

CITY OF KARRATHA
ANNUAL BUDGET
FOR THE YEAR ENDED 30 JUNE 2027

LOCAL GOVERNMENT ACT 1995

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The City of Karratha a Class 1 local government conducts the operations of a local government with the following community vision:

To be Australia's most liveable regional City.

CITY OF KARRATHA
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2027

	Note	2026/27 Budget	2025/26 Forecast	2025/26 Budget
Revenue		\$	\$	\$
Rates	2(a)	69,364,849	66,407,521	66,472,046
Grants, subsidies and contributions		49,057,688	42,070,211	48,716,576
Fees and charges	16	80,245,522	75,468,027	74,463,654
Interest revenue	10(a)	8,029,466	7,538,580	7,595,277
Other revenue		1,067,321	615,636	580,888
		207,764,846	192,099,975	197,828,441
Expenses				
Employee costs		(68,607,373)	(63,547,594)	(57,318,520)
Materials and contracts		(82,604,427)	(53,327,288)	(69,508,504)
Utility charges		(6,847,597)	(6,674,524)	(6,153,082)
Depreciation	6	(32,392,827)	(31,064,198)	(30,742,653)
Finance costs	10(c)	(2,536,633)	(516,078)	(273,196)
Insurance		(3,827,048)	(3,688,107)	(3,672,547)
Other expenditure		(4,121,967)	(2,436,291)	(2,245,463)
		(200,937,872)	(161,254,080)	(169,913,965)
		6,826,974	30,845,895	27,914,476
Capital grants, subsidies and contributions		352,625	344,300	440,700
Profit on asset disposals	5	0	74,819	0
Loss on asset disposals	5	0	(255,101)	0
		352,625	164,018	440,700
Net result for the period		7,179,599	31,009,913	28,355,176
Total other comprehensive income for the period		0	0	0
Total comprehensive income for the period		7,179,599	31,009,913	28,355,176

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

CITY OF KARRATHA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2027

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts

	Note	2026/27 Budget	2025/26 Forecast	2025/26 Budget
Rates		\$ 69,364,849	\$ 66,407,521	\$ 66,472,046
Grants, subsidies and contributions		38,755,419	41,218,531	55,716,576
Fees and charges		80,245,522	75,468,027	74,463,654
Interest revenue		7,025,855	6,947,716	7,595,277
Other revenue		1,067,321	615,636	580,888
		196,458,966	190,657,431	204,828,441

Payments

Employee costs		(68,377,698)	(63,223,691)	(57,318,520)
Materials and contracts		(82,805,731)	(49,767,901)	(69,508,504)
Utility charges		(6,847,597)	(6,674,524)	(6,153,082)
Finance costs		(2,272,773)	(261,383)	(16,582)
Insurance paid		(3,827,048)	(3,688,107)	(3,672,547)
Other expenditure		(4,121,967)	(2,436,291)	(2,245,463)
		(168,252,814)	(126,051,897)	(138,914,698)

Net cash provided by operating activities	4	28,206,152	64,605,534	65,913,743
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CASH FLOWS FROM INVESTING ACTIVITIES

Payments for Karratha Development - Bulgarra Housing Development		(39,853,698)	(15,011,723)	0
Payments for purchase of property, plant & equipment	5(a)	(27,830,225)	(34,255,026)	(20,824,864)
Payments for construction of infrastructure	5(b)	(50,015,715)	(27,926,795)	(50,098,500)
Proceeds from capital grants, subsidies and contributions		352,625	344,300	500,700
Proceeds from disposal of property, plant and equipment	5(a)	1,303,550	706,664	582,564
Proceeds on disposal of financial assets at amortised cost - term deposits		40,000,000	(9,183,851)	0
Proceeds on karratha development - bulgarra housing development		684,085	0	0
Net cash (used in) investing activities		(75,359,377)	(85,326,431)	(69,840,099)

CASH FLOWS FROM FINANCING ACTIVITIES

Repayment of borrowings	8(a)	(579,084)	0	0
Proceeds from new borrowings	8(a)	39,853,698	15,011,723	0
Payments for principal portion of lease liabilities	7	(133,566)	(126,888)	0
Net cash provided by financing activities		39,141,049	14,884,835	0

Net (decrease) in cash held		(8,012,176)	(5,836,062)	(3,926,356)
Cash at beginning of year		21,413,270	27,249,332	31,848,646
Cash and cash equivalents at the end of the year	4	13,401,093	21,413,270	27,922,290

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

CITY OF KARRATHA
STATEMENT OF FINANCIAL ACTIVITY
FOR THE YEAR ENDED 30 JUNE 2027

OPERATING ACTIVITIES

Revenue from operating activities

General rates
Rates excluding general rates
Grants, subsidies and contributions
Fees and charges
Interest revenue
Other revenue
Profit on asset disposals

Expenditure from operating activities

Employee costs
Materials and contracts
Utility charges
Depreciation
Finance costs
Insurance
Other expenditure
Loss on asset disposals

Non cash amounts excluded from operating activities

Amount attributable to operating activities

INVESTING ACTIVITIES

Inflows from investing activities

Proceeds from capital grants, subsidies and contributions
Proceeds from disposal of property, plant and equipment
Proceeds from disposal financial assets at amortised cost - term deposits
Proceeds on other loans and receivables

Outflows from investing activities

Acquisition of property, plant and equipment
Acquisition of infrastructure
Payments for financial assets at amortised cost - term deposits
Payments for other loans and receivables

Non-cash amounts excluded from investing activities

Amount attributable to investing activities

FINANCING ACTIVITIES

Inflows from financing activities

Proceeds from new borrowings
Transfers from reserve accounts

Outflows from financing activities

Repayment of borrowings
Payments for principal portion of lease liabilities
Transfers to reserve accounts

Amount attributable to financing activities

MOVEMENT IN SURPLUS OR DEFICIT

Surplus remaining at the start of the financial year

Amount attributable to operating activities
Amount attributable to investing activities
Amount attributable to financing activities

Surplus remaining after the imposition of general rates

Note	2026/27 Budget	2025/26 Forecast	2025/26 Budget
	\$	\$	\$
2(a)(i)	66,713,334	63,415,397	63,478,177
2(a)	2,651,515	2,992,124	2,993,869
	49,057,688	42,070,211	48,716,576
16	80,245,522	75,468,027	74,463,654
10(a)	8,029,466	7,538,580	7,595,277
	1,067,321	615,636	580,888
5	0	74,819	0
	207,764,846	192,174,794	197,828,441
	(68,607,373)	(63,547,594)	(57,318,520)
	(82,604,427)	(53,327,288)	(69,508,504)
	(6,847,597)	(6,674,524)	(6,153,082)
	(32,392,827)	(31,064,198)	(30,742,653)
10(c)	(2,536,633)	(516,078)	(273,196)
	(3,827,048)	(3,688,107)	(3,672,547)
	(4,121,967)	(2,436,291)	(2,245,463)
5	0	(255,101)	0
	(200,937,872)	(161,509,181)	(169,913,965)
3(c)	20,956,626	35,239,013	30,160,089
	27,783,600	65,904,627	58,074,565
	352,625	344,300	440,700
5(a)	1,303,550	706,664	582,564
	40,000,000	(9,183,851)	0
	684,085	0	0
	42,340,260	(8,132,887)	1,023,264
5(a)	(27,830,225)	(34,255,026)	(20,824,864)
5(b)	(50,015,715)	(27,926,795)	(50,098,500)
	0	0	0
	(39,853,698)	(15,011,723)	0
	(117,699,637)	(77,193,544)	(70,923,363)
3(d)	(40,000,000)	9,183,851	(582,564)
	(115,359,377)	(76,142,580)	(70,482,663)
	39,853,698	15,011,723	0
9(a)	74,689,134	78,461,872	52,937,839
	114,542,832	93,473,595	52,937,839
8(a)	(579,084)	0	0
7	(133,566)	(126,888)	0
9(a)	(29,623,412)	(88,832,491)	(51,908,756)
	(30,336,062)	(88,959,379)	(51,908,756)
	84,206,771	4,514,216	1,029,083
3	3,385,426	9,109,164	11,385,875
	27,783,600	65,904,627	58,074,565
	(115,359,377)	(76,142,580)	(70,482,663)
	84,206,771	4,514,216	1,029,083
3	16,419	3,385,426	6,860

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

CITY OF KARRATHA
FOR THE YEAR ENDED 30 JUNE 2027
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CITY OF KARRATHA
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2027

1 BASIS OF PREPARATION

The annual budget of the City of Karratha which is a Class 1 local government is a forward looking document and 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 annual budget 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 City to measure any vested improvements at zero cost.

Accounting policies which have been adopted in the preparation of this annual budget have been consistently applied unless stated otherwise. Except for cash flow and rate setting information, the annual budget 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.

The local government reporting entity

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 13 to the annual budget.

2025/26 forecast balances

Balances shown in this budget are estimates as forecast at the time of preparation of the annual budget and are subject to final adjustments.

Budget comparative figures

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

Comparative figures

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

Rounding off figures

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

Statement of Cashflows

Investing and financing transactions that do not require the use of cash or cash equivalents shall be excluded from a statement of cash flows. Such transactions shall be disclosed elsewhere in the financial statements in a way that provides all the relevant information about these investing and financing activities.

Initial application of accounting standards

During the budget year, the below revised Australian Accounting Standards and Interpretations are expected to be compiled, become mandatory and be applicable to its operations.

- *AASB 2026-1 Amendments to Australian Accounting Standards – Disclosures about Uncertainties in the Financial Statements*
- *AASB 2024-2 Amendments to Australian Accounting Standards – Classification and Measurement of Financial Instruments*
- *AASB 2024-3 Amendments to Australian Accounting Standards – Standards – Annual Improvements Volume 11*
- *AASB 2025-1 Amendments to Australian Accounting Standards – Contracts Referencing Nature-dependent Electricity*

It is not expected these standards will have an impact on the annual budget on initial application.

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]*

It is not expected these standards will have an impact on the annual budget on initial application.

- *AASB 18 Presentation and Disclosure in Financial Statements*
- *AASB 18 (NFP/super) Presentation and Disclosure in Financial Statements – (Appendix D) [for not-for-profit and superannuation entities]*

These accounting standards will materially change the presentation of the annual financial report and annual budget

Critical accounting estimates and judgements

The preparation of the annual budget 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 values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The annual budget is a forward-looking statement and is comprised of management estimates. As with all estimates, the use of different assumptions could lead to material changes in the amounts reported in the annual budget.

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
 - Infrastructure
 - Expected credit losses on financial assets
 - Assets held for sale
 - Impairment losses of non-financial assets
 - Investment property
 - Estimated useful life of intangible assets
 - Measurement of employee benefits
 - Measurement of provisions

CITY OF KARRATHA
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2027

2. RATES AND SERVICE CHARGES

(a) Rating Information

Rate Description	Basis of valuation	Rate in dollar	Number of properties	Rateable value*	2026/27 Budgeted rate revenue	2026/27 Budgeted interim rates	2026/27 Budgeted total revenue	2025/26 Forecast total revenue	2025/26 Budget total revenue
				\$	\$	\$	\$	\$	\$
(i) General rates									
Residential	Gross rental valuation	0.057469	7,376	351,583,997	20,205,181	25,901	20,231,082	19,269,142	19,288,218
Commercial / Industrial	Gross rental valuation	0.093800	789	98,313,953	9,221,849	0	9,221,849	8,990,222	8,999,122
Airport / Strategic Industry	Gross rental valuation	0.114937	31	12,533,331	1,440,543	0	1,440,543	1,397,199	1,398,582
Transient Workforce Accomodation / Workforce	Gross rental valuation	0.229874	26	40,272,350	9,257,566	0	9,257,566	8,979,054	8,987,943
Pastoral	Unimproved valuation	0.137837	10	1,887,987	260,234	0	260,234	245,262	245,505
Mining / Other	Unimproved valuation	0.154000	245	11,029,719	1,698,577	0	1,698,577	1,602,454	1,604,040
Strategic Industry	Unimproved valuation	0.235692	32	104,388,282	24,603,483	0	24,603,483	22,932,065	22,954,767
Total general rates			8,509	620,009,620	66,687,433	25,901	66,713,334	63,415,397	63,478,177
(ii) Minimum payment									
		Minimum \$							
Residential	Gross rental valuation	1,750.00	1,211	21,259,154	2,119,250	0	2,119,250	2,438,836	2,441,250
Commercial / Industrial	Gross rental valuation	1,750.00	379	3,090,188	663,250	0	663,250	669,587	670,250
Airport / Strategic Industry	Gross rental valuation	1,750.00	3	10,000	5,250	0	5,250	5,245	5,250
Transient Workforce Accomodation / Workforce	Gross rental valuation	1,750.00	0	(0)	0	0	0	0	0
Pastoral	Unimproved valuation	367.00	0	(0)	0	0	0	0	0
Mining / Other	Unimproved valuation	367.00	152	169,385	55,784	0	55,784	58,662	58,720
Strategic Industry	Unimproved valuation	367.00	11	89	4,037	0	4,037	4,033	4,037
Total minimum payments			1,756	24,528,815	2,847,571	0	2,847,571	3,176,362	3,179,507
Total general rates and minimum payments			10,265	644,538,435	69,535,004	25,901	69,560,905	66,591,759	66,657,684
(iii) Ex-gratia rates									
DBNGP					73,500	0	73,500	73,170	71,770
					69,608,504	25,901	69,634,405	66,664,929	66,729,454
Concessions (Refer note 2(d))					0	0	(269,556)	(257,408)	(257,408)
Total rates					69,608,504	25,901	69,364,849	66,407,521	66,472,046
Instalment plan charges							123,540	151,229	121,636
Instalment plan interest							124,143	151,968	122,230
Late payment of rate or service charge interest							139,991	171,368	137,834
							387,675	474,565	381,700

The City did not raise specified area rates for the year ended 30th June 2027.

*Rateable Value at time of adopting budget.

All rateable properties within the district used predominately for non-rural purposes are rated according to their Gross Rental Valuation (GRV), all other properties are rated according to their Unimproved Valuation (UV).

The general rates detailed for the 2026/27 financial year have been determined by Council on the basis of raising the revenue required to meet the estimated deficiency between the total estimated expenditure proposed in the budget and the estimated revenue to be received from all sources other than general rates and also considering the extent of any increase in rating over the level adopted in the previous year.

The minimum payments have been determined by Council on the basis that all ratepayers must make a reasonable contribution to the cost of local government services/facilities.

CITY OF KARRATHA
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2027

2. RATES AND SERVICE CHARGES (CONTINUED)

(b) Interest Charges and Instalments - Rates and Service Charges

The following instalment options are available to ratepayers for the payment of rates and service charges.

Option One (Full Payment)

Single full payment

Option Two (Two Instalments)

First instalment

Second instalment

Option Three (Four Instalments)

First instalment

Second instalment

Third instalment

Fourth instalment

Instalment options	Date due	Instalment plan admin charge	Instalment plan interest rate	Unpaid rates interest rates
		\$	%	%
Option one				
Single full payment	11/09/2026	0	0.0%	7.0%
Option two				
First instalment	11/09/2026	0	4.5%	7.0%
Second instalment	13/11/2026	10	4.5%	7.0%
Option three				
First instalment	11/09/2026	0	4.5%	7.0%
Second instalment	13/11/2026	10	4.5%	7.0%
Third instalment	15/01/2027	10	4.5%	7.0%
Fourth instalment	19/03/2027	10	4.5%	7.0%

CITY OF KARRATHA
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2027

2. RATES AND SERVICE CHARGES (CONTINUED)

(c) Service Charges

The City did not raise service charges for the year ended 30th June 2027.

(d) Waivers or concessions

Rate, fee or charge to which the waiver or concession is granted	Type	Waiver/ Concession	Discount %	2026/27 Budget	2025/26 Actual	2025/26 Budget	Circumstances in which the waiver or concession is granted	Objects and reasons of the waiver or concession
				\$	\$	\$		
101 Perseverance Street, Cossack	Rate	Concession	97.1%	1,700	1,700	1,700	Property within the Cossack Township	To provide rating relief to property owners in Cossack Township
112 Perseverance Street, Cossack	Rate	Concession	97.1%	1,700	1,700	1,700	Property within the Cossack Township	To provide rating relief to property owners in Cossack Township
116 Cossack Road, Cossack	Rate	Concession	97.1%	1,700	1,700	1,700	Property within the Cossack Township	To provide rating relief to property owners in Cossack Township
117 Cossack Road, Cossack	Rate	Concession	97.1%	1,700	1,700	1,700	Property within the Cossack Township	To provide rating relief to property owners in Cossack Township
121 Cossack Road, Cossack	Rate	Concession	97.1%	1,700	1,700	1,700	Property within the Cossack Township	To provide rating relief to property owners in Cossack Township
141 Perseverance Street, Cossack	Rate	Concession	97.1%	1,700	1,700	1,700	Property within the Cossack Township	To provide rating relief to property owners in Cossack Township
142 Cossack Road, Cossack	Rate	Concession	97.1%	1,700	1,700	1,700	Property within the Cossack Township	To provide rating relief to property owners in Cossack Township
143 Cossack Road, Cossack	Rate	Concession	97.1%	1,700	1,700	1,700	Property within the Cossack Township	To provide rating relief to property owners in Cossack Township
144 Cossack Road, Cossack	Rate	Concession	97.1%	1,700	1,700	1,700	Property within the Cossack Township	To provide rating relief to property owners in Cossack Township
145 Cossack Road, Cossack	Rate	Concession	97.1%	1,700	1,700	1,700	Property within the Cossack Township	To provide rating relief to property owners in Cossack Township
149 Cossack Road, Cossack	Rate	Concession	97.1%	1,700	1,700	1,700	Property within the Cossack Township	To provide rating relief to property owners in Cossack Township
150 Cossack Road, Cossack	Rate	Concession	97.1%	1,700	1,700	1,700	Property within the Cossack Township	To provide rating relief to property owners in Cossack Township
151 Cossack Road, Cossack	Rate	Concession	97.1%	1,700	1,700	1,700	Property within the Cossack Township	To provide rating relief to property owners in Cossack Township
152 Cossack Road, Cossack	Rate	Concession	97.1%	1,700	1,700	1,700	Property within the Cossack Township	To provide rating relief to property owners in Cossack Township
153 Cossack Road, Cossack	Rate	Concession	97.1%	1,700	1,700	1,700	Property within the Cossack Township	To provide rating relief to property owners in Cossack Township
165 Cossack Road, Cossack	Rate	Concession	97.1%	1,700	1,700	1,700	Property within the Cossack Township	To provide rating relief to property owners in Cossack Township
167 Perseverance Street, Cossack	Rate	Concession	97.1%	1,700	1,700	1,700	Property within the Cossack Township	To provide rating relief to property owners in Cossack Township
20 Perseverance Street, Cossack	Rate	Concession	97.1%	1,700	1,700	1,700	Property within the Cossack Township	To provide rating relief to property owners in Cossack Township
176 Perseverance Street, Cossack	Rate	Concession	97.1%	1,700	1,700	1,700	Property within the Cossack Township	To provide rating relief to property owners in Cossack Township
21 Perseverance Street, Cossack	Rate	Concession	97.1%	1,700	1,700	1,700	Property within the Cossack Township	To provide rating relief to property owners in Cossack Township
Yinjaa Barni Art Aboriginal Corporation - 48 Roe Street, Roebourne	Rate	Waiver	100.0%	1,750	1,750	1,750	Waiver for local Community Groups where no commercial return is derived from the property	To assist local Community Groups to remain operational
Karratha Scout Group - 70 Nairn Street, Bulgarra	Rate	Waiver	100.0%	1,750	1,750	1,750	Waiver for local Community Groups where no commercial return is derived from the property	To assist local Community Groups to remain operational
Karratha Kart Club - Lot 4903 Anderson Road, LIA	Rate	Waiver	100.0%	1,750	1,750	1,750	Waiver for local Community Groups where no commercial return is derived from the property	To assist local Community Groups to remain operational

CITY OF KARRATHA
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2027

2. RATES AND SERVICE CHARGES (CONTINUED)

Karratha Recreation Club Inc - Lot 3000 Bayview Road, Bulgarra	Rate	Waiver	100.0%	5,946	5,717	5,717	Waiver for local Community Groups where no commercial return is derived from the property	To assist local Community Groups to remain operational
Reach Us Pilbara - 11 Bond Place, Pegs Creek	Rate	Waiver	100.0%	2,504	2,408	2,408	Waiver for local Community Groups where no commercial return is derived from the property	To assist local Community Groups to remain operational
Karratha Arts & Learning Centre - 23 Richardson Way, Bulgarra	Rate	Waiver	100.0%	2,279	2,191	2,191	Waiver for local Community Groups where no commercial return is derived from the property	To assist local Community Groups to remain operational
Karratha Business Enterprise Centre Inc - 18 Hedland Place, Karratha	Rate	Waiver	50.0%	11,627	11,180	11,180	Waiver for local Community Groups where no commercial return is derived from the property	To assist local Community Groups to remain operational
Karratha BMX Club Inc - 84 Rosemary Road, Baynton	Rate	Waiver	100.0%	1,750	1,750	1,750	Waiver for local Community Groups where no commercial return is derived from the property	To assist local Community Groups to remain operational
The Grand Lodge of WA Freemasons Homes for The Aged Inc - 5 Dwyer Place, Millars Well	Rate	Waiver	87.0%	4,373	2,610	2,610	Waiver for local Community Groups where no commercial return is derived from the property	To assist local Community Groups to remain operational
Karratha Community Garden Inc - L52/11 Teesdale Place, Millars Well	Rate	Waiver	100.0%	1,750	1,750	1,750	Waiver for local Community Groups where no commercial return is derived from the property	To assist local Community Groups to remain operational
Karratha Equestrian Centre - 50 Robins Road, Mulataga	Rate	Waiver	100.0%	2,179	2,096	2,096	Waiver for local Community Groups where no commercial return is derived from the property	To assist local Community Groups to remain operational
Nor-West Game Fishing Club Inc - Lot 22 Rosemary Island, Dampier	Rate	Waiver	100.0%	1,750	1,750	1,750	Waiver for local Community Groups where no commercial return is derived from the property	To assist local Community Groups to remain operational
Point Samson Community Association Inc - Lot 278 Point Samson-Roebourne Road, Point Samson	Rate	Waiver	100.0%	1,750	0	0	Waiver for local Community Groups where no commercial return is derived from the property	To assist local Community Groups to remain operational
Nickol Bay Speedway Club Inc - Lot 115 Cinders Road, Karratha Industrial Estate	Rate	Waiver	100.0%	44,341	41,831	41,831	Waiver for local Community Groups where no commercial return is derived from the property	To assist local Community Groups to remain operational
Norwest Jockey Club - Lot 94 North West Coastal Highway, Roebourne	Rate	Waiver	100.0%	1,750	1,750	1,750	Waiver for local Community Groups where no commercial return is derived from the property	To assist local Community Groups to remain operational
WA Rifle Association Inc - Lot 133 Cossack Road, Roebourne	Rate	Waiver	100.0%	1,750	1,750	1,750	Waiver for local Community Groups where no commercial return is derived from the property	To assist local Community Groups to remain operational
Pilbara Health Network - 66 Welcome Road, Karratha	Rate	Waiver	100.0%	54,010	51,933	51,933	Waiver for local Community Groups where no commercial return is derived from the property	To assist local Community Groups to remain operational
Karratha Enduro & Motocross Club Inc - Lot 4903 Anderson Road, LIA	Rate	Waiver	100.0%	19,707	18,592	18,592	Waiver for local Community Groups where no commercial return is derived from the property	To assist local Community Groups to remain operational
Karratha Bikers Association - L4903 Anderson Road, Karratha Industrial Estate	Rate	Waiver	100.0%	1,750	1,750	1,750	Waiver for local Community Groups where no commercial return is derived from the property	To assist local Community Groups to remain operational
Nickol Bay Sporting Shooters Association - Lot 298 Cinders Road, Burrup	Rate	Waiver	100.0%	67,590	63,764	63,764	Waiver for local Community Groups where no commercial return is derived from the property	To assist local Community Groups to remain operational
Karratha Women's Place Inc - Unit LS1 11 Teesdale Place, Millars Well	Rate	Waiver	100.0%	1,750	1,750	1,750	Waiver for local Community Groups where no commercial return is derived from the property	To assist local Community Groups to remain operational
West Pilbara Softball Organisation Inc - Lot 3001 Bayview Road, Bulgarra	Rate	Waiver	100.0%	1,750	1,750	1,750	Waiver for local Community Groups where no commercial return is derived from the property	To assist local Community Groups to remain operational
Karratha Kats Sporting & Rec Club Inc - LOT 502 Tillbrook Close, Millars Well	Rate	Waiver	100.0%	0	1,836	1,836	Waiver for local Community Groups where no commercial return is derived from the property	To assist local Community Groups to remain operational
				269,556	257,408	257,408		

CITY OF KARRATHA
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2027

3. NET CURRENT ASSETS

(a) Composition of estimated net current assets

Current assets

Cash and cash equivalents
Financial assets
Receivables
Inventories
Other assets

Less: current liabilities

Trade and other payables
Contract liabilities
Lease liabilities
Long term borrowings
Employee provisions

Net current assets

Less: Total adjustments to net current assets

Net current assets used in the Statement of Financial Activity

(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.

Adjustments to net current assets

Less: Reserve accounts
- Inventory - land held for resale
- Rates receivable
- Current portion of borrowings
- Current portion of lease liabilities
Add: Current liabilities covered by funds held in reserve account
- Current portion of contract liabilities
- Current portion of employee benefit provisions

Total adjustments to net current assets

Note	2026/27 Budget 30 June 2027 Carried forward	2025/26 Actual 30 June 2026 Carried forward	2025/26 Budget 30 June 2026 Carried forward
	\$	\$	\$
4	13,401,093	21,413,270	27,922,290
	81,183,851	121,183,851	106,000,004
	9,767,074	10,161,255	13,404,773
	1,181,141	1,181,141	2,005,847
	7,621,499	7,621,499	0
	113,154,658	161,561,016	149,332,914
	(14,892,643)	(15,093,947)	(23,572,590)
	0	(12,000,000)	0
7	(140,473)	(133,566)	(133,322)
8	(579,084)	0	0
	(5,482,462)	(5,252,787)	(4,722,441)
	(21,094,662)	(32,480,300)	(28,428,353)
	92,059,996	129,080,716	120,904,561
3(b)	(92,043,577)	(125,695,290)	(120,897,701)
	16,419	3,385,426	6,860
9	(99,312,485)	(144,378,207)	(126,202,269)
	(382,907)	(382,907)	(1,185,247)
	0	0	(74,503)
	579,084	0	0
	140,473	133,566	133,322
	0	12,000,000	0
	6,932,258	6,932,258	6,430,996
	(92,043,577)	(125,695,290)	(120,897,701)

EXPLANATION OF DIFFERENCE IN SURPLUS/(DEFICIT)

Items excluded from calculation of budgeted deficiency

When calculating the budget deficiency for the purpose of Section 6.2 (2)(c) of the *Local Government Act 1995* the following amounts have been excluded as provided by *Local Government (Financial Management) Regulation 32* which will not fund the budgeted expenditure.

(c) OTHER ASSETS

Less: Profit on asset disposals
Less: Fair value adjustments to financial assets at fair value through profit and loss
Less: Share of net profit of associates accounted for using the equity method
Add: Loss on asset disposals
Add: Depreciation
Movement in current liabilities associated funds held in reserve account:
- Current portion of contract liabilities
Non-cash movements in non-current assets and liabilities:
- Capitalised Interest
- Other provisions
Less: Non-cash grants and contributions for assets

Non cash amounts excluded from operating activities

Note	2026/27 Budget 30 June 2027 Carried forward	2025/26 Actual 30 June 2026 Carried forward	2025/26 Budget 30 June 2026 Carried forward
	\$	\$	\$
5	0	(74,819)	0
	1,303,550	866,821	(582,564)
	0	0	0
5	0	255,101	0
6	32,392,827	31,064,198	30,742,653
	(12,000,000)	12,000,000	0
	(1,003,611)	(590,864)	0
	263,860	254,695	0
	0	(8,536,119)	0
	20,956,626	35,239,013	30,160,089

CITY OF KARRATHA
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2027

3. NET CURRENT ASSETS

(d) Amounts excluded from investing activities

Movement in current liabilities associated with restricted cash:

- Other provisions

Reconciling item - movement between current assets:

- Financial assets at amortised cost - term deposits

Non cash amounts excluded from investing activities

	0	0	(582,564)
	(40,000,000)	9,183,851	0
	(40,000,000)	9,183,851	(582,564)

3. NET CURRENT ASSETS (CONTINUED)

(e) MATERIAL ACCOUNTING POLICIES

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 City's operational cycle. In the case of liabilities where the City does not have the 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 City's intentions to release for sale.

TRADE AND OTHER PAYABLES

Trade and other payables represent liabilities for goods and services provided to the City prior to the end of the financial year that are unpaid and arise when the City 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 normally 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 City recognises revenue for the prepaid rates that have not been refunded.

INVENTORIES

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.

INVENTORY - LAND HELD FOR RESALE

Land held for development and sale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development, borrowing costs and holding costs until completion of development. Finance costs and holding charges incurred after development is completed are expensed.

Gains and losses are recognised in profit or loss at the time of signing an unconditional contract of sale if significant risks and rewards, and effective control over the land, are passed on to the buyer at this point.

Inventory - land held for resale is classified as current except where it is held as non-current based on the City's intentions to release for sale.

SUPERANNUATION

The City contributes to a number of superannuation funds on behalf of employees. All funds to which the City contributes are defined contribution plans.

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.

CONTRACT LIABILITIES

Contract liabilities represent the City's obligation to transfer goods or services to a customer for which the City 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.

TRADE AND OTHER RECEIVABLES

Trade and other receivables include amounts due from ratepayers for unpaid rates and service charges and other amounts due from third parties for grants, contributions, reimbursements, and goods sold and services performed in the ordinary course of business.

Trade and other receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components, when they are recognised at fair value.

Trade receivables are held with the objective to collect the contractual cashflows and therefore the City 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.

The City applies the AASB 9 simplified approach to measuring expected credit losses using a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, rates receivable are separated from other trade receivables due to the difference in payment terms and security for rates receivable.

PROVISIONS

Provisions are recognised when the City 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.

EMPLOYEE BENEFITS

Short-term employee benefits

Provision is made for the City'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 City'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 determination of the net current asset position. The City's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the determination of the net current asset 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 City's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the City 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.

CONTRACT ASSETS

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

CITY OF KARRATHA
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2027

4. RECONCILIATION OF CASH

(a) Reconciliation of cash

For the purposes of the Statement of Cash Flows, cash includes cash and cash equivalents, net of outstanding bank overdrafts. Estimated cash at the end of the reporting period is as follows:

	Note	2026/27 Budget	2025/26 Actual	2025/26 Budget
		\$	\$	\$
Cash and cash equivalents		13,401,093	21,413,270	27,922,290

Restrictions

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		14,328,634	31,394,356	20,402,269
Restricted financial assets at amortised cost - term deposits		84,983,851	124,983,851	105,800,000
		99,312,485	156,378,207	126,202,269

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

Reserve accounts	9	99,312,485	144,378,207	126,202,269
Contract liabilities		0	12,000,000	0

Total restricted financial assets

		99,312,485	156,378,207	126,202,269
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(b) Reconciliation of net cash provided by operating activities

Net result		7,179,599	31,009,913	28,355,176
Non-cash items:				
Depreciation	6	32,392,827	31,064,198	30,742,653
Loss on sale of assets	5	0	180,282	0
Contributed/Gifted assets (non-cash)		0	(8,536,119)	0
Interest Revenue Capitalised		(1,003,611)	(590,864)	0
Changes in assets and liabilities:				
(Increase)/decrease in receivables		1,697,731	(4,047,847)	7,000,000
Decrease in inventories		0	518,363	0
(Decrease)/Increase in trade and other payables		(201,304)	3,041,024	0
(Decrease)/Increase in contract liabilities		(12,000,000)	11,732,286	0
Increase in employee related provisions		229,675	323,903	0
Increase in other provisions		263,860	254,695	316,614
Capital grants, subsidies and contributions		(352,625)	(344,300)	(500,700)
Net cash provided by operating activities		28,206,152	64,605,534	65,913,743

MATERIAL ACCOUNTING POLICES

CASH AND CASH EQUIVALENTS

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

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.

Bank overdrafts are shown as short term borrowings in current liabilities in Note 3 - Net Current Assets.

FINANCIAL ASSETS AT AMORTISED COST

The City 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.

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.

CITY OF KARRATHA
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2027

5. PROPERTY, PLANT AND EQUIPMENT

	2026/27 Budget			2025/26 Forecast							2025/26 Budget		
	Additions	Disposals -	Disposals -	Additions	In-kind	Disposals -	Disposals -	Disposals -	Disposals -	Disposals -	Additions	Disposals -	Disposals -
		Net Book	Sale			Net Book	Sale					Net Book	Sale
	\$	Value	Proceeds	\$	\$	Value	Proceeds	Profit	Loss	\$	\$	Value	Proceeds
(a) Property, Plant and Equipment													
Land - vested in and under the control of council	0	0	0	0	0	0	0				7,352,055	0	0
Buildings - non-specialised	10,850,221	(599,550)	599,550	25,263,363	0	(481,142)	415,705	65,438	0		6,170,427	(160,000)	160,000
Buildings - specialised	8,705,987	0	0	3,475,425	0	0	0	0	0		899,291	0	0
Furniture and equipment	1,766,900	0	0	640,663	0	(2,291)	2,291	0	0		3,853,563	0	0
Plant and equipment	4,712,803	(704,000)	704,000	3,609,253	0	(266,440)	288,669	9,381	(31,610)		2,549,528	(422,564)	422,564
Equipment	1,794,313	0	0	1,266,322	0	0	0	0	0		0	0	0
Total	27,830,225	(1,303,550)	1,303,550	34,255,026	0	(749,873)	706,664	74,819	(31,610)		20,824,864	(582,564)	582,564
(b) Infrastructure													
Infrastructure - roads	10,552,300	0	0	4,824,444	8,536,119	(181,939)	0	0	(181,939)		7,743,610	0	0
Infrastructure - footpaths	4,309,313	0	0	7,412,918	0	0	0	0	0		5,748,658	0	0
Infrastructure - parks and ovals	12,347,925	0	0	4,761,225	0	(41,552)	0	0	(41,552)		12,874,139	0	0
Infrastructure - airport infrastructure	4,286,564	0	0	4,275,720	0	0	0	0	0		5,868,808	0	0
Infrastructure - miscellaneous structures	18,519,612	0	0	6,652,488	0	0	0	0	0		17,863,285	0	0
Total	50,015,715	0	0	27,926,795	8,536,119	(223,491)	0	0	(223,491)		50,098,500	0	0
Total	77,845,939	(1,303,550)	1,303,550	62,181,821	8,536,119	(973,364)	706,664	74,819	(255,101)		70,923,363	(582,564)	582,564

MATERIAL ACCOUNTING POLICIES

RECOGNITION OF ASSETS

are not recognised as an asset in accordance with *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.

GAINS AND LOSSES ON DISPOSAL

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in profit or loss in the period which they arise.

CITY OF KARRATHA
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2027

6. DEPRECIATION

By Class

Buildings - non-specialised
Furniture and equipment
Plant and equipment
Landfill Post Closure Assets
Artwork & Sculptures
Infrastructure - roads
Infrastructure - waste facilities
Infrastructure - airport infrastructure
Right of use - buildings

By Program

Law, order, public safety
Health
Education and welfare
Housing
Community amenities
Recreation and culture
Transport
Economic services
Other property and services

2026/27 Budget	2025/26 Forecast	2025/26 Budget
\$	\$	\$
10,508,340	10,182,717	9,973,083
571,989	548,800	710,470
1,994,943	1,895,838	1,897,145
1,115,964	1,073,941	1,111,181
52,300	50,898	52,076
17,721,307	16,923,301	16,485,865
281,605	272,255	312,026
8,343	14,837	8,656
138,037	101,611	192,150
32,392,827	31,064,198	30,742,653
749	129,802	161,948
0	32,324	49,795
0	101,374	154,778
1,676,884	1,681,597	1,483,625
3,205,869	2,402,212	2,453,703
10,348,888	10,171,516	9,995,681
13,615,970	13,866,040	13,692,406
123,284	66,436	74,554
3,421,184	2,612,898	2,676,162
32,392,827	31,064,198	30,742,653

MATERIAL ACCOUNTING POLICIES

DEPRECIATION

The depreciable amount of all fixed assets including buildings but excluding freehold land, 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.

An 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.

Major depreciation periods used for each class of depreciable asset are:

Buildings - non-specialised
Furniture and equipment
Plant and equipment
Landfill Post Closure Assets
Artwork & Sculptures
Infrastructure - roads
Infrastructure - waste facilities
Infrastructure - airport infrastructure
Right of use - buildings

AMORTISATION

The depreciable amount of all intangible assets with a finite useful life, are depreciated on a straight-line basis over the individual asset's useful life from the time the asset is held for use.

The assets residual value of intangible assets is considered to be zero and useful live and amortisation method are reviewed at the end of each financial year.

Amortisation is included within Depreciation on non-current assets in the Statement of Comprehensive Income.

CITY OF KARRATHA
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2027

7. LEASE LIABILITIES

Purpose	Lease Number	Institution	Lease Interest Rate	Lease Term	Budget Lease Principal 1 July 2026	2026/27	2026/27	Budget	2026/27	Forecast Principal 1 July 2025	2025/26	Forecast	2025/26	Budget Principal 1 July 2025	Budget	2025/26
						Budget New Leases	Budget Lease Principal Repayments	Lease Principal outstanding 30 June 2027	Budget Lease Interest Repayments		Forecast Lease Principal repayments	Lease Principal outstanding 30 June 2026	Forecast Lease Interest repayments		Lease Principal outstanding 30 June 2026	Lease Interest repayments
Roebourne Library		Wawardu Ltd	2.3%	5 years	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 12,865	\$ 12,865	\$ (135)
Tambrey Indoor Play Centre		Tambrey	1.9%	10 years	680,117	0	(133,566)	546,551	(11,676)	807,005	(126,888)	680,117	(14,123)	927,462	927,462	(16,447)
					680,117	0	(133,566)	546,551	(11,676)	807,005	(126,888)	680,117	(14,123)	940,327	940,327	(16,582)

MATERIAL ACCOUNTING POLICIES

LEASES

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

At the commencement date, a right-of-use asset is recognised at cost and a 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 City uses its incremental borrowing rate.

LEASE LIABILITIES

The present value of future lease payments not paid at the reporting date discounted using the incremental borrowing rate where the implicit interest rate in the lease is not readily determined.

8. BORROWINGS

(a) Borrowing repayments

Movement in borrowings and interest between the beginning and the end of the current financial year.

Purpose	Institution	Budget Principal 1 July 2026	2026/27 Budget New Loans	2026/27 Budget Principal Repayments	Budget Principal outstanding 30 June 2027	2026/27 Budget Interest Repayments	Forecast Principal 1 July 2025	2025/26 Forecast New Loans	2025/26 Forecast Principal Repayments	Forecast Principal outstanding 30 June 2026	2025/26 Forecast Interest Repayments	Budget Principal 1 July 2025	2025/26 Budget New Loans	2025/26 Budget Principal Repayments	Budget Principal outstanding 30 June 2026	2025/26 Budget Interest Repayments
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Karratha Development - Bulgarra Development	Westpac	15,011,723	39,853,698	(579,084)	54,286,337	(2,261,096)	0	15,011,723	0	15,011,723	(240,195)	0	0	0	0	0
		15,011,723	39,853,698	(579,084)	54,286,337	(2,261,096)	0	15,011,723	0	15,011,723	(240,195)	0	0	0	0	0

All borrowing repayments, other than self supporting loans, will be financed by general purpose revenue.

CITY OF KARRATHA
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2027

8. BORROWINGS (CONTINUED)

(b) New borrowings - 2026/27

Particulars/Purpose	Institution	Loan type	Term (years)	Interest rate	Amount borrowed budget	Total interest & charges	Amount used budget	Balance unspent
				%	\$	\$	\$	\$
Bulgarra Housing Development	Westpac	Bank Bill Business Loan	3	Variable	39,853,698	2,831,836	39,853,698	0
					39,853,698	2,831,836	39,853,698	0

(c) Unspent borrowings

The City had no unspent borrowing funds as at 30th June 2026 nor is it expected to have unspent borrowing funds as at 30th June 2027.

(d) Credit Facilities

	2026/27 Budget	2025/26 Actual	2025/26 Budget
	\$	\$	\$
Undrawn borrowing facilities			
credit standby arrangements			
Bank overdraft limit	1,000,000	1,000,000	1,000,000
Bank overdraft at balance date			
Credit card limit	126,000	126,000	126,000
Credit card balance at balance date			
Total amount of credit unused	1,126,000	1,126,000	1,126,000
Loan facilities			
Loan facilities in use at balance date	54,286,337	15,011,723	0

MATERIAL ACCOUNTING POLICIES

BORROWING COSTS

The City 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.

CITY OF KARRATHA
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2027

9. RESERVE ACCOUNTS

(a) Reserve Accounts - Movement

	2026/27 Budget				2025/26 Forecast				2025/26 Budget			
	Opening Balance	Transfer to	Transfer (from)	Closing Balance	Opening Balance	Transfer to	Transfer (from)	Closing Balance	Opening Balance	Transfer to	Transfer (from)	Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Restricted by legislation												
(a) Employee Entitlement Reserve	6,932,254	318,466	0	7,250,720	6,318,738	613,516	0	6,932,254	5,799,204	631,792	0	6,430,996
(b) Public Open Space Reserve	155,032	7,123	0	162,155	148,929	6,103	0	155,032	148,025	6,939	0	154,964
	7,087,286	325,589	0	7,412,875	6,467,667	619,619	0	7,087,286	5,947,229	638,731	0	6,585,960
Restricted by council												
(c) Aerodrome Reserve	27,580,302	915,758	(13,821,236)	14,674,824	30,410,699	5,032,216	(7,862,613)	27,580,302	17,887,198	4,931,445	(11,214,437)	11,604,206
(d) Community Development Reserve	0	0	0	0	0	0	0	0	657,608	0	(657,608)	0
(e) Dampier Drainage Reserve	0	0	0	0	0	0	0	0	0	0	0	0
(f) Economic Development Reserve	1,190,178	0	(1,190,178)	0	1,438,250	52,428	(300,500)	1,190,178	1,531,844	71,590	0	1,603,434
(g) Infrastructure Reserve	29,356,230	9,586,462	(28,423,187)	10,519,505	55,998,327	18,392,478	(45,034,575)	29,356,230	50,907,151	19,504,633	(29,561,608)	40,850,176
(h) Medical Services Assistance Package Reserve	31,531	1,448	0	32,979	30,099	1,432	0	31,531	31,858	5,695	0	37,553
(i) Mosquito Control Reserve	0	0	0	0	0	0	0	0	2,361	0	(2,361)	0
(j) Rio Tinto Partnership Reserve	19,394,518	5,445,305	(7,638,000)	17,201,823	16,651,891	17,992,404	(15,249,777)	19,394,518	17,117,881	9,301,897	(4,500,000)	21,919,778
(k) Restricted Funds Reserve	0	0	0	0	0	0	0	0	23,024	0	(23,024)	0
(l) Waste Management Reserve	43,166,470	1,630,332	(7,028,612)	37,768,190	22,876,653	21,204,224	(914,408)	43,166,470	32,743,397	9,052,271	(6,597,000)	35,198,668
(m) Workers Compensation Reserve	0	0	0	0	0	0	0	0	381,801	0	(381,801)	0
(n) Strategic Reserve	16,432,921	9,555,710	(16,307,921)	9,680,710	0	24,432,921	(8,000,000)	16,432,921	0	8,234,000	0	8,234,000
(o) Woodside Partnership Reserve	138,771	1,116,868	(280,000)	975,639	134,002	1,104,769	(1,100,000)	138,771	0	168,494	0	168,494
(p) Digital Transformation Reserve	0	1,045,940	0	1,045,940	0	0	0	0	0	0	0	0
	137,290,921	29,297,823	(74,689,134)	91,899,610	127,539,921	88,212,872	(78,461,872)	137,290,921	121,284,123	51,270,025	(52,937,839)	119,616,309
	144,378,207	29,623,412	(74,689,134)	99,312,485	134,007,588	88,832,491	(78,461,872)	144,378,207	127,231,352	51,908,756	(52,937,839)	126,202,269

(b) Reserve Accounts - Purposes

In accordance with Council resolutions in relation to each reserve account, the purpose for which the reserves are set aside are as follows:

Reserve name	Anticipated date of use	Purpose of the reserve
Restricted by legislation		
(a) Employee Entitlement Reserve	Ongoing	To fund employee leave entitlements when on extended leave, including long service leave as well as periods of annual leave for periods greater than 4 weeks duration, thereby retaining salary and wages budgets for the funding of replacement staffing during extended periods of leave
(b) Public Open Space Reserve	Ongoing	The purpose of this reserve is to allow for the use of these reserve funds for the enhancement, replacement, refurbishment and purchase of infrastructure assets or project works of the City inclusive of the associated repayment of borrowings on infrastructure. Project works funded from this reserve may not necessarily belong to the City but must be carried out for the benefit of the City.
Restricted by council		
(c) Aerodrome Reserve	Ongoing	To fund the development, operation, and maintenance of the Karratha Airport and associated infrastructure, inclusive of any repayments of borrowings.
(d) Community Development Reserve	Closed	The purpose of this reserve is to hold Annual Community Association Grant Scheme unspent payments each year and to fund future projects initiated by Community Associations from time to time via the Annual Community Association Grant Scheme.
(e) Dampier Drainage Reserve	Ongoing	The Dampier drainage reserve aligned to a Rio Tinto agreement that contributed \$10,000 annually to the maintenance of the reserve.

9. RESERVE ACCOUNTS

(f) Economic Development Reserve	Closed	To fund economic development activities within the City, including destination marketing, business attraction, property development and tourism.
(g) Infrastructure Reserve	Ongoing	To fund the upgrade, replacement, refurbishment, construction and purchase of infrastructure assets inclusive of the associated repayment of borrowings on infrastructure or contributions towards assets that benefit the community.
(h) Medical Services Assistance Package Reserve	Ongoing	The purpose of this reserve is to fund future assistance to Medical Services in accordance with the City's participation in the Medical Services Incentive Scheme. This is inclusive of retention payments to General Practitioner's in accordance with the Medical Services Incentive Scheme.
(i) Mosquito Control Reserve	Closed	The purpose of this reserve is to fund mosquito control programmes inclusive of the purchase of replacement equipment as required.
(j) Rio Tinto Partnership Reserve	Ongoing	This reserve is maintained as part of the City's Community Partnership Agreement (CPA) and other related funding agreements between the City and Rio Tinto Iron Ore.
(k) Restricted Funds Reserve	Closed	This reserve is for the purpose of holding Unexpended or Prepaid Grants (other than Royalties for Regions) and Capital Contributions provided for specific purposes.
(l) Waste Management Reserve	Ongoing	To fund development, operation, and maintenance of the City's waste management facilities and services inclusive of repayments of borrowings.
(m) Workers Compensation Reserve	Ongoing	The purpose of this reserve is to provide City with sufficient funds to cover its potential liability in regard to the performance based workers compensation scheme of Local Government Insurance Services of which the City of Karratha is a member. Funds within the reserve that become surplus to requirements will be transferred to the City's Employee Entitlements Reserve via way of the City's Annual Budget.
(n) Strategic Reserve	Closed	The purpose of this reserve is to quarantine revenue funds that relate to contentious issues, projects or programs. The funds are placed into reserve whilst an outcome or timing is established and released upon resolution of these.
(o) Woodside Partnership Reserve	Ongoing	This reserve is maintained as part of the Woodside Partnership agreement between the City and Woodside. The purpose of the reserve is to preserve funds received under the funding agreement for the purpose of the agreement.
(p) Digital Transformation Reserve	Ongoing	To fund initiatives and infrastructure that support the City's digital and data transformation.

CITY OF KARRATHA
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2027

10. OTHER INFORMATION

The net result includes as revenues

(a) Interest earnings

	2026/27 Budget	2025/26 Forecast	2025/26 Budget
	\$	\$	\$
Investments	7,758,417	7,209,378	7,303,213
Late payment of fees and charges *	6,915	5,867	32,000
Other interest revenue	264,135	323,336	260,064
	8,029,466	7,538,580	7,595,277

* The City has resolved to charge interest under section 6.13 for the late payment of any amount of money at 7%.

The net result includes as expenses

(b) Auditors remuneration

Audit services	122,900	120,000	120,000
	122,900	120,000	120,000

(c) Interest expenses (finance costs)

Borrowings (refer Note 8(a))	2,261,096	240,195	0
Interest on lease liabilities (refer Note 7)	11,676	14,123	16,582
Unwinding of discount	263,860	261,760	256,614
	2,536,633	516,078	273,196

(d) Write offs

General rate	4,263	4,119	1,000
Fees and charges	73,539	71,898	50,000
	77,802	76,017	51,000

CITY OF KARRATHA
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2027

11. COUNCIL MEMBERS REMUNERATION

	2026/27 Budget	2025/26 Forecast	2025/26 Budget
	\$	\$	\$
Mayor - Cr Daniel Scott			
Mayor's allowance	104,032	100,514	100,514
Meeting attendance fees	55,078	53,215	53,215
Professional Development Allowance	5,000	7,472	5,000
Mayor's Discretionary Fund -Council related expenses	2,000	2,000	2,000
ICT expenses	3,500	3,500	3,500
Travel and accommodation expenses	6,000	26,897	6,000
Superannuation contribution payments	19,093	14,933	18,447
	194,703	208,531	188,676
Deputy Mayor - Cr Jodie Swaffer			
Deputy Mayor's allowance	26,008	17,090	0
Meeting attendance fees	36,722	35,380	35,480
Professional Development Allowance	5,000	5,470	5,000
ICT expenses	3,500	3,500	3,500
Travel and accommodation expenses	6,000	15,803	6,000
Superannuation contribution payments	7,528	4,992	4,258
	84,758	82,235	54,238
Cr Daiva Gillam			
Deputy Mayor's allowance	0	7,427	25,128
Meeting attendance fees	36,722	35,380	35,480
Professional Development Allowance	5,000	5,000	5,000
ICT expenses	3,500	3,500	3,500
Travel and accommodation expenses	6,000	9,259	6,000
Superannuation contribution payments	4,407	2,346	7,273
	55,629	62,913	82,381
Cr Gillian Furlong			
Meeting attendance fees	36,722	35,380	35,480
Professional Development Allowance	5,000	7,006	5,000
ICT expenses	3,500	3,500	3,500
Travel and accommodation expenses	6,000	6,000	6,000
Superannuation contribution payments	4,407	2,896	4,258
	55,629	54,782	54,238
Cr Brenton Johannsen			
Meeting attendance fees	36,722	35,380	35,480
Professional Development Allowance	5,000	5,783	5,000
ICT expenses	3,500	3,500	3,500
Travel and accommodation expenses	6,000	6,000	6,000
Superannuation contribution payments	4,407	0	4,258
	55,629	50,663	54,238
Cr Anthony Simpson			
Meeting attendance fees	36,722	35,380	35,480
Professional Development Allowance	5,000	5,000	5,000
ICT expenses	3,500	3,500	3,500
Travel and accommodation expenses	6,000	6,000	6,000
Superannuation contribution payments	4,407	2,838	4,258
	55,629	52,719	54,238
Cr Sarah Roots			
Meeting attendance fees	36,722	35,380	35,480
Professional Development Allowance	5,000	5,000	5,000
ICT expenses	3,500	3,500	3,500
Travel and accommodation expenses	6,000	6,000	6,000

Superannuation contribution payments	4,407	0	4,258
	55,629	49,880	54,238
Cr Geoff Harris			
Meeting attendance fees	36,722	24,703	0
Professional Development Allowance	5,000	3,466	0
ICT expenses	3,500	2,426	0
Travel and accommodation expenses	6,000	4,158	0
Superannuation contribution payments	4,407	2,941	0
	55,629	37,694	0
Cr Martin Byrne			
Meeting attendance fees	36,722	24,035	0
Professional Development Allowance	5,000	3,466	0
ICT expenses	3,500	2,426	0
Travel and accommodation expenses	6,000	4,158	0
Superannuation contribution payments	4,407	0	0
	55,629	34,085	0
Cr Kelly Nunn - Retired			
Meeting attendance fees	0	10,487	35,480
Professional Development Allowance	0	2,842	5,000
ICT expenses	0	1,044	3,500
Travel and accommodation expenses	0	909	6,000
Superannuation contribution payments	0	1,225	4,258
	0	16,506	54,238
Cr Joanne Waterstrom Muller - Retired			
Meeting attendance fees	0	10,487	35,480
Professional Development Allowance	0	2,842	5,000
ICT expenses	0	1,044	3,500
Travel and accommodation expenses	0	0	6,000
Superannuation contribution payments	0	0	4,258
	0	14,373	54,238
Council member 10 (Vacant)			
Meeting attendance fees	0	0	35,480
Professional Development Allowance	0	0	5,000
ICT expenses	0	0	3,500
Travel and accommodation expenses	0	0	6,000
Superannuation contribution payments	0	0	4,258
	0	0	54,238
Total Council Member Remuneration	668,861	664,380	704,961
Mayor's allowance	104,032	100,514	100,514
Deputy Mayor's allowance	26,008	24,517	25,128
Meeting attendance fees	348,854	335,205	372,535
Mayor's Discretionary Fund -Council related expenses	2,000	2,000	2,000
Professional Development Allowance	45,000	53,346	50,000
ICT expenses	31,500	31,443	35,000
Travel and accommodation expenses	54,000	85,183	60,000
Superannuation contribution payments	57,467	32,172	59,784
	668,861	664,380	704,961

CITY OF KARRATHA
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2027

12. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

Airport Operations

(a) Details

The City operates the Karratha Airport and operates the aerodrome with the purpose of producing a return on infrastructure. Forecasts are reviewed annually as part of Council's Long Term Financial Plan. These assumptions underpin future forecasts for airport operations.

(b) Statement of Comprehensive Income

	2025/26 Forecast	2026/27 Budget	2027/28 Forecast	2028/29 Forecast	2029/30 Forecast	2030/31 Forecast	2031/32 Forecast
	\$	\$	\$	\$	\$	\$	\$
Revenue							
Fees and Charges	30,863,296	32,320,434	30,823,908	32,118,513	33,467,490	34,843,004	36,275,051
Terminal Leases	6,022,351	6,253,698	6,350,999	6,551,055	6,757,413	6,964,190	7,177,294
Other Revenue	120,491	81,049	81,988	84,448	86,981	89,512	92,117
	37,006,138	38,655,181	37,256,895	38,754,015	40,311,885	41,896,707	43,544,463
Expenditure							
Employee Costs	(2,131,649)	(2,035,164)	(2,136,828)	(2,277,052)	(2,414,512)	(2,534,359)	(2,661,914)
Materials & Contracts	(5,586,672)	(6,378,402)	(6,569,665)	(6,781,195)	(7,003,348)	(7,244,128)	(7,513,224)
Utilities	(1,753,234)	(1,833,316)	(1,826,354)	(1,882,243)	(1,939,843)	(1,997,460)	(2,056,787)
Depreciation	(4,537,697)	(4,717,609)	(4,765,422)	(4,813,077)	(4,861,207)	(4,909,819)	(4,958,918)
Insurance	(833,475)	(862,575)	(896,037)	(922,918)	(950,606)	(978,268)	(1,006,736)
Other Expenditure	(61,971)	(63,096)	(53,093)	(54,686)	(56,326)	(57,965)	(59,652)
	(14,904,697)	(15,890,162)	(16,247,399)	(16,731,170)	(17,225,842)	(17,721,999)	(18,257,231)
NET RESULT	22,101,441	22,765,019	21,009,496	22,022,846	23,086,042	24,174,707	25,287,232
TOTAL COMPREHENSIVE INCOME	22,101,441	22,765,019	21,009,496	22,022,846	23,086,042	24,174,707	25,287,232

The Quarter Investment Property

(a) Details

The City operates The Quarter Investment Property with the purpose of producing a return on investment. Forecasts are reviewed annually as part of Council's Long Term Financial Plan. These assumptions underpin future forecasts for The Quarter Investment operations.

(b) Statement of Comprehensive Income

	2025/26 Forecast	2026/27 Budget	2027/28 Forecast	2028/29 Forecast	2029/30 Forecast	2030/31 Forecast	2031/32 Forecast
	\$	\$	\$	\$	\$	\$	\$
Revenue							
Lease Income	4,344,192	3,781,675	4,889,214	5,043,224	5,202,086	5,361,270	5,525,324
Other Revenue	7,500	0	0	0	0	0	0
	4,351,692	3,781,675	4,889,214	5,043,224	5,202,086	5,361,270	5,525,324
Expenditure							
Employee Costs	(21,396)	(29,528)	(33,447)	(35,642)	(37,793)	(39,669)	(41,666)
Materials & Contracts	(1,448,723)	(1,434,901)	(1,886,088)	(1,944,940)	(2,005,629)	(2,066,406)	(2,129,025)
Utilities	(440,748)	(465,061)	(360,463)	(371,494)	(382,862)	(394,234)	(405,943)
Insurance	(204,260)	(181,704)	(218,542)	(225,099)	(231,852)	(238,599)	(245,542)
	(2,115,128)	(2,111,194)	(2,498,540)	(2,577,174)	(2,658,136)	(2,738,907)	(2,822,175)
NET RESULT	2,236,564	1,670,481	2,390,674	2,466,050	2,543,950	2,622,362	2,703,149
TOTAL COMPREHENSIVE INCOME	2,236,564	1,670,481	2,390,674	2,466,050	2,543,950	2,622,362	2,703,149

CITY OF KARRATHA
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2027

13. TRUST FUNDS

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

Detail	Balance 30 June 2026	Estimated amounts received	Estimated amounts paid	Estimated balance 30 June 2027
	\$	\$	\$	\$
Public Open Space Contributions	611,767	0	0	611,767
Other Bonds & Guarantees	13,348	0	0	13,348
VAST	342	0	0	342
Ranger Bonds	4,665	0	0	4,665
Unclaimed Monies	6,131	0	0	6,131
	636,253	0	0	636,253

CITY OF KARRATHA
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2027

14. REVENUE AND EXPENDITURE

(a) Revenue and Expenditure Classification

REVENUES

RATES

All rates levied under the *Local Government Act 1995*. Includes general, differential, specific area rates, minimum payment, interim rates, back rates, ex-gratia rates, less discounts offered.

Exclude administration fees, interest on instalments, interest on arrears, service charges and sewerage rates.

GRANTS, SUBSIDIES AND CONTRIBUTIONS

All amounts received as grants, subsidies and contributions that are not capital grants.

CAPITAL GRANTS, SUBSIDIES AND CONTRIBUTIONS

Amounts received specifically for the acquisition, construction of new or the upgrading of non-current assets paid to a local government, irrespective of whether these amounts are received as capital grants, subsidies, contributions or donations.

REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue from contracts with customers is recognised when the local government satisfies its performance obligations under the contract.

FEES AND CHARGES

Revenues (other than service charges) from the use of facilities and charges made for local government services, sewerage rates, rentals, hire charges, fee for service, photocopying charges, licences, sale of goods or information, fines, penalties and administration fees. Local governments may wish to disclose more detail such as rubbish collection fees, rental of property, fines and penalties, other fees and charges.

SERVICE CHARGES

Service charges imposed under *Division 6 of Part 6 of the Local Government Act 1995*. Regulation 54 of the *Local Government (Financial Management) Regulations 1996* identifies the charges which can be raised. These are television and radio broadcasting, underground electricity and neighbourhood surveillance services and water. Exclude rubbish removal charges which should not be classified as a service charge. Interest and other items of a similar nature received from bank and investment accounts, interest on rate instalments, interest on rate arrears and interest on debtors.

INTEREST REVENUE

Interest and other items of a similar nature received from bank and investment accounts, interest on rate instalments, interest on rate arrears and interest on debtors.

OTHER REVENUE

Other revenue, which cannot be classified under the above headings, includes dividends, discounts, rebates etc.

PROFIT ON ASSET DISPOSAL

Gain on the disposal of assets including gains on the disposal of long-term investments.

EXPENSES

EMPLOYEE COSTS

All costs associated with the employment of person such as salaries, wages, allowances, benefits such as vehicle and housing, superannuation, employment expenses, removal expenses, relocation expenses, worker's compensation insurance, training costs, conferences, safety expenses, medical examinations, fringe benefit tax, etc.

Note: *AASB 119 Employee Benefits* provides a definition of employee benefits which should be considered.

MATERIALS AND CONTRACTS

All expenditures on materials, supplies and contracts not classified under other headings. These include supply of goods and materials, legal expenses, consultancy, maintenance agreements, communication expenses (such as telephone and internet charges), advertising expenses, membership, periodicals, publications, hire expenses, rental, leases, postage and freight etc.

Local governments may wish to disclose more detail such as contract services, consultancy, information technology and rental or lease expenditures.

UTILITIES (GAS, ELECTRICITY, WATER)

Expenditures made to the respective agencies for the provision of power, gas or water.

Exclude expenditures incurred for the reinstatement of roadwork on behalf of these agencies.

INSURANCE

All insurance other than worker's compensation and health benefit insurance included as a cost of employment.

LOSS ON ASSET DISPOSAL

Loss on the disposal of fixed assets.

DEPRECIATION ON NON-CURRENT ASSETS

Depreciation and amortisation expenses raised on all classes of assets.

FINANCE COSTS

Interest and other costs of finance paid, including costs of finance for loan debentures, overdraft accommodation and refinancing expenses.

OTHER EXPENDITURE

Statutory fees, taxes, provision for bad debts, member's fees or levies including DFES levy and State taxes. Donations and subsidies made to community groups.

CITY OF KARRATHA
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2027

14. REVENUE AND EXPENDITURE (CONTINUED)

(b) Revenue Recognition

Recognition of revenue from contracts with customers 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	Determination of transaction price	Allocating transaction price	Measuring obligations for returns	Timing of Revenue recognition
Grant contracts with customers	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	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Licences/ Registrations/ Approvals	Building, planning, development and animal management, having the same nature as a licence regardless of naming.	Single point in time	Full payment prior to issue	None	Set by State legislation or limited by legislation to the cost of provision	Based on timing of issue of the associated rights	No refunds	On payment and issue of the licence, registration or approval
Waste management entry fees	Waste treatment, recycling and disposal service at disposal sites	Single point in time	Payment in advance at gate or on normal trading terms if credit provided	None	Adopted by council annually	Based on timing of entry to facility	Not applicable	On entry to facility
Airport landing charges	Permission to use facilities and runway	Single point in time	Monthly in arrears	None	Adopted by council annually	Applied fully on timing of landing/take-off	Not applicable	On landing/departure event
Fees and charges for other goods and services	Cemetery services, library fees, reinstatements and private works	Single point in time	Payment in full in advance	None	Adopted by council annually	Applied fully based on timing of provision	Not applicable	Output method based on provision of service or completion of works
Sale of stock	Aviation fuel, kiosk and visitor centre stock	Single point in time	In full in advance, on 15 day credit	Refund for faulty goods	Adopted by council annually, set by mutual agreement	Applied fully based on timing of provision	Returns limited to repayment of transaction price	Output method based on goods

CITY OF KARRATHA
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2027

15. PROGRAM INFORMATION

Key Terms and Definitions - Reporting Programs

In order to discharge its responsibilities to the community, Council has developed a set of operational and financial objectives. These objectives have been established both on an overall basis, reflected by the City's Community Vision, and for each of its broad activities/programs.

OBJECTIVE

ACTIVITIES

Governance

To provide a decision making process for the efficient allocation of scarce resources.

Functions relating to Councillors and the oversight of legislative compliance. Expenditure includes election costs as well as fees and allowances paid to elected members and other costs associated with members of Council. Governance also includes other tasks such as the City's internal audit function, Freedom of Information requests, Public Interest Disclosures and procurement policy development and oversight.

General purpose funding

To collect revenue to allow for the provision of services.

Rating (including ex-gratia contributions), interest revenues, investment property revenues and general purpose Government grant functions. Includes the Financial Assistance Grant received from the Local Government Grants Commission and all other rate income.

Law, order, public safety

To provide services to help ensure a safer and environmentally conscious community.

Supervision of various by-laws, fire and emergency services and animal control. Includes expenditure for Ranger Services, State Emergency Service and disaster preparation and recovery expenses.

Health

To provide an operational framework for environmental and community health.

Food control, immunisation services, mosquito control and maintenance of child health centres. Expenditure includes the maintenance of the child health clinic buildings, various health promotions and pest control expenses primarily relating to mosquito control.

Education and welfare

To provide services to disadvantaged persons, the elderly, children and youth.

Maintain preschool facilities and day care centres. This includes expenditure in maintaining the day care centre buildings and also donations to schools for awards etc.

Housing

To provide and maintain staff housing.

Maintenance and operational expenses associated with the provision of staff housing.

Community amenities

To provide services required by the community.

Rubbish collection services, operation of waste facility, administration of town planning schemes and operation of cemeteries. Also included are the costs associated with the maintaining and cleaning of public toilets.

Recreation and culture

To establish and effectively manage infrastructure and resources which will help the social wellbeing of the community.

Maintenance and operation of halls, recreation and aquatic centres, various reserves and libraries. Expenditure includes the cost of the Karratha Leisureplex, Red Earth Arts Precinct, community hubs and other pavilions, ovals and parks maintenance, coastal rehabilitation, and four libraries. Expenses relating radio re-broadcasting are also included in this function.

Transport

To provide safe, effective and efficient transport services to the community.

Construction and maintenance of roads, drainage, footpaths, parking facilities and traffic signs. It also includes expenditure relating to parking control and the operation of the Karratha & Roebourne Airport.

Economic services

To help promote the local government and its economic wellbeing.

Includes expenditure associated with operation of visitor services and camping grounds, in addition to the administration of building controls.

Other property and services

To monitor and control operating accounts.

Includes private works on property and services not under the care, control and management of the City. It also includes expenditure relating to plant operations, technical services, town planning schemes and other unclassified works.

CITY OF KARRATHA
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FOR THE YEAR ENDED 30 JUNE 2027

16. FEES AND CHARGES

	2026/27 Budget	2025/26 Forecast	2025/26 Budget
	\$	\$	\$
By Program:			
Governance	0	43,993	64,800
General purpose funding	4,539,700	5,041,206	5,224,888
Law, order, public safety	90,684	74,800	90,000
Health	194,866	200,668	195,850
Education and welfare	93,850	93,623	88,000
Housing	587,898	1,525,387	1,652,656
Community amenities	27,439,942	23,030,237	24,794,823
Recreation and culture	7,784,457	7,661,923	7,565,694
Transport	38,574,132	36,886,497	34,023,402
Economic services	813,113	817,992	699,500
Other property and services	126,879	91,702	64,040
	80,245,522	75,468,027	74,463,654

The subsequent pages detail the fees and charges proposed to be imposed by the local government.