

# SHIRE OF BROOMEHILL-TAMBELLUP

## BUDGET REVIEW REPORT

### FOR THE PERIOD ENDED 31 JANUARY 2026

*LOCAL GOVERNMENT ACT 1995*

*LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996*

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Budget v Actual					
Note	Original	Current	Year to Date	Estimated	Predicted
	Adopted	Budget	Actual	Year at End	Variance
	Budget	(a)	Actual	Amount	(b) - (a)
	\$	\$	\$	\$	\$
<b>OPERATING ACTIVITIES</b>					
<b>Revenue from operating activities</b>					
	3,183,400	3,183,400	3,188,870	3,183,400	0
	1,514,300	1,514,300	857,885	1,514,300	0
	518,300	518,300	304,610	518,300	0
	140,700	140,700	71,968	140,700	0
4.1	319,600	319,600	169,011	269,600	(50,000) ▼
	61,900	61,900	0	61,900	0
	<u>5,738,200</u>	<u>5,738,200</u>	<u>4,592,344</u>	<u>5,688,200</u>	<u>(50,000)</u>
<b>Expenditure from operating activities</b>					
4.2	(2,762,500)	(2,762,500)	(1,587,011)	(2,544,500)	218,000 ▲
4.3	(2,781,000)	(2,771,000)	(1,335,093)	(2,870,500)	(99,500) ▼
	(260,000)	(260,000)	(118,066)	(260,000)	0
	(2,201,700)	(2,201,700)	(1,349,615)	(2,201,700)	0
	(54,500)	(54,500)	(15,202)	(54,500)	0
	(214,600)	(214,600)	(193,090)	(214,600)	0
	(98,400)	(98,400)	(60,124)	(98,400)	0
	(89,300)	(89,300)	(5,821)	(89,300)	0
	<u>(8,462,000)</u>	<u>(8,452,000)</u>	<u>(4,664,021)</u>	<u>(8,333,500)</u>	<u>118,500</u>
	2,229,100	2,229,100	1,355,435	2,229,100	
<b>Amount attributable to operating activities</b>	<u>(494,700)</u>	<u>(484,700)</u>	<u>1,283,758</u>	<u>(416,200)</u>	<u>68,500</u>
<b>INVESTING ACTIVITIES</b>					
<b>Inflows from investing activities</b>					
4.4	3,680,800	4,787,753	1,499,086	4,482,078	(305,675) ▼
	815,000	815,000	40,909	815,000	0
	<u>4,495,800</u>	<u>5,602,753</u>	<u>1,539,995</u>	<u>5,297,078</u>	<u>(305,675)</u>
<b>Outflows from investing activities</b>					
4.5	(1,035,500)	(1,035,500)	(132,388)	(1,250,000)	(214,500) ▼
	(1,700,400)	(1,700,400)	(63,375)	(1,700,400)	0
	(90,000)	(90,000)	(16,351)	(90,000)	0
4.6	(1,875,500)	(2,850,007)	(494,796)	(2,263,353)	586,654 ▲
	(806,100)	(948,546)	(279,040)	(948,546)	0
	<u>(5,507,500)</u>	<u>(6,624,453)</u>	<u>(985,950)</u>	<u>(6,252,299)</u>	<u>372,154</u>
<b>Amount attributable to investing activities</b>	<u>(1,011,700)</u>	<u>(1,021,700)</u>	<u>554,045</u>	<u>(955,221)</u>	<u>66,479</u>
<b>FINANCING ACTIVITIES</b>					
<b>Cash inflows from financing activities</b>					
	1,398,400	1,398,400	0	1,398,400	0
	<u>1,398,400</u>	<u>1,398,400</u>	<u>0</u>	<u>1,398,400</u>	<u>0</u>
<b>Cash outflows from financing activities</b>					
	(117,100)	(117,100)	(58,158)	(117,100)	0
	(721,900)	(721,900)	(48,710)	(721,900)	0
	<u>(839,000)</u>	<u>(839,000)</u>	<u>(106,868)</u>	<u>(839,000)</u>	<u>0</u>
<b>Amount attributable to financing activities</b>	<u>559,400</u>	<u>559,400</u>	<u>(106,868)</u>	<u>559,400</u>	<u>0</u>
<b>MOVEMENT IN SURPLUS OR DEFICIT</b>					
4.7	947,000	947,000	812,021	812,021	(134,979) ▼
	(494,700)	(484,700)	1,283,758	(416,200)	68,500
	(1,011,700)	(1,021,700)	554,045	(955,221)	66,479
	559,400	559,400	(106,868)	559,400	0
<b>Surplus or deficit after imposition of general rates</b>	<u>0</u>	<u>0</u>	<u>2,542,956</u>	<u>0</u>	<u>0</u>

## 1. BASIS OF PREPARATION

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

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

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

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

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

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

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

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

### **Rounding off figures**

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

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

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

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

### **Critical accounting estimates and judgements**

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

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

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

The following are estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the current financial year:

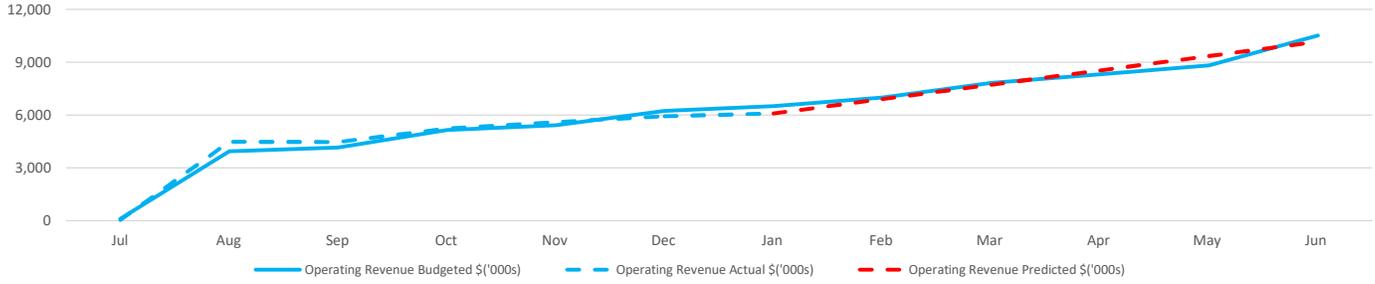
- estimated fair value of certain financial assets
- impairment of financial assets
- estimation of fair values of land and buildings, infrastructure and investment property
- estimation uncertainties made in relation to lease accounting
- estimation of fair values of provisions

### **MATERIAL ACCOUNTING POLICIES**

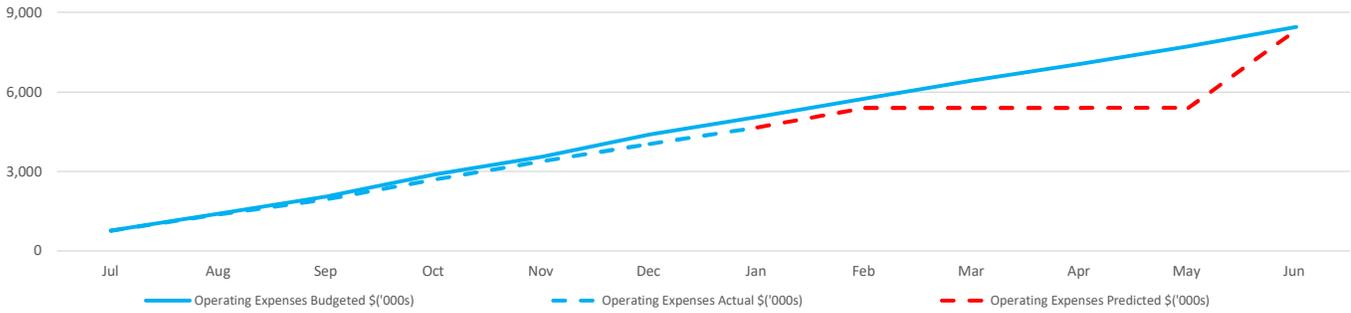
Material accounting policies utilised in the preparation of these statements are as described within the 2025-26 Annual Budget. Please refer to the adopted budget document for details of these policies.

2. SUMMARY GRAPHS - BUDGET REVIEW

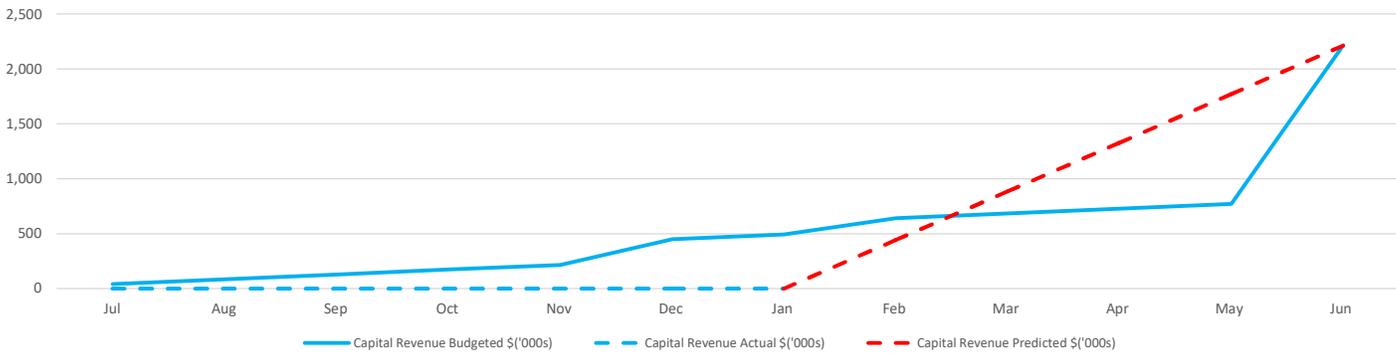
Operating Revenue



Operating Expenses



Capital Revenue



Capital Expenditure



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

3 NET CURRENT FUNDING POSITION

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

	Audited Actual 30 June 2025	Adopted Budget 30 June 2026	Year to Date Actual 31 January 2026	Estimated Year at End Amount 30 June 2026
<b>(a) Composition of estimated net current assets</b>				
	\$	\$	\$	\$
<b>Current assets</b>				
Cash and cash equivalents	970,348	970,348	2,256,488	970,348
Financial assets	2,751,500	2,751,500	2,800,210	2,751,500
Trade and other receivables	742,396	771,057	464,128	467,461
Inventories	26,279	26,279	26,279	26,279
	4,490,523	4,519,184	5,547,105	4,215,588
<b>Less: current liabilities</b>				
Trade and other payables	(893,192)	(921,853)	(170,129)	(921,853)
Contract liabilities	(33,810)	(33,810)	(33,810)	(33,810)
Borrowings	(117,137)	(117,137)	(58,980)	(117,137)
Employee related provisions	(508,425)	(508,425)	(508,425)	(508,425)
	(1,552,564)	(1,581,225)	(771,344)	(1,581,225)
<b>Net current assets</b>	2,937,959	2,937,959	4,775,761	2,634,363
Less: Total adjustments to net current assets	(2,125,938)	(2,125,938)	(2,232,805)	(2,634,363)
<b>Closing funding surplus / (deficit)</b>	812,021	812,021	2,542,956	0

(b) Current assets and liabilities excluded from budgeted deficiency

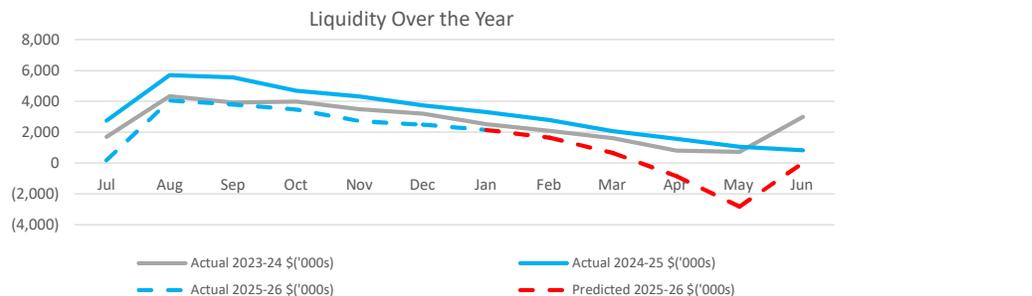
The following current assets and liabilities have been excluded from the net current assets used in the Statement of Financial Activity in accordance with *Financial Management Regulation 32* to agree to the surplus/(deficit) after imposition of general rates.

	Audited Actual 30 June 2025	Adopted Budget 30 June 2026	Year to Date Actual 31 January 2026	Estimated Year at End Amount 30 June 2026
	\$	\$	\$	\$
<b>Adjustments to net current assets</b>				
Less: Reserve accounts	(2,751,500)	(2,751,500)	(2,800,210)	(2,751,500)
Add: Current liabilities not expected to be cleared at end of year				
- Current portion of borrowings	117,137	117,137	58,980	117,137
- Employee benefit provisions	508,425	508,425	508,425	
<b>Total adjustments to net current assets</b>	(2,125,938)	(2,125,938)	(2,232,805)	(2,634,363)

(c) Non-cash amounts excluded from operating activities

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

	Audited Actual 30 June 2025	Adopted Budget 30 June 2026	Year to Date Actual 31 January 2026	Estimated Year at End Amount 30 June 2026
	\$	\$	\$	\$
<b>Adjustments to operating activities</b>				
Less: Profit on asset disposals	(11,848)	(61,900)	0	(61,900)
Add: Loss on disposal of assets	13,955	89,300	5,821	89,300
Add: Loss on revaluation of fixed assets	3,551			
Add: Depreciation on assets	2,210,558	2,201,700	1,349,615	2,201,700
<b>Non-cash amounts excluded from operating activities</b>	2,216,216	2,229,100	1,355,435	2,229,100



**4 PREDICTED VARIANCES**

		<b>Variance</b>
		<b>\$</b>
<b>Revenue from operating activities</b>		
4.1	<b>Other revenue</b> Property sales will not proceed this financial year, therefore reimbursements being reduced by the same amount as the corresponding expense account for a nil impact	(50,000) ▼
<b>Expenditure from operating activities</b>		
4.2	<b>Employee costs</b> Staff shortages together with a senior officer role vacancy has caused this variance, a large portion of the savings have been transferred to contract services to enable operations to continue	218,000 ▲
4.3	<b>Materials and contracts</b> Increase in contract services for operational support, provisions for staff and elected member training together with new Audit Risk & Improvement Committee meeting fees	(99,500) ▼
<b>Inflows from investing activities</b>		
4.4	<b>Capital grants, subsidies and contributions</b> Decrease in Regional Road Safety Funds, partially offset by an increase in funding pledged from the Cropping Group for the Tambellup Caravan Park Cabins plus a Roads to Recovery funding release increase following submission of outstanding Annual Reports for prior years	(305,675) ▼
<b>Outflows from investing activities</b>		
4.5	<b>Purchase of land and buildings</b> Increase budget to purchase Cabin for Tambellup Caravan Park and install acoustic panels at Tambellup Pavillion and the Council Chambers, which was previously under budgeted	(214,500) ▼
4.6	<b>Purchase and construction of infrastructure-roads</b> Defer bulk of Regional Road Safety Funds project (Broomehill-Kojonup Road) to 2026/27	586,654 ▲
4.7	<b>Surplus or deficit at the start of the financial year</b> Opening Surplus lower than estimated	(134,979) ▼

**SHIRE OF BROOMEHILL-TAMBELLUP  
NOTES TO THE BUDGET REVIEW REPORT  
FOR THE PERIOD ENDED 31 JANUARY 2026**

**5 BUDGET AMENDMENTS**

GL Account Code	Description	Classification	Increase in Available Cash	Decrease in Available Cash	Amended Budget Running Balance	Comments
SURPLUS	Opening Surplus	Opening Surplus(Deficit)	\$	\$ (134,979)	\$ (134,979)	Surplus c/fwd lower than estimated
<b>GENERAL PURPOSE FUNDING</b>						
03030.74	Reimbursements	Operating Revenue		(50,000)	(184,979)	Reduction in actual revenue received directly linked to 03110.16
03110.16	Rates General	Operating Expense		50,000	(134,979)	Reduction in actual costs incurred directly linked to 03030.74
<b>GOVERNANCE</b>						
04101.62	Members of Council - training	Operating Expense	(15,000)		(149,979)	Elected member training
04108.55	Audit & Risk Improvement Committee - meeting fees	Operating Expense	(2,600)		(152,579)	New line item - ARIC Committee Meetings
04108.58	Audit & Risk Improvement Committee - travel & accom	Operating Expense	(6,500)		(159,079)	New line item - ARIC Committee Meetings
04108.59	Audit & Risk Improvement Committee - sundry expenses	Operating Expense	(2,400)		(161,479)	New line item - ARIC Committee Meetings
04106.17	Broomehill Administration Building - professional services	Operating Expense		20,000	(141,479)	Design for interior renovation to create office space - deferred to 2026/27
04125.16	VROC - contract services	Operating Expense	(2,000)		(143,479)	Great Southern Housing Strategy
04126.16	Strategic Resource Plan - contract services	Operating Expense		20,000	(123,479)	Defer to 2026/27
04128.17	Long Term Financial Plan - professional services	Operating Expense	(7,000)		(130,479)	Long Term Financial Plan preparation
04129.16	Strategic Community Plan - contract services	Operating Expense		10,000	(120,479)	Defer to 2026/27
04130.16	Corporate Business Plan - contract services	Operating Expense		15,000	(105,479)	Defer to 2026/27
04131.16	Workforce Plan - contract services	Operating Expense		5,000	(100,479)	Defer to 2026/27
04133.16	Consultancy Services - contract services	Operating Expense	(25,000)		(125,479)	Engage consultants to prepare strategic plans
04301.01	Administration - employee costs	Operating Expense		255,000	129,521	Reduction to cover additional contract services required for operational support
04301.02	Administration - superannuation	Operating Expense		11,000	140,521	Adjustment for actual costs incurred
04301.05	Administration - training and education	Operating Expense	(15,000)		125,521	Training for new and existing staff
04301.16	Administration - contract services	Operating Expense	(230,000)		(104,479)	Additional services for operational support
04301.98	Administration - plant operation costs	Operating Expense	(20,000)		(124,479)	Admin vehicle operation costs
<b>LAW, ORDER &amp; PUBLIC SAFETY</b>						
05301.01	Animal Control - employee costs	Operating Expense	(5,000)		(129,479)	Salary & Wages increase
05301.02	Animal Control - employee costs	Operating Expense	(10,000)		(139,479)	Salary & Wages increase
05301.99	Animal Control - employee costs	Operating Expense	(1,000)		(140,479)	Salary & Wages increase
<b>COMMUNITY AMENITIES</b>						
10376.16	Town Planning - contract services	Operating Expense		25,000	(115,479)	Reduction of Noise Monitoring costs
10526.16	Tambellup Cemetery	Operating Expense		4,000	(111,479)	Defer to 2026/27
<b>RECREATION &amp; CULTURE</b>						
11077.15	Broomehill Recreation Complex - repairs & maintenance	Operating Expense	(5,500)		(116,979)	Monitoring system for retic
11223.16	Community Grants Program	Operating Expense		15,000	(101,979)	Defer to 2026/27
11241.16	Tambellup Pavillion	Operating Expense	(10,000)		(111,979)	Adjustment for actual costs incurred
11528.01	Heritage Trail - employee costs	Operating Expense		1,500	(110,479)	Defer to 2026/27
11528.16	Heritage Trail - contract services	Operating Expense		500	(109,979)	Defer to 2026/27
11528.17	Heritage Trail - professional services	Operating Expense		1,500	(108,479)	Defer to 2026/27
11528.98	Heritage Trail - plant operating costs	Operating Expense		2,000	(106,479)	Defer to 2026/27
11528.99	Heritage Trail - public works overheads	Operating Expense		5,500	(100,979)	Defer to 2026/27
<b>TRANSPORT</b>						
12226.16	Road Maintenance - contract services	Operating Expense		30,000	(70,979)	Funds utilised to complete capital works job Tieline Road
12228.16	RAMM Road Inventory - contract services	Operating Expense		10,000	(60,979)	Adjustment for actual costs incurred

**SHIRE OF BROOMEHILL-TAMBELLUP  
NOTES TO THE BUDGET REVIEW REPORT  
FOR THE PERIOD ENDED 31 JANUARY 2026**

**5 BUDGET AMENDMENTS**

GL Account Code	Description	Classification	Increase in Available Cash	Decrease in Available Cash	Amended Budget Running Balance	Comments
<b>ECONOMIC SERVICES</b>					(60,979)	
13157.72	Caravan Park Tambellup - grants non-operating	Capital Revenue	176,000		115,021	Additional funding for purchase of cabin at Tambellup Caravan Park
13232.19	Holland Track - advertising and promotion	Operating Expense		10,000	125,021	Defer to 2026/27
13528.17	Railway Building - professional services	Operating Expense	(6,200)		118,821	Lease preparation (10 year) for Rail Corridor Leases
<b>OTHER PROPERTY &amp; SERVICES</b>					118,821	
14151.01	Private Works - employee costs	Operating Expense	(20,000)		98,821	Salary & Wages increase
14251.13	Plant Operation - minor equipment	Operating Expense		10,700	109,521	Adjustment for actual costs incurred
<b>CAPITAL REVENUE &amp; EXPENDITURE</b>					109,521	
12001.72	Roads to Recovery - grants non-operating	Capital Revenue	192,562		302,083	Outstanding prior (multiple) year funding for Roads to Recovery
12008.72	Regional Road Safety Program - grants non operating	Capital Revenue		(674,237)	(372,154)	Contract Liability transfer as not completing all components of this project this FY
CAP204	Tambellup Pavillion - contract services	Capital Expense	(28,500)		(400,654)	Acoustic panels and insulation
RG75	Tieline Road	Capital Expense	(30,000)		(430,654)	Single coat seal to complete job
RG76	Warrenup Road	Capital Expense	(57,583)		(488,237)	
RS001	Broomehill-Kojonup Road	Capital Expense		674,237	186,000	2 year project - sealing, line marking and road furniture deferred to 2026/27
CAP170	Tambellup Depot Workshop - oil store	Capital Expense		25,000	211,000	Defer to 2026/27
LR308	Broomehill Caravan Park - extend car bays	Capital Expense	(35,000)		176,000	To complete project and secure funding
LR309	Tambellup Caravan Park - cabins	Capital Expense	(176,000)		0	New cabin and donga
<b>Amended Budget Cash Position as per Council Resolution</b>						
			(341,721)	341,721	0	