

SHIRE OF COCOS (KEELING) ISLANDS
ANNUAL BUDGET
FOR THE YEAR ENDED 30 JUNE 2026

LOCAL GOVERNMENT ACT 1995

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SHIRE'S VISION

Working together to advance our islands

SHIRE OF COCOS (KEELING) ISLANDS
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2026

	Note	2025/26 Budget	2024/25 Actual	2024/25 Budget
Revenue		\$	\$	\$
Rates	2(a)	539,316	526,206	524,569
Grants, subsidies and contributions		5,573,260	4,910,449	5,661,002
Fees and charges	13	1,095,796	1,125,421	1,064,788
Interest revenue	9(a)	320,000	294,493	288,650
Other revenue		3,028,000	3,384,493	4,034,610
		10,556,372	10,241,062	11,573,619
Expenses			5,004,235	
Employee costs		(4,439,210)	(4,075,767)	(4,126,807)
Materials and contracts		(3,413,550)	(2,485,000)	(2,559,959)
Utility charges		(69,787)	(67,754)	(67,370)
Depreciation	6	(1,505,875)	(1,347,466)	(1,504,592)
Finance costs	9(c)	(500)	(500)	(822)
Insurance		(190,324)	(183,004)	(183,004)
Other expenditure		(1,001,021)	(561,865)	(1,210,252)
		(10,620,267)	(8,721,356)	(9,652,806)
		(63,895)	1,519,706	1,920,813
Capital grants, subsidies and contributions		750,000	95,800	257,654
Profit on asset disposals	5	0	0	20,500
Loss on asset disposals	5	0	0	(44,660)
		750,000	95,800	233,494
Net result for the period		686,105	1,615,506	2,154,307
Total other comprehensive income for the period		0	0	0
Total comprehensive income for the period		686,105	1,615,506	2,154,307

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

SHIRE OF COCOS (KEELING) ISLANDS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2026

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts

	2025/26	2024/25	2024/25
Note	Budget	Actual	Budget
	\$	\$	\$
Rates	539,316	526,206	524,569
Grants, subsidies and contributions	5,573,260	4,910,449	5,612,796
Fees and charges	1,095,796	1,125,421	1,064,788
Interest revenue	320,000	294,493	288,650
Goods and services tax received	0	0	0
Other revenue	5,528,000	5,384,493	4,034,610
	13,056,372	12,241,062	11,525,413

Payments

Employee costs	(4,439,210)	(4,075,767)	(4,126,807)
Materials and contracts	(3,413,550)	(2,485,000)	(2,559,959)
Utility charges	(69,787)	(67,754)	(67,370)
Finance costs	(500)	(500)	(822)
Insurance paid	(190,324)	(183,004)	(183,004)
Other expenditure	(1,001,021)	(971,865)	(1,210,252)
	(9,114,392)	(7,783,890)	(8,148,214)

Net cash provided by operating activities	4	3,941,980	4,457,172	3,377,199
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CASH FLOWS FROM INVESTING ACTIVITIES

Payments for purchase of property, plant & equipment	5(a)	(1,383,077)	(957,430)	(992,196)
Payments for construction of infrastructure	5(b)	(1,617,420)	(145,855)	(281,883)
Payments for intangible assets	5(c)	(78,420)	0	0
Capital grants, subsidies and contributions		750,000	95,800	403,652
Proceeds from sale of property, plant and equipment	5(a)	30,000	68,430	(24,160)
Net cash (used in) investing activities		(2,298,917)	(939,055)	(894,587)

CASH FLOWS FROM FINANCING ACTIVITIES

Payments for principal portion of lease liabilities	7	(12,908)	(12,908)	(12,908)
Net cash (used in) financing activities		(12,908)	(12,908)	(12,908)

Net increase in cash held

Cash at beginning of year		1,630,155	3,505,209	2,469,704
Cash and cash equivalents at the end of the year	4	11,398,196	9,768,041	8,098,024

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

SHIRE OF COCOS (KEELING) ISLANDS
STATEMENT OF FINANCIAL ACTIVITY
FOR THE YEAR ENDED 30 JUNE 2026

OPERATING ACTIVITIES

Revenue from operating activities

	Note	2025/26 Budget	2024/25 Actual	2024/25 Budget
		\$	\$	\$
General rates	2(a)(i)	509,516	503,028	500,579
Rates excluding general rates	2(a)	29,800	23,990	23,990
Grants, subsidies and contributions		5,481,923	4,910,449	5,661,002
Fees and charges	13	1,095,796	1,125,421	1,064,788
Interest revenue	9(a)	320,000	294,493	288,650
Other revenue		3,028,000	3,384,493	4,034,610
Proceeds from Non Current Debtor		1,100,000	1,164,493	0
Profit on asset disposals	5	0	0	20,500
		11,565,035	11,406,367	11,594,119

Expenditure from operating activities

Employee costs		(4,439,210)	(4,075,767)	(4,126,807)
Materials and contracts		(3,463,550)	(2,485,000)	(2,559,959)
Utility charges		(69,787)	(67,754)	(67,370)
Depreciation	6	(1,505,875)	(1,347,466)	(1,504,592)
Finance costs	9(c)	(500)	(500)	(822)
Insurance		(190,324)	(183,004)	(183,004)
Other expenditure		(1,001,021)	(561,865)	(1,210,252)
Loss on asset disposals	5	0	0	(44,660)
		(10,670,267)	(8,721,356)	(9,697,466)

Non cash amounts excluded from operating activities

	3(c)	1,471,519	1,347,468	1,545,952
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Amount attributable to operating activities

2,366,287 4,032,479 3,442,605

INVESTING ACTIVITIES

Inflows from investing activities

Capital grants, subsidies and contributions		750,000	95,800	257,654
Proceeds from disposal of property, plant and equipment	5(a)	30,000	68,430	(24,160)
		780,000	164,230	233,494

Outflows from investing activities

Payments for property, plant and equipment	5(a)	(1,383,077)	(957,430)	(992,196)
Payments for construction of infrastructure	5(b)	(1,617,420)	(145,855)	(281,883)
Payments for intangible assets	5(c)	(78,420)	0	0
		(3,078,917)	(1,103,285)	(1,274,079)

Amount attributable to investing activities

(2,298,917) (939,055) (1,040,585)

FINANCING ACTIVITIES

Inflows from financing activities

Transfers from reserve accounts	8(a)	3,967,534	2,439,415	3,331,374
		3,967,534	2,439,415	3,331,374

Outflows from financing activities

Payments for principal portion of lease liabilities	7	(12,908)	(12,908)	(12,908)
Transfers to reserve accounts	8(a)	(6,347,078)	(6,091,288)	(5,788,986)
		(6,359,986)	(6,104,196)	(5,801,894)

Amount attributable to financing activities

(2,392,452) (3,664,781) (2,470,520)

MOVEMENT IN SURPLUS OR DEFICIT

Surplus at the start of the financial year

	3	2,325,082	2,896,439	68,500
Amount attributable to operating activities		2,366,287	4,032,479	3,442,605
Amount attributable to investing activities		(2,298,917)	(939,055)	(1,040,585)
Amount attributable to financing activities		(2,392,452)	(3,664,781)	(2,470,520)
Surplus/(deficit) remaining after the imposition of general rates	3	0	2,325,082	0

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

**CITY OF SOMEWHERE
FOR THE YEAR ENDED 30 JUNE 2026
INDEX OF NOTES TO THE BUDGET**

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SHIRE OF COCOS (KEELING) ISLANDS
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2026

1 BASIS OF PREPARATION

The annual budget of the Shire of Cocos (Keeling) Islands which is a Class 4 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 Shire 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 Shire 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 11 to the annual budget.

2024/25 actual balances

Balances shown in this budget as 2024/25 Actual 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 2020-1 Amendments to Australian Accounting Standards*
 - *Classification of Liabilities as Current or Non-current*
- *AASB 2022-5 Amendments to Australian Accounting Standards*
 - *Lease Liability in a Sale and Leaseback*
- *AASB 2022-6 Amendments to Australian Accounting Standards*
 - *Non-current Liabilities with Covenants*
- *AASB 2023-1 Amendments to Australian Accounting Standards*
 - *Supplier Finance Arrangements*
- *AASB 2023-3 Amendments to Australian Accounting Standards*
 - *Disclosure of Non-current Liabilities with Covenants: Tier 2*
- *AASB 2024-1 Amendments to Australian Accounting Standards*
 - *Supplier Finance Arrangements: Tier 2 Disclosures*

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

- *AASB 2022-10 Amendments to Australian Accounting Standards*
 - *Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities*, became mandatory during the budget year. Amendments to *AASB 13 Fair Value Measurement* impacts the future determination of fair value when revaluing assets using the cost approach. Timing of future revaluations is defined by regulation 17A of *Local Government (Financial Management) Regulations 1996*. Impacts of this pronouncement are yet to be quantified and are dependent on the timing of future revaluations of asset classes. No material impact is expected in relation to the 2025-26 statutory budget.

New accounting standards for application in future years

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

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

It is not expected these standards will have an impact on the 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.

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

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

- Fair value measurement of assets carried at reportable value including:
 - Property, plant and equipment
 - 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

SHIRE OF COCOS (KEELING) ISLANDS
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2026

2. RATES AND SERVICE CHARGES

(a) Rating Information

Rate Description	Basis of valuation	Rate in dollar	Number of properties	Rateable value*	2025/26 Budgeted rate revenue	2025/26 Budgeted interim rates	2025/26 Budgeted total revenue	2024/25 Actual total revenue	2024/25 Budget total revenue
				\$	\$	\$	\$	\$	\$
(i) General rates									
GRV - General Developed	Gross rental valuation	0.10505	158	3,277,040	344,253	0	344,253	340,864	338,415
GRV - Vacant Land	Gross rental valuation	0.20850	10	53,970	11,253		11,253	11,025	11,025
GRV - Business	Gross rental valuation	0.11750	44	1,310,725	154,010		154,010	151,139	151,139
Total general rates			212	4,641,735	509,516	0	509,516	503,028	500,579
		Minimum							
		\$							
(ii) Minimum payment									
GRV - General Developed	Gross rental valuation	840.00	3	3,540	2,520		2,520	3,240	3,240
GRV - Vacant Land	Gross rental valuation	920.00	5	16,120	4,600		4,600	4,550	4,550
GRV - Business	Gross rental valuation	840.00	27	77,030	22,680		22,680	16,200	16,200
Total minimum payments			35	96,690	29,800	0	29,800	23,990	23,990
Total general rates and minimum payments			247	4,738,425	539,316	0	539,316	527,018	524,569

The Shire did not raise specified area rates for the year ended 30th June 2026.

*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 2025/26 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.

SHIRE OF COCOS (KEELING) ISLANDS
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2026

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.

Instalment options	Date due	Instalment plan admin charge	Instalment plan interest rate	Unpaid rates interest rates
		\$	%	%
Option one				
Single full payment	29/09/2025	0	NA	7.0%
Option two				
First instalment	29/09/2025	15	NA	7.0%
Second instalment	11/12/2025	0	5.5%	7.0%
Third instalment	20/02/2026	0	5.5%	7.0%
Fourth instalment	24/04/2026	0	5.5%	7.0%

(c) Objectives and Reasons for Differential Rating

To provide equity in the rating of properties across the Shire the following rate categories have been determined for the implementation of differential rating.

(i) Differential general rate

Description	Characteristics	Objects	Reasons
GRV General Developed	This category covers residential, special use and other properties where no commercial activity is occurring and is not being advertised as holiday accommodation.	The object of the rate for this category is to be the base rate by which all GRV rated properties are assessed.	This category has the lowest rate in the dollar as other GRV categories have a higher demand on Shire resources and vacant land is encouraged to be developed.
GRV Vacant Land	This category includes all properties that have no improvements other than merged improvements as defined in the Valuation of Land Act 1998	The object of the rate for this category is to encourage land owners to develop residential vacant land.	The Shire wants to promote and encourage land owners to develop vacant land to its full potential, thereby stimulating growth.
GRV Business	This category applies to all properties zoned commercial and industrial or on all properties where commercial activity is the main use.	The object of the rate is to fund the costs associated with the higher level of services provided to properties in this category.	The Shire incurs higher costs to service these areas including car park infrastructure, landscaping and other amenities as well as additional expenditure associated with tourism and economic development activities that benefit these rate payers.

SHIRE OF COCOS (KEELING) ISLANDS
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2026

2. RATES AND SERVICE CHARGES (CONTINUED)

(ii) Differential Minimum Payment

GRV General Developed	This category covers residential, special use and other properties where no commercial activity is occurring and is not being advertised as holiday accommodation.	This payment is considered the minimum contribution for basic services and infrastructure.	This is considered to be the base minimum for GRV rated residential properties
GRV Vacant Land	This category includes all properties that have no improvements other than merged improvements as defined in the Valuation of Land Act 1998	This payment is considered the minimum contribution for basic services and infrastructure.	The minimum for this category is designed to encourage land owners to develop their vacant land.
GRV Business	This category applies to all properties zoned commercial and industrial or on all properties where commercial activity is the main use.	This payment is considered the minimum contribution for basic services and infrastructure.	This is considered to be the base minimum for GRV rated business properties

SHIRE OF COCOS (KEELING) ISLANDS
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2026

2. RATES AND SERVICE CHARGES (CONTINUED)

(d) Service Charges

The Shire did not raise service charges for the year ended 30th June 2026.

(f) Waivers or concessions

The Shire does not anticipate any waivers or concessions for the year ended 30th June 2026.

SHIRE OF COCOS (KEELING) ISLANDS
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2026

3. NET CURRENT ASSETS

(a) Composition of estimated net current assets

Current assets

Cash and cash equivalents
Receivables
Inventories
Other assets
Other assets

Less: current liabilities

Trade and other payables
Lease liabilities
Employee provisions

Net current assets

Less: Total adjustments to net current assets

Net current assets used in the Statement of Financial Activity

Note	2025/26 Budget 30 June 2026	2024/25 Actual 30 June 2025	2024/25 Budget 30 June 2025
	\$	\$	\$
4	11,017,938	9,387,783	8,098,024
	1,808,302	3,208,302	205,360
	12,882	12,882	10,409
	0	141,337	0
	32	33	0
	12,839,154	12,750,337	8,313,793
	(168,600)	(168,600)	(153,010)
7	(5,270)	(11,415)	(13,185)
	(498,622)	(498,622)	(518,768)
	(672,492)	(678,637)	(684,963)
	12,166,662	12,071,700	7,628,830
3(b)	(12,166,662)	(9,746,618)	(7,628,830)
	0	2,325,082	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.

Adjustments to net current assets

Less: Cash - reserve accounts
Add: Current liabilities not expected to be cleared at end of year
- Current portion of lease liabilities
- Current portion of employee benefit provisions held in reserve

Total adjustments to net current assets

8	(12,517,360)	(10,137,817)	(8,021,799)
	5,270	11,415	13,185
	345,428	379,784	379,784
	(12,166,662)	(9,746,618)	(7,628,830)

EXPLANATION OF DIFFERENCE IN NET CURRENT ASSETS AND 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) Non-cash amounts excluded from operating activities

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

Adjustments to operating activities

Less: Profit on asset disposals
Add: Loss on asset disposals
Add: Depreciation
Movement in current employee provisions associated with restricted cash
Non-cash movements in non-current assets and liabilities:
- Employee provisions

Non cash amounts excluded from operating activities

Note	2025/26 Budget 30 June 2026	2024/25 Actual 30 June 2025	2024/25 Budget 30 June 2025
	\$	\$	\$
5	0	0	(20,500)
5	0	0	44,660
6	1,505,875	1,347,466	1,504,592
	(34,356)	0	17,200
	0	2	
	1,471,519	1,347,468	1,545,952

SHIRE OF COCOS (KEELING) ISLANDS
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2026

3. NET CURRENT ASSETS

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

TRADE AND OTHER PAYABLES

Trade and other payables represent liabilities for goods and services provided to the Shire prior to the end of the financial year that are unpaid and arise when the Shire becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured, are recognised as a current liability and are 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 Shire 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.

SUPERANNUATION

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

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 Shire's intentions to release for sale.

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

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

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 Shire measures them subsequently at amortised cost using the effective interest rate method.

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

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

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

EMPLOYEE BENEFITS

Short-term employee benefits

Provision is made for the Shire's obligations for short-term employee benefits. Short term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Shire's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the determination of the net current asset position.

The Shire'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 Shire's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Shire does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

SHIRE OF COCOS (KEELING) ISLANDS
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2026

4. 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	2025/26 Budget	2024/25 Actual	2024/25 Budget
Cash at bank and on hand		\$ 6,013,703	\$ 1,362,783	\$ 76,225
Term deposits		5,004,235	8,025,000	8,021,799
Total cash and cash equivalents		11,017,938	9,387,783	8,098,024
Held as				
- Unrestricted cash and cash equivalents		(1,499,422)	(750,034)	76,225
- Restricted cash and cash equivalents		12,517,360	10,137,817	8,021,799
	3(a)	11,017,938	9,387,783	8,098,024
Restrictions				
The following classes of 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		12,517,360	10,137,817	8,021,799
		12,517,360	10,137,817	8,021,799
The assets are restricted as a result of the specified purposes associated with the liabilities below:				
Reserve accounts	8	12,517,360	10,137,817	8,021,799
		12,517,360	10,137,817	8,021,799
Reconciliation of net cash provided by operating activities to net result				
Net result		686,105	1,615,506	2,154,307
Depreciation	6	1,505,875	1,347,466	1,504,592
(Profit)/loss on sale of asset	5	0	0	24,160
(Increase)/decrease in receivables		2,500,000	1,734,252	0
(Increase)/decrease in inventories		0	(4,131)	0
(Increase)/decrease in other assets		0	145,966	50,000
Increase/(decrease) in payables		0	(286,090)	(98,206)
Increase/(decrease) in employee provisions		0	3	0
Capital grants, subsidies and contributions		(750,000)	(95,800)	(257,654)
Net cash from operating activities		3,941,980	4,457,172	3,377,199

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 and bank overdrafts.

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

FINANCIAL ASSETS AT AMORTISED COST

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

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

SHIRE OF COCOS (KEELING) ISLANDS
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2026

5. PROPERTY, PLANT AND EQUIPMENT

	2025/26 Budget							2024/25 Actual							2024/25 Budget						
	Additions	In-kind Additions	Disposals - Net Book Value	Transfer to non-current assets classified as held for sale	Disposals - Sale Proceeds	Disposals - Profit	Disposals - Loss	Additions	In-kind Additions	Disposals - Net Book Value	Transfer to non-current assets classified as held for sale	Disposals - Sale Proceeds	Disposals - Profit	Disposals - Loss	Additions	In-kind Additions	Disposals - Net Book Value	Transfer to non-current assets classified as held for sale	Disposals - Sale Proceeds	Disposals - Profit	Disposals - Loss
(a) Property, Plant and Equipment	\$	\$	\$		\$	\$	\$	\$	\$	\$		\$	\$	\$	\$	\$	\$		\$	\$	\$
Buildings - non-specialised	511,789						0	145,352						0	193,755						0
Furniture and equipment	7,688						0	157,586						0	151,057						0
Plant and equipment	863,600		(30,000)		30,000		0	654,492		(12,350)		68,430		(56,080)	647,384				(24,160)	20,500	(44,660)
Total	1,383,077	0	(30,000)	0	30,000	0	0	957,430	0	(12,350)	0	68,430	0	(56,080)	992,196	0	0	0	(24,160)	20,500	(44,660)
(b) Infrastructure																					
Infrastructure - roads	1,214,920						0	145,855						0	281,883						0
Other infrastructure	402,500						0							0							0
Total	1,617,420	0	0	0	0	0	0	145,855	0	0	0	0	0	0	281,883	0	0	0	0	0	0
(c) Intangible Assets																					
Software	78,420						0							0							0
	78,420	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	3,078,917	0	(30,000)	0	30,000	0	0	1,103,285	0	(12,350)	0	68,430	0	(56,080)	1,274,079	0	0	0	(24,160)	20,500	(44,660)

MATERIAL ACCOUNTING POLICIES

RECOGNITION OF ASSETS

Assets for which the fair value as at the date of acquisition is under \$5,000 are not recognised as an asset in accordance with *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.

SHIRE OF COCOS (KEELING) ISLANDS
 NOTES TO AND FORMING PART OF THE BUDGET
 FOR THE YEAR ENDED 30 JUNE 2026

6. DEPRECIATION

By Class

Buildings - non-specialised
Furniture and equipment
Plant and equipment
Infrastructure - roads
Other infrastructure
Right of use - buildings
Intangible assets - software

By Program

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

2025/26 Budget	2024/25 Actual	2024/25 Budget
\$	\$	\$
470,975	464,839	451,054
42,946	18,338	30,993
541,791	488,182	505,558
165,091	161,455	232,247
272,182	272,182	271,850
11,890	11,890	11,890
1,000	1,000	1,000
1,505,875	1,417,885	1,504,592
15,496	15,496	20,757
6,951	6,951	6,947
15,281	15,281	15,259
47,518	47,518	47,461
94,699	89,699	100,221
311,899	301,899	300,241
341,124	310,671	378,457
100,121	100,121	99,998
572,784	530,247	535,251
1,505,875	1,417,885	1,504,592

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	30 to 100 years
Furniture and equipment	4 to 15 years
Plant and equipment	4 to 15 years
Infrastructure - roads	20 to 50 years
Other infrastructure	10 years
Right of use - buildings	term of lease
Intangible assets - software	40 years

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.

SHIRE OF COCOS (KEELING) ISLANDS
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2026

7. LEASE LIABILITIES

Purpose	Lease Number	Institution	Lease Interest Rate	Lease Term	Budget Lease Principal	2025/26 Budget New Leases	2025/26 Budget Lease Principal Repayments	Budget Lease Principal outstanding	2025/26 Budget Lease Interest Repayments	Actual Principal	2024/25 Actual New Leases	2024/25 Actual Lease Principal repayments	Actual Lease Principal outstanding	2024/25 Actual Lease Interest repayments	Budget Principal	2024/25 Budget New Leases	2024/25 Budget Lease Principal repayments	Budget Lease Principal outstanding	2024/25 Budget Lease Interest Repayments
					1 July 2025			30 June 2026		1 July 2024			30 June 2025		1 July 2024			30 June 2025	
West Island Admin Office		Dept Infrastructure		5	\$ 18,763	\$	\$	\$ 5,855	\$ (500)	\$ 31,671	\$	\$ (12,908)	\$ 18,763	\$ (500)	\$ 31,671	\$	\$ (12,908)	\$ 18,763	\$ (821)
					18,763	0	(12,908)	5,855	(500)	31,671	0	(12,908)	18,763	(500)	31,671	0	(12,908)	18,763	(821)

MATERIAL ACCOUNTING POLICIES

LEASES

At the inception of a contract, the Shire 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 Shire 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.

SHIRE OF COCOS (KEELING) ISLANDS
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2026

8. RESERVE ACCOUNTS

(a) Reserve Accounts - Movement

	2025/26 Budget				2024/25 Actual				2024/25 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 council												
(b) Leave reserve	379,784	11,394	(45,750)	345,428	362,584	17,200	0	379,784	362,584	17,200		379,784
(c) Plant Reserve	1,045,155	573,145	(813,600)	804,700	986,465	528,182	(469,492)	1,045,155	986,465	545,558	(520,000)	1,012,023
(d) Building Reserve	1,803,905	336,702	(511,789)	1,628,818	1,610,354	338,903	(145,352)	1,803,905	1,610,354	330,632	(280,421)	1,660,565
(e) Furniture and equipment reserve	(228)	25,761	(7,688)	17,845	41,961	11,803	(53,992)	(228)	41,961	19,396	(17,957)	43,400
(f) Self insurance reserve	113,838	3,415	0	117,253	109,838	4,000	0	113,838	109,838	4,000		113,838
(g) Community reserve	541,796	16,254	0	558,050	517,796	24,000	0	541,796	517,796	24,000		541,796
(h) Climate adaption reserve	94,301	2,829	0	97,130	91,101	3,200	0	94,301	91,101	3,200		94,301
(i) Land Trust Administration Reserve	84,883	2,546	0	87,429	84,083	800	0	84,883	84,083	100,800		184,883
(j) Waste management Reserve	0	313,800	(313,800)	0	0	470,000	(470,000)	0	0	491,000	(491,000)	0
(k) IT & Communications Reserve	5,717,683	5,010,530	(1,874,907)	8,853,306	2,448,262	4,570,000	(1,300,579)	5,717,683	1,526,505	4,130,000	(2,021,996)	3,634,509
(l) Infrastructure Reserve	356,700	50,701	(400,000)	7,401	233,500	123,200	0	356,700	233,500	123,200		356,700
	10,137,817	6,347,078	(3,967,534)	12,517,360	6,485,944	6,091,288	(2,439,415)	10,137,817	5,564,187	5,788,986	(3,331,374)	8,021,799

(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		
Restricted by council		
(b) Leave reserve	Ongoing	- to be used to fund annual and long service leave requirements.
(c) Plant Reserve	Ongoing	- to be used for the purchase of major plant.
(d) Building Reserve	Ongoing	- to be used for the construction of Council buildings.
(e) Furniture and equipment reserve	Ongoing	- to be used for the purchase of furniture and office equipment.
(f) Self insurance reserve	Ongoing	- to be used to ensure that Council has sufficient cover on all insurance policies
(g) Community reserve	Ongoing	- to be used for the development of Home Island facilities and infrastructure.
(h) Climate adaption reserve	Ongoing	- to be used for the purpose of providing for the needs of climate adaptation in the future.
(i) Land Trust Administration Reserve	Ongoing	- to be used to provide funds for the future administration and winding-up of the 1979 and 1984 Land Trusts
(j) Waste management Reserve	Ongoing	- to be used to restrict bin collection and transfer station gate fees to fund waste management operating and capital costs
(k) IT & Communications Reserve	Ongoing	- to be used to restrict .cc income to fund Shire ICT costs and other community improvement initiatives.
(l) Infrastructure Reserve	Ongoing	- to be used for use towards future Shire infrastructure projects

SHIRE OF COCOS (KEELING) ISLANDS
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2026

9. OTHER INFORMATION

The net result includes as revenues

(a) Interest earnings

Investments	311,000	285,493	285,000
Other interest revenue	9,000	9,000	3,450
	320,000	294,493	288,450

The net result includes as expenses

(b) Auditors remuneration

Audit services	77,500	65,000	75,000
Other services	13,250	12,500	7,500
	90,750	77,500	82,500

(c) Interest expenses (finance costs)

Interest on lease liabilities (refer Note 7)	500	500	821
	500	500	821

SHIRE OF COCOS (KEELING) ISLANDS
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2026

10. COUNCIL MEMBERS REMUNERATION

	2025/26 Budget	2024/25 Actual	2024/25 Budget
	\$	\$	\$
Cr Minkom (A)			
President's allowance	7,250	7,000	7,000
Meeting attendance fees	7,250	7,000	7,000
Other expenses	1,500	750	1,500
Travel and accommodation expenses	13,500	10,336	13,000
	29,500	25,086	28,500
Cr Minkom (I)			
Deputy President's allowance	7,250	7,000	7,000
Other expenses	1,050	375	1,000
Travel and accommodation expenses	7,250	1,112	7,000
	15,550	8,487	15,000
Council member 1			
Meeting attendance fees	7,250	7,000	7,000
Other expenses	1,050	375	1,000
Travel and accommodation expenses	7,250	1,112	7,000
	15,550	8,487	15,000
Council member 2			
Meeting attendance fees	7,250	7,000	7,000
Other expenses	1,050	375	1,000
Travel and accommodation expenses	7,250	2,867	7,000
	15,550	10,242	15,000
Council member 3			
Meeting attendance fees	7,250	7,000	7,000
Other expenses	1,050	375	1,000
Travel and accommodation expenses	7,250	1,112	7,000
	15,550	8,487	15,000
Council member 4			
Meeting attendance fees	7,250	7,000	7,000
Other expenses	1,050	375	1,000
Travel and accommodation expenses	7,250	1,112	7,000
	15,550	8,487	15,000
Council member 5			
Meeting attendance fees	7,250	7,000	7,000
Other expenses	1,050	375	1,000
Travel and accommodation expenses	7,250	469	7,000
	15,550	7,844	15,000
Total Council Member Remuneration	122,800	77,120	118,500
President's allowance	7,250	7,000	7,000
Deputy President's allowance	7,250	7,000	7,000
Meeting attendance fees	43,500	42,000	42,000
Other expenses	7,800	3,000	7,500
Travel and accommodation expenses	57,000	18,120	55,000
	122,800	77,120	118,500

SHIRE OF COCOS (KEELING) ISLANDS
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2026

11. LAND TRUSTS

STATEMENTS OF FINANCIAL ACTIVITY
FOR THE YEAR ENDED 30 JUNE 2026

1979 LAND TRUST

OPERATING ACTIVITIES

Revenue from operating activities

Fees and charges
Other revenue

Expenditure from operating activities

Employee costs
Materials and contracts
Utility charges
Depreciation
Insurance

Non-cash amounts excluded from operating activities

Amount attributable to operating activities

INVESTING ACTIVITIES

Outflows from investing activities

Payments for property, plant and equipment

MOVEMENT IN SURPLUS OR DEFICIT

Surplus or deficit at the start of the financial year

Amount attributable to operating activities

Amount attributable to investing activities

Surplus or deficit at the end of the financial year -

NET CONTRIBUTION TO/ (FROM) SHIRE

2025/26 Budget	2024/25 Actual	2024/25 Budget
\$	\$	\$
538,000	538,000	486,668
102,500	102,500	106,040
640,500	640,500	592,708
(210,000)	(200,000)	(263,218)
(600,000)	(520,000)	(717,170)
(69,000)	(67,000)	(55,720)
(1,700,000)	(1,700,000)	(1,690,415)
(317,000)	(313,000)	(321,353)
(2,896,000)	(2,800,000)	(3,047,876)
1,700,000	1,700,000	1,690,415
(555,500)	(459,500)	(764,753)
(250,000)	0	(144,920)
(250,000)	0	(144,920)
0	0	0
(555,500)	(459,500)	(764,753)
(250,000)	0	(144,920)
(805,500)	(459,500)	(909,673)

1984 LAND TRUST

OPERATING ACTIVITIES

Revenue from operating activities

Fees and charges

Expenditure from operating activities

Employee costs
Materials and contracts
Utility charges
Depreciation
Insurance

Non-cash amounts excluded from operating activities

Amount attributable to operating activities

2025/26 Budget	2024/25 Actual	2024/25 Budget
\$	\$	\$
152,500	152,500	152,542
152,500	152,500	152,542
(78,000)	(75,000)	(64,230)
(51,500)	(50,000)	(51,095)
(7,300)	(7,000)	(9,120)
(267,000)	(267,000)	(267,213)
(47,500)	(46,500)	(39,747)
(451,300)	(445,500)	(431,405)
267,000	267,000	267,213
(31,800)	(26,000)	(11,650)

SHIRE OF COCOS (KEELING) ISLANDS
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2026

12. 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 / INCOME

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.

SHIRE OF COCOS (KEELING) ISLANDS
NOTES TO AND FORMING PART OF THE BUDGET
FOR THE YEAR ENDED 30 JUNE 2026

12. REVENUE AND EXPENDITURE

(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
Fees and charges for other goods and services	Contractual services agreements	Single point in time or per service agreement	Per Service Agreement	Per Service Agreement	Adopted by council annually or on negotiation with customer	Applied fully based on timing of provision	Per Service Agreement	Output method based on project milestones and/or completion date matched to performance obligations

SHIRE OF COCOS (KEELING) ISLANDS
 NOTES TO AND FORMING PART OF THE BUDGET
 FOR THE YEAR ENDED 30 JUNE 2026

13. FEES AND CHARGES

	2025/26 Budget	2024/25 Actual	2024/25 Budget
	\$	\$	\$
By Program:			
General purpose funding	536	520	510
Law, order, public safety	3,971	3,855	5,795
Health	3,801	3,690	1,920
Housing	294,216	72,054	74,430
Community amenities	311,088	477,027	483,080
Recreation and culture	17,671	17,156	67,200
Transport	3,090	3,000	3,000
Economic services	89,595	86,985	118,992
Other property and services	371,830	361,000	309,861
	1,095,796	1,025,287	1,064,788

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