

ANNUAL REPORT

2024 - 2025



Shire of
Katanning

Heart of the Great Southern



(08) 9821 9999



www.katanning.wa.gov.au



52 Austral Terrace
PO Box 130 Katanning WA 6317

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Acknowledgement of Country

Ngala kaaditj noongar moort keyen kaadak nitja boodja

The Shire of Katanning acknowledges the Noongar Goreng people as the traditional custodians of the land that we live and work on. We recognise their cultural heritage, beliefs, and continuing relationship with the land, and pay our respects to Elders past present and emerging.

About the Annual Report

The Shire of Katanning is pleased to present the 2024/2025 Annual Report, which provides an account of the Shire's performance from 1 July 2024 to 30 June 2025.

As required by the Local Government Act 1995 and associated regulations the Annual Report for 2024/2025 provides an overview of the operations, activities and major projects that have been completed by the Shire for that period or will continue to be completed in the coming financial year.



Shire of Katanning

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Katanning in Brief

Situated in the heart of Western Australia's Great Southern region, three hours southeast of Perth, Katanning is a vibrant country community founded on rural industries and home to over 40 nationalities.

Katanning provides a range of services to meet the community's needs including education, health, recreation facilities and affordable land and housing. The Shire of Katanning has 7 elected members and employs approximately 74 staff.

Emphasis is placed on working together and recognising that every individual, regardless of the type of work they do, makes a valuable contribution to building a better community for Katanning. The Shire of Katanning has undertaken several transformational projects in recent years including Upgrade to facilities; Quatermaine Oval, Aquatic Centre, Katanning Saleyards, Kaarl Yarning Place and Roadworks improvements.

Distance
from Perth



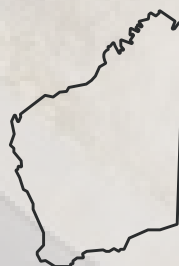
283km

Population



4512

Area



1523 km²

Number
of Dwellings



2053

Length of
Unsealed Roads



505km

Length of
Sealed Roads



199km

Total
Revenue



\$13,899,206

Total Rates
Levied



\$5,234,801



Shire President's Message

It has been my honour to serve as Shire President over the past 12 months and to work alongside a dedicated Council and passionate community as we continue to shape the future of Katanning.

This year has marked another period of progress and collaboration, where we have not only maintained essential services and community programs, but also delivered several key projects that enhance the liveability and resilience of our Shire.

After more than a decade of strong and sustained advocacy, it was a proud moment for our community when, in September 2024, the State Government committed a further \$1.6 million towards the Katanning Early Childhood and Family Centre. With construction now underway on this \$10.2 million project, we look forward to the long-term benefits it will bring to local families in the years ahead.

Capital investment remains a key priority for Council. During 2024/25, we progressed several significant infrastructure projects, including:

- Full renovation of Quartermaine Oval, enhancing sporting facilities and participation
- Completion of the Kaarl Yarning Space at the Katanning Noongar Centre, a cultural gathering place for connection and learning
- Cemetery improvements, supporting respectful, accessible and well-kept grounds
- Ongoing investment in road maintenance and construction, ensuring safe travel throughout our region.

The Shire of Katanning is experiencing an exciting period of commercial growth and development, bringing renewed energy and opportunity to our region. While this progress brings its own set of challenges, Council remains committed to strategic planning, supporting local businesses, and ensuring we harness this momentum to benefit the entire community.

A special thank you to our Chief Executive Officer, Mr Peter Klein, and the Executive Leadership Team for their steady guidance, strategic oversight, and commitment to the cultural health of our organisation. This year, we made meaningful strides in embedding the newly adopted values of the Shire of Katanning, which reflect who we are and who we aspire to be, as a team and as a community.

These values: Harmony, Innovation, Safety First, Community First, and Integrity, are more than words; they are the foundation for how we work together, lead with purpose, and deliver meaningful outcomes for our Shire.

To our community members, the individuals, groups, volunteers and organisations that make up the heart of Katanning, thank you. Your care, ideas and passion continue to shape a vibrant and connected community. Whether through participation, volunteering, or simply offering support to neighbours, your contributions make Katanning a place we are all proud to call home.

To my fellow Councillors, thank you for your unwavering dedication to ensuring the voices, needs, and aspirations of our community remain central to every decision we make. A sincere thank you also to Deputy Shire President Liz Guidera for her ongoing support, mentorship, and leadership throughout the year.

As a Council, we remain united in our purpose to deliver positive, lasting outcomes for our Shire. Together, we will continue to honour our past, celebrate our rich diversity, and embrace the opportunities that lie ahead. There is much to celebrate in Katanning, and I look to the future with genuine optimism. It is a privilege to serve during this time of growth and opportunity, as we work together to support and strengthen the momentum building in our community.

Cr Kristy D'Aprile
Shire President



Chief Executive Officer's Message

The 2024/2025 year has been a satisfying and productive one for the Shire of Katanning. Our focus has remained on creating a safe, well supported and value driven workplace, while successfully securing significant project grant funding and the delivery of several major capital projects.

Despite these achievements, our safety performance fell short of expectations. Seven lost time injuries were recorded during the year, despite strengthening our processes by engaging Prompt Safety Management Solutions, incorporating safety into daily pre-start meetings, and conducting more regular toolbox sessions. Improving safety outcomes remains a key priority as we move into the next financial year.

Alongside this, we have invested in building a positive organisation culture. Key initiatives included staff surveys and action planning, a bottom-up reset of staff values, and organisational restructuring to improve accountability and address capability gaps.

Capital works have been a strong focus, with several significant projects delivered or commenced:

- **Katanning Early Childhood Hub** - Secured a final \$1.6M Royalties for Regions grant to enable commencement. Slavin Architects appointed as superintendent/contract manager, with Buildon Construction as builder. Works now underway.
- **Quartermaine Oval Redevelopment** - \$1.056M in State and Federal grants, supplemented by WAFL and WACA contributions. Oval and drainage works delivered by New ground, with Stiles Electrical installing new lighting.
- **Katanning University Hub** - \$325,000 Regional Development Australia grant committed. Site transitioned from the Unit Hotel to the former Shire Offices. Project ultimately delivered by RDA and a successful soft launch was achieved in March 2025.

- **Electronic Ear Tag Readers, Katanning Saleyard** - \$736,000 DPIRD grant to install eID tag readers ahead of the 1 July 2025 go-live.
- **Katanning Central BFB Shed Upgrade** - \$210,000 DFES Local Government Grant Scheme funding for a new shed to accommodate larger appliances and enhance facilities. Works underway.
- **Kaarl Yarning Place, Katanning Aboriginal Corporation** - \$120,000 Lotterywest grant supporting development of a safe, landscaped community meeting place.

Other important works included: repainting the pool; demolition of the former Forrest Hills Golf Club; refurbishment of the German-made Krupp 1903 75mm field gun at the Fallen Soldiers Memorial; sale of nine residential blocks at Kaatanup Loop; commencement of works to refurbish the cemetery entrance and a new niche wall and reflection space; appointment of Village Solutions to manage Amherst Retirement Village; and let the advocacy for local sheep producers in response to the proposed Federal Government ban on live sheep exports by sea.

The year was also notable for the Department of Education's decision and subsequent action to demolish the former St Andrews Hostel, a move the Shire has commended.

Finally, I would like to take this opportunity to acknowledge and thank Shire President Kristy D'Aprile and Councillors for their commitment and guidance throughout this year. As we look ahead, there are many challenges and opportunities to further strengthen the services Council provides. With our combined and continuing commitment to supporting staff with clear and responsive communication, I am confident the positive mindset and achievements of 2024/25 will be carried into the new financial year.

Peter Klein
Chief Executive Officer



Councillors

The Council of the Shire of Katanning consists of seven elected members. Councillors are elected for a four-year term, with half of their terms expiring every two years.

Local government ordinary elections are held on the third Saturday in October every two years. The next Local government ordinary elections will be held on the 18th of October 2025.



Cr Kristy D'Aprile
Shire President

Term Expires: 2025



Cr Liz Guidera
Deputy Shire President

Term Expires: 2025



Cr John Goodheart
Councillor

Term Expires: 2027



Cr Matt Collis
Councillor

Term Expires: 2027



Cr Michelle Salter
Councillor

Term Expires: 2025



Cr Ian Hanna
Councillor

Term Expires: 2027



Cr Paul Totino
Councillor

Term Expires: 2027



Gender

Female: 3
Male: 4



Linguistic
Background:

English: 7



Country of Birth

Australia: 6
International: 1



Age Profile:

35 - 44 years: 1 55- 64 years: 2
45 - 54 years: 3 65+ years: 1



Aboriginal or Torres
Strait Islander:

None

Councillors Meeting Attendance

Ordinary Council Meetings were held on every fourth Thursday of each month at the Shire Administration and Civic Centre located at 52 Austral Terrace Katanning, usually commencing at 6:00pm unless otherwise stated.

The number of Council meetings held during the year ended 30 June 2025 and the numbers of those meetings attended by each Elected Member is as follows:

Ordinary Council Meetings

| | July 24 | Aug | Sep | Oct | Nov | Dec | Jan 25 | Feb | Mar | Apr | May | Jun |
|-----------------|---------|-----|-----|-----|-----|-----|--------|-----|-----|-----|-----|-----|
| Kristy D'Aprile | ● | ● | ● | ● | ● | ● | | ● | ● | ● | ● | ● |
| Liz Guidera | ● | ● | ● | | ● | ● | | ● | ● | ● | ● | ● |
| John Goodheart | ● | ● | ● | ● | ● | ● | | ● | | ● | ● | ● |
| Ian Hanna | ● | ● | ● | ● | ● | ● | | ● | ● | ● | ● | ● |
| Michelle Salter | ● | ● | | ● | ● | ● | | ● | ● | ● | | ● |
| Paul Totino | ● | ● | ● | ● | ● | ● | | ● | ● | ● | ● | ● |
| Matt Collis | | | ● | ● | ● | ● | | ● | ● | ● | ● | ● |

Special Council Meetings

| | July 24 | Aug | Sep | Oct | Nov | Dec | Jan 25 | Feb | Mar | Apr | May | Jun |
|-----------------|---------|-----|-----|-----|-----|-----|--------|-----|-----|-----|-----|-----|
| Kristy D'Aprile | | | | | | | ● | | | ● | | |
| Liz Guidera | | | | | | | ● | | | ● | | |
| John Goodheart | | | | | | | ● | | | ● | | |
| Ian Hanna | | | | | | | ● | | | ● | | |
| Michelle Salter | | | | | | | | | | ● | | |
| Paul Totino | | | | | | | | | | ● | | |
| Matt Collis | | | | | | | ● | | | ● | | |

Councillors Meeting Attendance

Audit and Risk Committee Meetings

| | July 24 | Aug | Sep | Oct | Nov | Dec | Jan 25 | Feb | Mar | Apr | May | Jun |
|-----------------|---------|-----|-----|-----|-----|-----|--------|-----|-----|-----|-----|-----|
| Kristy D'Aprile | | | | | | ● | | ● | ● | | | |
| Liz Guidera | | | | | | | | ● | ● | | | |
| John Goodheart | | | | | | ● | | | ● | | | |
| Ian Hanna | | | | | | ● | | ● | | | | |
| Michelle Salter | | | | | | | | | | | | |
| Paul Totino | | | | | | ● | | ● | | | | |
| Matt Collis | | | | | | ● | | | | | | |

Executive Management Team



Peter Klein
Chief Executive Officer

Human Resources
Executive Assistance & Governance
Corporate Services
Community Services
Infrastructure & Strategy
Operations



David Blurton
Executive Manager Corporate Services

Finance
Administration
Records Management
Information Technology



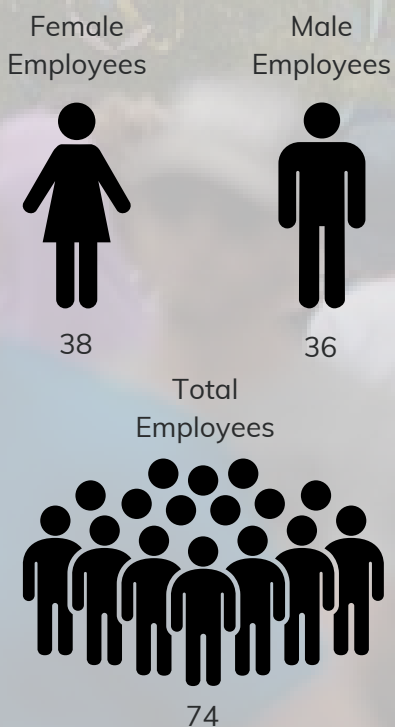
Graham Barnes
General Manager Operations

Works & Services
Waste Management
Regional Saleyards

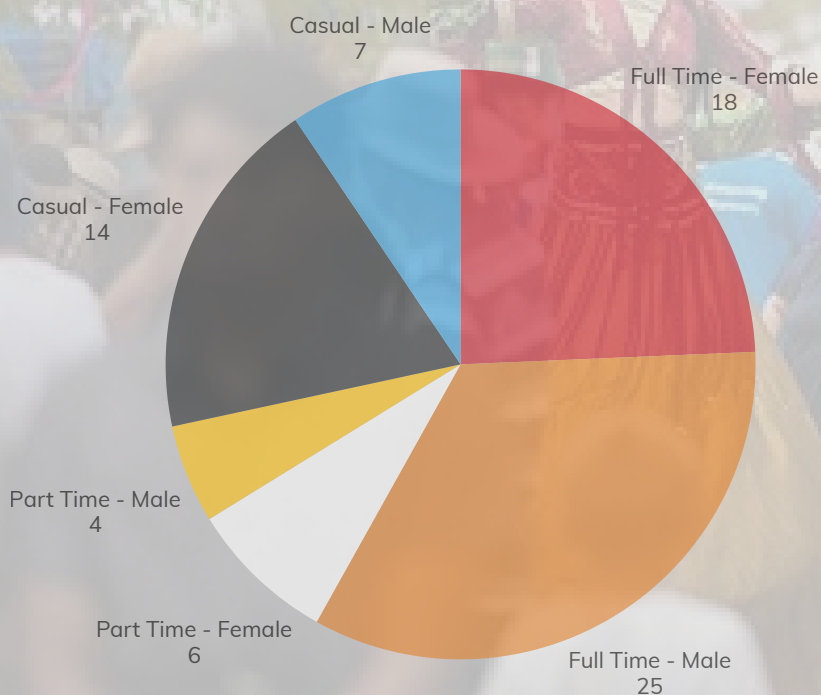
Organisational Structure



Organisation Statistics



Employment Basis



Our Vision

*“ Katanning is a safe, sustainable, and prosperous community.
We respect and celebrate our diverse culture. ”*

Our Values

These values are embedded across key organisational frameworks and processes, including the Code of Conduct, performance appraisals, and other internal documentation and systems, ensuring they guide our day to day behaviours and decision making.

Harmony

We have a friendly, compassionate and inclusive organisation; where everyone feels accepted, valued and respected. We embrace diversity and encourage everyone to participate and contribute.

Safety First

We prioritise safety and take accountability for the safety of our team mates as well as ourselves. Through cooperation, a positive attitude, and genuine care, we ensure a safe and enjoyable workplace.

Integrity

We uphold high standards in our work, we are dedicated, and we do what is right, even when its challenging. We build trust through honesty and transparency in all actions and decisions.

Innovative

We embrace new ideas, we are adaptive, creative, efficient and achieve excellent together.

Community First

We are respectful, attentive and responsive. Through informed decision making and committed leadership, we listen and welcome suggestions to better serve our community.

Grants Received

The Shire of Katanning received grant funds totalling over \$5,411,310 during the reporting period. Summary of Operating Grants and Subsidies Received 2024-2025 as below.

| Operating Grants | Amount (ex GST) |
|--|-----------------|
| Federal Assistance Grants / WA Grants Commission | \$1,638,960 |
| Untied Roads Grants / WA Grants Commission | \$437,104 |
| Emergency Services Levy / Department of Fire and Emergency Services | \$4,000 |
| Licencing Commissions / Department of Transport | \$115,856 |
| Bush Fire Brigade - Local Government Grants Scheme / Department of Fire and Emergency Services | \$47,200 |
| Community Emergency Services Manager Contributions / Department of Fire and Emergency Services | \$89,505 |
| Kidsport / Department of Sport and Recreation | \$909 |
| Direct Road Grants / Main Roads WA | \$190,438 |
| Club Development Funding / Department of Sport and Recreation | \$30,331 |
| Youth Services Grant / Department of Communities | \$38,156 |
| Community Capacity Building / Lotterywest | \$120,000 |
| Thank a Volunteer Day / Department of Communities | \$1,000 |
| National Sheers Grant / Great Southern Development Commission | \$5,000 |
| Disability Awareness | \$1,000 |
| Harmony Festival / Lotterywest | \$35,000 |
| Harmony Festival / Great Southern Development Commission | \$5,000 |
| Harmony Festival / Mohana Catering | \$274 |
| Harmony Festival / Hon Shelly Payne MLC | \$727 |
| Harmony Festival / Department of Local Government, Sport and Culture | \$10,000 |
| Harmony Festival / Great Southern Regional Development | \$5,000 |
| Harmony Festival / Ausgold Limited | \$4,545 |
| Harmony Festival / Inpex Operations | \$3,656 |
| Total | \$2,783,661 |

Grants Received

Summary of Non-Operating Grants and Subsidies Received 2024-2025 as below.

| Non-Operating Grants | Amount (ex GST) |
|--|-----------------|
| Regional Road Group Funding / Main Roads WA | \$151,806 |
| Roads to Recovery / Department of Infrastructure, Transport, Regional Development, Communications and the Arts | \$252,022 |
| Local Roads and Community Infrastructure Fund / Department of Infrastructure, Transport, Regional Development, Communications and the Arts | \$231,700 |
| Quartermaine Oval / Department of Sport and Recreation | \$686,741 |
| Quartermaine Oval / WA Cricket Association | \$40,000 |
| Quartermaine Oval / WA Football Association | \$100,000 |
| Gallery lighting upgrade / Department of Primary Industry and Regional Development | \$13,710 |
| Kaarl Yarning / Lottery West | \$27,301 |
| Kaarl Yarning / Katanning Aboriginal Corporation | \$20,000 |
| Kaarl Yarning / Department of Primary Industry and Regional Development | \$92,699 |
| Sheep eID tagging / Department of Primary Industry and Regional Development | \$741,520 |
| Total | \$2,357,499 |



Kaarl Yarning Space



eID Katanning Saleyard Drafting Pen

"As required by Regulation 19BE (2) (b) of the Local Government (Administration) Regulations 1996, the following amounts were received as Capital Grants, Subsidies and Contributions for the previous two financial years.

2023-2024 - \$601,261

2022-2023 - \$1,220,141"

Major Assets



Katanning Saleyards

Actual Revenue for 24/25 was significantly higher than what was expected with over 570,000 sheep being processed through the facility during the year.

Expenditure at the facility ended the year below budget by \$84,621 with savings realised in stock purchases, consultants, minor asset purchases and ITC maintenance.

| Budget/Actual | Revenue | Expenditure |
|---------------|-----------|-------------|
| 23/24 Actual | \$371,129 | \$1,341,277 |
| 24/25 Budget | \$326,650 | \$1,123,368 |
| 24/25 Actual | \$597,290 | \$1,038,746 |



Katanning Leisure Centre

The Katanning Leisure Centre revenue to the end of 24/25 was \$53,274 higher than budget but less than 23/24 results. Income from the centres gym and membership fees both performed significantly better than anticipated.

Expenditure was \$74,722 less than budget for the year and is represented by savings with Cleaning materials, training, development and recruitment, and building maintenance.

| Budget/Actual | Revenue | Expenditure |
|---------------|-----------|-------------|
| 23/24 Actual | \$355,073 | \$1,754,822 |
| 24/25 Budget | \$279,900 | \$1,605,403 |
| 24/25 Actual | \$333,174 | \$1,530,680 |

Road Infrastructure

Council considers spending on road infrastructure on an annual basis during the Budget deliberations. Funds are contributed by Council and external sources such as the Regional Road Group and Roads to Recovery.

Roadworks Completed

| Grant/Source of Funding | 2024/2025 Actual | 2024/2025 Budget |
|---|------------------|------------------|
| Dore Street Asphalt Overlay (2550m ²) | \$101,376.00 | \$115,593.00 |
| Piesse Street Asphalt Overlay (2350m ²) | \$101,376.00 | \$83,634.00 |
| Warren Road Full Width Two-Coat Reseal (9,450m ²) | \$232,325.78 | \$309,000.01 |
| Warburton Road Gravel Resheeting (22,000m ²) | \$128,739.68 | \$128,325.46 |
| Coomelberrup Road Gravel Resheeting (Asorted Sections) | \$123,697.20 | \$140,784.44 |



Levelling of Police Pools Road

Rural Unsealed Roads



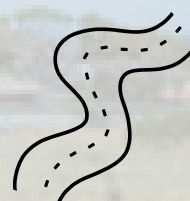
483kms

Rural Sealed Roads



133kms

Road Length



Urban Roads: 88kms
Rural Roads: 616kms

Community Grant Program

Each year the Shire of Katanning allocates an amount of funds within the budget to provide financial support to community organisations that meet the objectives of the Community Grants Program (CGP).

The Shire of Katanning is committed to recognising the value of all community organisations and has developed a clear and powerful vision of “Together we are building Katanning’s future”.

There are three CGP categories that are available to community organisations:

- Minor community grant under \$5,000 (ex GST)
- Major community grant over \$5,000 (ex GST)
- Triennium community grant (Minor and Major available)

The Community Grants Program application period is open each financial year with the first round offered July/August, followed by a second round of funding held later, if further budgeted funds remain available.

In 2024/25, Council budgeted \$43,000 for the Community Grants Program with \$10,000 allocated to the Katanning Historical Society as part of the triennium grant agreement with this group.

The program awarded a total of \$40,535 to local community groups in the 2024/25 financial year as follows:

| Organisation | Project | Amount (ex GST) |
|---------------------------------|---|-----------------|
| Katanning Historical Society | Triennium Agreement - Yr 1 | \$10,000 |
| Katanning Rotary | International Dinner | \$4,133 |
| Read Write Now (Katanning CRC) | Journey of Heritage Recording | \$6,423 |
| Katanning Piesse Park Community | Muddy Good Time Event | \$3,200 |
| Katanning Primary School P&C | Cookbook of Harmony Project | \$1,779 |
| Katanning Baptist Church | Carols in the Park 2025 | \$5,000 |
| WA Stolen Generation (Yokaii) | Screening of ‘Genocide in the Wildflower State’ | \$3,750 |
| GSSN Science | Big Bang Discovery Day | \$2,760 |
| Katanning Hub CRC | Nurturing Mums | \$2,442 |
| Katanning Golf Club | Katanning Gold Classic & State Sand Greens Tournament | \$1,048 |

Strategic Community Plan

All local governments in Western Australia are required to prepare a plan for the future under S5.56 (1) of the Local Government Act 1995.

The minimum requirements of the plan for the future are set under the Local Government (Administration) Regulations 1996, which requires the development of a Strategic Community Plan and Corporate Business Plan.

These documents are delivered through Integrated Planning and Reporting Framework to ensure greater level of community input and effective delivery of the local government's strategic intentions.

In partnership with Council the community has developed a clear and powerful vision to build the future of Katanning based on an evolution of growth and progression. The Shire of Katanning will embrace its Aboriginal, agricultural, multicultural, and built heritage as it moves forward as a cohesive community seeking investment in economic, environmental and social infrastructure. Our aim is to achieve self-supporting growth and recognition as the inland heart of the Great Southern.

During the 2024-25 period, the Shire of Katanning undertook a major review of the Strategic Community Plan following extensive community consultation and the outcomes of that process have informed the Strategic Community Plan 2022 – 2032.

The Shire of Katanning Strategic Community Plan 2022 – 2032 was adopted by Council at the Ordinary Council Meeting held on 24 March 2022.

In accordance with the legislations, Council is required to report to the community annually its progress towards achieving the objectives.

The diagram below highlights the components of the framework:



Element of the Integrated Planning Framework (Source: DLGSC)

Corporate Business Plan Highlights

Social

| Objective | Action |
|--|---|
| S1 Implement the Katanning Leisure Centre Master Plan facility upgrades. | The Shire of Katanning successfully completed the upgrade of Quartermaine Oval during the year at a cost of \$2.09 million. Works completed included replacement of subsoil drainage, releveling oval surface and replacement of fill material, new reticulations system, new LED flood lighting system and new cricket net facilities. |
| S2 Provide CCTV surveillance in public places with direct access by WA Police. | The Shire of Katanning continued operation and maintenance of 180 CCTV cameras throughout Katanning town which provide protection for public assets, and essential tool for police in maintaining town site law and order. |
| S3 Coordinate the construction of the Katanning Early Childhood Hub. | Early Childhood Hub Project received an additional \$1.6M State Government grant which was secured in November 2024. Slavin Architects were confirmed as contract manager and due to Christmas Break until late January 2025 the Tender release was delayed. The lease contract with the Minister for Works (condition of grant funding) was executed by the Minister on 6 February 2025. Tender responses significantly exceed quantity surveyor's estimate and therefore exceeded available funds. The value engineering was successfully undertaken to reduce contract cost to match available funds. May 2025 the Contract was approved by Council and executed with Buildon Construction, where site works commenced in July 2025. |
| S4 Support new opportunities and programs for people with disabilities. | An 'All Abilities' program has been implemented at Katanning Leisure Centre where an all-inclusive movement circuit is prepared in a shared space for support workers and clients to join in on team activities growing both physical and social skillsets. Supporting new opportunities and programs for people with disabilities. |

Built Environment

| Objective | Action |
|--|--|
| BE2 To encourage a range of housing options to cater for our diverse population. | Great Southern Housing strategy has been finalised and includes expansion of housing opportunities in Katanning. Council is working with GSDC, and other Great Southern Councils to develop background information for inclusion in a business plan that will underpin future grant applications. |
| BE2 To encourage a range of housing options to cater for our diverse population. | Serviced House Sites on Kaatanup Loop were presented for sale where nine out of seventeen lots were successfully sold. Construction will commence at buyers' discretion. |
| BE3 To provide infrastructure that enables safe movement through our community. | Throughout 2024/2025 the Shire has continued its upgrade program of both sealed and unsealed roads. In particular, gravel re-sheeting works has been completed on specific sections of Warburton and Coomelberrup Roads and shoulder widening, stabilise and reseal work has been completed on a section of Warren Road (SLK 12-15). |

Corporate Business Plan Highlights

Natural Environment

| Objective | Action |
|---|--|
| NE1 Continue to support community environmental groups and activities. | Council has collected a soil conservation levy of \$35 per rateable assessment to fund Landcare activities that promote sustainable land management practices and coordination Landcare and conservation activities. |
| NE1 Support environment education programs. | Eco Week at the Library promoted environmental awareness through engaging education programs and activities. We held an educational storytime session paired with a themed book display to engage children and families in environmental learning. The session fostered curiosity about nature and sustainability through storytelling and accessible resources. This initiative supports the library's role as a hub for lifelong learning and environmental stewardship. |
| NE3 Support opportunities for reuse and recycling throughout the Shire. | The Library supports reuse and recycling by collecting items like postage stamps, bottle tops, jar lids, and plastic bread tags. These materials help reduce landfill waste and contribute to programs that provide prosthetics and wheelchairs for children. This initiative promotes sustainable practices while making a positive impact in the community. |

Economic

| Objective | Action |
|--|--|
| E2 To promote and facilitate tourism opportunities that showcase the unique character, culture and offerings of Katanning. | Council has contributed \$20,000 to support the activities of Great Southern Treasures and promotion of tourism businesses, events and location opportunities within Katanning Shire. |
| E3 To work alongside local businesses to facilitate employment, growth and development. | Installation of a \$750,000 eID tag reading network at the Katanning Saleyards to support local farmers and compliance by livestock agents with changes to bio security regulations from 1 July 2025. |
| E5 To advocate and support training opportunities that create pathways to employment. | The Old Council Chamber was offered to Regional Development Australia to house the Uni Hub which was subsequently established at this location. Soft launch of Uni Hub achieved in March 2025. This service now provides a convenient lower cost option to residents of all ages wishing to grow personal opportunity through study. |
| E5 To advocate and support training opportunities that create pathways to employment. | Council commits to work with the Katanning Senior High School and a registered training organisation to provide on the job work experience for students across all aspects of Council business. |

Corporate Business Plan Highlights

Cultural

| Objective | Action |
|---|---|
| C1 To improve our understanding of all cultures in our diverse community. | The Katanning Harmony Festival celebrates the rich cultural diversity of the community through vibrant events and activities. It fosters understanding, respect, and connection among all cultures, strengthening community unity. The festival consisted of a two-day program showcasing traditions, music, food, and stories, creating a welcoming space for learning and cross-cultural exchange. |
| C2 To acknowledge and respect the past, present and future Aboriginal and Torres Strait Islander Community. | In collaboration with Badgebup Aboriginal Corporation, we supported them in the delivery of a Reconciliation Week event at Piesse Park. This event focused on education around First Nations culture to local school children and also addressed the importance of land conservation. This reinforced our commitment to respecting past, present and future Aboriginal and Torres Strait Islander People. |
| C4 To Support the community to have safe spaces to share, connect and celebrate culture. | In consultation with Katanning Aboriginal Corporation Council successfully acquired grant funding to deliver the Kaarl Yarning Project which creates a safe landscaped area including fire pit to strengthen social interaction and celebrate culture. |

Leadership

| Objective | Action |
|--|--|
| L2 To ensure that Shire resources are utilised in a manner that represents the best interest of the whole community. | The ABS estimates that disposals from the 2.5 million head Upper Great Southern sheep flock generates \$124 million dollars per year. In conjunction with partner Great Southern Local Governments the Shire of Katanning led efforts to identify the cost of losing the live sheep export trade and actively lobbied for its retention. Following the 2025 Federal election, efforts have focused on ensuring that local businesses & industry participants are aware of the support available through the Federal Government's transition funding grant program. |
| L3 To lead by example - be involved, respectful and inclusive. | <p>As part of the development of a refreshed set of organisational values for the Shire, two staff workshops and one Councillor workshop were held. From these sessions, five new core values were identified: Harmony, Safety First, Integrity, Innovative, and Community First.</p> <p>The new values were officially launched across the organisation through a whole of organisation event, which included a fun and engaging Amazing Race around town, followed by a formal presentation delivered by the CEO and Shire President.</p> <p>These values are now embedded across key organisational frameworks and processes, including the Code of Conduct, performance appraisals, and other internal documentation and systems, ensuring they guide our day to day behaviours and decision making.</p> |

Corporate Business Plan Highlights

Leadership

| Objective | Action |
|---|--|
| L1 To facilitate diversity and representation within the decision-making process. | <p>Community Consultation - Short St, Harmony Festival, Ag Show, KLC, Quartermaine Oval, Katanning Safety Planning</p> <p>Prioritising community consultation in a conscious effort to facilitate diversity and represent the community within the decision-making process. The Shire of Katanning involved the community in numerous surveys (Harmony Festival Feedback, Safer Katanning Survey, Katanning Agriculture Show Feedback) where feedback was taken onboard and assisted with further decision-making.</p> |

Compliance

National Competition Policy

This policy was introduced by the Commonwealth Government in 1995 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 government 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 Council's responsibilities in relation to the National Competition Policy, for this reporting period, the Shire reports as follows:

- No business enterprise of the Shire of Katanning has been classified by the Australian Bureau of Statistics as either a Public Trading Enterprise or a Public Financial Enterprise.
- Competitive neutrality has not applied to any activities undertaken by the Shire.
- No allegations of non-compliance with the competitive neutrality principles have been made by any private entity.
- The principles of competitive neutrality will be implemented in respect of any relevant activity undertaken during the next financial reporting period.

Record Keeping Statement

In accordance with Section 19 of the State Records Act 2000, Local Governments are required to have a Record Keeping Plan (RKP) approved by the State Records Commission (SRC).

The purpose of the plan is to provide an accurate reflection of the record keeping program in the organisation, including information regarding the organisation's record keeping system, disposal arrangements, policies, practices, and processes.

The Shire of Katanning ensures that records are created, managed, and maintained over time and disposed of in accordance with the principles and standards issued by the SRC. The RKP is the primary means of providing evidence of compliance with the Act and the implementation of best-practice record keeping in the organisation.

Section 28 of the State Records Act 2000 requires the Shire of Katanning's RKP to be reviewed every 5 years. The next plan review will be submitted to SRC by 16th November 2026.

Freedom of Information (FOI)

In accordance with Section 96 and 97 of the Freedom of Information Act 1992, the Shire is required to publish an Information Statement which details the process of applying for information under the Act, as well as information that the Shire provides outside the Act.

The Shire of Katanning's Information Statement is reviewed annually and is available via Council's website or at the Shire administration office. The information statement contains information on the type of documents available to the public and how to access those documents.

During the 2024/25 financial year, the Shire of Katanning received 13 applications for FOI.

Disability Access and Inclusion Plan (DAIP)

All Western Australian Local Government Authorities are required to develop and implement Disability Access and Inclusion Plans in accordance with the Disability Services Act (1993) to ensure people with disability have the same opportunity as others to access council services, facilities, information, employment and civic participation. The Shire of Katanning offers many services that ensure the community is inclusive of people with disability and their families.

People with disabilities represent a significant section of the Katanning community. According to the Australian Bureau of Statistics and the Shire of Katanning's Disability Access and Inclusion Plan 2022–2027, approximately 20% of Western Australians live with a disability. Based on this, it is estimated that around 800 people residing in the Shire of Katanning have a disability.

Given that Katanning is also a regional service provider for the Shire's of Broomehill, Woodanilling, Dumbleyung, Kojonup, Gnowangerup, and Kent it can be estimated that the number of people with Disabilities for whom the Shire of Katanning provides services and facilities is significantly higher than 1000.

Most people with a disability (or disabilities) live in the community. It is therefore important that they have the same opportunities and choices as other people to participate in community life.

Given the broad range of services provided to its communities, Local Government plays a vital role in the lives of people with disabilities, their carers and families.

In 2024/2025 the following Shire initiatives contributed towards the achievement of our DAIP objectives which address seven desired outcomes:

| Outcome | Action |
|-----------------------|---|
| 1 Services and Events | <ul style="list-style-type: none">• The Katanning Leisure Centre has established a monthly All-Abilities program aimed at fostering inclusivity and community engagement. This initiative offers a range of modified sports, games, and creative activities specifically designed to accommodate individuals of all abilities. Each session concludes with a morning tea, providing participants with an opportunity to relax, socialize, and strengthen connections before heading home. The program seeks to cultivate a welcoming environment where everyone can interact, form meaningful relationships, and experience a genuine sense of belonging.• The library has implemented an inclusive program designed to support and welcome individuals with disabilities and their carers. This initiative offers a range of engaging activities such as puzzles, board games, computer use, and shared reading, all aimed at encouraging participation and interaction. The program seeks to create a welcoming and supportive environment where individuals can enjoy the library's resources alongside their carers, fostering social connection, community involvement, and a strong sense of belonging.• The Katanning Leisure Centre delivers supervised senior gym sessions twice weekly, promoting physical health and wellbeing among older community members. These sessions are inclusive of all ability levels, with participants encouraged to attend with their support workers if required. The program provides a supportive and low-pressure environment that enables individuals to participate in physical activity while still benefiting from social interaction in a way that accommodates diverse needs.• Council will ensure all policies and practices that govern the operation of Council facilities, functions and services are consistent with Council's policy on access. |

Disability Access and Inclusion Plan (DAIP)

| Outcome | Action |
|---------------------------|--|
| 2 Building and Facilities | <ul style="list-style-type: none">• An audio system has been installed in the Council Chambers to enhance accessibility for all attendees. This system allows for the recording of meeting proceedings and includes integrated speakers that improve sound clarity within the chambers. The enhanced audio support particularly benefits gallery members and meeting participants who are hearing impaired, ensuring they can fully engage with Council activities.• Conduct regular audits of all Shire-owned buildings and facilities to identify and address accessibility barriers. Actively involve people with disability in the audit process to ensure firsthand insights and meaningful feedback are incorporated into accessibility improvements. |
| 3 Information | <ul style="list-style-type: none">• Brochures and informational materials are available in alternative languages and accessible formats, such as large print, upon request. This ongoing provision ensures that all community members, including those with disability, can access important information in a format that accommodates their communication needs.• An interactive staff induction package has been developed to provide multiple options for accessing workplace information. The package includes written materials in accessible formats, supporting staff of all abilities to access the resources they need to perform their roles effectively and confidently.• Pre-employment medical assessments are used to identify any areas where accommodations or support may be required. This proactive approach enables the Shire to implement appropriate workplace adjustments, provide assistive technologies, and offer additional support as needed ensuring that employees with disability are fully supported to perform their roles effectively.• Council is committed to presenting information about its facilities, functions, and services in clear, concise, and plain English to ensure broad accessibility. Additionally, staff will arrange for information to be provided in alternative formats such as large print or electronic versions upon request, supporting the diverse communication needs of the community. |

Disability Access and Inclusion Plan (DAIP)

| Outcome | Action |
|-------------------|--|
| 4 Service Quality | <ul style="list-style-type: none"> • Katanning Leisure Centre staff participated in training delivered by the Western Australian Disabled Sports Association (WADSA) to support the successful delivery of inclusive, all-abilities events. The training covered effective communication and respectful interaction with people with disability, the use of modified sports equipment, and guidance on implementing inclusive programs aligned with DAIP objectives. This training has enhanced staff confidence and capability in delivering accessible and inclusive recreational activities. • Council is committed to ensuring that staff are aware of the access needs of residents and visitors with disability in the delivery of all services. Where necessary, Council will consult with disability service providers to obtain expert advice on how best to accommodate and support these access needs. • The libraries inclusive program welcomes individuals with disability and their carers. The program features a range of engaging activities, including puzzles, board games, computer use, and shared reading. It is designed to foster a supportive, interactive environment where participants can enjoy the library's resources together, promoting social inclusion and a sense of community. • Provide comprehensive training for all staff on disability awareness, inclusive practices, and effective communication with people with disability. Ongoing professional development will include refresher courses and updates on emerging accessibility standards and assistive technologies to ensure continued best practice. |
| 5 Complaints | <ul style="list-style-type: none"> • Council will ensure that all grievance and complaint mechanisms are accessible and inclusive for people with disability. • Where required, Council will provide assistance to individuals with disability in lodging complaints. This may include helping to complete forms, recording complaints on their behalf, and guiding them through the appropriate procedures to ensure their concerns are directed to the relevant channels. • Provide multiple complaint submission options, including in-person, phone, email, online forms and mail. • Council will assist individuals with a disability in completing complaint forms or articulating their concerns. Staff will be trained to be sensitive to the needs of people with disability, ensuring that assistance is provided in a respectful and supportive manner, without causing discomfort or inconvenience. • All staff to be trained to handle complaints from individuals with disability, with sensitivity and effectiveness. Staff will also be informed of the various methods available for submitting complaints and will be equipped to provide appropriate assistance when necessary. |

Disability Access and Inclusion Plan (DAIP)

| Outcome | Action |
|----------------|--|
| 6 Consultation | <ul style="list-style-type: none">• Council will ensure that information on how residents can participate in decision-making processes, public consultations, and grievance mechanisms is provided in clear and accessible language. Additionally, Council will support the participation of people with disability in Council meetings by addressing any access requirements to enable their full involvement.• The Shire of Katanning is committed to inclusive public consultation by providing multiple avenues for community participation. This includes offering surveys online, in person, and with assistance where needed—such as explaining questions or helping individuals record their responses. These options ensure that everyone, including people with disability, can contribute meaningfully.• To ensure public consultations are fully accessible, the Shire conducts them at venues with appropriate accessibility features and provides materials in alternative formats upon request. Multiple participation methods are available, including online and telephone submissions. |
| 7 Employment | <ul style="list-style-type: none">• The Shire of Katanning continues to collaborate with the local Disability Services Commission to identify and promote employment and volunteer opportunities for people with disability.• All employment information packs and the Shire's website include an inclusive statement to encourage diverse applicants: "The Shire of Katanning actively encourages applications from people with disability, people from culturally and linguistically diverse backgrounds, and Aboriginal and Torres Strait Islander peoples."• The Shire is committed to ensuring equal employment opportunities for people with disability by adopting inclusive recruitment practices, providing reasonable workplace adjustments, and maintaining an accessible and supportive work environment. This commitment is further supported through disability awareness training for staff, mentorship initiatives, anti-discrimination policies, and regular monitoring. Ongoing collaboration with disability employment services helps strengthen these efforts, enabling employees with disability to participate fully and thrive in their roles. |

Disability Access and Inclusion Plan (DAIP)

Natural Environment

| Outcome | Action |
|----------------|---|
| 8 Achievements | <ul style="list-style-type: none">• Katanning Leisure Centre – All-Abilities Program As part of our commitment under the Disability Access and Inclusion Plan (DAIP), Katanning Leisure Centre developed and delivers a monthly All-Abilities Program to address the need for more inclusive community recreation. The program provides modified sports, games, and creative activities in a supportive, flexible environment, allowing participants to engage at their own pace. A quiet space offers alternatives such as art, puzzles, and social connection, ensuring everyone can participate in a way that suits them. This initiative has resulted in measurable positive change, with growing attendance and feedback indicating increased confidence, inclusion, and satisfaction among participants and their carers. By moving beyond minimum accessibility standards, the Centre has implemented a proactive, innovative model of inclusion that reduces participation barriers and fosters a strong sense of community. The All-Abilities Program demonstrates our ongoing commitment to inclusive practice and continuous improvement in access for people of all abilities.• Katanning Shire Administration and Civic Centre Building - Audio System The installation of an enhanced audio system in the Council Chambers resulted in a significant improvement in accessibility for all attendees, particularly benefiting individuals with hearing impairments. By integrating advanced speakers and recording capabilities, the system not only improved sound clarity within the chamber but also facilitated full participation from gallery members and meeting participants. This innovation addressed a clear need for better accessibility and inclusion, ensuring that all attendees, regardless of hearing ability, can actively engage with Council proceedings. The system's implementation represents a notable advancement from basic accessibility standards to the application of universal design principles, fostering a more inclusive environment. As a result, there has been measurable improvement in attendee satisfaction and overall participation, demonstrating the positive change and outcomes achieved.• Inclusive Training for Staff – Katanning Leisure Centre To support our goals under the Disability Access and Inclusion Plan (DAIP), staff at Katanning Leisure Centre undertook specialised training through the Western Australian Disabled Sports Association (WADSA). The training focused on respectful communication with people with disability, the use of adaptive sports equipment, and inclusive program delivery strategies. This proactive initiative addressed a skills gap and empowered staff with the knowledge and confidence needed to implement accessible and inclusive recreational activities. Since completing the training, staff have successfully applied these practices to programs such as the All-Abilities sessions, leading to improved participant engagement, satisfaction, and community feedback. The initiative demonstrates innovation and positive change by embedding inclusive principles into day-to-day operations and strengthening our capacity to meet diverse community needs. It marks a shift from basic compliance to a culture of inclusive excellence across the Centre's recreational programming |

Reconciliation Action Plan - RAP

The Shire of Katanning is currently in the Innovate stage of its Reconciliation Action Plan (RAP). Over the past year, we have continued to build on our commitment to reconciliation by strengthening relationships with the local Noongar community and Local Aboriginal Corporations and Groups.

The RAP is currently under review, with valuable input being provided by our RAP Reference Group, the Katanning Noongar Leadership Group, and Shire of Katanning Councillors. This collaborative review process is helping to ensure that our RAP actions remain meaningful, achievable, and reflective of our shared community aspirations.

Employee Remuneration Disclosure

Regulation 19B of the Local Government (Administration) Regulation 1996 requires the Shire to include the following information in its Annual Report:

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

Set out below, in bands of \$10,000, is the number of employees of the Shire entitled to an annual salary of \$130,000 or more. Remuneration paid to the CEO for the year totalled \$239,685



| Salary Package | Employees |
|-----------------------|-----------|
| \$130,000 – \$139,999 | 0 |
| \$140,000 – \$149,999 | 0 |
| \$150,000 – \$159,999 | 1 |
| \$160,000 – \$169,999 | 0 |
| \$170,000 – \$179,999 | 0 |
| \$180,000 – \$189,999 | 1 |
| \$190,000 – \$199,999 | 0 |
| \$200,000 – \$209,999 | 0 |
| \$210,000 – \$219,999 | 0 |
| \$220,000 – \$229,999 | 0 |
| \$230,000 – \$239,999 | 1 |

Operations, Works and Services

Operations, Works and Services

- Depot Operations
- Waste Refuse Site Operations
- Airport Maintenance
- Road Infrastructure and Maintenance
- Drainage Maintenance
- Oval Maintenance & Upgrades
- Maintenance of Amenities and Public Facilities
- Planning and Building Approvals
- Building Maintenance
- Town Water Risk Reduction Program
- Works Fleet and Machinery Maintenance
- Management of Environmental Health Services
- Management of Town Planning
- Management of Ranger Services
- Management of Requests, Enquiries and Feedback

Plant & Equipment



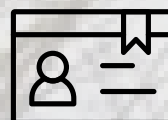
109

Capital Roadworks



4

Contracted Staff



6

Permanent Staff



35

2024 - 2025 Developments

- Depot Safety Management System Upgrade, repaired depot infrastructure, improved signage and access.
- Assistance provided with construction of new Department of Fire Services upgraded facilities and infrastructure.
- Completion of refuse site audits, commencement of long-term operational plan to improve refuse site life span.
- Completed a topographical study to support refuse site longevity.
- Completed a green waste verge collection with plans to development further in verge collections into the new financial year.
- Supported DFES through bushfire season with supply of water and airport facilities to DFES aircrafts.
- Ongoing maintenance of airport runways to ensure operational safety standard.
- Ongoing Vegetation control and maintenance inline with airport standards in regulations.
- Successful road works completed; Warburton, Coomelberup and Warren Road sections.
- Continued review of Shire 10 year Road Maintenance Plan.
- Repair and upgrade work to Rodgers Avenue Drainage, clearance and maintenance of town drainage systems in preparation for winter weather.
- Quartermaine Oval Upgrade - maintenance to grounds and surrounds, upkeep of oval sporting standards, assistance in oval upgrade - continuing of ongoing maintenance post upgrade.
- Improved lighting to Lions Park Amenity and Ablution Block
- Ongoing infrastructure maintenance to Katanning Study Hub.
- Council adopted amended internal asset management policy
- Completed LGIS External Health and Safety Audit, provided required action plan.
- Liaising with government and local contractors to effectively manage town water supply and watering programs
- Continued implementation of desalination project
- Adopted Bush Fire Act
- Improved internal customer feedback processes.



Public Services

Emergency Services Manager

- Bushfire Management
- Bushfire Training
- Fire Bans
- Community meetings
- Fire Extinguisher Training

Ranger Services

- Animal ranger services - enforcing the provisions of the Dog Act 1976 & Cat Act 2011
- Fire management control
- Litter Monitoring
- Bushland and reserves patrol (illegal camping, off road vehicle laws)
- Parking regulations
- Health Local Laws (attending complaints)
- Monitoring Local Government Property (Inspections for compliance due dates)

Environmental Health Officer

- Implement and maintain environmental health programs within council policies and guidelines
- Deliver environmental health services to the Shire
- Monitor food premises and public events/buildings
- Health and compliance monitoring of residential dwellings
- Approving onsite effluent disposal applications
- Regular water sampling and testings as per schedule
- Compliance and licencing of the Shires waste facility and saleyard

Fire Incidents Reported



28

Total Fire Bans



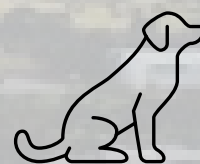
7

Cats Impounded



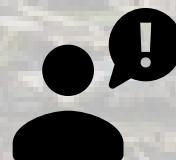
20

Dogs Impounded



46

Complaints Attended



438

2024 - 2025 Developments

- Bush Fire Training for volunteer bushfire fighters
- Meeting with community groups
- Applied for funding to complete the Risk Project
- Katanning Central Station Upgrades funding was approved for \$210,000
- Fire Requirement Management Notice was reviewed
- Supported DBCA fires in the Fitzgerald National Park and Stokes Fire. Assisted DFES region with the IGA structural fire in Gnowangerup
- Harmony Festival monitoring and support

Community Development

Community Development

- Town Hall Events
- Katanning Noongar Leadership Group
- Reconciliation Action Plan
- Community Safety Planning
- Tourism
- Community Events
- Harmony Festival
- Community Relationships
- Community Grants Program
- Grant Funding Applications

Harmony Festival
Visitor Feedback



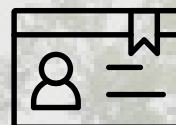
4.4/5 Stars

Harmony Festival
Volunteers



167

Organisations involved
in Harmony Festival



69

2024 - 2025 Developments

- Organising and delivering Harmony Festival 2025, including post event feedback survey.
- Opening and consultation of the Kaarl Yarning Place.
- Noongar Leadership Monthly meetings and ongoing relationships.
- Collaborated with Bagebup Aboriginal Corporation Group for Reconciliation Week 2025.
- Reached innovate stage of the Reconciliation Action Plan.
- Delivered two Town Hall event: Ultimate Fluro Disco & Comedy Gold.
- Clarence Street and Short Street Consultation Survey results collected and under review by Infrastructure and Assets department.
- Safer Katanning Survey conducted, and results collected, under review with WALGA and Katanning Police.
- Maintained relationships with organisations and community groups, Palmerston, Anglicare, Bagebup, Katanning Aboriginal Corporation.
- Supported White Ribbon Event held at Town Square.
- Supported Australia Day and Citizen of The Year Event held at Lions Park.
- Organised and delivered Remembrance Day Event held at Memorial Garden.
- Agriculture Show Attendance and Shire Stall Presence.
- Supported and Assisted in Twilight Markets - Christmas on Clive.
- Organised and delivered Thank a Volunteer Day alongside Community Resource Centre (CRC) and Katanning Leisure Centre.



Library and Gallery

Library

- Youth Engagement
- School Holiday Program Activities
- Community Development
- Bloom Festival Activation Space
- Community Room for public and private hire
- Gallery Assistance
- Home Schooling Hub
- Recycling Program
- Supports external educational programs
- Support smaller local groups in the library space (all abilities, parent groups).
- Harmony Festival 2025
- Maintaining library requirements.
- Overseeing operations of Library, budgeting, staffing.

Gallery

- Gallery Exhibitions

Books
Issued



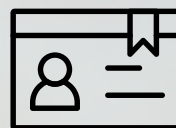
11,052

Door
Count



30,987

New
Memberships



203

Children Program
Participants



725

2024 - 2025 Developments

- Weekly Story Time timetable.
- Supported Eco Week activity held in the library for educational learning.
- Assisted Girl Guides in obtaining their literacy badge.
- Seed Library activated and delivered to the community.
- Held Arts and Crafts events throughout school holiday programs.
- Held Bloom Festival Activity in line with Bloom Festival theme.
- Community Space Hire - Katanning Noongar Leadership Group, Anglicare, Landcare, Hospital Comfort Fund, Ag Society, Genealogy Group, Katanning Environmental Inc, NDIS, DPIRD, RFDS to name a few as well as small businesses and local community groups.
- Homeschooling Hub assistance program to further educate homeschooling parents and children, providing tools and resources for educational material.
- Supporting smaller local groups in Library space and activities (parental groups, all abilities groups or support workers.)
- Ongoing support to 'Read Write Now' - educational material for further language development.
- Organised and delivered 'Kids Zone' as well as Story Box Exhibitions for the Harmony Festival.
- Monthly meetings with Remote and Regional Libraries, Public Libraries of Western Australia, Regional WA Libraries as well as State Library as needed.
- Ongoing contribution reporting to the State Library,
- Ongoing receivals and cataloguing of State Library stock and local donations.
- Held 'Trill Death Cult Exhibition' at the Gallery.
- Held 'Murals Mandalas and Masterpieces' at the Gallery.
- Held 'Art on the Move - Tributaries' at the Gallery.
- Held 'Anvil and the Easels - Metal Work and Paintings' at the Gallery.
- Held 'Together Again - Local Artists' at the Gallery.
- Held 'Wetlands Exhibition - Friends of Piesse Park' at the Gallery.
- Held 'Embracing Hearts - Embracing Culture' at the Gallery.
- Held 'Australia Wide Nine' at the Gallery.
- Held 'Exposure Exhibition' at the Gallery.



Leisure and Aquatic Centre

Leisure Centre

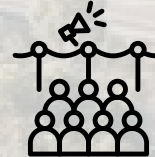
- Youth engagement
- School Holiday Programs
- All Abilities programs
- Social term sports
- Meetings and Functions Hire Space
- Group Fitness Timetable
- Seniors Program
- Gymnasium
- Seasonal Sports
- Equestrian Facilities
- Hockey/Soccer/Cricket Oval
- Football Oval
- Club Development
- 'Kids Sport' Application Assistance

Youth Program Attendance



652

Total Youth Events Activated



23

New Memberships



346

Aquatic Entries



13,965

Function Bookings for Hire Areas



42

Aquatic:

- Maintaining facilities
- Repairs and Upgrades

2024 - 2025 Developments

- Hosted School Holiday Programs; cooking/baking, arts and crafts, movies, silent disco, mini olympics, treasure hunt, talent show.
- Activated a safe youth zone - new equipment (table tennis, pool table, foosball, badminton, volleyball, pickleball, basketball, frisbee golf).
- Back to School Day for both youth and legal guardians in Partnership with SWAMS (South West Aboriginal Medical Service).
- Youth Day excursion to High Ropes in Dwellingup.
- After School Program - Tape ball Cricket 6 Week Clinic.
- Collaborated with WADSA (West Australian Disabled Sports Association)
- Hosted All Abilities Programs for support workers and clients.
- Hosted Social term team events Mixed Netball, Badminton, Pickleball and Volleyball.
- Held the Leo Graham Upper Great Southern Football League Medal Count.
- Held the Rotary International Dinner.
- Held Monthly Farmers Markets.
- Held Katanning Ag Show 2024.
- Held National Shears 2024.
- Held Primary School Athletic Carnivals.
- Held Primary School Cup.
- Senior's weekly activity timetable
- (quiz, pingo, gym exercise group, physio exercise group and seniors term social sports).
- Held Great Southern Gym Sports throughout school terms.
- Held Netball Fixtures.
- Held Australian Football Fixtures.
- Held Hockey Fixtures.
- Held Equestrian Events.
- Held Cricket Fixtures.
- Held Soccer Program - Mini Roo's.
- Hosted Quartermaine Oval Reopening Game Day.
- Hosted Kicks Sport Regional Pool Pilot Program.
- Repaint of The Aquatic Centre's Pool.
- Maintenance to maintain facility standards.



People and Culture

People and Culture

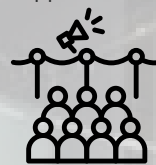
- Employee Wellbeing Initiatives
- Recruitment and Onboarding
- Workforce Planning
- Training and Development
- Performance Management
- Employee Relations and Support
- Industrial Compliance
- Payroll Support

Workplace Cultural Diversity



23.8%

Training Opportunities



23

Training Attendance



346

2024 - 2025 Developments

- New Organisational Values Launch
- Employee Wellness Program
- Mental Health Awareness Campaigns
- Team building and wellbeing activities
- EAP promotions
- Workforce Diversity milestones
- Internal Training opportunities
- 2025 Staff Engagement Survey



Projects

Projects

- Strategic planning and management of Shire assets
- Roads & Drainage
- Footpaths
- Parks & Open Areas
- Buildings & Facilities
- Fleet & Plant
- Identification of key and critical infrastructure
- Whole-Lifecycle cost management
- Development of asset management plans
- Future capital works planning
- Risk management relating to Shire asset network
- Scenario modelling and condition assessments
- Reporting to government statutory bodies on transport assets

Kaarl Yarning
Landscaped Area



750m²

Registered Study
Hub Students since
opening



38

2024 - 2025 Developments

- Delivered eID infrastructure upgrade project to Katanning Saleyards.
- Oversaw project management for the construction of the Kaarl Yarning Project.
- Coordinated assorted project procurement processes and contracts.
- Reporting on transport assets and expenditure to assorted government and industry bodies.
- Developed project scopes and explored funding opportunities for projects in upcoming financial years.
- Capturing capital and remedial works to maintain Shire transport asset inventory registers.
- Improved and reduced ongoing water costs for Amherst Village operations.
- Amherst Village Bathroom Renovations completed with further works scheduled to units.
- Amherst Village painting to internal walls at four units.
- Adopted new Asset Management Council policy in February 2025.
- Identified a suitable location to provide Great Southern Universities Centre to set up the Katanning Study Hub



Projects

Kaarl Yarning Place

In March 2025, the Shire of Katanning delivered the Kaarl Yarning Place brining life to a vital community space and marks a significant milestone as the first delivered project as part of the Katanning Public Arts Trail Strategy and Reconciliation Action Plan.

The Kaarl Yarning Place is comprised of a yarning circle adorned with rocks and seating around a central firepit, with gardens and a new timber conservation fencing along the creek line. Over 100 native species of flowers, shrubs and trees were planted in dedicated garden areas with concrete aggregate footpaths flowing through the heart of the site.

The KAARL Yarning Place is a key component of the broader strategy, an integral part of the Public Art Trail Strategy, which encapsulates the community's vision for artworks that enhance the public realm which tells Katanning's unique stories. This project recognises the significance of First Nations people of Katanning.

Members of the Katanning Noongar community expressed a heartfelt desire for a dedicated space – where Noongar people can meet, yarn, share culture, reflect on their past, and envision their future. The KAARL Yarning Place aims to be a hub for sharing, collaboration, and healing, providing a neutral space for Noongar people to enjoy and share culture together and with the wider community.

We thank the Department of Primary Industries and Regional Development and Lottery West for their funding contribution that made the delivery of this project possible and marks the first of a series of projects the Shire plans to undertake in the coming years to fulfill the community's aspirations.



eID Saleyard Infrastructure Upgrade

As part of the new rolling requirements for all Sheep to have electronic National Livestock Identification System (NLIS) devices as an eID eartag as required by the new amendments to the Biosecurity and Agriculture Management (Identification and Movement of Stock and Apiaries) Regulations 2013 the Katanning Saleyard has been upgraded scan and capture all eID tagged sheep movements as they are drafted.

The upgrade which retrofits seven new four-way drafters and three single-lane walkthroughs with new RFID readers to assist the saleyard operations and stock traders in reporting back to the NLIS database and meet their statutory obligations. The eID infrastructure is supplied by Allflex Australia and the RFID units and frames are built within Australia and are designed for Australian saleyards. As an eID tagged sheep is drafted, the tag is read and picked up through the respective drafting gate and is immediately reported back to the National Livestock Identification Database. From there the stock agents can wirelessly communicate their own software wirelessly through bluetooth and manage the sheep movements to fulfill their own reporting obligations as well as assist in recoding sheep for their own purposes.

This project constructed in May 2025 was able to be delivered thanks to the Department of Primary Industries and Regional Development who fully funded the upgrade through the eID Infrastructure Saleyard grant funding. As of 1 July, 2025 all sheep that have an eID tag or NLIS device must be scanned and have all movements reported back to the National Livestock Identification Database.

Projects

Katanning 24/7 Study Hub

In 2024 Katanning was one of ten new locations selected for the development of a Regional Study Hub through funding from the Federal Department of Education. Regional Development Australia and Great Southern Universities Centre were awarded the money to set up and establish the study hub within the Katanning townsite. This was the third study hub built within the Great Southern Region, and at the time of its opening was one of 56 across the entire country.

The Shire of Katanning worked together with Great Southern Universities Centre to find a suitable location for the Study Hub examining size, suitability, disability access and inclusion and the opportunity to offer secure 24/7 access to the site. The site of the old Shire Administration at 18 Austral Terrace was selected as an opportunity to activate the space and would complement the existing use alongside South West Aboriginal Medical Services to deliver services that meet the unique needs of our local community.

The Katanning 24/7 Study Hub offers regional students a place to focus, study, and meet other local students. It provides individual and collaborative study spaces, sound-proof meeting rooms, computer facilities, high speed internet, free printing, scanning and photocopying for students, video conferencing infrastructure and kitchen, tea and coffee facilities.

These regional study hubs are designed to break down regional barriers to attaining a tertiary qualification and promote and support the opportunity to attend university. Across Australia 44% of registered students of existing study hubs are the first in their family to ever attend university. Enrolment can be organized by contacting the Katanning 24/7 Study Hub or the Great Southern Universities Centre website.



Quatermaine Oval

The Shire of Katanning successfully completed the upgrade of Quatermaine Oval during the year at a cost of \$2.09m. Works completed included replacement of subsoil drainage, releveling oval surface and replacement of fill material, new reticulations system, new LED flood lighting system and new cricket net facilities.

Funding was made available from the WA Football Commission, WA Cricket Association and the Department of Sport and Recreation and Cultural Industries through its Community Sport and Recreation Facilities Fund.

The project commenced in November 2024 and was completed in May 2025 and was officially opened on 18th May 2025 at the Katanning Wanderers first home game of the season.

Quatermaine oval will host the Upper Great Southern Football league grand final in September 2025 this event is expected to attract a significant number of spectators and participants.

Completion of the project addresses the substandard playing facilities and drainage problems which the oval had suffered from previously. It also encourages a greater participation in sport locally and represents a significant milestone in Council's objective of providing premier sporting facilities for local competition

Projects

Katanning Aquatic Centre

The Shire of Katanning has organised for the restoration of the Olympic Pool's painted surface in response to the degradation and delamination of the existing paint. This work was carried out between May and July in the post-season period to allow for sufficient time for the paint to fully cure before the pre-season preparations commence for opening in November 2025.

In the process of identifying the correct actions to take for the painted surface it was also revealed that both remedial works to the gutter surface were required in addition to some repairs to the Olympic Pool sealing joints. These works will aim to improve the visual amenity to the site, act as a protective surface to the underlying concrete improving the longevity to the pool, and reduce the risk of water loss throughout the year.



Saleyards Fire Safety Project

This year the Shire coordinated and managed the installation of a Fire-water tank at the Saleyards (Lot 500 Nyabing Road-Katanning).

The project was a direct result of findings from a Fire Safety Engineering Report (FESR) conducted on the Saleyards administration and facilities building.

The installation of the Fire-water tank (144,000 litres of useable water) and fire extinguishers within the building itself addressed compliance requirements and ensured an effective fire management system was in place for this section of the Saleyards infrastructure.

The project was completed in collaboration with a local contractor who completed preliminary pad preparation and erection of the main ring beam and a local Great Southern Tank manufacturer from who the tank was purchased.



Shire of **Katanning**

Heart of the Great Southern

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2025

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

Katanning is a safe, sustainable, and prosperous community. We respect and celebrate our diverse culture.

Principal place of business:

**52 Austral Terrace
KATANNING 6317**

**SHIRE OF KATANNING
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025**

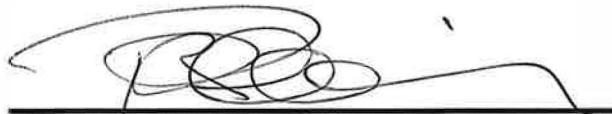
*Local Government Act 1995
Local Government (Financial Management) Regulations 1996*

Statement by CEO

The accompanying financial report of the Shire of Katanning 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 9th day of DECEMBER, 2025



CEO

Peter Klein



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

| | Note | 2025 Actual \$ | 2025 Budget \$ | 2024 Actual \$ |
|--|----------------|----------------------|----------------------|----------------------|
| Revenue | | | | |
| Rates | 2(a) and 24(a) | 5,234,801 | 5,147,675 | 5,016,764 |
| Grants, subsidies and contributions | 2(a) | 3,028,072 | 3,917,608 | 3,278,705 |
| Fees and charges | 2(a) | 2,409,517 | 2,008,326 | 2,153,742 |
| Interest revenue | 2(a) | 560,295 | 528,000 | 535,953 |
| Other revenue | 2(a) | 309,292 | 316,166 | 339,235 |
| | | 11,541,977 | 11,917,775 | 11,324,399 |
| Expenses | | | | |
| Employee costs | 2(b) | (4,689,198) | (5,380,736) | (4,607,368) |
| Materials and contracts | | (3,955,453) | (4,058,989) | (3,471,073) |
| Utility charges | | (571,194) | (555,276) | (528,272) |
| Depreciation | | (9,189,295) | (7,317,569) | (9,028,003) |
| Finance costs | 2(b) | (133,197) | (100,543) | (120,411) |
| Insurance | | (437,476) | (489,730) | (477,713) |
| Other expenditure | 2(b) | (208,312) | (456,300) | (369,487) |
| | | (19,184,125) | (18,359,143) | (18,602,327) |
| | | (7,642,148) | (6,441,368) | (7,277,928) |
| Capital grants, subsidies and contributions | 2(a) | 2,357,229 | 12,148,366 | 601,261 |
| Profit on asset disposals | | 259,274 | 46,178 | 104,831 |
| Loss on asset disposals | | 0 | (40,000) | 0 |
| | | 2,616,503 | 12,154,544 | 706,092 |
| Net result for the period | | (5,025,645) | 5,713,176 | (6,571,836) |
| Total other comprehensive income for the period | | 0 | 0 | 0 |
| Total comprehensive income for the period | | (5,025,645) | 5,713,176 | (6,571,836) |

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



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

| | Note | 2025 \$ | 2024 \$ |
|---|-------|--------------------|--------------------|
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 3 | 15,299,657 | 15,635,259 |
| Trade and other receivables | 5 | 1,782,358 | 1,453,023 |
| Other financial assets | 4(a) | 22,754 | 21,880 |
| Inventories | 6 | 10,411 | 14,684 |
| TOTAL CURRENT ASSETS | | 17,115,180 | 17,124,846 |
| NON-CURRENT ASSETS | | | |
| Trade and other receivables | 5 | 356,964 | 268,323 |
| Other financial assets | 4(b) | 321,802 | 344,554 |
| Property, plant and equipment | 7 | 56,103,805 | 58,275,262 |
| Infrastructure | 8 | 210,910,983 | 213,799,542 |
| Right-of-use assets | 10(a) | 2,120 | 2,120 |
| TOTAL NON-CURRENT ASSETS | | 267,695,674 | 272,689,801 |
| TOTAL ASSETS | | 284,810,854 | 289,814,647 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 11 | 1,941,028 | 1,412,437 |
| Contract liabilities | 12 | 0 | 348,255 |
| Capital grant/contributions liabilities | 12 | 4,776,609 | 4,507,527 |
| Lease liabilities | 10(b) | 878 | 878 |
| Borrowings | 13 | 302,233 | 293,447 |
| Employee related provisions | 14 | 514,778 | 582,279 |
| TOTAL CURRENT LIABILITIES | | 7,535,526 | 7,144,823 |
| NON-CURRENT LIABILITIES | | | |
| Borrowings | 13 | 2,704,400 | 3,006,633 |
| Employee related provisions | 14 | 82,527 | 109,024 |
| Other provisions | 15 | 568,112 | 608,233 |
| TOTAL NON-CURRENT LIABILITIES | | 3,355,039 | 3,723,890 |
| TOTAL LIABILITIES | | 10,890,565 | 10,868,713 |
| NET ASSETS | | 273,920,289 | 278,945,934 |
| EQUITY | | | |
| Retained surplus | | 79,442,463 | 85,391,968 |
| Reserve accounts | 27 | 8,718,555 | 7,794,695 |
| Revaluation surplus | 16 | 185,759,271 | 185,759,271 |
| TOTAL EQUITY | | 273,920,289 | 278,945,934 |

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



SHIRE OF KATANNING
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 | | 92,024,703 | 7,733,796 | 185,759,271 | 285,517,770 |
| Comprehensive income for the period | | | | | |
| Net result for the period | | (6,571,836) | 0 | 0 | (6,571,836) |
| Total comprehensive income for the period | | (6,571,836) | 0 | 0 | (6,571,836) |
| Transfers from reserve accounts | 27 | 657,301 | (657,301) | 0 | 0 |
| Transfers to reserve accounts | 27 | (718,200) | 718,200 | 0 | 0 |
| Balance as at 30 June 2024 | | 85,391,968 | 7,794,695 | 185,759,271 | 278,945,934 |
| Comprehensive income for the period | | | | | |
| Net result for the period | | (5,025,645) | 0 | 0 | (5,025,645) |
| Total comprehensive income for the period | | (5,025,645) | 0 | 0 | (5,025,645) |
| Transfers from reserve accounts | 27 | 475,102 | (475,102) | 0 | 0 |
| Transfers to reserve accounts | 27 | (1,398,962) | 1,398,962 | 0 | 0 |
| Balance as at 30 June 2025 | | 79,442,463 | 8,718,555 | 185,759,271 | 273,920,289 |

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

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

| | Note | 2025 Actual \$ | 2024 Actual \$ |
|--|-------|----------------------|----------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Receipts | | | |
| Rates | | 5,201,298 | 4,939,220 |
| Grants, subsidies and contributions | | 2,498,287 | 3,790,807 |
| Fees and charges | | 2,409,517 | 2,153,742 |
| Interest revenue | | 560,295 | 535,953 |
| Goods and services tax received | | 535,586 | 612,543 |
| Other revenue | | 309,292 | 339,233 |
| | | 11,514,275 | 12,371,498 |
| Payments | | | |
| Employee costs | | (4,764,256) | (4,674,728) |
| Materials and contracts | | (3,416,237) | (4,055,454) |
| Utility charges | | (611,315) | (528,272) |
| Finance costs | | (123,829) | (120,411) |
| Insurance paid | | (437,476) | (477,713) |
| Goods and services tax paid | | (504,108) | (612,213) |
| Other expenditure | | (208,312) | (369,487) |
| | | (10,065,533) | (10,838,278) |
| Net cash provided by operating activities | | 1,448,742 | 1,533,220 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Payments for purchase of property, plant & equipment | 7(a) | (1,378,813) | (1,284,619) |
| Payments for construction of infrastructure | 8(a) | (2,968,701) | (534,507) |
| Proceeds from capital grants, subsidies and contributions | | 2,357,229 | 601,261 |
| Proceeds from financial assets at amortised cost - self-supporting loans | | 21,880 | 21,043 |
| Proceeds from sale of property, plant & equipment | | 477,508 | 287,052 |
| Net cash (used in) investing activities | | (1,490,897) | (909,770) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Repayment of borrowings | 26(a) | (293,447) | (284,959) |
| Payments for principal portion of lease liabilities | 26(b) | 0 | (15,172) |
| Net cash (used in) financing activities | | (293,447) | (300,131) |
| Net increase (decrease) in cash held | | (335,602) | 323,319 |
| Cash at beginning of year | | 15,635,259 | 15,311,940 |
| Cash and cash equivalents at the end of the year | | 15,299,657 | 15,635,259 |

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

SHIRE OF KATANNING
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 | 24 | 5,229,981 | 5,142,525 | 5,011,922 |
| Rates excluding general rates | 24 | 4,820 | 5,150 | 4,842 |
| Grants, subsidies and contributions | | 3,028,072 | 3,917,608 | 3,278,705 |
| Fees and charges | | 2,409,517 | 2,008,326 | 2,153,742 |
| Interest revenue | | 560,295 | 528,000 | 535,953 |
| Other revenue | | 309,292 | 316,166 | 339,235 |
| Profit on asset disposals | | 259,274 | 46,178 | 104,831 |
| | | 11,801,251 | 11,963,953 | 11,429,230 |
| Expenditure from operating activities | | | | |
| Employee costs | | (4,689,198) | (5,380,736) | (4,607,368) |
| Materials and contracts | | (3,955,453) | (4,058,989) | (3,471,073) |
| Utility charges | | (571,194) | (555,276) | (528,272) |
| Depreciation | | (9,189,295) | (7,317,569) | (9,028,003) |
| Finance costs | | (133,197) | (100,543) | (120,411) |
| Insurance | | (437,476) | (489,730) | (477,713) |
| Other expenditure | | (208,312) | (456,300) | (369,487) |
| Loss on asset disposals | | 0 | (40,000) | 0 |
| | | (19,184,125) | (18,399,142) | (18,602,327) |
| Non-cash amounts excluded from operating activities | 25(a) | 8,778,212 | 7,311,391 | 4,397,568 |
| Amount attributable to operating activities | | 1,395,338 | 876,202 | (2,775,529) |
| INVESTING ACTIVITIES | | | | |
| Inflows from investing activities | | | | |
| Capital grants, subsidies and contributions | | 2,357,229 | 12,148,366 | 601,261 |
| Proceeds from disposal of assets | | 477,508 | 193,500 | 287,052 |
| Proceeds from financial assets at amortised cost - self-supporting loans | 26(a) | 21,880 | 21,880 | 21,043 |
| | | 2,856,617 | 12,363,746 | 909,356 |
| Outflows from investing activities | | | | |
| Payments for financial assets at amortised cost - self supporting loans | | 0 | (21,880) | (21,043) |
| Acquisition of property, plant and equipment | 7(a) | (1,378,813) | (12,346,483) | (1,284,619) |
| Acquisition of infrastructure | 8(a) | (2,968,701) | (3,096,380) | (534,507) |
| | | (4,347,514) | (15,464,743) | (1,840,169) |
| Amount attributable to investing activities | | (1,490,897) | (3,100,997) | (930,813) |
| FINANCING ACTIVITIES | | | | |
| Inflows from financing activities | | | | |
| Transfers from reserve accounts | 27 | 475,102 | 1,926,337 | 657,301 |
| | | 475,102 | 1,926,337 | 657,301 |
| Outflows from financing activities | | | | |
| Repayment of borrowings | 26(a) | (293,447) | (293,444) | (284,959) |
| Payments for principal portion of lease liabilities | 26(b) | 0 | (955) | (15,172) |
| Transfers to reserve accounts | 27 | (1,398,962) | (943,014) | (718,200) |
| | | (1,692,409) | (1,237,413) | (1,018,331) |
| Amount attributable to financing activities | | (1,217,307) | 688,924 | (361,030) |
| MOVEMENT IN SURPLUS OR DEFICIT | | | | |
| Surplus or deficit at the start of the financial year | 25(b) | 4,112,249 | 1,535,871 | 8,179,621 |
| Amount attributable to operating activities | | 1,395,338 | 876,202 | (2,775,529) |
| Amount attributable to investing activities | | (1,490,897) | (3,100,997) | (930,813) |
| Amount attributable to financing activities | | (1,217,307) | 688,924 | (361,030) |
| Surplus or deficit after imposition of general rates | 25(b) | 2,799,383 | 0 | 4,112,249 |

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

SHIRE OF KATANNING
FOR THE YEAR ENDED 30 JUNE 2025
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SHIRE OF KATANNING
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 Katanning which is a Class 3 local government comprises general purpose financial statements which have been prepared in accordance with the *Local Government Act 1995* and accompanying regulations.

Local Government Act 1995 requirements

Section 6.4(2) of the *Local Government Act 1995* read with the *Local Government (Financial Management) Regulations 1996* prescribe that the financial report be prepared in accordance with the *Local Government Act 1995* and, to the extent that they are not inconsistent with the *Local Government Act 1995*, the Australian Accounting Standards.

The Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and Interpretations of the Australian Accounting Standards Board were applied except for disclosure requirements of:

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

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

The *Local Government (Financial Management) Regulations 1996* provide that:

- land and buildings classified as property, plant and equipment; or
- infrastructure; or
- vested improvements that the local government controls; and measured at reportable value, are only required to be revalued every five years. Revaluing these non-financial assets every five years is a departure from AASB 116 *Property, Plant and Equipment*, which would have required the Shire to assess at each reporting date whether the carrying amount of the above mentioned non-financial assets materially differs from their fair value and, if so, revalue the class of non-financial assets.

Accounting policies which have been adopted in the preparation of this financial report have been consistently applied unless stated otherwise. Except for cash flow and rate setting information, the financial report has been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

Critical accounting estimates and judgements

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances; the results of which form the basis of making the judgements about carrying amounts of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

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

- Fair value measurement of assets carried at reportable value including:
 - Property, plant and equipment - note 7
 - Infrastructure - note 8
- Measurement of employee benefits - note 14
- Measurement of provisions - note 15

Fair value hierarchy information can be found in note 23

The local government reporting entity

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

All monies held in the Trust Fund are excluded from the financial statements.

Initial application of accounting standards

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

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

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

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

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

New accounting standards for application in future years

The following new accounting standards will have application to local government in future years:

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

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

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

2. REVENUE AND EXPENSES

(a) Revenue

Contracts with customers

Recognition of revenue is dependant on the source of revenue and the associated terms and conditions associated with each source of revenue and recognised as follows:

| Revenue category | Nature of goods and services | When obligations typically satisfied | Payment terms | Returns/refunds/warranties | Timing of revenue recognition |
|---|--|--------------------------------------|--|---|---|
| Grants, subsidies and contributions | Community events, minor facilities, research, design, planning evaluation and services | Over time | Fixed terms transfer of funds based on agreed milestones and reporting | Contract obligation if project not complete | Output method based on project milestones and/or completion date matched to performance obligations |
| Fees and charges - licences, registrations, approvals | Building, planning, development and animal management. | Single point in time | Full payment prior to issue | None | On payment of the licence, registration or approval |
| Fees and charges - waste management entry fees | Waste treatment, recycling and disposal service at disposal site | Single point in time | Payment in advance at gate or on normal trading terms if credit provided | None | On entry to facility |
| Fees and charges - sale of stock | KLC stock | Single point in time | In full in advance, on 15 day credit | Refund for faulty goods | At point of sale |
| Other revenue - private works | Contracted private works | Single point in time | Monthly in arrears | None | At point of service |

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

Revenue recognition

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

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

For the year ended 30 June 2025

| Nature | Contracts with customers | Capital grant/contributions | Statutory requirements | Other | Total |
|---|--------------------------|-----------------------------|------------------------|----------------|-------------------|
| | \$ | \$ | \$ | \$ | \$ |
| Rates | 0 | 0 | 5,234,801 | 0 | 5,234,801 |
| Grants, subsidies and contributions | 0 | 0 | 3,028,072 | 0 | 3,028,072 |
| Fees and charges | 2,409,517 | 0 | 0 | 0 | 2,409,517 |
| Interest revenue | 0 | 0 | 560,295 | 0 | 560,295 |
| Other revenue | 172,473 | 0 | 0 | 136,819 | 309,292 |
| Capital grants, subsidies and contributions | 0 | 2,357,229 | 0 | 0 | 2,357,229 |
| Total | 2,581,990 | 2,357,229 | 8,823,168 | 136,819 | 13,899,206 |

For the year ended 30 June 2024

| Nature | Contracts with customers | Capital grant/contributions | Statutory requirements | Other | Total |
|---|--------------------------|-----------------------------|------------------------|----------------|-------------------|
| | \$ | \$ | \$ | \$ | \$ |
| Rates | 0 | 0 | 5,016,764 | 0 | 5,016,764 |
| Grants, subsidies and contributions | 332,029 | 0 | 2,946,676 | 0 | 3,278,705 |
| Fees and charges | 2,153,742 | 0 | 0 | 0 | 2,153,742 |
| Interest revenue | 439,512 | 0 | 78,249 | 18,192 | 535,953 |
| Other revenue | 164,517 | 0 | 137,218 | 37,500 | 339,235 |
| Capital grants, subsidies and contributions | 0 | 411,638 | 0 | 189,623 | 601,261 |
| Total | 3,089,800 | 411,638 | 8,178,907 | 245,315 | 11,925,660 |

SHIRE OF KATANNING
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 | | |
| Other financial assets | 10,650 | 9,310 |
| Interest on reserve account | 294,923 | 356,585 |
| Trade and other receivables overdue interest | 72,111 | 68,938 |
| Other interest revenue | 182,611 | 101,120 |
| | 560,295 | 535,953 |
| The 2025 original budget estimate in relation to: Trade and other receivables overdue interest was \$88,000 | | |
| Fees and charges relating to rates receivable | | |
| Charges on instalment plan | 9,690 | 9,810 |
| The 2025 original budget estimate in relation to: Charges on instalment plan was \$10,000 | | |

(b) Expenses

| | | |
|--|-----------|-----------|
| Auditors remuneration | | |
| - Audit of the Annual Financial Report | 94,513 | 82,800 |
| - Other services – grant acquittals | 11,000 | 11,220 |
| | 105,513 | 94,020 |
| Employee Costs | | |
| Employee benefit costs | 4,041,750 | 3,996,224 |
| Other employee costs | 647,448 | 611,143 |
| | 4,689,198 | 4,607,367 |
| Finance costs | | |
| Interest and financial charges paid/payable for financial liabilities not at fair value through profit or loss | 133,197 | 120,411 |
| | 133,197 | 120,411 |
| Other expenditure | | |
| Sundry expenses | 208,312 | 369,487 |
| | 208,312 | 369,487 |

SHIRE OF KATANNING
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 | 6,581,103 | 7,840,564 |
| Term deposits | 8,718,554 | 7,794,695 |
| Total cash and cash equivalents | 15,299,657 | 15,635,259 |
| Held as | | |
| - Unrestricted cash and cash equivalents | 1,804,493 | 2,984,781 |
| - Restricted cash and cash equivalents | 13,495,164 | 12,650,478 |
| 17 | 15,299,657 | 15,635,259 |

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.

Term deposits are presented as cash equivalents if they have a maturity of three months or less from the date of acquisition and are repayable with 24 hours notice with no loss of interest.

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

Other financial assets at amortised cost

Self-supporting loans receivable

| Note | 2025 \$ | 2024 \$ |
|-------|---------------|---------------|
| 25(b) | 22,754 | 21,880 |
| | 22,754 | 21,880 |

Held as

- Unrestricted other financial assets at amortised cost

| | | |
|--|---------------|---------------|
| | 22,754 | 21,880 |
| | 22,754 | 21,880 |

(b) Non-current assets

Other financial assets at amortised cost

Financial assets at fair values through profit or loss

| | | |
|--|----------------|----------------|
| | 179,192 | 201,947 |
| | 142,610 | 142,607 |
| | 321,802 | 344,554 |

Other financial assets at amortised cost

Self-supporting loans receivable

| | | |
|-------|----------------|----------------|
| 25(b) | 179,194 | 180,905 |
| | 179,190 | 180,905 |

Financial assets at fair values 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

| | | |
|--|----------------|----------------|
| | 142,607 | 142,607 |
| | 3 | 0 |
| | 142,610 | 142,607 |

Loans receivable from clubs/institutions have the same terms and conditions as the related borrowing disclosed in Note 26(a) as self-supporting loans. Fair value of financial assets at fair value through profit and loss is determined from the net asset value of the units held in the Trust at balance date as compiled by WALGA.

MATERIAL ACCOUNTING POLICIES

Other financial assets at amortised cost

The Shire classifies financial assets at amortised cost if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cashflows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

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

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

Financial assets at fair values 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 profit or loss.
- equity investments which the Shire has elected to recognise as fair value gains and losses through profit or loss.

SHIRE OF KATANNING
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 | 1,208,296 | 1,302,300 |
| Trade receivables | 823,221 | 427,232 |
| Other receivables | 29,135 | 58,480 |
| Allowance for Credit losses - Rates Debtors | (14,398) | 0 |
| Allowance for Credit losses - Sundry Debtors | (263,896) | (362,262) |
| Other receivables - ATO Receivables | 0 | 27,273 |
| | 1,782,358 | 1,453,023 |
| Non-current | | |
| Rates and statutory receivables | 356,964 | 268,323 |
| | 356,964 | 268,323 |

Disclosure of opening and closing balances related to contracts with customers

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

| Note | 30 June 2025 Actual | 30 June 2024 Actual | 1 July 2023 Actual |
|---|---------------------------|---------------------------|--------------------------|
| | \$ | \$ | \$ |
| Allowance for Credit losses - Rates Debtors | 5 (14,398) | 0 | 0 |
| Allowance for Credit losses - Sundry Debtors | 5 (263,896) | (362,262) | (314,582) |
| Total trade and other receivables from contracts with customers | (278,294) | (362,262) | (314,582) |

MATERIAL ACCOUNTING POLICIES

Rates and statutory receivables

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

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

Trade receivables

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

Other receivables

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

Measurement

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

Classification and subsequent measurement

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

Trade and other receivables are held with the objective to collect the contractual cashflows and therefore the Shire measures them subsequently at amortised cost using the effective interest rate method.

Due to the short term nature of current receivables, their carrying amount is considered to be the same as their fair value. Non-current receivables are indexed to inflation, any difference between the face value and fair value is considered immaterial.

SHIRE OF KATANNING
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 | 10,411 | 14,684 |
| | 10,411 | 14,684 |
| The following movements in inventories occurred during the year: | | |
| Balance at beginning of year | 14,684 | 20,508 |
| Inventories expensed during year | (4,273) | (5,824) |
| Balance at end of year | 10,411 | 14,684 |

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

7. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in balances

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

| | Assets not subject to operating lease | | | Total property | | | Plant and equipment | | | | | | |
|--|---------------------------------------|-----------------------------|-------------------------|----------------|-------------|----------------|------------------------|---------------------|--|---|---|-------------------------------------|--|
| | | Buildings - non specialised | Buildings - specialised | | | | | | Other property, plant and equipment-motor vehicles | Other property, plant and equipment-equipment | Other property, plant and equipment-painting & sculptures | Total property, plant and equipment | |
| Note | Land | | | Land | Buildings | Total property | Furniture and fittings | Plant and Equipment | | | | | |
| | \$ | | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | |
| Balance at 1 July 2023 | 5,731,900 | 3,848,547 | 45,912,977 | 5,731,900 | 49,761,524 | 55,493,424 | 134,419 | 2,850,397 | 484,537 | 944,720 | 438,679 | 60,346,176 | |
| Additions | 0 | 0 | 159,155 | 0 | 159,155 | 159,155 | 0 | 1,070,907 | 44,057 | 0 | 10,500 | 1,284,619 | |
| Disposals | (64,000) | 0 | 0 | (64,000) | 0 | (64,000) | 0 | (118,221) | 0 | 0 | 0 | (182,221) | |
| Depreciation | 0 | (185,467) | (1,989,381) | 0 | (2,174,848) | (2,174,848) | (43,590) | (608,360) | (135,202) | (208,745) | (2,567) | (3,173,312) | |
| Balance at 30 June 2024 | 5,667,900 | 3,663,080 | 44,082,751 | 5,667,900 | 47,745,831 | 53,413,731 | 90,829 | 3,194,723 | 393,392 | 735,975 | 446,612 | 58,275,262 | |
| Comprises: | | | | | | | | | | | | | |
| Gross balance amount at 30 June 2024 | 5,667,900 | 4,031,898 | 48,225,567 | 5,667,900 | 52,257,465 | 57,925,365 | 295,016 | 5,942,179 | 822,005 | 1,799,057 | 456,558 | 67,240,180 | |
| Accumulated depreciation at 30 June 2024 | 0 | (368,818) | (4,142,816) | 0 | (4,511,634) | (4,511,634) | (204,187) | (2,747,456) | (428,613) | (1,063,082) | (9,946) | (8,964,918) | |
| Balance at 30 June 2024 | 7(b) 5,667,900 | 3,663,080 | 44,082,751 | 5,667,900 | 47,745,831 | 53,413,731 | 90,829 | 3,194,723 | 393,392 | 735,975 | 446,612 | 58,275,262 | |
| Additions | 0 | 0 | 304,229 | 0 | 304,229 | 304,229 | 8,324 | 145,035 | 45,023 | 876,202 | 0 | 1,378,813 | |
| Disposals | (179,000) | 0 | 0 | (179,000) | 0 | (179,000) | 0 | (12,858) | (26,376) | 0 | 0 | (218,234) | |
| Depreciation | 0 | (185,467) | (2,131,764) | 0 | (2,317,231) | (2,317,231) | (20,792) | (654,378) | (134,140) | (202,929) | (2,566) | (3,332,036) | |
| Balance at 30 June 2025 | 5,488,900 | 3,477,613 | 42,255,216 | 5,488,900 | 45,732,829 | 51,221,729 | 78,361 | 2,672,522 | 277,899 | 1,409,248 | 444,046 | 56,103,805 | |
| Comprises: | | | | | | | | | | | | | |
| Gross balance amount at 30 June 2025 | 5,488,900 | 4,031,898 | 48,529,796 | 5,488,900 | 52,561,694 | 58,050,594 | 303,340 | 5,977,980 | 748,887 | 2,675,259 | 456,558 | 68,212,618 | |
| Accumulated depreciation at 30 June 2025 | 0 | (554,285) | (6,274,580) | 0 | (6,828,865) | (6,828,865) | (224,979) | (3,305,458) | (470,988) | (1,266,011) | (12,512) | (12,108,813) | |
| Balance at 30 June 2025 | 7(b) 5,488,900 | 3,477,613 | 42,255,216 | 5,488,900 | 45,732,829 | 51,221,729 | 78,361 | 2,672,522 | 277,899 | 1,409,248 | 444,046 | 56,103,805 | |

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

7. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Carrying amount measurements

| Asset class | Note | Carrying amount 2025 \$ | Carrying amount 2024 \$ | Fair value hierarchy | Valuation technique | Basis of valuation | Date of last valuation | Inputs used |
|---|------|-------------------------------|-------------------------------|-------------------------|--|-------------------------------|---------------------------|---|
| (i) Fair value - as determined at the last valuation date | | | | | | | | |
| Land and buildings | | | | | | | | |
| Land - market value | | 5,488,900 | 5,667,900 | 2 | Market approach using recent observable market for similar properties | Independent Registered Valuer | June 2022 | Price per square metre |
| Total land | 7(a) | 5,488,900 | 5,667,900 | | | | | |
| Buildings - non specialised | | 3,477,613 | 3,663,080 | 2 | Market approach using recent observable market data for similar properties | Independent Registered Valuer | June 2022 | Price per square metre |
| Buildings - specialised | | 42,255,217 | 44,082,751 | 3 | Cost approach using current replacement cost | Independent Registered Valuer | June 2022 | Construction cost and current condition, residual values and remaining useful life assessment |
| Total buildings | 7(a) | 45,732,830 | 47,745,831 | | | | | |

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

8. INFRASTRUCTURE

(a) Movements in balances

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

| | Infrastructure - roads | Other infrastructure- footpaths | Other infrastructure- drainage | Other infrastructure- parks & ovals | Other infrastructure- other | Other infrastructure- landfill | Other infrastructure- bridges | Total infrastructure |
|--|---------------------------|---------------------------------------|--------------------------------------|---|-----------------------------------|--------------------------------------|----------------------------------|-------------------------|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Balance at 1 July 2023 | 172,262,123 | 3,100,158 | 19,148,998 | 10,106,053 | 13,677,096 | 56,839 | 755,256 | 219,106,523 |
| Additions | 395,259 | 0 | 0 | 97,800 | 25,607 | 0 | 15,841 | 534,507 |
| Depreciation | (4,525,506) | (93,152) | (301,188) | (420,165) | (442,113) | (4,762) | (54,602) | (5,841,488) |
| Balance at 30 June 2024 | 168,131,876 | 3,007,006 | 18,847,810 | 9,783,688 | 13,260,590 | 52,077 | 716,495 | 213,799,542 |
| Comprises: | | | | | | | | |
| Gross balance at 30 June 2024 | 172,657,382 | 3,100,158 | 19,148,999 | 10,203,853 | 13,702,703 | 317,460 | 771,093 | 219,901,648 |
| Accumulated depreciation at 30 June 2024 | (4,525,506) | (93,152) | (301,189) | (420,165) | (442,113) | (265,383) | (54,598) | (6,102,106) |
| Balance at 30 June 2024 | 168,131,876 | 3,007,006 | 18,847,810 | 9,783,688 | 13,260,590 | 52,077 | 716,495 | 213,799,542 |
| Additions | 810,311 | 0 | 0 | 2,158,390 | 0 | 0 | 0 | 2,968,701 |
| Depreciation | (4,537,090) | (93,004) | (300,895) | (420,271) | (446,808) | (4,762) | (54,430) | (5,857,260) |
| Transfers | 0 | 0 | 0 | 97,800 | (97,800) | 0 | 0 | 0 |
| Balance at 30 June 2025 | 164,405,097 | 2,914,002 | 18,546,915 | 11,619,607 | 12,715,982 | 47,315 | 662,065 | 210,910,983 |
| Comprises: | | | | | | | | |
| Gross balance at 30 June 2025 | 173,467,693 | 3,100,158 | 19,148,998 | 12,460,043 | 13,604,903 | 317,460 | 771,097 | 222,870,352 |
| Accumulated depreciation at 30 June 2025 | (9,062,596) | (186,156) | (602,083) | (840,436) | (888,921) | (270,145) | (109,032) | (11,959,369) |
| Balance at 30 June 2025 | 164,405,097 | 2,914,002 | 18,546,915 | 11,619,607 | 12,715,982 | 47,315 | 662,065 | 210,910,983 |

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

8. INFRASTRUCTURE (Continued)

(b) Carrying amount measurements

| Asset class | Fair value hierarchy | Valuation technique | Basis of valuation | Date of last valuation | Inputs used |
|--|-----------------------------|--|-------------------------------|-------------------------------|---|
| (i) Fair value - as determined at the last valuation date | | | | | |
| Infrastructure - roads | 3 | Cost approach using current replacement cost | Independent Registered Valuer | June 2023 | Construction costs and current condition, residual values and remaining useful life assessments |
| Other infrastructure-footpaths | 3 | Cost approach using current replacement cost | Independent Registered Valuer | June 2023 | Construction costs and current condition, residual values and remaining useful life assessments |
| Other infrastructure-drainage | 3 | Cost approach using current replacement cost | Independent Registered Valuer | June 2023 | Construction costs and current condition, residual values and remaining useful life assessments |
| Other infrastructure-parks & ovals | 3 | Cost approach using current replacement cost | Independent Registered Valuer | June 2023 | Construction costs and current condition, residual values and remaining useful life assessments |
| Other infrastructure-other | 3 | Cost approach using current replacement cost | Independent Registered Valuer | June 2023 | Construction costs and current condition, residual values and remaining useful life assessments |
| Other infrastructure-bridges | 3 | Cost approach using current replacement cost | Independent Registered Valuer | June 2023 | Construction costs and current condition, residual values and remaining useful life assessments |

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

9. FIXED ASSETS

(a) Depreciation

Depreciation rates

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

| Asset class | Useful life |
|--|-----------------------------------|
| Buildings | 4 to 50 years |
| Furniture and equipment | 4 to 20 years |
| Plant | 5 to 15 years |
| Motor Vehicles | 5 to 10 years |
| Equipment | 5 to 50 years |
| Painting and Sculptures | not depreciated |
| Sealed roads and streets formation | not depreciated |
| pavement | 2.5 to 72 years |
| seal | |
| - bituminous seals | 2 to 18 years |
| - asphalt surfaces | 9 to 27 years |
| Gravel roads formation | not depreciated |
| pavement | 5 to 63 years |
| Footpaths - slab | 7 to 80 years |
| Water supply piping and drainage systems | 80 to 100 years |
| Landfill assets | 6 to 34 years |
| Right-of-use (plant and equipment) | Based on the remaining lease term |

Revision of useful lives and residual values of fixed assets

During the year, the estimated useful lives and residual values of all fixed assets was reviewed in accordance with AASB116.51

9. FIXED ASSETS (Continued)

MATERIAL ACCOUNTING POLICIES

Initial recognition

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

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

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

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

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

Measurement after recognition

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

Reportable value

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

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

Revaluation

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

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

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

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

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

Depreciation

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

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

Depreciation on revaluation

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

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

Impairment

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

In other circumstances where it has been assessed that one or more of these non-financial assets are impaired, the asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains or losses on disposal

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

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

10. LEASES

(a) Right-of-use assets

Movement in the balance of each class of right-of-use asset between the beginning and the end of the current financial year.

| Note | Right-of-use assets - Motor vehicles | Total right-of-use assets |
|--|--|------------------------------|
| | \$ | \$ |
| Balance at 1 July 2023 | 15,319 | 15,319 |
| Depreciation | (13,199) | (13,199) |
| Balance at 30 June 2024 | 2,120 | 2,120 |
| Gross balance amount at 30 June 2024 | 52,767 | 52,767 |
| Accumulated depreciation at 30 June 2024 | (50,647) | (50,647) |
| Balance at 30 June 2024 | 2,120 | 2,120 |
| Additions | 0 | 0 |
| Balance at 30 June 2025 | 2,120 | 2,120 |
| Gross balance amount at 30 June 2025 | 52,767 | 52,767 |
| Accumulated depreciation at 30 June 2025 | (50,647) | (50,647) |
| Balance at 30 June 2025 | 2,120 | 2,120 |

The following amounts were recognised in the statement of comprehensive income during the period in respect of leases where the Shire is the lessee:

| | 2025 Actual | 2024 Actual |
|---|----------------|----------------|
| | \$ | \$ |
| Depreciation on right-of-use assets | 0 | (13,199) |
| Finance charge on lease liabilities | 0 | (400) |
| Total amount recognised in the statement of comprehensive income | 0 | (13,599) |
| Total cash outflow from leases | 0 | (15,572) |

(b) Lease liabilities

| | | |
|---------|-----|-----|
| Current | 878 | 878 |
| 26(b) | 878 | 878 |

MATERIAL ACCOUNTING POLICIES

Leases

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

At the commencement date, a right-of-use asset is recognised at cost and lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Shire uses its incremental borrowing rate.

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

Details of individual lease liabilities required by regulations are provided at Note 26(b).

Right-of-use assets - measurement

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

Refer to Note 9 under revaluation for details on the material accounting policies applying to vested improvements.

Right-of-use assets - depreciation

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

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

11. TRADE AND OTHER PAYABLES

Current

| | 2025 | 2024 |
|-----------------------------|------------------|------------------|
| | \$ | \$ |
| Sundry creditors | 382,515 | 92,188 |
| Prepaid rates | 84,911 | 123,775 |
| Accrued payroll liabilities | 116,527 | 97,587 |
| GST payables | 4,204 | 0 |
| Bonds and deposits held | 30,195 | 70,464 |
| Accrued expenses | 154,126 | 82,800 |
| Accrued interest on loans | 25,401 | 16,033 |
| Amherst deposits | 1,143,149 | 929,590 |
| | 1,941,028 | 1,412,437 |

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

12. OTHER LIABILITIES

Current

Contract liabilities
Capital grant/contributions liabilities

Reconciliation of changes in contract liabilities

Opening balance
Additions
Revenue from contracts with customers included as a contract liability at the start of the period

Closing balance

Reconciliation of changes in capital grant/contribution liabilities

Opening balance
Additions

Closing balance

Expected satisfaction of capital grant/contribution liabilities

Less than 1 year
1 to 2 years
2 to 3 years
3 to 4 years
4 to 5 years
> 5 years

| | 2025 | 2024 |
|---|-----------|-----------|
| | \$ | \$ |
| Contract liabilities | 0 | 348,255 |
| Capital grant/contributions liabilities | 4,776,609 | 4,507,527 |
| | 4,776,609 | 4,855,782 |
| Opening balance | 348,255 | 103,112 |
| Additions | 0 | 245,143 |
| Revenue from contracts with customers included as a contract liability at the start of the period | (348,255) | 0 |
| Closing balance | 0 | 348,255 |
| Opening balance | 4,507,527 | 4,422,028 |
| Additions | 269,082 | 85,499 |
| Closing balance | 4,776,609 | 4,507,527 |
| Less than 1 year | 4,776,609 | 103,112 |
| 1 to 2 years | 0 | 4,336,743 |
| 2 to 3 years | 0 | 0 |
| 3 to 4 years | 0 | 0 |
| 4 to 5 years | 0 | 0 |
| > 5 years | 0 | 0 |
| | 4,776,609 | 4,439,855 |

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.

The Shire expects to satisfy the performance obligations, from contracts with customers unsatisfied at the end of the reporting period, within the next 12 months

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

Capital grant/contribution liabilities

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

SHIRE OF KATANNING
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 | | \$ | \$ | \$ | \$ | \$ | \$ |
| WATC Loans | | 302,233 | 2,704,400 | 3,006,633 | 293,447 | 3,006,633 | 3,300,080 |
| Total secured borrowings | 26(a) | 302,233 | 2,704,400 | 3,006,633 | 293,447 | 3,006,633 | 3,300,080 |

Secured liabilities and assets pledged as security

WA treasury loans are secured by a floating charge over the assets of the Shire of Katanning.

The Shire of Katanning 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 23(i)) due to the unobservable inputs, including own credit risk.

Risk

Details of individual borrowings required by regulations are provided at Note 26(a).

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

14. EMPLOYEE RELATED PROVISIONS

Employee related provisions

Current provisions

Employee benefit provisions

Annual leave

Long service leave

Total current employee related provisions

Non-current provisions

Employee benefit provisions

Long service leave

Total non-current employee related provisions

Total employee related provisions

| | 2025 | 2024 |
|--|---------|---------|
| | \$ | \$ |
| Annual leave | 257,103 | 247,524 |
| Long service leave | 257,675 | 334,755 |
| | 514,778 | 582,279 |
| Total current employee related provisions | 514,778 | 582,279 |
| Non-current provisions | | |
| Employee benefit provisions | | |
| Long service leave | 82,527 | 109,024 |
| | 82,527 | 109,024 |
| Total non-current employee related provisions | 82,527 | 109,024 |
| Total employee related provisions | 597,305 | 691,303 |

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

15. OTHER PROVISIONS

| | Make good provisions | Total |
|---------------------------------------|-----------------------------|----------------|
| | \$ | \$ |
| Opening balance at 1 July 2024 | | |
| Non-current provisions | 608,233 | 608,233 |
| | 608,233 | 608,233 |
| Amounts used | (40,121) | (40,121) |
| Balance at 30 June 2025 | 568,112 | 568,112 |
| Comprises | | |
| Non-current | 568,112 | 568,112 |
| | 568,112 | 568,112 |

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 Katanning Landfill Site

Under the licence for the operation of the Katanning landfill site, the Shire has a legal obligation to restore the site.

The estimated future obligations include the costs of restoring the affected areas and continued monitoring of the site.

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

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

16. REVALUATION SURPLUS

| | 2025 Opening balance | 2025 Closing balance | 2024 Opening balance | 2024 Closing balance |
|--|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| | \$ | \$ | \$ | \$ |
| Revaluation surplus - Land - freehold land | 8,181,336 | 8,181,336 | 8,181,336 | 8,181,336 |
| Revaluation surplus - Buildings - non-specialised | 5,403,411 | 5,403,411 | 5,403,411 | 5,403,411 |
| Revaluation surplus - Buildings - specialised | 4,744,578 | 4,744,578 | 4,744,578 | 4,744,578 |
| Revaluation surplus - Furniture and equipment | 1,773 | 1,773 | 1,773 | 1,773 |
| Revaluation surplus - Plant and equipment | 1,011,022 | 1,011,022 | 1,011,022 | 1,011,022 |
| Revaluation surplus - Other property, plant and equipment - motor vehicles | 160,555 | 160,555 | 160,555 | 160,555 |
| Revaluation surplus - Other property, plant and equipment | 579,346 | 579,346 | 579,346 | 579,346 |
| Revaluation surplus - Painting and sculptures | 240,066 | 240,066 | 240,066 | 240,066 |
| Revaluation surplus - Infrastructure - roads | 136,673,080 | 136,673,080 | 136,673,080 | 136,673,080 |
| Revaluation surplus - Infrastructure - footpaths | 2,333,663 | 2,333,663 | 2,333,663 | 2,333,663 |
| Revaluation surplus - Infrastructure - drainage | 20,167,819 | 20,167,819 | 20,167,819 | 20,167,819 |
| Revaluation surplus - Infrastructure - other | 5,871,027 | 5,871,027 | 5,871,027 | 5,871,027 |
| Revaluation surplus - Other infrastructure - bridges | 391,595 | 391,595 | 391,595 | 391,595 |
| | 185,759,271 | 185,759,271 | 185,759,271 | 185,759,271 |

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

17. RESTRICTIONS OVER FINANCIAL ASSETS

The following classes of financial assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:

- Cash and cash equivalents

| Note | 2025 Actual \$ | 2024 Actual \$ |
|--|----------------------|----------------------|
| 3 | 13,495,164 | 12,650,478 |
| | 13,495,164 | 12,650,478 |
| 27 | 8,718,555 | 7,794,695 |
| 12 | 0 | 348,255 |
| 12 | 4,776,609 | 4,507,528 |
| Total restricted financial assets | 13,495,164 | 12,650,478 |

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

Restricted reserve accounts

Contract liabilities

Capital grant liabilities

Total restricted financial assets

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

Credit standby arrangements

Bank overdraft limit

Bank overdraft at balance date

Credit card limit

Credit card balance at balance date

Total amount of credit unused

Loan facilities

Loan facilities - current

Loan facilities - non-current

Total facilities in use at balance date

Unused loan facilities at balance date

| | |
|------------------|------------------|
| 250,000 | 250,000 |
| 0 | 0 |
| 65,000 | 65,000 |
| 0 | 0 |
| 315,000 | 315,000 |
| 302,233 | 293,447 |
| 2,704,400 | 3,006,633 |
| 3,006,633 | 3,300,080 |
| 0 | 0 |

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

19. CONTINGENT LIABILITIES

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

- 1. Katanning Regional Sheep Saleyard - Crown Reserve 50922, Lot 500 Katanning-Nyabing Road, Katanning. This site is suspected of being contaminated but has not been assessed at this time.
- 2. Shire Depot - Lot 996 Cullen Street, Katanning
This site is suspected of being contaminated but has not been assessed at this time.

Until the Shire conducts an investigation to determine the presence and scope of contamination, assess the risk and agree with the Department of Water and Environmental Regulation on the need and criteria for remediation on a risk based approach, the Shire is unable to estimate the potential costs associated with remediation of these sites. This approach is consistent with the Department of Water and Environmental Regulation Guidelines.

20. CAPITAL COMMITMENTS

| | 2025 | 2024 |
|--------------------------------|-----------|------|
| | \$ | \$ |
| Contracted for: | | |
| - capital expenditure projects | 9,682,912 | 0 |
| | 9,682,912 | 0 |
| Payable: | | |
| - not later than one year | 7,359,013 | 0 |
| - within 1 year and 2 years | 2,323,899 | 0 |

The capital expenditure projects outstanding at the end of the current reporting period represent the construction of the Katanning Early Childhood Hub. This project is expected to be completed 30 September 2026

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

21. RELATED PARTY TRANSACTIONS

(a) Council member remuneration

Fees, expenses and allowances to be paid or reimbursed to council members.

| Note | 2025 Actual | 2025 Budget | 2024 Actual |
|--|----------------|----------------|----------------|
| | \$ | \$ | \$ |
| President's annual allowance | 38,000 | 38,000 | 29,375 |
| President's meeting attendance fees | 17,000 | 17,000 | 15,000 |
| President's annual allowance for ICT expenses | 1,100 | 1,100 | 1,100 |
| President's travel and accommodation expenses | 6,176 | 350 | 0 |
| | 62,276 | 56,450 | 45,475 |
| Deputy President's annual allowance | 9,500 | 9,500 | 8,125 |
| Deputy President's meeting attendance fees | 17,000 | 17,000 | 15,000 |
| Deputy President's annual allowance for ICT expenses | 1,100 | 1,100 | 1,100 |
| Deputy President's travel and accommodation expenses | | 300 | 0 |
| | 27,600 | 27,900 | 24,225 |
| All other council member's meeting attendance fees | 85,000 | 85,000 | 72,500 |
| All other council member's annual allowance for ICT expenses | 5,500 | 5,500 | 5,317 |
| All other council member's travel and accommodation expenses | 167 | 1,350 | 0 |
| | 90,667 | 91,850 | 77,817 |
| 21(b) | 180,543 | 176,200 | 147,517 |

(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 | 761,694 | 557,390 |
| Post-employment benefits | 95,145 | 63,990 |
| Employee - other long-term benefits | 26,002 | 18,875 |
| Employee - termination benefits | 37,939 | 80,417 |
| Council member costs | 180,543 | 147,517 |
| 21(a) | 1,101,323 | 868,189 |

Short-term employee benefits

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

Post-employment benefits

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

Other long-term benefits

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

Council member costs

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

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

21. RELATED PARTY TRANSACTIONS (Continued)

(c) Transactions with related parties

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

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

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

| | 2025 Actual | 2024 Actual |
|--------------------------------|----------------|----------------|
| | \$ | \$ |
| Purchase of goods and services | 81,682 | 39,307 |

(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

During the previous year, a company controlled by a related party of a council member, was awarded a contract under the selective tender process on terms and conditions equivalent for those that prevail in arm's length transactions under the Shire's procurement process.

The purchase of goods involved materials for plant maintenance and tourism services, being \$81,682 in the current year (\$39,307 in prior year).

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.

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

22. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

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

23. OTHER MATERIAL ACCOUNTING POLICIES

a) Goods and services tax (GST)

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

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

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

b) Current and non-current classification

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

c) Rounding off figures

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

d) Comparative figures

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

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

e) Budget comparative figures

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

f) Superannuation

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

g) Fair value of assets and liabilities

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

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

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

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

h) Interest revenue

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

i) Fair value hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

Market approach

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

Income approach

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

Cost approach

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

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

j) Impairment of assets

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

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

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

These non-financial assets are assessed in accordance with the regulatory framework detailed in Note 9.

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

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

24. RATING INFORMATION

(a) General rates

| RATE TYPE | | Rate in | Number | 2024/25 | 2024/25 | 2024/25 | 2024/25 | 2024/25 | 2024/25 | 2024/25 | 2023/24 |
|---|------------------------|----------------|---------------|------------------------|---------------------|----------------------|----------------------|---------------------|---------------------|----------------------|----------------------|
| Rate description | Basis of valuation | \$ | 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 |
| | | \$ | | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Gross Rental Value | Gross rental valuation | 0.10020 | 1,425 | 27,936,277 | 2,799,215 | 43,797 | 2,843,012 | 2,799,215 | (100,000) | 2,699,215 | 2,414,376 |
| Unimproved Value | Unimproved valuation | 0.00612 | 198 | 293,095,261 | 1,793,743 | (51,683) | 1,742,060 | 1,792,095 | 3,500 | 1,795,595 | 1,719,722 |
| Total general rates | | | 1,623 | 321,031,538 | 4,592,958 | (7,886) | 4,585,072 | 4,591,310 | (96,500) | 4,494,810 | 4,134,098 |
| Minimum payment | | \$ | | | | | | | | | |
| Gross Rental Value | Gross rental valuation | 1,200 | 389 | 2,678,971 | 466,800 | 0 | 466,800 | 466,800 | 0 | 466,800 | 701,568 |
| Unimproved Value | Unimproved valuation | 1,200 | 153 | 13,267,013 | 183,600 | 0 | 183,600 | 183,600 | 0 | 183,600 | 176,256 |
| Total minimum payments | | | 542 | 15,945,984 | 650,400 | 0 | 650,400 | 650,400 | 0 | 650,400 | 877,824 |
| Total general rates and minimum payments | | | 2,165 | 336,977,522 | 5,243,358 | (7,886) | 5,235,472 | 5,241,710 | (96,500) | 5,145,210 | 5,011,922 |
| Ex-gratia rates | | Rate in | | | | | | | | | |
| CBH | | | 1 | 0 | 4,820 | 0 | 4,820 | 5,150 | 0 | 5,150 | 4,842 |
| Total amount raised from rates (excluding general rates) | | | 1 | 0 | 4,820 | 0 | 4,820 | 5,150 | 0 | 5,150 | 4,842 |
| Discounts | | | | | | | (5,491) | | | (2,685) | 0 |
| Total rates | | | | | | | 5,234,801 | | | 5,147,675 | 5,016,764 |
| (b) Rates related information | | | | | | | | | | | |
| Rates instalment interest | | | | | | | 15,309 | | | 13,000 | 12,637 |
| Rates instalment plan charges | | | | | | | 9,690 | | | 10,000 | 9,810 |
| Rates overdue interest | | | | | | | 72,111 | | | 75,000 | 65,611 |
| Rates written off | | | | | | | (87,331) | | | (100,000) | (302) |

*Rateable Value at time of raising of rate.

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

25. 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 | | | | |
| | | (259,274) | (46,178) | (104,831) |
| | | 3,454 | 0 | 8,174 |
| | | 0 | 0 | (183,301) |
| | | 0 | 40,000 | 0 |
| 9(a) | Add: Depreciation | 9,189,295 | 7,317,569 | 9,028,003 |
| Non-cash movements in non-current assets and liabilities: | | | | |
| | Pensioner deferred rates | (88,645) | 0 | 0 |
| | Employee benefit provisions | (26,497) | 0 | (48,163) |
| | Other provisions | (40,121) | 0 | 34,429 |
| | Contract liabilities | 0 | 0 | (4,336,743) |
| | Non-cash amounts excluded from operating activities | 8,778,212 | 7,311,391 | 4,397,568 |
| (b) Surplus or deficit after imposition of general rates | | | | |
| The following current assets and liabilities have been excluded from the net current assets used in the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates. | | | | |
| Adjustments to net current assets | | | | |
| 27 | Less: Reserve accounts | (8,718,555) | (6,829,015) | (7,794,695) |
| 4(a) | Less: Financial assets at amortised cost - self-supporting loans | (22,754) | 0 | (21,880) |
| | Less: Financial assets at amortised cost | | | |
| | Less: Current assets not expected to be received at end of year | | | |
| | - LG House Equity | 0 | 0 | 142,607 |
| | Add: Current liabilities not expected to be cleared at end of year | | | |
| | - Current portion of borrowings | 302,233 | 293,444 | 293,447 |
| 13 | - Current portion of contract liability held in reserve | 1,143,149 | 936,340 | 929,590 |
| | - Current portion of lease liabilities | 878 | 955 | 878 |
| 10(b) | - Employee benefit provisions | 514,778 | 630,441 | 582,279 |
| | Total adjustments to net current assets | (6,780,271) | (4,967,835) | (5,867,774) |
| Net current assets used in the Statement of financial activity | | | | |
| | Total current assets | 17,115,180 | 7,505,459 | 17,124,846 |
| | Less: Total current liabilities | (7,535,526) | (2,537,624) | (7,144,823) |
| | Less: Total adjustments to net current assets | (6,780,271) | (4,967,835) | (5,867,774) |
| | Surplus or deficit after imposition of general rates | 2,799,383 | 0 | 4,112,249 |

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

26. BORROWING AND LEASE LIABILITIES

(a) Borrowings

| | | Actual | | | | | | | Budget | | | |
|------------------------------------|------|-----------------------------|-----------------------------|---|------------------------------|-----------------------------|---|------------------------------|-----------------------------|-----------------------------|---|------------------------------|
| Purpose | Note | Principal at 1 July 2023 | New loans during 2023-24 | Principal repayments during 2023-24 | Principal at 30 June 2024 | New loans during 2024-25 | Principal repayments during 2024-25 | Principal at 30 June 2025 | Principal at 1 July 2024 | New loans during 2024-25 | Principal repayments during 2024-25 | Principal at 30 June 2025 |
| | | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Administration Building | | 2,039,001 | 0 | (103,074) | 1,935,927 | 0 | (107,030) | 1,828,897 | 1,828,893 | 0 | (107,030) | 1,721,863 |
| Adged & Key Worker Accom | | 601,113 | 0 | (44,561) | 556,552 | 0 | (45,146) | 511,406 | 511,407 | 0 | (45,145) | 466,262 |
| Water Cart | | 128,873 | 0 | (16,702) | 112,171 | 0 | (16,848) | 95,323 | 95,323 | 0 | (16,847) | 78,476 |
| CAT Grader | | 189,521 | 0 | (24,562) | 164,959 | 0 | (24,776) | 140,183 | 140,181 | 0 | (24,776) | 115,405 |
| Road Sweeper | | 200,374 | 0 | (39,384) | 160,990 | 0 | (40,828) | 120,162 | 120,162 | 0 | (40,827) | 79,335 |
| Prime Mover | | 181,290 | 0 | (35,633) | 145,657 | 0 | (36,941) | 108,716 | 108,718 | 0 | (36,939) | 71,779 |
| Total | | 3,340,172 | 0 | (263,916) | 3,076,256 | 0 | (271,569) | 2,804,687 | 2,804,684 | 0 | (271,564) | 2,533,120 |
| Self-supporting loans | | | | | | | | | | | | |
| Katanning Country Club | | 244,867 | | (21,043) | 223,824 | | (21,878) | 201,946 | (21,880) | | (21,880) | (43,760) |
| Total self-supporting loans | | 244,867 | 0 | (21,043) | 223,824 | 0 | (21,878) | 201,946 | (21,880) | 0 | (21,880) | (43,760) |
| Total borrowings | 13 | 3,585,039 | 0 | (284,959) | 3,300,080 | 0 | (293,447) | 3,006,633 | 2,782,804 | 0 | (293,444) | 2,489,360 |

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

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 |
|--|----------------|-------------|---------------|---------------------------------|---|---|---|
| | | | | | \$ | \$ | \$ |
| Administration Building | 158 | WATC* | 3.80% | 2/05/2038 | (91,922) | (72,558) | (76,512) |
| Adged & Key Worker Accom | 159 | WATC* | 1.31% | 6/11/2035 | (2,065) | (7,149) | (7,733) |
| Water Cart | 160 | WATC* | 0.87% | 6/11/2030 | (3,037) | (939) | (1,084) |
| CAT Grader | 161 | WATC* | 0.87% | 6/11/2030 | (6,672) | (1,381) | (1,595) |
| Road Sweeper | 163 | WATC* | 3.62% | 17/02/2028 | (6,037) | (5,274) | (6,718) |
| Prime Mover | 164 | WATC* | 3.62% | 17/02/2028 | (12,814) | (4,772) | (6,078) |
| Total | | | | | (122,547) | (92,073) | (99,720) |
| Self-supporting loans finance cost payments | | | | | | | |
| Katanning Country Club | 162 | WATC* | 3.93% | 17/02/2033 | (10,650) | (8,472) | (9,310) |
| Total self-supporting loans finance cost payments | | | | | (10,650) | (8,472) | (9,310) |
| Total finance cost payments | | | | | (133,197) | (100,545) | (109,030) |

* WA Treasury Corporation

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

26. BORROWING AND LEASE LIABILITIES (Continued)

(b) Lease liabilities

| | | Actual | | | | | | | Budget | | | |
|-----------------------------|--------------|--------------------------|---------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|---------------------------|--------------------------|---------------------------|-------------------------------------|---------------------------|
| Purpose | Note | Principal at 1 July 2023 | New leases during 2023-24 | Principal repayments during 2023-24 | Principal at 30 June 2024 | New leases during 2024-25 | Principal repayments during 2024-25 | Principal at 30 June 2025 | Principal at 1 July 2024 | New leases during 2024-25 | Principal repayments during 2024-25 | Principal at 30 June 2025 |
| | | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| CEMS Vehicle | | 16,050 | 0 | (15,172) | 878 | 0 | 0 | 878 | 878 | 0 | (955) | (77) |
| Total lease liabilities | 10(b) | 16,050 | 0 | (15,172) | 878 | 0 | 0 | 878 | 878 | 0 | (955) | (77) |
| Lease finance cost payments | | | | | | | | | | | | |
| Purpose | Lease number | Institution | Interest rate | Date final payment is due | Actual for year ending 30 June 2025 | Budget for year ending 30 June 2025 | Actual for year ending 30 June 2024 | Lease term | | | | |
| CEMS Vehicle | 491912/001 | SG Fleet Australia | 26.70% | 11/08/2024 | \$ 0 | \$ 0 | (400) | 48 Months | | | | |
| Total finance cost payments | | | | | 0 | 0 | (400) | | | | | |

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

27. 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 | 776,586 | 34,126 | 0 | 810,712 | 776,531 | 30,479 | 0 | 807,010 | 744,023 | 32,563 | 0 | 776,586 |
| (b) Plant Replacement Reserve | 213,541 | 372,508 | 0 | 586,049 | 231,719 | 372,988 | 0 | 604,707 | 511,584 | 17,301 | (315,346) | 213,541 |
| (c) Amherst Village Building Maintenance Reserve | 199,711 | 8,776 | (40,000) | 168,487 | 199,698 | 7,833 | (40,000) | 167,531 | 181,755 | 17,955 | 0 | 199,711 |
| (d) Amherst Village Refundable Deposit Reserve | 1,087,829 | 247,073 | 0 | 1,334,902 | 1,087,753 | 85,000 | (85,000) | 1,087,753 | 1,179,038 | 51,591 | (142,800) | 1,087,829 |
| (e) Old Saleyards Reserve | 955,972 | 42,009 | 0 | 997,981 | 955,905 | 37,519 | 0 | 993,424 | 915,887 | 40,085 | 0 | 955,972 |
| (f) Waste Management Reserve | 457,848 | 95,119 | 0 | 552,967 | 457,816 | 92,969 | 0 | 550,785 | 438,649 | 19,198 | 0 | 457,848 |
| (g) Land & Building Reserve | 1,518,811 | 66,741 | 0 | 1,585,552 | 1,518,706 | 189,954 | (1,243,555) | 465,105 | 1,607,616 | 70,348 | (159,155) | 1,518,811 |
| (h) Land & Building Facilities for Seniors Reserve | 366,173 | 16,091 | 0 | 382,264 | 366,147 | 14,371 | 0 | 380,518 | 364,328 | 15,354 | 0 | 366,173 |
| (i) Regional Sheep Saleyards Reserve | 868,807 | 71,570 | 0 | 940,377 | 868,746 | 34,032 | (70,000) | 832,778 | 684,730 | 170,569 | 0 | 868,807 |
| (j) Christmas Decoration Reserve | 65,559 | 2,881 | 0 | 68,440 | 65,555 | 2,573 | 0 | 68,128 | 62,811 | 2,749 | 0 | 65,559 |
| (k) GRV Revaluation Reserve | 26,141 | 21,149 | 0 | 47,290 | 26,138 | 21,045 | 0 | 47,183 | 63,371 | 2,771 | (40,000) | 26,141 |
| (l) Quartermaine Oval Reserve | 369,427 | 16,234 | (385,102) | 559 | 369,401 | 14,475 | (387,782) | (3,906) | 306,030 | 63,397 | 0 | 369,427 |
| (m) KLC Facilities Reserve | 337,987 | 14,852 | 0 | 352,839 | 337,963 | 13,216 | 0 | 351,179 | 225,788 | 112,199 | 0 | 337,987 |
| (n) Election Reserve | 35,736 | 6,570 | 0 | 42,306 | 35,733 | 6,403 | 0 | 42,136 | 34,238 | 1,498 | 0 | 35,736 |
| (o) Library Building Reserve | 21,170 | 930 | 0 | 22,100 | 21,168 | 830 | 0 | 21,998 | 17,888 | 3,283 | 0 | 21,170 |
| (p) Community & Economic Development Reserve | 282,620 | 12,419 | (50,000) | 245,039 | 282,600 | 11,092 | (100,000) | 193,692 | 270,770 | 11,850 | 0 | 282,620 |
| (q) Lake Ewlyamartup Facilities Reserve | 26,476 | 1,164 | 0 | 27,640 | 26,473 | 1,037 | 0 | 27,510 | 20,576 | 5,901 | 0 | 26,476 |
| (r) Parks & Playgrounds Reserve | 80,058 | 3,518 | 0 | 83,576 | 80,052 | 3,135 | 0 | 83,187 | 62,330 | 17,729 | 0 | 80,058 |
| (s) Katanning Aquatic Centre Reserve | 22,266 | 978 | 0 | 23,244 | 22,264 | 867 | 0 | 23,131 | 6,961 | 15,306 | 0 | 22,266 |
| (t) Housing Reserve | 81,975 | 364,254 | 0 | 446,229 | 81,970 | 3,196 | 0 | 85,166 | 35,421 | 46,553 | 0 | 81,975 |
| | 7,794,695 | 1,398,962 | (475,102) | 8,718,555 | 7,812,338 | 943,014 | (1,926,337) | 6,829,015 | 7,733,794 | 718,200 | (657,301) | 7,794,695 |

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

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

27. RESERVE ACCOUNTS

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

| Name of reserve account | Purpose of the reserve account |
|--|--|
| Restricted by council | |
| (a) Leave reserve | To fund accrued employee leave entitlements. |
| (b) Plant Replacement Reserve | To fund future plant purchases. |
| (c) Amherst Village Building Maintenance Reserve | To fund maintenance of Amherst Village. |
| (d) Amherst Village Refundable Deposit Reserve | To fund refundable deposits at Amherst Village. |
| (e) Old Saleyards Reserve | To fund future capital and maintenance works. |
| (f) Waste Management Reserve | To fund capital and maintenance works. |
| (g) Land & Building Reserve | To fund construction and maintenance of council owned buildings. |
| (h) Land & Building Facilities for Seniors Reserve | To fund construction and maintenance of land and buildings for the use of seniors. |
| (i) Regional Sheep Saleyards Reserve | To fund capital and maintenance works. |
| (j) Christmas Decoration Reserve | To fund significant christmas decoration purchases. |
| (k) GRV Revaluation Reserve | To fund quinquennial gross rental value revaluations. |
| (l) Quartermaine Oval Reserve | To fund future maintenance and upgrades of Quartermaine Oval. |
| (m) KLC Facilities Reserve | To fund future maintenance and upgrades to the KLC buildings and grounds. |
| (n) Election Reserve | To fund biennial councillor elections. |
| (o) Library Building Reserve | To fund future maintenance and upgrades to the library building. |
| (p) Community & Economic Development Reserve | To fund Community and Economic Development Projects. |
| (q) Lake Ewlyamartup Facilities Reserve | To fund facilities at Lake Ewlyamartup. |
| (r) Parks & Playgrounds Reserve | To fund future maintenance and upgrades. |
| (s) Katanning Aquatic Centre Reserve | To fund future maintenance and upgrades to the KLC Aquatic Centre. |
| (t) Housing Reserve | To fund construction, renewal and maintenance of Shire owned housing. |



Auditor General

INDEPENDENT AUDITOR'S REPORT

2025

Shire of Katanning

To the Council of the Shire of Katanning

Opinion

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

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