

## **ADDENDUM TO AGENDA ITEM, COUNCIL REPORT AND ATTACHMENTS**

### **Ordinary Council Meeting 17 June 2026**

### **Agenda Item: 11.1 ADOPTION OF 2026-2027 ANNUAL BUDGET**

Following the release of the June 2026 Council Agenda, it has been identified that the rate in the dollar was incorrect. This reflects a change in the Landgate property valuations information that was identified after release of the Council Report.

#### **Summary of Amendments**

##### **1. Amendment to Resolution 2 – Rates in the Dollar**

The rate in the dollar for Unimproved Value (UV) and Gross Rental Value (GRV) referenced in Resolution 2 of the Report has been updated.

The correct General Rates, Minimum Payments, Instalment Arrangements, Discounts and Interest are as follows:

##### **1.1 General Rates**

|                    |                          |
|--------------------|--------------------------|
| Residential (GRV): | \$0.164904 in the dollar |
| Rural (UV):        | \$0.004286 in the dollar |

##### **1.2 Minimum Payments**

|                    |            |
|--------------------|------------|
| Residential (GRV): | \$1,087.00 |
| Rural (UV):        | \$1,087.00 |

This change corrects the rates previously quoted and does not alter the overall budget outcome.

##### **2. Attachment: 2026/2027 Draft Statutory Budget Financial Statements – Statement of Cash Flow**

Page 4 of the Financial Statements (Statement of Financial Activities) shows a different split of rates. The total rates in this report don't change.

##### **3. Attachment: '2026/2027 Draft Statutory Budget Financial Statements – Note 2**

Note 2 (page 7) of the Financial Statements change to reflect the change in the rate in the dollar, concession amount and ex-gratia rates. The total rates in this report don't change.

## **Recommendation**

**That, with regard to the 11.1 ADOPTION OF 2026-2027 ANNUAL BUDGET and the Addendum released 16 June 2026, Council,**

### **1. Budget for 2026/2027**

#### **0626 That Council:**

Pursuant to the provision of Section 6.2 of the *Local Government Act 1995* and Part 3 of the *Local Government (Financial Management) Regulations 1996*, council adopt the Budget as contained in Attachment 1 of this agenda for the Shire of Gnowangerup for the 2026/2027 financial year which includes:

- Statement of Comprehensive Income
- Statement of Cash Flows
- Statement of Financial Activity
- Notes to and Forming Part of the Budget

### **2. General Rates, Minimum Payments, Instalment Arrangements, Discounts and Interest**

#### **0626. That Council:**

1. For the purpose of yielding the deficiency disclosed by the Municipal Fund Budget adopted at Recommendation 1 above, council pursuant to Sections 6.32, 6.33, 6.34 and 6.35 of the *Local Government Act 1995* impose the following general rates and minimum rates on Gross Rental and Unimproved Values.

##### 1.1 General Rates

|                   |                               |
|-------------------|-------------------------------|
| Residential (GRV) | \$0.164904 rate in the dollar |
| Rural (UV)        | \$0.004286 rate in the dollar |

##### 1.2 Minimum Payments

|                   |           |
|-------------------|-----------|
| Residential (GRV) | \$1087.00 |
| Rural (UV)        | \$1087.00 |

2. Pursuant to Section 6.45 of the *Local Government Act 1995* and regulation 64(2) of *Local Government (Financial Management) Regulations 1996*, council nominates the following dates for the payment in full by instalments:

- Option 1 (Full Payment)  
Full amount of rates and charges including arrears, to be paid on or before 2 September 2026 or 35 days after the date of issue appearing on the rate notice whichever is the later.
- Option 2 (Four instalments)
  - First instalment to be made on or before 2 September 2026 or 35 days after the date of issue appearing on the rate notice whichever is later, including all arrears and half the current rates and service charges;
  - Second instalment to be made on or before 4 November 2026 or 2 months after the due date of the first instalment, whichever is later;

- Third instalment to be made on or before 8 January 2027 or 2 months after the due date of the second instalment, whichever is later; and
- Fourth instalment to be made on or before 12 March 2027 or 2 months after the due date of the third instalment, whichever is later.

3. Pursuant to Section 6.45 of the *Local Government Act 1995* and regulation 67 of the *Local Government (Financial Management) Regulations 1996*, council adopts an instalment administration charge where the owner has elected to pay rates (and service charges) through an instalment option of \$10.50 for each instrument is paid.

4. Pursuant to Section 6.45 of the *Local Government Act 1995* and regulation 67 of the *Local Government (Financial Management) Regulations 1996*, council adopts an interest rate of 5.5% where the owner has elected to pay rates and service charges through an instalment option.

5. Pursuant to Section 6.51(1) and subject to Section 6.51(4) of the *Local Government Act 1995* and regulation 70 of the *Local Government (Financial Management) Regulations 1996*, council adopts an interest rate of 11% for rates (and service charge) and costs of proceedings to recover such charges that remain unpaid after becoming due and payable.

6. Pursuant to Section 66 of the *Waste Avoidance and Resource Recovery Act 2007*, and Section 6.35 of the *Local Government Act 1995*, impose a Waste Collection Rate for 2025-2026 on rateable land, but that only one rate be charged to landowners with more than one property assessment in the exact same name, as follows:

|                |                               |
|----------------|-------------------------------|
| GRV properties | \$0.016571 Rate in the Dollar |
| UV properties  | \$0.000063 Rate in the Dollar |

### **3. Amelup Tourist Precinct Rates Concession**

**0626. That Council:**

Agrees to reduce the Amelup Tourist Precinct concession by 12.5% to 37.5% in accordance with Council resolution 0326.25 March 2026.

### **4. Fees and Charges for 2026/2027**

**0626. That Council:**

Pursuant to Section 6.16 of the *Local Government Act 1995* and other relevant legislation, council adopts the Fees and Charges included in the draft 2026/2027 budget as Attachment 2 of this agenda item.

## **5. Specified Area Rates – Ongerup Effluent System**

### **0626. That Council:**

Pursuant to Sections 6.32 and 6.37 of the *Local Government Act 1995*, impose a specified area rate for 2025-2026 on Ongerup townsite (GRV) properties, for the purposes of contributing towards the Ongerup Effluent System, as follows:

GRV properties      \$0.068224 rate in the dollar

## **6. Material Variance reporting for 2026/2027**

### **0626. That Council:**

In accordance with regulation 34(5) of the *Local Government (Financial Management) Regulations 1996*, the level to be used in statements of financial activity in 2026/2027 for reporting material variances shall be 10% or \$20,000 whichever is the greater.

## **7. Members Fees and Allowances 2026/27**

### **0626. That Council:**

Pursuant to Section 5.98 & 5.99 of the *Local Government Act 1995* and other relevant legislation, council adopts the following Members Fees and Allowances for the 2026/2027 financial year effective from July 1, 2026.

|   |          |
|---|----------|
| SHIRE PRESIDENT – ANNUAL ALLOWANCE              | \$23,257 |
| DEPUTY SHIRE PRESIDENT – ANNUAL ALLOWANCE (25%) | \$5,814  |
| SHIRE PRESIDENT - ANNUAL FEES                   | \$22,646 |
| COUNCILLOR – ANNUAL FEES                        | \$11,023 |
| ICT EXPENSES – ANNUAL ALLOWANCE                 | \$3,500  |

## **8. Meeting Attendance Fees for Independent Audit, Risk and Improvement Committee members 2026/27**

### **0626. That Council:**

Pursuant to Section 5.100 of the *Local Government Act 1995* and other relevant legislation, council adopts the Meeting Attendance Fees for Independent Audit, Risk and Improvement Committee (ARIC) members of \$500 per ARIC meeting per member.

## **9. Creation of a new Council Reserve account called “Asset Replacement/Renewal Reserve”**

### **0626. That Council:**

Pursuant to Section 6.11 of the *Local Government Act 1995* and other relevant legislation, council adopts as part of the 2026/2027 Budget, the creation of a new Reserve account called “Asset Replacement/Renewal Reserve” for the purpose of construction, maintenance, renewal or renewal or replacement of assets.

**SHIRE OF GNOWANGERUP**  
**ANNUAL BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2027**

**LOCAL GOVERNMENT ACT 1995**

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The Shire of Gnowangerup a Class 4 local government conducts the operations of a local government with the following community vision:

A community where people stay, grow and thrive.

**SHIRE OF GNOWANGERUP**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2027**

|  | <b>Note</b> | <b>2026/27<br/>Budget</b> | <b>2025/26<br/>Actual</b> | <b>2025/26<br/>Budget</b> |
|--|-------------|---------------------------|---------------------------|---------------------------|
| <b>Revenue</b>   |             | \$                        | \$                        | \$                        |
| Rates  | 2(a)        | 5,694,396                 | 5,353,535                 | 5,343,961                 |
| Grants, subsidies and contributions                    |             | 1,295,680                 | 3,202,502                 | 1,778,687                 |
| Fees and charges                                       | 13          | 566,068                   | 532,075                   | 499,566                   |
| Interest revenue                                       | 9(a)        | 222,930                   | 195,946                   | 173,930                   |
| Other revenue  |             | 85,562                    | 267,756                   | 64,690                    |
|  |             | <u>7,864,636</u>          | <u>9,551,814</u>          | <u>7,860,834</u>          |
| <b>Expenses</b>  |             |                           |                           |                           |
| Employee costs   |             | (4,233,330)               | (3,591,897)               | (4,190,858)               |
| Materials and contracts                                |             | (3,466,766)               | (3,319,462)               | (3,991,044)               |
| Utility charges  |             | (156,035)                 | (107,294)                 | (182,449)                 |
| Depreciation   | 6           | (4,713,611)               | (3,811,445)               | (4,248,904)               |
| Finance costs  | 9(c)        | (66,467)                  | (5,367)                   | (59,340)                  |
| Insurance  |             | (251,738)                 | (236,226)                 | (242,674)                 |
| Other expenditure                                      |             | (475,559)                 | (220,003)                 | (378,520)                 |
|  |             | <u>(13,363,506)</u>       | <u>(11,291,694)</u>       | <u>(13,293,789)</u>       |
|  |             | <u>(5,498,870)</u>        | <u>(1,739,880)</u>        | <u>(5,432,955)</u>        |
| Capital grants, subsidies and contributions            |             | 6,002,400                 | 2,953,423                 | 3,036,410                 |
| Profit on asset disposals                              | 5           | 52,133                    | 66,718                    | 63,217                    |
| Loss on asset disposals                                | 5           | (45,469)                  | (4,085)                   | (14,250)                  |
|  |             | <u>6,009,064</u>          | <u>3,016,056</u>          | <u>3,085,377</u>          |
| <b>Net result for the period</b>                       |             | <b>510,194</b>            | <b>1,276,176</b>          | <b>(2,347,578)</b>        |
| <b>Total other comprehensive income for the period</b> |             | <b>0</b>                  | <b>0</b>                  | <b>0</b>                  |
| <b>Total comprehensive income for the period</b>       |             | <b>510,194</b>            | <b>1,276,176</b>          | <b>(2,347,578)</b>        |

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

**SHIRE OF GNOWANGERUP**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2027**

|  | Note | 2026/27<br>Budget | 2025/26<br>Actual | 2025/26<br>Budget |
|--|------|-------------------|-------------------|-------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                                |      |                   |                   |                   |
| <b>Receipts</b>  |      |                   |                   |                   |
| Rates  |      | \$ 5,894,396      | \$ 5,249,599      | \$ 5,343,961      |
| Grants, subsidies and contributions  |      | 1,295,680         | 3,014,258         | 1,771,842         |
| Fees and charges   |      | 566,068           | 532,075           | 499,566           |
| Interest revenue   |      | 222,930           | 195,946           | 173,930           |
| Goods and services tax received  |      | 390,224           | 148,706           | 226,657           |
| Other revenue  |      | 85,562            | 267,756           | 64,690            |
|  |      | 8,454,860         | 9,408,340         | 8,080,646         |
| <b>Payments</b>  |      |                   |                   |                   |
| Employee costs   |      | (4,233,330)       | (3,609,705)       | (4,190,858)       |
| Materials and contracts  |      | (3,421,980)       | (3,040,407)       | (3,781,820)       |
| Utility charges  |      | (156,035)         | (107,294)         | (182,449)         |
| Finance costs  |      | (66,467)          | (7,981)           | (59,340)          |
| Insurance paid   |      | (251,738)         | (236,226)         | (242,674)         |
| Goods and services tax paid  |      | (435,010)         | (615,155)         | (435,881)         |
| Other expenditure  |      | (475,559)         | (220,003)         | (378,520)         |
|  |      | (9,040,119)       | (7,836,771)       | (9,271,542)       |
| <b>Net cash provided by (used in) operating activities</b>                 | 4    | (585,259)         | 1,571,569         | (1,190,896)       |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                                |      |                   |                   |                   |
| Payments for purchase of property, plant & equipment                       | 5(a) | (3,921,825)       | (1,270,117)       | (3,788,797)       |
| Payments for construction of infrastructure                                | 5(b) | (5,497,800)       | (3,607,706)       | (3,799,426)       |
| Proceeds from capital grants, subsidies and contributions                  |      | 6,002,400         | 2,122,772         | 2,127,880         |
| Proceeds from disposal of property, plant and equipment                    | 5(a) | 373,500           | 143,063           | 146,100           |
| Proceeds on financial assets at amortised cost - self supporting loans     | 7(a) | 7,661             | 15,184            | 15,183            |
| Proceeds on disposal of financial assets at amortised cost - term deposits |      | 0                 | 3,000,000         | 0                 |
| <b>Net cash provided by (used in) investing activities</b>                 |      | (3,036,064)       | 403,196           | (5,299,060)       |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                                |      |                   |                   |                   |
| Repayment of borrowings  | 7(a) | (140,711)         | (102,088)         | (133,225)         |
| Proceeds from new borrowings   | 7(a) | 2,225,775         | 0                 | 2,020,000         |
| Payments for principal portion of lease liabilities                        | 6    | 0                 | (409)             | (409)             |
| <b>Net cash provided by (used in) financing activities</b>                 |      | 2,085,064         | (102,497)         | 1,886,366         |
| <b>Net increase (decrease) in cash held</b>                                |      | (1,536,259)       | 1,872,268         | (4,603,590)       |
| Cash at beginning of year  |      | 6,471,710         | 4,599,442         | 7,599,442         |
| <b>Cash and cash equivalents at the end of the year</b>                    | 4    | <b>4,935,451</b>  | <b>6,471,710</b>  | <b>2,995,852</b>  |

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

**SHIRE OF GNOWANGERUP**  
**STATEMENT OF FINANCIAL ACTIVITY**  
**FOR THE YEAR ENDED 30 JUNE 2027**

**OPERATING ACTIVITIES**

**Revenue from operating activities**

|                                     | Note    | 2026/27<br>Budget | 2025/26<br>Actual | 2025/26<br>Budget |
|-------------------------------------|---------|-------------------|-------------------|-------------------|
| General rates                       | 2(a)(i) | \$ 5,276,484      | \$ 4,971,265      | \$ 4,953,106      |
| Rates excluding general rates       | 2(a)    | 417,912           | 382,270           | 390,855           |
| Grants, subsidies and contributions |         | 1,295,680         | 3,202,502         | 1,778,687         |
| Fees and charges                    | 13      | 566,068           | 532,075           | 499,566           |
| Interest revenue                    | 9(a)    | 222,930           | 195,946           | 173,930           |
| Other revenue                       |         | 85,562            | 267,756           | 64,690            |
| Profit on asset disposals           | 5       | 52,133            | 66,718            | 63,217            |

**Expenditure from operating activities**

|                         |      |             |             |             |
|-------------------------|------|-------------|-------------|-------------|
| Employee costs          |      | (4,233,330) | (3,591,897) | (4,190,858) |
| Materials and contracts |      | (3,466,766) | (3,319,462) | (3,991,044) |
| Utility charges         |      | (156,035)   | (107,294)   | (182,449)   |
| Depreciation            | 6    | (4,713,611) | (3,811,445) | (4,248,904) |
| Finance costs           | 9(c) | (66,467)    | (5,367)     | (59,340)    |
| Insurance               |      | (251,738)   | (236,226)   | (242,674)   |
| Other expenditure       |      | (475,559)   | (220,003)   | (378,520)   |
| Loss on asset disposals | 5    | (45,469)    | (4,085)     | (14,250)    |

Non cash amounts excluded from operating activities

|  |      |           |           |           |
|--|------|-----------|-----------|-----------|
|  | 3(c) | 4,706,947 | 3,748,812 | 4,199,937 |
|--|------|-----------|-----------|-----------|

**Amount attributable to operating activities**

**INVESTING ACTIVITIES**

**Inflows from investing activities**

|   |      |           |           |           |
|---|------|-----------|-----------|-----------|
| Proceeds from capital grants, subsidies and contributions                 |      | 6,002,400 | 2,953,423 | 3,036,410 |
| Proceeds from disposal of property, plant and equipment                   | 5(a) | 373,500   | 143,063   | 146,100   |
| Proceeds from financial assets at amortised cost - self supporting loans  | 7(a) | 7,661     | 15,184    | 15,183    |
| Proceeds from disposal financial assets at amortised cost - term deposits |      | 0         | 3,000,000 | 0         |

**Outflows from investing activities**

|  |      |             |             |             |
|--|------|-------------|-------------|-------------|
| Acquisition of property, plant and equipment | 5(a) | (3,921,825) | (1,270,117) | (3,788,797) |
| Acquisition of infrastructure                | 5(b) | (5,497,800) | (3,607,706) | (3,799,426) |

Non-cash amounts excluded from investing activities

|  |      |   |             |   |
|--|------|---|-------------|---|
|  | 3(d) | 0 | (3,000,000) | 0 |
|--|------|---|-------------|---|

**Amount attributable to investing activities**

**FINANCING ACTIVITIES**

**Inflows from financing activities**

|                                 |      |           |        |           |
|---------------------------------|------|-----------|--------|-----------|
| Proceeds from new borrowings    | 7(a) | 2,225,775 | 0      | 2,020,000 |
| Transfers from reserve accounts | 8(a) | 0         | 99,253 | 180,847   |

**Outflows from financing activities**

|   |      |             |           |           |
|---|------|-------------|-----------|-----------|
| Repayment of borrowings                             | 7(a) | (140,711)   | (102,088) | (133,225) |
| Payments for principal portion of lease liabilities | 6    | 0           | (409)     | (409)     |
| Transfers to reserve accounts                       | 8(a) | (1,788,246) | (142,785) | (184,108) |

**Amount attributable to financing activities**

**MOVEMENT IN SURPLUS OR DEFICIT**

|  |   |             |                  |             |
|--|---|-------------|------------------|-------------|
| <b>Surplus remaining at the start of the financial year</b>    | 3 | 3,524,505   | 3,365,122        | 3,691,476   |
| Amount attributable to operating activities                    |   | (785,259)   | 2,071,565        | (1,184,051) |
| Amount attributable to investing activities                    |   | (3,036,064) | (1,766,153)      | (4,390,530) |
| Amount attributable to financing activities                    |   | 296,818     | (146,029)        | 1,883,105   |
| <b>Surplus remaining after the imposition of general rates</b> | 3 | <b>0</b>    | <b>3,524,505</b> | <b>0</b>    |

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

**SHIRE OF GNOWANGERUP  
FOR THE YEAR ENDED 30 JUNE 2027  
INDEX OF NOTES TO THE BUDGET**

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**SHIRE OF GNOWANGERUP**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2027**

**1 BASIS OF PREPARATION**

The annual budget of the Shire of Gnowangerup 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 10 to the annual budget.

**2025/26 actual balances**

Balances shown in this budget as 2025/26 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 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
  - Impairment losses of non-financial assets
- Measurement of employee benefits

**SHIRE OF GNOWANGERUP**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2027**

**2. RATES AND SERVICE CHARGES**

**(a) Rating Information**

| <b>Rate Description</b>                         | <b>Basis of valuation</b> | <b>Rate in dollar</b> | <b>Number of properties</b> | <b>Rateable value*</b> | <b>2026/27 Budgeted rate revenue</b> | <b>2026/27 Budgeted interim rates</b> | <b>2026/27 Budgeted total revenue</b> | <b>2025/26 Actual total revenue</b> | <b>2025/26 Budget total revenue</b> |
|---|---------------------------|-----------------------|-----------------------------|------------------------|--------------------------------------|---------------------------------------|---------------------------------------|-------------------------------------|-------------------------------------|
|   |                           |                       |                             | \$                     | \$                                   | \$                                    | \$                                    | \$                                  | \$                                  |
| <b>(i) General rates</b>                        |                           |                       |                             |                        |                                      |                                       |                                       |                                     |                                     |
| GRV General                                     | Gross rental valuation    | 0.164904              | 378                         | 4,642,324              | 765,538                              | 0                                     | 765,538                               | 735,473                             | 719,100                             |
| UV General                                      | Unimproved valuation      | 0.004286              | 342                         | 1,052,484,000          | 4,510,946                            | 0                                     | 4,510,946                             | 4,235,792                           | 4,234,006                           |
| <b>Total general rates</b>                      |                           |                       | 720                         | 1,057,126,324          | 5,276,484                            | 0                                     | 5,276,484                             | 4,971,265                           | 4,953,106                           |
|   |                           | <b>Minimum \$</b>     |                             |                        |                                      |                                       |                                       |                                     |                                     |
| <b>(ii) Minimum payment</b>                     |                           |                       |                             |                        |                                      |                                       |                                       |                                     |                                     |
| GRV General                                     | Gross rental valuation    | 1,087.00              | 127                         | 304,816                | 138,049                              | 0                                     | 138,049                               | 122,400                             | 122,400                             |
| UV General                                      | Unimproved valuation      | 1,087.00              | 42                          | 4,681,749              | 45,654                               | 0                                     | 45,654                                | 39,780                              | 39,780                              |
| <b>Total minimum payments</b>                   |                           |                       | 169                         | 4,986,565              | 183,703                              | 0                                     | 183,703                               | 162,180                             | 162,180                             |
| <b>Total general rates and minimum payments</b> |                           |                       | 889                         | 1,062,112,889          | 5,460,187                            | 0                                     | 5,460,187                             | 5,133,445                           | 5,115,286                           |
| <b>(iii) Specified area rates</b>               |                           |                       |                             |                        |                                      |                                       |                                       |                                     |                                     |
| Ongerup Effluent                                | Gross rental valuation    | 0.068224              | 90                          | 643,228                | 43,884                               | 0                                     | 43,884                                | 41,954                              | 41,954                              |
| <b>(iv) Waste rates</b>                         |                           |                       |                             |                        |                                      |                                       |                                       |                                     |                                     |
| Waste Collection Rate                           | Gross rental valuation    | 0.016571              | 505                         | 4,931,006              | 81,712                               | 0                                     | 81,712                                | 77,551                              | 78,201                              |
| Waste Collection Rate                           | Unimproved valuation      | 0.000063              | 383                         | 889,975,274            | 55,971                               | 0                                     | 55,971                                | 54,138                              | 54,021                              |
|   |                           |                       | 888                         | 894,906,280            | 137,683                              | 0                                     | 137,683                               | 131,689                             | 132,222                             |
| <b>(v) Ex-gratia rates</b>                      |                           |                       |                             |                        |                                      |                                       |                                       |                                     |                                     |
| CBH   |                           |                       |                             |                        | 61,657                               | 0                                     | 61,657                                | 57,757                              | 54,499                              |
| <b>Total ex-gratia rates</b>                    |                           |                       | 0                           | 0                      | 61,657                               | 0                                     | 61,657                                | 57,757                              | 54,499                              |
| Concessions (Refer note 2(e))                   |                           |                       |                             |                        |                                      |                                       | (9,015)                               | (11,310)                            | 0                                   |
| <b>Total rates</b>                              |                           |                       |                             |                        | 5,703,411                            | 0                                     | 5,694,396                             | 5,353,535                           | 5,343,961                           |
| Instalment plan charges                         |                           |                       |                             |                        |                                      |                                       | 5,000                                 | 4,790                               | 5,000                               |
| Instalment plan interest                        |                           |                       |                             |                        |                                      |                                       | 17,000                                | 16,288                              | 13,000                              |
| Late payment of rate or service charge interest |                           |                       |                             |                        |                                      |                                       | 35,500                                | 35,102                              | 35,000                              |
|   |                           |                       |                             |                        |                                      |                                       | 57,500                                | 56,180                              | 53,000                              |

\*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.

**SHIRE OF GNOWANGERUP**  
**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 1 (Full Payment)**

Full amount of rates and charges including arrears, to be paid on or before 2 September 2026 or 35 days after

**Option 2 (Four Instalments)**

First instalment to be made on or before 2 September 2026 or 35 days after the date of issue appearing on the rate notice, whichever is later including all arrears and a quarter of the current rates and service charges.

Second instalment to be made on or before 4 November 2026, or 2 months after the due date of the first instalment, whichever is later; and

Third instalment to be made on or before 8 January 2027, or 2 months after the due date of the second instalment, whichever is later; and

Fourth instalment to be made on or before 12 March 2027, or 2 months after the due date of the third instalment, whichever is later.

| <b>Instalment options</b> | <b>Date due</b> | <b>Instalment plan<br/>admin charge</b> | <b>Instalment plan<br/>interest rate</b> | <b>Unpaid rates<br/>interest rates</b> |
|---------------------------|-----------------|---|--|--|
|                           |                 | \$                                      | %  | %                                      |
| <b>Option one</b>         |                 |   |  |  |
| Single full payment       | 2/09/2026       | 0                                       | 0.0%                                     | 11.0%                                  |
| <b>Option two</b>         |                 |   |  |  |
| First instalment          | 2/09/2026       | 0                                       | 0.0%                                     | 11.0%                                  |
| Second instalment         | 4/11/2026       | 10.50                                   | 5.5%                                     | 11.0%                                  |
| Third instalment          | 8/01/2027       | 10.50                                   | 5.5%                                     | 11.0%                                  |
| Fourth instalment         | 12/03/2027      | 10.50                                   | 5.5%                                     | 11.0%                                  |

**SHIRE OF GNOWANGERUP**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2027**

**2. RATES AND SERVICE CHARGES (CONTINUED)**

**(c) Specified Area Rate**

|                            | Budgeted rate applied to costs | Budgeted rate set aside to reserve | Reserve Amount to be applied to costs | Purpose of the rate  | Area or properties rate is to be imposed on                                     |
|----------------------------|--------------------------------|------------------------------------|---------------------------------------|--|---|
| <b>Specified area rate</b> | \$                             | \$                                 | \$                                    |  |   |
| Ongerup Effluent           | 43,884                         | 0                                  | 0                                     | To contribute towards the maintenance, renewal and replacement of the Ongerup Effluent System. | Applied to all properties connected to effluent system in the Ongerup Townsite. |
|                            | 43,884                         | 0                                  | 0                                     |  |   |

**(d) Service Charges**

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

**(e) Waivers or concessions**

| Rate, fee or charge to which the waiver or concession is granted | Type | Waiver/Concession | Discount % | 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                                   |
|--|------|-------------------|------------|---------------|----------------|----------------|----------------|--|---|
| Rates  | Rate | Concession        | 0.0%       | 0             | \$ 0           | \$ 11,310      | \$ 0           | 0 General rates on assessment A213, A293, A314, A556, and A6071                          | To assist promote the tourist industry in the Amelup Tourism Precinct.            |
| Rates  | Rate | Waiver            | 25.0%      | 0             | 0              | 0              | 5,000          | Rateable properties with significant rate increases and experiencing financial hardship. | To minimise impact of rate changes on properties experiencing financial hardship. |
| Rates  | Rate | Concession        | 37.5%      | 0             | 9,015          | 0              | 0              | 0 General rates on assessment A213, A293, A314, A556, and A6071                          | To assist promote the tourist industry in the Amelup Tourism Precinct.            |
|  |      |                   |            |               | 9,015          | 11,310         | 5,000          |  |   |

**SHIRE OF GNOWANGERUP**  
**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

**Less: current liabilities**

Trade and other payables  
 Long term borrowings  
 Employee provisions  
 Other 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  
 Less: Current assets not expected to be received at end of year  
 - Financial assets at amortised cost - self supporting loans  
 Add: Current liabilities not expected to be cleared at end of year  
 - Current portion of borrowings

**Total adjustments to net current assets**

**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) Amounts excluded from operating activities**

Less: Profit on asset disposals  
 Add: Loss on asset disposals  
 Add: Depreciation

**Non cash amounts excluded from operating activities**

Reconciling item - movement between current assets:  
 - Financial assets at amortised cost - term deposits

**Non cash amounts excluded from investing activities**

| Note | 2026/27         | 2025/26         | 2025/26         |
|------|-----------------|-----------------|-----------------|
|      | Budget          | Actual          | Budget          |
|      | 30 June 2027    | 30 June 2026    | 30 June 2026    |
|      | Carried forward | Carried forward | Carried forward |
|      | \$              | \$              | \$              |
| 4    | 4,935,451       | 6,471,710       | 2,995,852       |
|      | 0               | 7,661           | 7,661           |
|      | 346,767         | 546,767         | 700,879         |
|      | 45,167          | 45,167          | 23,210          |
|      | 5,327,385       | 7,071,305       | 3,727,602       |
|      | (183,911)       | (183,911)       | (363,389)       |
| 7    | (264,420)       | (140,711)       | (139,537)       |
|      | (336,952)       | (336,952)       | (323,626)       |
|      | 0               | 0               | (54,921)        |
|      | (785,283)       | (661,574)       | (881,473)       |
|      | 4,542,102       | 6,409,731       | 2,846,129       |
| 3(b) | (4,542,102)     | (2,885,226)     | (2,846,129)     |
|      | 0               | 3,524,505       | 0               |
| 8    | (4,806,522)     | (3,018,276)     | (2,978,005)     |
|      | 0               | (7,661)         | (7,661)         |
|      | 264,420         | 140,711         | 139,537         |
|      | (4,542,102)     | (2,885,226)     | (2,846,129)     |
| 5    | (52,133)        | (66,718)        | (63,217)        |
| 5    | 45,469          | 4,085           | 14,250          |
| 6    | 4,713,611       | 3,811,445       | 4,248,904       |
|      | 4,706,947       | 3,748,812       | 4,199,937       |
|      | 0               | (3,000,000)     | 0               |
|      | 0               | (3,000,000)     | 0               |

**SHIRE OF GNOWANGERUP  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30 JUNE 2027**

**3. NET CURRENT ASSETS (CONTINUED)**

**(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 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.

**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.

**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.

**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.

**CONTRACT ASSETS**

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

**SHIRE OF GNOWANGERUP  
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<br>Budget | 2025/26<br>Actual | 2025/26<br>Budget |
|--|------|-------------------|-------------------|-------------------|
| Cash and cash equivalents  |      | \$ 4,935,451      | \$ 6,471,710      | \$ 2,995,852      |
| <b>Restrictions</b>  |      |                   |                   |                   |
| 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  |      | 4,806,522         | 3,018,276         | 2,978,005         |
|  |      | 4,806,522         | 3,018,276         | 2,978,005         |
| The restricted financial assets are a result of the following specific purposes to which the assets may be used:   |      |                   |                   |                   |
| Reserve accounts   | 8    | 4,806,522         | 3,018,276         | 2,978,005         |
| Contract liabilities   |      | 0                 | 0                 | 0                 |
| <b>Total restricted financial assets</b>   |      | 4,806,522         | 3,018,276         | 2,978,005         |

**(b) Reconciliation of net cash provided by operating activities**

|   |   |             |             |             |
|---|---|-------------|-------------|-------------|
| Net result  |   | 510,194     | 1,276,176   | (2,347,578) |
| Non-cash items:                                       |   |             |             |             |
| Depreciation  | 6 | 4,713,611   | 3,811,445   | 4,248,904   |
| (Profit) on sale of assets                            | 5 | (6,664)     | (62,633)    | (48,967)    |
| Changes in assets and liabilities:                    |   |             |             |             |
| (Increase)/decrease in receivables                    |   | 200,000     | (115,729)   | 0           |
| (Increase) in inventories                             |   | 0           | (23,860)    | 0           |
| Decrease in other assets                              |   | 0           | 148,490     | 148,133     |
| (Increase) in trade and other payables                |   | 0           | (378,746)   | 0           |
| (Increase) in contract liabilities                    |   | 0           | (134,663)   | (154,978)   |
| (Increase) in capital grant/contributions liabilities |   | 0           | (830,651)   | (908,530)   |
| Decrease in employee related provisions               |   | 0           | 4,512       | 0           |
| Capital grants, subsidies and contributions           |   | (6,002,400) | (2,122,772) | (2,127,880) |
| Net cash provided by/(used in) operating activities   |   | (585,259)   | 1,571,569   | (1,190,896) |

**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 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.

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

SHIRE OF GNOWANGERUP  
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 Actual   |                                  |                                 |                       |                     | 2025/26 Budget   |                                  |                                 |                       |                     |
|--|------------------|----------------------------------|---------------------------------|-----------------------|---------------------|------------------|----------------------------------|---------------------------------|-----------------------|---------------------|------------------|----------------------------------|---------------------------------|-----------------------|---------------------|
|  | Additions        | Disposals -<br>Net Book<br>Value | Disposals -<br>Sale<br>Proceeds | Disposals -<br>Profit | Disposals -<br>Loss | Additions        | Disposals -<br>Net Book<br>Value | Disposals -<br>Sale<br>Proceeds | Disposals -<br>Profit | Disposals -<br>Loss | Additions        | Disposals -<br>Net Book<br>Value | Disposals -<br>Sale<br>Proceeds | Disposals -<br>Profit | Disposals -<br>Loss |
| <b>(a) Property, Plant and Equipment</b> |                  |                                  |                                 |                       |                     |                  |                                  |                                 |                       |                     |                  |                                  |                                 |                       |                     |
| Land - freehold land                     | 125,000          | 0                                | 0                               | 0                     | 0                   | 79,534           | 0                                | 0                               | 0                     | 0                   | 110,000          | 0                                | 0                               | 0                     | 0                   |
| Buildings                                | 2,843,015        | 0                                | 0                               | 0                     | 0                   | 408,372          | 0                                | 0                               | 0                     | 0                   | 2,896,597        | 0                                | 0                               | 0                     | 0                   |
| Furniture and equipment                  | 0                | 0                                | 0                               | 0                     | 0                   | 31,088           | 0                                | 0                               | 0                     | 0                   | 0                | 0                                | 0                               | 0                     | 0                   |
| Plant and equipment                      | 953,810          | (366,836)                        | 373,500                         | 52,133                | (45,469)            | 751,123          | (80,430)                         | 143,063                         | 66,718                | (4,085)             | 782,200          | (97,133)                         | 146,100                         | 63,217                | (14,250)            |
| <b>Total</b>                             | <b>3,921,825</b> | <b>(366,836)</b>                 | <b>373,500</b>                  | <b>52,133</b>         | <b>(45,469)</b>     | <b>1,270,117</b> | <b>(80,430)</b>                  | <b>143,063</b>                  | <b>66,718</b>         | <b>(4,085)</b>      | <b>3,788,797</b> | <b>(97,133)</b>                  | <b>146,100</b>                  | <b>63,217</b>         | <b>(14,250)</b>     |
| <b>(b) Infrastructure</b>                |                  |                                  |                                 |                       |                     |                  |                                  |                                 |                       |                     |                  |                                  |                                 |                       |                     |
| Infrastructure - roads                   | 2,181,000        | 0                                | 0                               | 0                     | 0                   | 3,323,161        | 0                                | 0                               | 0                     | 0                   | 3,461,626        | 0                                | 0                               | 0                     | 0                   |
| Infrastructure - footpaths               | 2,883,600        | 0                                | 0                               | 0                     | 0                   | 0                | 0                                | 0                               | 0                     | 0                   | 0                | 0                                | 0                               | 0                     | 0                   |
| Infrastructure - other                   | 40,000           | 0                                | 0                               | 0                     | 0                   | 195,827          | 0                                | 0                               | 0                     | 0                   | 92,000           | 0                                | 0                               | 0                     | 0                   |
| Infrastructure - parks and ovals         | 82,500           | 0                                | 0                               | 0                     | 0                   | 5,651            | 0                                | 0                               | 0                     | 0                   | 15,000           | 0                                | 0                               | 0                     | 0                   |
| Infrastructure - sewer                   | 70,000           | 0                                | 0                               | 0                     | 0                   | 0                | 0                                | 0                               | 0                     | 0                   | 50,000           | 0                                | 0                               | 0                     | 0                   |
| Infrastructure - airports                | 0                | 0                                | 0                               | 0                     | 0                   | 79,713           | 0                                | 0                               | 0                     | 0                   | 100,800          | 0                                | 0                               | 0                     | 0                   |
| Infrastructure - solid waste             | 240,700          | 0                                | 0                               | 0                     | 0                   | 3,354            | 0                                | 0                               | 0                     | 0                   | 80,000           | 0                                | 0                               | 0                     | 0                   |
| <b>Total</b>                             | <b>5,497,800</b> | <b>0</b>                         | <b>0</b>                        | <b>0</b>              | <b>0</b>            | <b>3,607,706</b> | <b>0</b>                         | <b>0</b>                        | <b>0</b>              | <b>0</b>            | <b>3,799,426</b> | <b>0</b>                         | <b>0</b>                        | <b>0</b>              | <b>0</b>            |
| <b>Total</b>                             | <b>9,419,625</b> | <b>(366,836)</b>                 | <b>373,500</b>                  | <b>52,133</b>         | <b>(45,469)</b>     | <b>4,877,823</b> | <b>(80,430)</b>                  | <b>143,063</b>                  | <b>66,718</b>         | <b>(4,085)</b>      | <b>7,588,223</b> | <b>(97,133)</b>                  | <b>146,100</b>                  | <b>63,217</b>         | <b>(14,250)</b>     |

**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 GNOWANGERUP**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2027**

**6. DEPRECIATION**

**By Class**

|                                  |
|----------------------------------|
| Buildings                        |
| Furniture and equipment          |
| Plant and equipment              |
| Infrastructure - roads           |
| Infrastructure - footpaths       |
| Infrastructure - drainage        |
| Infrastructure - other           |
| Infrastructure - parks and ovals |
| Infrastructure - sewer           |
| Infrastructure - airports        |
| Infrastructure - solid waste     |

**By Program**

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

| 2026/27<br>Budget | 2025/26<br>Actual | 2025/26<br>Budget |
|-------------------|-------------------|-------------------|
| \$                | \$                | \$                |
| 624,477           | 522,343           | 620,682           |
| 6,754             | 5,640             | 5,671             |
| 644,999           | 497,447           | 533,331           |
| 2,211,259         | 1,685,147         | 1,987,288         |
| 38,850            | 77,029            | 34,915            |
| 193,372           | 292,004           | 173,786           |
| 170,951           | 106,964           | 153,636           |
| 496,385           | 374,994           | 446,108           |
| 19,780            | 14,971            | 17,777            |
| 255,508           | 196,192           | 229,628           |
| 51,276            | 38,714            | 46,082            |
| 4,713,611         | 3,811,445         | 4,248,904         |
| 2,711             | 2,264             | 916               |
| 129,099           | 107,573           | 147,364           |
| 9,300             | 7,746             | 9,220             |
| 0                 | 2,232             | 2,657             |
| 38,662            | 32,201            | 36,638            |
| 150,045           | 116,691           | 79,413            |
| 891,908           | 734,424           | 961,445           |
| 2,872,181         | 2,349,074         | 2,822,077         |
| 21,096            | 17,570            | 66,242            |
| 598,609           | 441,670           | 122,932           |
| 4,713,611         | 3,811,445         | 4,248,904         |

**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                        | 30 to 50 years |
| Furniture and equipment          | 4 to 10 years  |
| Plant and equipment              | 5 to 15 years  |
| Infrastructure - roads           | 20 to 80 years |
| Infrastructure - footpaths       | 20 years       |
| Infrastructure - drainage        | 5 to 25 years  |
| Infrastructure - other           | 20 to 50 years |
| Infrastructure - parks and ovals | 5 to 75 years  |
| Infrastructure - sewer           | 5 to 50 years  |
| Infrastructure - airports        | 5 to 50 years  |
| Infrastructure - solid waste     | 5 to 50 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 GNOWANGERUP  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30 JUNE 2027

7. BORROWINGS

(a) Borrowing repayments

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

| Purpose                      | Loan Number | Institution | Interest Rate | 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 | Actual Principal 1 July 2025 | 2025/26 Actual New Loans | 2025/26 Actual Principal Repayments | Actual Principal outstanding 30 June 2026 | 2025/26 Actual 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 |
|------------------------------|-------------|-------------|---------------|------------------------------|--------------------------|-------------------------------------|---|------------------------------------|------------------------------|--------------------------|-------------------------------------|---|------------------------------------|------------------------------|--------------------------|-------------------------------------|---|------------------------------------|
| GNO Community Centre         | 273         | WATC        | 6.2%          | \$ 0                         | \$ 0                     | \$ 0                                | \$ 0                                      | \$ 0                               | \$ 24,657                    | \$ 0                     | \$ (24,657)                         | \$ 0                                      | \$ (720)                           | \$ 24,659                    | \$ 0                     | \$ (24,659)                         | \$ 0                                      | \$ (1,149)                         |
| GNO Community Centre         | 279         | WATC        | 4.2%          | 45,962                       | 0                        | (22,501)                            | 23,461                                    | (1,709)                            | 67,540                       | 0                        | (21,578)                            | 45,962                                    | (1,494)                            | 67,541                       | 0                        | (21,578)                            | 45,963                                    | (2,631)                            |
| Staff Housing                | 281         | WATC        | 1.5%          | 168,976                      | 0                        | (41,289)                            | 127,687                                   | (2,412)                            | 209,645                      | 0                        | (40,669)                            | 168,976                                   | (2,895)                            | 209,644                      | 0                        | (40,669)                            | 168,975                                   | (3,034)                            |
| Housing                      |             | WATC        | 0.0%          | 0                            | 0                        | 0                                   | 0   | 0                                  | 0                            | 0                        | 0                                   | 0   | 0                                  | 0                            | 1,800,000                | (26,089)                            | 1,773,911                                 | (46,890)                           |
| Housing                      |             | WATC        | 0.0%          | 0                            | 0                        | 0                                   | 0   | 0                                  | 0                            | 0                        | 0                                   | 0   | 0                                  | 0                            | 220,000                  | (5,047)                             | 214,953                                   | (5,401)                            |
| Grader                       |             | WATC        | 0.0%          | 0                            | 585,000                  | (48,750)                            | 536,250                                   | (30,188)                           | 0                            | 0                        | 0                                   | 0   | 0                                  | 0                            | 0                        | 0                                   | 0   | 0                                  |
| Housing                      |             | WATC        | 0.0%          | 0                            | 1,640,775                | (20,510)                            | 1,620,265                                 | (32,111)                           | 0                            | 0                        | 0                                   | 0   | 0                                  | 0                            | 0                        | 0                                   | 0   | 0                                  |
|                              |             |             |               | 214,938                      | 2,225,775                | (133,050)                           | 2,307,663                                 | (66,420)                           | 301,842                      | 0                        | (86,904)                            | 214,938                                   | (5,109)                            | 301,844                      | 2,020,000                | (118,042)                           | 2,203,802                                 | (59,105)                           |
| <b>Self Supporting Loans</b> |             |             |               |                              |                          |                                     |   |                                    |                              |                          |                                     |   |                                    |                              |                          |                                     |   |                                    |
| Ongerup Bowls Club           | 283         | WATC        | 1.2%          | 7,661                        | 0                        | (7,661)                             | 0   | (47)                               | 22,845                       | 0                        | (15,184)                            | 7,661                                     | (255)                              | 22,844                       | 0                        | (15,183)                            | 7,661                                     | (234)                              |
|                              |             |             |               | 7,661                        | 0                        | (7,661)                             | 0   | (47)                               | 22,845                       | 0                        | (15,184)                            | 7,661                                     | (255)                              | 22,844                       | 0                        | (15,183)                            | 7,661                                     | (234)                              |
|                              |             |             |               | 222,599                      | 2,225,775                | (140,711)                           | 2,307,663                                 | (66,467)                           | 324,687                      | 0                        | (102,088)                           | 222,599                                   | (5,364)                            | 324,688                      | 2,020,000                | (133,225)                           | 2,211,463                                 | (59,339)                           |

All borrowing repayments, other than self supporting loans, will be financed by general purpose revenue.  
The self supporting loan(s) repayment will be fully reimbursed.

**SHIRE OF GNOWANGERUP  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30 JUNE 2027**

**7. 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 |
|---------------------|-------------|-----------|--------------|---------------|------------------------|--------------------------|--------------------|-----------------|
|                     |             |           |              |               | \$                     | \$                       | \$                 | \$              |
| Grader              | WATC        | Debenture | 5            | 6.5%          | 585,000                | 190,495                  | 585,000            | 0               |
| Housing             | WATC        | Debenture | 20           | 6.5%          | 1,640,775              | 1,295,188                | 1,640,775          | 0               |
|                     |             |           |              |               | 2,225,775              | 1,485,683                | 2,225,775          | 0               |

**(c) Unspent borrowings**

The Shire 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 |
|---|----------------|----------------|----------------|
|   | \$             | \$             | \$             |
| <b>Undrawn borrowing facilities credit standby arrangements</b> |                |                |                |
| Bank overdraft limit  | 0              | 0              | 0              |
| Bank overdraft at balance date                                  | 0              | 0              | 0              |
| Credit card limit   | 10,000         | 10,000         | 10,000         |
| Credit card balance at balance date                             | 0              | 0              | 0              |
| <b>Total amount of credit unused</b>                            | 10,000         | 10,000         | 10,000         |
| <b>Loan facilities</b>  |                |                |                |
| Loan facilities in use at balance date                          | 2,307,663      | 222,599        | 2,211,463      |

**MATERIAL ACCOUNTING POLICIES**

**BORROWING COSTS**

The Shire has elected to recognise borrowing costs as an expense when incurred regardless of how the borrowings are applied.

Fair values of borrowings are not materially different to their carrying amounts, since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short term nature.

Borrowings fair values are based on discounted cash flows using a current borrowing rate.

**SHIRE OF GNOWANGERUP**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2027**

**8. RESERVE ACCOUNTS**

**(a) Reserve Accounts - Movement**

|                                  | 2026/27 Budget  |             |                 |                 | 2025/26 Actual  |             |                 |                 | 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 |
|                                  | \$              | \$          | \$              | \$              | \$              | \$          | \$              | \$              | \$              | \$          | \$              | \$              |
| <b>Restricted by legislation</b> |                 |             |                 |                 |                 |             |                 |                 |                 |             |                 |                 |
| (a) Specified area rate reserve  | 91,445          | 0           | 0               | 91,445          | 90,425          | 1,020       | 0               | 91,445          | 90,425          | 0           | (50,000)        | 40,425          |
|                                  | 91,445          | 0           | 0               | 91,445          | 90,425          | 1,020       | 0               | 91,445          | 90,425          | 0           | (50,000)        | 40,425          |
| <b>Restricted by council</b>     |                 |             |                 |                 |                 |             |                 |                 |                 |             |                 |                 |
| (b) Leave reserve                | 327,307         | 7,828       | 0               | 335,135         | 323,658         | 3,649       | 0               | 327,307         | 323,658         | 0           | 0               | 323,658         |
| (c) Plant & equipment            | 738,346         | 17,660      | 0               | 756,006         | 730,114         | 8,232       | 0               | 738,346         | 730,114         | 0           | 0               | 730,114         |
| (d) Area Promotion               | 42,636          | 1,017       | 0               | 43,653          | 32,235          | 10,401      | 0               | 42,636          | 32,235          | 9,926       | 0               | 42,161          |
| (e) Swimming Pool                | 594,007         | 14,207      | 0               | 608,214         | 537,930         | 56,077      | 0               | 594,007         | 537,930         | 50,000      | 0               | 587,930         |
| (f) Land Development             | 308,356         | 7,375       | 0               | 315,731         | 304,918         | 3,438       | 0               | 308,356         | 304,918         | 74,182      | 0               | 379,100         |
| (g) Computer Replacement         | 203,838         | 4,875       | 0               | 208,713         | 152,111         | 51,727      | 0               | 203,838         | 152,111         | 50,000      | (25,000)        | 177,111         |
| (h) Waste Disposal               | 266,793         | 6,381       | 0               | 273,174         | 263,818         | 2,975       | 0               | 266,793         | 263,818         | 0           | (80,000)        | 183,818         |
| (i) Future Funds                 | 164,471         | 3,934       | 0               | 168,405         | 162,637         | 1,834       | 0               | 164,471         | 162,637         | 0           | 0               | 162,637         |
| (j) Liquid Waste Facility        | 33,847          | 810         | 0               | 34,657          | 33,470          | 377         | 0               | 33,847          | 33,470          | 0           | 0               | 33,470          |
| (k) COVID-19                     | 0               | 0           | 0               | 0               | 9,926           | 0           | (9,926)         | 0               | 9,926           | 0           | (9,926)         | 0               |
| (l) Aerodrome                    | 94,089          | 2,250       | 0               | 96,339          | 93,040          | 1,049       | 0               | 94,089          | 93,040          | 0           | (15,921)        | 77,119          |
| (m) Disaster Recovery            | 153,141         | 3,663       | 0               | 156,804         | 151,434         | 1,707       | 0               | 153,141         | 151,434         | 0           | 0               | 151,434         |
| (n) Skate Park                   | 0               | 0           | 0               | 0               | 89,028          | 299         | (89,327)        | 0               | 89,028          | 0           | 0               | 89,028          |
| (o) Asset Replacement/Renewal    | 0               | 1,718,246   | 0               | 1,718,246       | 0               | 0           | 0               | 0               | 0               | 0           | 0               | 0               |
|                                  | 2,926,831       | 1,788,246   | 0               | 4,715,077       | 2,884,319       | 141,765     | (99,253)        | 2,926,831       | 2,884,319       | 184,108     | (130,847)       | 2,937,580       |
|                                  | 3,018,276       | 1,788,246   | 0               | 4,806,522       | 2,974,744       | 142,785     | (99,253)        | 3,018,276       | 2,974,744       | 184,108     | (180,847)       | 2,978,005       |

**(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   |
|----------------------------------|-------------------------|--|
| <b>Restricted by legislation</b> |                         |  |
| (a) Specified area rate reserve  | Ongoing                 | To be used for the maintenance of the Ongerup Effluent System.   |
| <b>Restricted by council</b>     |                         |  |
| (b) Leave reserve                | Ongoing                 | To be used to fund annual and long service leave requirements.   |
| (c) Plant & equipment            | Ongoing                 | To be used for the purchase of major plant.  |
| (d) Area Promotion               | Ongoing                 | To be used for the promotion of the Gnowangerup Shire.   |
| (e) Swimming Pool                | Ongoing                 | To be used to assist with upgrade of the Gnowangerup Swimming Pool.  |
| (f) Land Development             | Ongoing                 | To be used to fund the purchase of or development of land and buildings and building renewal.  |
| (g) Computer Replacement         | Ongoing                 | To be used to fund the maintenance and replacement of the administration computer system.  |
| (h) Waste Disposal               | Ongoing                 | To be used to fund waste disposal in the Shire, including rehabilitation, transfer stations and post closure of sites.   |
| (i) Future Funds                 | Ongoing                 | To be used for contributions towards major externally grant funded projects and programs within the Shire of Gnowangerup.  |
| (j) Liquid Waste Facility        | Ongoing                 | To be used for the maintenance and improvement of the Gnowangerup Liquid Waste Facility.   |
| (k) COVID-19                     | 30/06/2026              | To be used to fund any project, programme or activity of any kind which contributes to the recovery of the Shire of Gnowangerup from the COVID-19 pandemic.                              |
| (l) Aerodrome                    | Ongoing                 | To be used to fund the construction of new assets and the upgrade, renewal and replacement of existing assets located at the Gnowangerup airport.  |
| (m) Disaster Recovery            | Ongoing                 | To be used to fund expenses related to the recovery from a natural disaster.   |
| (n) Skate Park                   | Ongoing                 | To be used to fund the construction of a skate park in the Gnowangerup townsite in accordance with the conditions of the donation stipulated by The Gnowangerup Giant Tractor Group Inc. |
| (o) Asset Replacement/Renewal    | Ongoing                 | To be used for the construction, maintenance, renewal or replacement of assets.  |

**SHIRE OF GNOWANGERUP**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2027**

**9. OTHER INFORMATION**

|  | <b>2026/27<br/>Budget</b> | <b>2025/26<br/>Actual</b> | <b>2025/26<br/>Budget</b> |
|--|---------------------------|---------------------------|---------------------------|
|  | \$                        | \$                        | \$                        |
| <b>The net result includes as revenues</b>   |                           |                           |                           |
| <b>(a) Interest earnings</b>                 |                           |                           |                           |
| Investments                                  | 170,430                   | 144,556                   | 125,930                   |
| Other interest revenue                       | 52,500                    | 51,390                    | 48,000                    |
|  | <b>222,930</b>            | <b>195,946</b>            | <b>173,930</b>            |
| <b>The net result includes as expenses</b>   |                           |                           |                           |
| <b>(b) Auditors remuneration</b>             |                           |                           |                           |
| Audit services                               | 49,659                    | 42,166                    | 40,600                    |
| Other services                               | 0                         | 4,680                     | 11,811                    |
|  | <b>49,659</b>             | <b>46,846</b>             | <b>52,411</b>             |
| <b>(c) Interest expenses (finance costs)</b> |                           |                           |                           |
| Borrowings (refer Note 7(a))                 | 66,467                    | 5,364                     | 59,339                    |
| Interest on lease liabilities (refer Note 6) | 0                         | 3                         | 1                         |
|  | <b>66,467</b>             | <b>5,367</b>              | <b>59,340</b>             |
| <b>(d) Write offs</b>                        |                           |                           |                           |
| General rate                                 | 0                         | 0                         | 51                        |
| Fees and charges                             | 0                         | 174                       | 0                         |
|  | <b>0</b>                  | <b>174</b>                | <b>51</b>                 |

**SHIRE OF GNOWANGERUP**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2027**

**10. COUNCIL MEMBERS REMUNERATION**

|  | <b>2026/27<br/>Budget</b> | <b>2025/26<br/>Actual</b> | <b>2025/26<br/>Budget</b> |
|--|---------------------------|---------------------------|---------------------------|
|  | \$                        | \$                        | \$                        |
| <b>President</b>                         |                           |                           |                           |
| President's allowance                    | 23,257                    | 11,235                    | 22,470                    |
| Meeting attendance fees                  | 22,646                    | 10,940                    | 21,880                    |
| Annual allowance for ICT expenses        | 3,500                     | 1,750                     | 3,500                     |
|  | <b>49,403</b>             | <b>23,925</b>             | <b>47,850</b>             |
| <b>Deputy President</b>                  |                           |                           |                           |
| Deputy President's allowance             | 5,814                     | 2,808                     | 5,618                     |
| Meeting attendance fees                  | 11,023                    | 5,325                     | 10,650                    |
| Annual allowance for ICT expenses        | 3,500                     | 1,750                     | 3,500                     |
|  | <b>20,337</b>             | <b>9,883</b>              | <b>19,768</b>             |
| <b>Council member 3</b>                  |                           |                           |                           |
| Meeting attendance fees                  | 11,023                    | 5,325                     | 10,650                    |
| Annual allowance for ICT expenses        | 3,500                     | 1,750                     | 3,500                     |
|  | <b>14,523</b>             | <b>7,075</b>              | <b>14,150</b>             |
| <b>Council member 4</b>                  |                           |                           |                           |
| Meeting attendance fees                  | 11,023                    | 5,325                     | 10,650                    |
| Annual allowance for ICT expenses        | 3,500                     | 1,750                     | 3,500                     |
|  | <b>14,523</b>             | <b>7,075</b>              | <b>14,150</b>             |
| <b>Council member 5</b>                  |                           |                           |                           |
| Meeting attendance fees                  | 11,023                    | 5,325                     | 10,650                    |
| Annual allowance for ICT expenses        | 3,500                     | 1,750                     | 3,500                     |
| Travel and accommodation expenses        | 0                         | 1,049                     | 0                         |
|  | <b>14,523</b>             | <b>8,124</b>              | <b>14,150</b>             |
| <b>Council member 6</b>                  |                           |                           |                           |
| Meeting attendance fees                  | 11,023                    | 7,987                     | 10,650                    |
| Annual allowance for ICT expenses        | 3,500                     | 2,625                     | 3,500                     |
| Travel and accommodation expenses        | 0                         | 1,172                     | 0                         |
|  | <b>14,523</b>             | <b>11,784</b>             | <b>14,150</b>             |
| <b>Council member 7</b>                  |                           |                           |                           |
| Meeting attendance fees                  | 11,023                    | 2,662                     | 10,650                    |
| Annual allowance for ICT expenses        | 3,500                     | 875                       | 3,500                     |
|  | <b>14,523</b>             | <b>3,537</b>              | <b>14,150</b>             |
| <b>Total Council Member Remuneration</b> | <b>142,355</b>            | <b>71,403</b>             | <b>138,368</b>            |
| President's allowance                    | 23,257                    | 11,235                    | 22,470                    |
| Deputy President's allowance             | 5,814                     | 2,808                     | 5,618                     |
| Meeting attendance fees                  | 88,784                    | 42,889                    | 85,780                    |
| Annual allowance for ICT expenses        | 24,500                    | 12,250                    | 24,500                    |
| Travel and accommodation expenses        | 0                         | 2,221                     | 0                         |
|  | <b>142,355</b>            | <b>71,403</b>             | <b>138,368</b>            |

**SHIRE OF GNOWANGERUP**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2027**

**11. 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.

**SHIRE OF GNOWANGERUP**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2027**

**11. 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:

| <b>Revenue Category</b>                       | <b>Nature of goods and services</b>  | <b>When obligations typically satisfied</b> | <b>Payment terms</b>   | <b>Returns/Refunds/Warranties</b>           | <b>Timing of Revenue recognition</b>   |
|---|--|---|--|---|--|
| Grant contracts with customers                | Community events, minor facilities and services  | Over time                                   | Fixed terms transfer of funds based on agreed milestones and reporting | Contract obligation if project not complete | Output method based on project milestones and/or completion date matched to performance obligations 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  | On payment and issue of the licence, registration or approval  |
| 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  | Output method based on provision of service or completion of works   |

**SHIRE OF GNOWANGERUP**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2027**

**12. 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 Shire'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.

Administration and operation of members of Council. Other costs that relate to the tasks of assisting elected members and ratepayers on matters which do not concern specific Council services.

**General purpose funding**

To collect revenue to allow for the provision of services.

To collect revenue in the form of rates, interest and general purpose government grants to allow for the provision of services.

**Law, order, public safety**

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

Supervision and enforcement of various local laws relating to fire prevention, animal control and other aspects of public safety including emergency services.

**Health**

To provide an operational framework for environmental and community health.

Inspection of food outlets and their control, noise control and waste disposal compliance.

**Education and welfare**

To provide services to the elderly, children and youth.

The provision of pre-school facilities to relevant community groups and the support of youth in the community.

**Housing**

To provide and maintain staff and other housing.

Provision and maintenance of staff and other housing.

**Community amenities**

To provide services required by the community.

Rubbish collection services, operation of rubbish disposal sites, litter control, construction and maintenance of urban storm water drains, protection of the environment and administration of town planning schemes, cemetery and public conveniences.

**Recreation and culture**

To establish and effectively manage infrastructure and resource which will help the social well being of the community.

Maintenance of public halls, civic centres, swimming pool, recreation centres and various sporting facilities. Provision and maintenance of parks, gardens and playgrounds. Operation of library and other cultural facilities.

**Transport**

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

Construction and maintenance of roads, streets, footpaths, depots, cycle ways, parking facilities and traffic control. Cleaning of streets and maintenance of street trees, street lighting etc.

**Economic services**

To help promote the shire and its economic wellbeing.

Tourism and area promotion including the maintenance and operation of a caravan park. Provision of rural services including weed control, vermin control and standpipes. Building Control services.

**Other property and services**

To monitor and control Shire's overheads operating accounts.

Private works operation, plant repair and operation costs and engineering operation costs, administration costs allocated and other unclassified works and services.

**SHIRE OF GNOWANGERUP**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2027**

**13. FEES AND CHARGES**

|                             | <b>2026/27<br/>Budget</b> | <b>2025/26<br/>Actual</b> | <b>2025/26<br/>Budget</b> |
|-----------------------------|---------------------------|---------------------------|---------------------------|
|                             | \$                        | \$                        | \$                        |
| <b>By Program:</b>          |                           |                           |                           |
| Governance                  | 100                       | 7                         | 35,100                    |
| General purpose funding     | 17,000                    | 16,610                    | 18,500                    |
| Law, order, public safety   | 5,200                     | 4,209                     | 15,184                    |
| Health                      | 1,050                     | 395                       | 1,050                     |
| Education and welfare       | 17,000                    | 16,575                    | 15,000                    |
| Housing                     | 106,158                   | 74,811                    | 106,158                   |
| Community amenities         | 200,618                   | 219,292                   | 169,584                   |
| Recreation and culture      | 20,300                    | 20,540                    | 20,350                    |
| Transport                   | 5,642                     | 364                       | 11,540                    |
| Economic services           | 177,350                   | 171,483                   | 92,100                    |
| Other property and services | 15,650                    | 7,789                     | 15,000                    |
|                             | <b>566,068</b>            | <b>532,075</b>            | <b>499,566</b>            |

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