000	9,000
Deputy President's annual allowance for ICT expenses	1,000	1,000	1,000
Deputy President's travel and accommodation expenses	497	800	833
	16,747	17,050	15,416
All other council member's meeting attendance fees	40,000	40,000	32,250
All other council member's annual allowance for ICT expenses	3,750	4,000	2,750
All other council member's travel and accommodation expenses	2,885	3,200	3,694
	46,635	47,200	38,694
20(b)	95,656	97,050	84,526

(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	463,529	513,757
Post-employment benefits	52,162	71,341
Employee - other long-term benefits	6,877	36,793
Employee - termination benefits	7,343	97,570
Council member costs	95,656	84,526
	625,567	803,987

Short-term employee benefits

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

Post-employment benefits

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

Other long-term benefits

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

Termination benefits

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

Council member costs

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



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FOR THE YEAR ENDED 30 JUNE 2025

20. 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.

In addition to KMP compensation above the following transactions occurred with related parties:

	2025 Actual	2024 Actual
	\$	\$
Sale of goods and services	14,096	3,355
Purchase of goods and services	0	12,304
Amounts outstanding from related parties:		
Trade and other receivables	334	342
Amounts payable to related parties:		
Trade and other payables	24,493	0

(d) Related parties

The Shire's main related parties are as follows:

i. Key management personnel

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

ii. Other Related Parties

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

iii. Entities subject to significant influence by the Shire

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



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FOR THE YEAR ENDED 30 JUNE 2025**

21. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

No subsequent events were noted.



SHIRE OF KENT
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FOR THE YEAR ENDED 30 JUNE 2025

22. OTHER MATERIAL ACCOUNTING POLICIES

a) Goods and services tax (GST)

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

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

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

b) Current and non-current classification

The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the Shire's operational cycle. In the case of liabilities where the Shire does not have the unconditional right to defer settlement beyond 12 months, such as vested long service leave, the liability is classified as current even if not expected to be settled within the next 12 months. Inventories held for trading are classified as current or non-current based on the Shire's intentions to release for sale.

c) Rounding off figures

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

d) Comparative figures

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

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

e) Budget comparative figures

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

f) Superannuation

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

g) Fair value of assets and liabilities

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

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

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

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

h) Interest revenue

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

i) Fair value hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

Market approach

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

Income approach

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

Cost approach

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

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

j) Impairment of assets

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

Where such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount except for non-financial assets that are:

- land and buildings classified as property, plant and equipment;
- infrastructure; or
- vested improvements that the local government controls, in circumstances where there has been an impairment indication of a general decrease in asset values.

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

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



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23. RATING INFORMATION

(a) General rates

RATE TYPE	Rate description	Basis of valuation	2024/25					2024/25			2024/25			2023/24	
			Rate in \$	Number of properties	Actual rateable value*	Actual rate revenue	Actual interim rates	Actual total revenue	Budget rate revenue	Budget interim rate	Budget total revenue	Actual total revenue	Actual total revenue	2023/24	
Residential/Commercial	Gross rental valuation		9.0000	75	700,558	63,050	309	63,359	63,050	0	63,050	61,776			
Rural	Unimproved valuation		0.4874	328	505,826,000	2,465,396	6,506	2,471,902	2,465,396	(500)	2,464,896	2,401,224			
Total general rates				403	506,526,558	2,528,446	6,815	2,535,261	2,528,446	(500)	2,527,946	2,463,000			
Minimum payment			Minimum payment		\$					\$					
Residential/Commercial	Gross rental valuation		565	17	30,469	9,605	0	9,605	9,605	0	9,605	9,623			
Rural	Unimproved valuation		565	12	862,000	6,780	(309)	6,471	6,780	0	6,780	6,600			
Mining	Unimproved valuation		565	41	349,389	23,165	(6,309)	16,856	23,165	0	23,165	26,196			
Total minimum payments				70	1,241,858	39,550	(6,618)	32,932	39,550	0	39,550	42,419			
Total general rates and minimum payments					473	507,768,416	2,567,996	197	2,568,193	2,567,996	(500)	2,567,496	2,505,419		
Ex-gratia rates			Rate in							\$					
CBH					700,750	34,155		34,155	45,141	0	45,141	43,826			
Total amount raised from rates (excluding general rates)					0	700,750	34,155	0	34,155	45,141	0	45,141	43,826		
Concessions													(382)		
Total rates									2,602,348				2,612,637		2,548,863
Rates related information								\$							
Rates instalment interest													3,500		427
Rates instalment plan charges													2,000		
Rates overdue interest													2,500		3,316
Rates written off													309		

*Rateable Value at time of raising of rate.

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24. DETERMINATION OF SURPLUS OR DEFICIT

		2024/25 (30 June 2025 carried forward)	2024/25 Budget (30 June 2025 carried forward)	2023/24 (30 June 2024 carried forward)
	Note	\$	\$	\$
(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		(211,699)	(266,451)	(38,678)
Less: Fair value adjustments to financial assets at fair value through profit or loss		3,551		1,319
Add: Loss on disposal of assets		65,177	3,815	53,546
Add: Depreciation	10(a)	1,980,232	2,742,500	2,821,486
Non-cash movements in non-current assets and liabilities:				
Pensioner deferred rates		(973)	0	(336)
Employee benefit provisions		8,165	5,000	7,907
Other provisions		0	0	60,184
Non-cash amounts excluded from operating activities		1,844,453	2,484,864	2,905,428
(b) Non-cash amounts excluded from investing activities				
The following non-cash revenue or expenditure has been excluded from amounts attributable to investing activities within the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> .				
Adjustments to investing activities				
Movement in non-current capital grant/contribution liability		0	0	(51,284)
Non-cash amounts excluded from investing activities		0	0	(51,284)
(c) 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	26	(5,425,742)	(4,850,418)	(4,640,130)
Less: Financial assets at amortised cost		(1,302)		(1,305)
Add: Current liabilities not expected to be cleared at end of year				
- Current portion of borrowings	13	73,734	73,377	72,267
Total adjustments to net current assets		(5,353,310)	(4,777,041)	(4,569,168)
Net current assets used in the Statement of financial activity				
Total current assets		9,524,993	5,844,381	9,845,555
Less: Total current liabilities		(778,554)	(1,067,340)	(959,869)
Less: Total adjustments to net current assets		(5,353,310)	(4,777,041)	(4,569,168)
Surplus or deficit after imposition of general rates		3,393,129	0	4,316,518



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25. BORROWING AND LEASE LIABILITIES

(a) Borrowings

Purpose	Note	Actual						Budget				
		Principal at 1 July 2023	New loans during 2023-24	Principal repayments during 2023-24	Principal at 30 June 2024	New loans during 2024-25	Principal repayments during 2024-25	Principal at 30 June 2025	Principal at 1 July 2024	New loans during 2024-25	Principal repayments during 2024-25	Principal at 30 June 2025
Loan 91 - various duplexes		\$ 63,924	\$ 0	\$ (63,924)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	
Loan 54 - Nyabing effluent		4,057	0	(4,057)	0	0	0	0	0	0	0	
Loan 94 - Teacher Housing		646,925	0	(70,115)	576,810	0	(71,909)	504,901	576,810	0	(70,472)	506,338
Total		714,906	0	(138,096)	576,810	0	(71,909)	504,901	576,810	0	(70,472)	506,338
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			
					\$	\$	\$	\$	\$	\$	\$	
Loan 91 - various duplexes	91	WATC*	9.30%	16/02/2024		0	0			0		
Loan 54 - Nyabing effluent	51	WATC*	8.90%	15/03/2024		0	0			0		
Loan 94 - Teacher Housing	94	WATC*	6.52%	12/11/2031		(12,711)	(12,777)			(14,736)		
Total						(12,711)	(12,777)			(14,736)		
Total finance cost payments												

* WA Treasury Corporation

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26. RESERVE ACCOUNTS

	2025 Actual opening balance	2025 Actual transfer to	2025 Actual transfer (from)	2025 Actual closing balance	2025 Budget opening balance	2025 Budget transfer to	2025 Budget transfer (from)	2025 Budget closing balance	2024 Actual opening balance	2024 Actual transfer to	2024 Actual transfer (from)	2024 Actual closing balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Restricted by council												
(a) Leave Reserve	144,043	37,088	0	181,131	144,043	36,351	0	180,394	107,550	36,493	0	144,043
(b) Plant Reserve	1,116,243	104,927	0	1,221,170	1,116,243	98,567	(350,000)	864,810	1,396,867	114,376	(395,000)	1,116,243
(c) Land & Building Reserve	1,344,218	760,866	(500,000)	1,605,084	1,344,218	602,014	(500,000)	1,446,232	1,107,531	236,687	0	1,344,218
(d) Sewerage Reserve	566,082	57,855	0	623,937	566,082	54,826	0	620,908	537,694	28,388	0	566,082
(e) Nyabing Recreation Reserve	71,229	76,551	0	147,780	71,229	9,131	0	80,360	61,803	9,426	0	71,229
(f) Pingrup Recreation Reserve	46,768	8,301	(4,107)	50,962	46,768	8,058	0	54,826	38,569	8,199	0	46,768
(g) Water Provision Reserve	56,701	52,790	0	109,491	56,701	52,487	0	109,188	53,858	2,843	0	56,701
(h) Cemetery Reserve	49,724	2,447	0	52,171	49,724	2,181	0	51,905	47,230	2,494	0	49,724
(i) Refuse Disposal Facility Reserve	207,834	40,227	0	248,061	207,834	39,115	0	246,949	197,412	10,422	0	207,834
(j) Admin Vehicle Reserve	45,061	47,217	(47,374)	44,904	45,061	46,926	(33,000)	58,987	86,705	3,356	(45,000)	45,061
(k) Road Reserve	942,227	96,364	0	1,038,591	942,227	91,323	0	1,033,550	894,977	47,250	0	942,227
(l) IT Hardware & Software Reserve	50,000	52,460	0	102,460	50,000	52,309	0	102,309	0	50,000	0	50,000
	4,640,130	1,337,093	(551,481)	5,425,742	4,640,130	1,093,288	(883,000)	4,850,418	4,530,196	549,934	(440,000)	4,640,130
	4,640,130	1,337,093	(551,481)	5,425,742	4,640,130	1,093,288	(883,000)	4,850,418	4,530,196	549,934	(440,000)	4,640,130

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 Restricted by council	Purpose of the reserve account
(a) Leave Reserve	Funds to be used to fund employee leave requirements.
(b) Plant Reserve	Funds to be used for the purchase of major plant and equipment.
(c) Land & Building Reserve	Funds to be set aside for the construction and/or capital maintenance of building infrastructure, land acquisitions and development.
(d) Sewerage Reserve	Funds to be used for upgrading and/or major maintenance of townsite sewerage schemes.
(e) Nyabing Recreation Reserve	Funds to be used to promote participation in sport and provide sporting facilities in Nyabing
(f) Pingrup Recreation Reserve	Funds to be used for the upgrade of sporting facilities in Pingrup.
(g) Water Provision Reserve	Funds to be used for the provision of water services to rural areas of the Shire.
(h) Cemetery Reserve	Funds to be used for the upgrading of the Nyabing and Pingrup cemeteries.
(i) Refuse Disposal Facility Reserve	Funds to be used for the rehabilitation of the Nyabing and Pingrup rubbish sites.
(j) Admin Vehicle Reserve	Funds to be used for the provision of vehicle changeovers for the CEO, DCEO and Works Manager.
(k) Road Reserve	Funds to be used for capital works on roads within the Shire of Kent for future years.
(l) IT Hardware & Software Reserve	Funds to be used for major purchases of IT software, hardware and / or development.

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27. TRUST FUNDS

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

	1 July 2024	Amounts received	Amounts paid	30 June 2025
	\$	\$	\$	\$
Historic housing bond	160	0	(160)	0
Other	3,416	0	0	3,416
	3,576	0	(160)	3,416





Auditor General

INDEPENDENT AUDITOR'S REPORT 2025 Shire of Kent

To the Council of the Shire of Kent

Opinion

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

A handwritten signature in blue ink, appearing to read "Tim Sanya".

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