

Shire of

GNOWANGERUP


BORDEN ♦ GNOWANGERUP ♦ ONGERUP


Heart of the Stirlings

ANNUAL BUDGET

2026 / 2027

Investing in Our Future

 *Heart of the Stirlings*

 *Home of Wild Gravel*

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

	Note	2026/27 Budget	2025/26 Actual	2025/26 Budget
Revenue		\$	\$	\$
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>
Expenses				
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>
Net result for the period		510,194	1,276,176	(2,347,578)
Total other comprehensive income for the period		0	0	0
Total comprehensive income for the period		510,194	1,276,176	(2,347,578)

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 Budget	2025/26 Actual	2025/26 Budget
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
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
Payments				
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)
Net cash provided by (used in) operating activities	4	(585,259)	1,571,569	(1,190,896)
CASH FLOWS FROM INVESTING ACTIVITIES				
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
Net cash provided by (used in) investing activities		(3,036,064)	403,196	(5,299,060)
CASH FLOWS FROM FINANCING ACTIVITIES				
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)
Net cash provided by (used in) financing activities		2,085,064	(102,497)	1,886,366
Net increase (decrease) in cash held		(1,536,259)	1,872,268	(4,603,590)
Cash at beginning of year		6,471,710	4,599,442	7,599,442
Cash and cash equivalents at the end of the year	4	4,935,451	6,471,710	2,995,852

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 Budget	2025/26 Actual	2025/26 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
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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
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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

Surplus remaining at the start of the financial year	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
Surplus remaining after the imposition of general rates	3	0	3,524,505	0

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

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

Rate Description	Basis of valuation	Rate in dollar	Number of properties	Rateable value*	2026/27 Budgeted rate revenue	2026/27 Budgeted interim rates	2026/27 Budgeted total revenue	2025/26 Actual total revenue	2025/26 Budget total revenue
				\$	\$	\$	\$	\$	\$
(i) General rates									
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
Total general rates			720	1,057,126,324	5,276,484	0	5,276,484	4,971,265	4,953,106
		Minimum \$							
(ii) Minimum payment									
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
Total minimum payments			169	4,986,565	183,703	0	183,703	162,180	162,180
Total general rates and minimum payments			889	1,062,112,889	5,460,187	0	5,460,187	5,133,445	5,115,286
(iii) Specified area rates									
Ongerup Effluent	Gross rental valuation	0.068224	90	643,228	43,884	0	43,884	41,954	41,954
(iv) Waste rates									
Waste Collection Rate	Gross rental valuation	0.016517	505	4,947,140	81,712	0	81,712	77,551	78,201
Waste Collection Rate	Unimproved valuation	0.000053	384	1,057,165,749	56,030	0	56,030	54,138	54,021
			889	1,062,112,889	137,742	0	137,742	131,689	132,222
(v) Ex-gratia rates									
CBH					61,598	0	61,598	57,757	54,499
Total ex-gratia rates			0	0	61,598	0	61,598	57,757	54,499
Concessions (Refer note 2(e))							(9,015)	(11,310)	0
Total rates					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.

Instalment options	Date due	Instalment plan admin charge	Instalment plan interest rate	Unpaid rates interest rates
		\$	%	%
Option one				
Single full payment	2/09/2026	0	0.0%	11.0%
Option two				
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
Specified area rate	\$	\$	\$		
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 Budget	2025/26 Actual	2025/26 Budget
Cash and cash equivalents		\$ 4,935,451	\$ 6,471,710	\$ 2,995,852
Restrictions				
The following classes of financial assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:				
Cash and cash equivalents		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
Total restricted financial assets		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 - Net Book Value	Disposals - Sale Proceeds	Disposals - Profit	Disposals - Loss	Additions	Disposals - Net Book Value	Disposals - Sale Proceeds	Disposals - Profit	Disposals - Loss	Additions	Disposals - Net Book Value	Disposals - Sale Proceeds	Disposals - Profit	Disposals - Loss
(a) Property, Plant and Equipment	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
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)
Total	3,921,825	(366,836)	373,500	52,133	(45,469)	1,270,117	(80,430)	143,063	66,718	(4,085)	3,788,797	(97,133)	146,100	63,217	(14,250)
(b) Infrastructure															
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
Total	5,497,800	0	0	0	0	3,607,706	0	0	0	0	3,799,426	0	0	0	0
Total	9,419,625	(366,836)	373,500	52,133	(45,469)	4,877,823	(80,430)	143,063	66,718	(4,085)	7,588,223	(97,133)	146,100	63,217	(14,250)

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 Budget	2025/26 Actual	2025/26 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)
Self Supporting Loans																		
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
	\$	\$	\$
Undrawn borrowing facilities credit standby arrangements			
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
Total amount of credit unused	10,000	10,000	10,000
Loan facilities			
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
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Restricted by legislation												
(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
Restricted by council												
(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
Restricted by legislation		
(a) Specified area rate reserve	Ongoing	To be used for the maintenance of the Ongerup Effluent System.
Restricted by council		
(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

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

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

10. COUNCIL MEMBERS REMUNERATION

	2026/27 Budget	2025/26 Actual	2025/26 Budget
	\$	\$	\$
President			
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
	49,403	23,925	47,850
Deputy President			
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
	20,337	9,883	19,768
Council member 3			
Meeting attendance fees	11,023	5,325	10,650
Annual allowance for ICT expenses	3,500	1,750	3,500
	14,523	7,075	14,150
Council member 4			
Meeting attendance fees	11,023	5,325	10,650
Annual allowance for ICT expenses	3,500	1,750	3,500
	14,523	7,075	14,150
Council member 5			
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
	14,523	8,124	14,150
Council member 6			
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
	14,523	11,784	14,150
Council member 7			
Meeting attendance fees	11,023	2,662	10,650
Annual allowance for ICT expenses	3,500	875	3,500
	14,523	3,537	14,150
Total Council Member Remuneration	142,355	71,403	138,368
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
	142,355	71,403	138,368

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:

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Timing of Revenue recognition
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

	2026/27 Budget	2025/26 Actual	2025/26 Budget
	\$	\$	\$
By Program:			
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
	566,068	532,075	499,566

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