



# **SHIRE OF NANNUP ANNUAL BUDGET**

**FOR THE YEAR ENDED 30 JUNE 2026**

**LOCAL GOVERNMENT ACT 1995**

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

To foster a community that acknowledges its heritage, values and lifestyle whilst encouraging sustainable development.

**SHIRE OF NANNUP**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2026**

	Note	2025/26 Budget	2024/25 Actual	2024/25 Budget
<b>Revenue</b>		\$	\$	\$
Rates	2(a)	2,854,618	2,641,799	2,645,918
Grants, subsidies and contributions		1,424,900	1,911,193	1,058,365
Fees and charges	15	791,339	669,423	666,747
Interest revenue	10(a)	211,433	263,200	159,020
Other revenue		66,810	114,568	48,324
		<b>5,349,100</b>	<b>5,600,183</b>	<b>4,578,374</b>
<b>Expenses</b>				
Employee costs		(3,353,958)	(2,933,296)	(2,618,693)
Materials and contracts		(2,111,961)	(2,254,896)	(2,232,746)
Utility charges		(109,567)	(105,994)	(109,262)
Depreciation	6	(5,763,075)	(5,755,432)	(4,558,462)
Finance costs	10(c)	(16,853)	(19,501)	(21,192)
Insurance		(232,945)	(223,565)	(241,669)
Other expenditure		(224,704)	(180,107)	(254,714)
		<b>(11,813,063)</b>	<b>(11,472,791)</b>	<b>(10,036,738)</b>
		<b>(6,463,963)</b>	<b>(5,872,608)</b>	<b>(5,458,364)</b>
Capital grants, subsidies and contributions		5,194,246	1,255,551	3,490,542
Profit on asset disposals	5	89,488	104,700	121,773
Loss on asset disposals	5	0	(874)	(4,440)
		<b>5,283,734</b>	<b>1,359,377</b>	<b>3,607,875</b>
<b>Net result for the period</b>		<b>(1,180,229)</b>	<b>(4,513,231)</b>	<b>(1,850,489)</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>(1,180,229)</b>	<b>(4,513,231)</b>	<b>(1,850,489)</b>

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

**SHIRE OF NANNUP**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2026**

**CASH FLOWS FROM OPERATING ACTIVITIES**

**Receipts**

	Note	2025/26 Budget	2024/25 Actual	2024/25 Budget
Rates		\$ 2,854,618	\$ 2,635,436	\$ 2,645,918
Grants, subsidies and contributions		1,424,900	2,826,655	1,058,365
Fees and charges		791,339	669,423	666,747
Interest revenue		211,433	263,200	159,020
Goods and services tax received		0	(14,634)	0
Other revenue		66,810	114,568	48,324

**Payments**

Employee costs		(3,353,958)	(3,016,240)	(3,192,935)
Materials and contracts		(2,111,961)	(2,131,561)	(1,658,503)
Utility charges		(109,567)	(105,994)	(109,262)
Finance costs		(16,853)	(19,501)	(21,192)
Insurance paid		(232,945)	(223,565)	(241,669)
Other expenditure		(224,704)	(180,107)	(254,714)
		<b>(6,049,988)</b>	<b>(5,676,968)</b>	<b>(5,478,275)</b>

**Net cash provided by (used in) operating activities** 4 **(700,888)** **817,680** **(899,901)**

**CASH FLOWS FROM INVESTING ACTIVITIES**

Payments for purchase of property, plant & equipment	5(a)	(390,034)	(1,224,952)	(1,589,984)
Payments for construction of infrastructure	5(b)	(5,385,939)	(1,410,364)	(3,667,165)
Capital grants, subsidies and contributions		5,194,246	962,766	3,490,542
Proceeds from sale of property, plant and equipment	5(a)	185,000	335,404	425,000
Proceeds on financial assets at amortised cost - self supporting loans		61,030	58,838	58,839
Proceeds on disposal of financial assets at fair value through profit and loss		0	888	0

**Net cash (used in) investing activities** **(335,697)** **(1,277,420)** **(1,282,768)**

**CASH FLOWS FROM FINANCING ACTIVITIES**

Repayment of borrowings	7(a)	(98,236)	(95,588)	(95,588)
Payments for principal portion of lease liabilities	8	(2,690)	(10,611)	(7,921)
<b>Net cash (used in) financing activities</b>		<b>(100,926)</b>	<b>(106,199)</b>	<b>(103,509)</b>

**Net (decrease) in cash held** **(1,137,511)** **(565,939)** **(2,286,178)**

Cash at beginning of year 4,932,583 5,498,523 5,498,523

**Cash and cash equivalents at the end of the year** 4 **3,795,072** **4,932,584** **3,212,345**

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

**SHIRE OF NANNUP**  
**STATEMENT OF FINANCIAL ACTIVITY**  
**FOR THE YEAR ENDED 30 JUNE 2026**

**OPERATING ACTIVITIES**

**Revenue from operating activities**

	Note	2025/26 Budget \$	2024/25 Actual \$	2024/25 Budget \$
General rates	2(a)(i)	2,006,302	1,869,937	1,874,748
Rates excluding general rates	2(a)	848,317	771,862	771,170
Grants, subsidies and contributions		1,424,900	1,911,193	1,058,365
Fees and charges	15	791,339	669,423	666,747
Interest revenue	10(a)	211,433	263,200	159,020
Other revenue		66,810	114,568	48,324
Profit on asset disposals	5	89,488	104,700	121,773

**5,438,588      5,704,883      4,700,147**

**Expenditure from operating activities**

Employee costs		(3,353,958)	(2,933,296)	(2,618,693)
Materials and contracts		(2,111,961)	(2,254,896)	(2,232,746)
Utility charges		(109,567)	(105,994)	(109,262)
Depreciation	6	(5,763,075)	(5,755,432)	(4,558,462)
Finance costs	10(c)	(16,853)	(19,501)	(21,192)
Insurance		(232,945)	(223,565)	(241,669)
Other expenditure		(224,704)	(180,107)	(254,714)
Loss on asset disposals	5	0	(874)	(4,440)

**(11,813,062)      (11,473,665)      (10,041,178)**

Non cash amounts excluded from operating activities

**Amount attributable to operating activities      3(c)      5,649,079      5,630,174      4,385,224**

**(725,395)      (138,608)      (955,807)**

**INVESTING ACTIVITIES**

**Inflows from investing activities**

Capital grants, subsidies and contributions		5,194,246	1,255,551	3,490,542
Proceeds from disposal of property, plant and equipment	5(a)	185,000	335,404	425,000
Proceeds from financial assets at amortised cost - self supporting loans		61,030	58,838	58,839
Proceeds on disposal of financial assets at fair value through profit and loss		0	888	

**5,440,276      1,650,681      3,974,381**

**Outflows from investing activities**

Right of use assets received - non cash	5(c)	0	(5,380)	0
Payments for property, plant and equipment	5(a)	(390,034)	(1,224,952)	(1,589,984)
Payments for construction of infrastructure	5(b)	(5,385,939)	(1,410,364)	(3,667,163)

**(5,775,973)      (2,640,696)      (5,257,147)**

Non-cash amounts excluded from investing activities

**Amount attributable to investing activities      3(d)      0      5,380      0**

**(335,697)      (984,635)      (1,282,766)**

**FINANCING ACTIVITIES**

**Inflows from financing activities**

Proceeds from new leases - non cash	8	0	5,380	0
Transfers from reserve accounts	9(a)	399,867	1,533,731	1,711,388

**399,867      1,539,111      1,711,388**

**Outflows from financing activities**

Repayment of borrowings	7(a)	(98,236)	(95,588)	(95,588)
Payments for principal portion of lease liabilities	8	(2,690)	(10,611)	(7,921)
Transfers to reserve accounts	9(a)	(164,000)	(674,895)	(613,870)

**(264,926)      (781,094)      (717,379)**

Non-cash amounts excluded from financing activities

**Amount attributable to financing activities      3(e)      0      (5,380)      0**

**134,941      752,637      994,009**

**MOVEMENT IN SURPLUS OR DEFICIT**

**Surplus at the start of the financial year**

Amount attributable to operating activities	3	926,151	1,296,756	1,244,564
Amount attributable to investing activities		(725,395)	(138,608)	(955,807)
Amount attributable to financing activities		(335,697)	(984,635)	(1,282,766)
		134,941	752,637	994,009

**Surplus/(deficit) remaining after the imposition of general rates**

**3      0.00      926,151      0.00**

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

**SHIRE OF NANNUP**  
**FOR THE YEAR ENDED 30 JUNE 2026**  
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**SHIRE OF NANNUP  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30 JUNE 2026**

**1 BASIS OF PREPARATION**

The annual budget of the Shire of Nannup 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 12 to the annual budget.

**2024/25 actual balances**

Balances shown in this budget as 2024/25 Actual are estimates as forecast at the time of preparation of the annual budget and are subject to final adjustments.

**Budget comparative figures**

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

**Comparative figures**

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

**Rounding off figures**

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

**Statement of Cashflows**

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

**Initial application of accounting standards**

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

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

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

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

**New accounting standards for application in future years**

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

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

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

**Critical accounting estimates and judgements**

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

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

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

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

- Fair value measurement of assets carried at reportable value including:
  - Property, plant and equipment
  - Infrastructure
- Expected credit losses on financial assets
- Assets held for sale
- Impairment losses of non-financial assets
- Investment property
- Estimated useful life of intangible assets
- Measurement of employee benefits
- Measurement of provisions

**SHIRE OF NANNUP**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2026**

**2. RATES AND SERVICE CHARGES**

**(a) Rating Information**

Rate Description	Basis of valuation	Rate in dollar	Number of properties	Rateable value*	2025/26 Budgeted rate revenue	2025/26 Budgeted interim rates	2025/26 Budgeted total revenue	2024/25 Actual total revenue	2024/25 Budget total revenue
				\$	\$	\$	\$	\$	\$
<b>(i) General rates</b>									
General	Gross rental valuation	0.11074	676	6,215,845	688,318		688,318	633,731	633,242
Industrial	Gross rental valuation	0.12371	15	465,485	57,583		57,583	53,318	53,318
Short Term	Gross rental valuation	0.00000	0	0	0		0	84,096	82,719
General	Unimproved valuation	0.00402	174	159,483,000	641,122	1,080	642,202	572,479	581,756
Mining	Unimproved valuation	0.00402	0	0	0	0	0	0	0
Plantations	Unimproved valuation	0.00529	44	97,704,996	517,055		517,055	526,313	523,713
Short Term Accommodation Unhost	Gross rental valuation	0.16610	14	239,460	39,775		39,775		
Short Term Accommodation Hosted	Gross rental valuation	0.13842	19	443,352	61,369		61,369		
<b>Total general rates</b>			<b>942</b>	<b>264,552,138</b>	<b>2,005,222</b>	<b>1,080</b>	<b>2,006,302</b>	<b>1,869,937</b>	<b>1,874,748</b>
<b>(ii) Minimum payment</b>									
		<b>Minimum \$</b>							
General	Gross rental valuation	1,410.00	322	2,767,362	454,020		454,020	429,345	429,345
Industrial	Gross rental valuation	1,510.00	3	25,900	4,530		4,530	4,260	4,260
Short Term	Gross rental valuation	0.00	0	0	0		0	26,320	26,320
General	Unimproved valuation	1,510.00	173	37,692,892	261,230		261,230	234,300	234,300
Mining	Unimproved valuation	1,510.00	17	690,659	25,670		25,670	22,720	22,720
Plantations	Unimproved valuation	3,013.00	25	10,975,004	75,325		75,325	55,800	55,800
Short Term Accommodation Unhost	Gross rental valuation	2,114.00	13	131,560	27,482		27,482	0	0
Short Term Accommodation Hosted	Gross rental valuation	1,761.00	1	8,320	1,761		1,761	0	0
<b>Total minimum payments</b>			<b>554</b>	<b>52,291,697</b>	<b>850,018</b>	<b>0</b>	<b>850,018</b>	<b>772,745</b>	<b>772,745</b>
<b>Total general rates and minimum payments</b>			<b>1,496</b>	<b>316,843,835</b>	<b>2,855,240</b>	<b>1,080</b>	<b>2,856,320</b>	<b>2,642,682</b>	<b>2,647,493</b>
					2,855,240	1,080	2,856,320	2,642,682	2,647,493
Concessions (Refer note 2(f))							(1,701)	(883)	(1,575)
<b>Total rates</b>					<b>2,855,240</b>	<b>1,080</b>	<b>2,854,619</b>	<b>2,641,799</b>	<b>2,645,918</b>
Instalment plan charges							4,344	4,344	3,000
Instalment plan interest							6,500	6,542	5,500
Late payment of rate or service charge interest							25,000	26,975	12,000
							<b>35,844</b>	<b>37,861</b>	<b>20,500</b>

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

\*Rateable Value at time of adopting budget.

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

The general rates detailed for the 2025/26 financial year have been determined by Council on the basis of raising the revenue required to meet the estimated deficiency between the total estimated expenditure proposed in the budget and the estimated revenue to be received from all sources other than general rates and also considering the extent of any increase in rating over the level adopted in the previous year.

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

SHIRE OF NANNUP  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30 JUNE 2026

2. RATES AND SERVICE CHARGES (CONTINUED)

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

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

Option 1 (Full Payment)

Single Payment

Option 2 (Four Instalments)

First instalment

Second instalment

Third instalment

Fourth instalment

Note: all arrears to be paid in First Instalment

Instalment options	Date due	Instalment plan admin charge	Instalment plan interest rate	Unpaid rates interest rates
		\$	%	%
<b>Option one</b>				
Single full payment	17/10/2025	0	0.0%	11.0%
<b>Option two</b>				
First instalment	17/10/2025	0	0.0%	11.0%
Second instalment	17/12/2025	8	5.5%	11.0%
Third instalment	17/02/2026	8	5.5%	11.0%
Fourth instalment	20/04/2026	8	5.5%	11.0%
Do not apply to eligible registered Pensioners				

(c) Objectives and Reasons for Differential Rating

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

(i) Differential general rate

Description	Characteristics	Objects	Reasons
GRV General	Land zoned or used or held for residential/rural residential purposes	To ensure that all ratepayers make a reasonable contribution towards the services and facilities provided and maintained by the Shire for the benefit of residents.	To ensure that all ratepayers make a reasonable contribution towards the ongoing maintenance and provision of works, services and facilities throughout the Shire.
GRV Industrial	Land zoned or used or held for Industrial purposes	To ensure that all ratepayers make a reasonable contribution towards the services and facilities provided and maintained by the Shire for the benefit of residents.	Assist with the funding contribution towards the ongoing maintenance and provision of works and services within the Shire.



**SHIRE OF NANNUP**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2026**

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

Short Term Accommodation Unhosted	Includes <b>"Unhosted"</b> lodging houses, bed and breakfasts, self-contained accommodation, caravan and camping grounds	To apply a differential rate and minimum payment to land used or held for unhosted short-term accommodation purposes.	Maintain fairness and equity with the funding of tourism development, marketing and event related projects throughout the district.
Short Term Accommodation Hosted	Includes <b>"Hosted"</b> lodging houses, bed and breakfasts, self-contained accommodation, caravan and camping grounds	To apply a differential rate and minimum payment to land used or held for hosted short-term accommodation purposes.	Maintain fairness and equity with the funding of tourism development, marketing and event related projects throughout the district.
UV General	land zoned or used or held typically for bona-fide farming	To ensure that all ratepayers make a reasonable contribution towards the services and facilities provided and maintained by the Shire for the benefit of residents.	To ensure that all ratepayers make a reasonable contribution towards the ongoing maintenance and provision of works, services and facilities throughout the Shire.
UV Plantations	Land used or held typically for plantations purposes	To ensure that all ratepayers make a reasonable contribution towards the services and facilities provided and maintained by the Shire for the benefit of residents.	Ensure that all ratepayers make a fair and reasonable contribution towards the ongoing maintenance and provision of works and services, particularly roadworks maintenance and renewal throughout the Shire.

**(ii) Differential Minimum Payment**

GRV General	Land zoned or used or held for residential/rural residential purposes	To ensure that all ratepayers make a reasonable contribution towards the services and facilities provided and maintained by the Shire for the benefit of residents.	To ensure that all ratepayers make a reasonable contribution towards the ongoing maintenance and provision of works, services and facilities throughout the Shire.
GRV Industrial	Land zoned or used or held for Industrial purposes	To ensure that all ratepayers make a reasonable contribution towards the services and facilities provided and maintained by the Shire for the benefit of residents.	Assist with the funding contribution towards the ongoing maintenance and provision of works and services within the Shire.
Short Term Accommodation Unhosted	Includes <b>"Unhosted"</b> lodging houses, bed and breakfasts, self-contained accommodation, caravan and camping grounds	To apply a differential rate and minimum payment to land used or held for unhosted short-term accommodation purposes.	Maintain fairness and equity with the funding of tourism development, marketing and event related projects throughout the district.
Short Term Accommodation Hosted	Includes <b>"Hosted"</b> lodging houses, bed and breakfasts, self-contained accommodation, caravan and camping grounds	To apply a differential rate and minimum payment to land used or held for hosted short-term accommodation purposes.	Maintain fairness and equity with the funding of tourism development, marketing and event related projects throughout the district.

**SHIRE OF NANNUP**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2026**

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

UV General	land zoned or used or held typically for bona-fide farming	To ensure that all ratepayers make a reasonable contribution towards the services and facilities provided and maintained by the Shire for the benefit of residents.	To ensure that all ratepayers make a reasonable contribution towards the ongoing maintenance and provision of works, services and facilities throughout the Shire.
UV Plantations	Land used or held typically for plantations purposes	To ensure that all ratepayers make a reasonable contribution towards the services and facilities provided and maintained by the Shire for the benefit of residents.	Ensure that all ratepayers make a fair and reasonable contribution towards the ongoing maintenance and provision of works and services, particularly roadworks maintenance and renewal throughout the Shire.

**(d) Variation in Adopted Differential Rates to Local Public Notice**

The following rates and minimum payments were previously set out in the local public notice giving notice of the intention to charge differential rates.

<b>Differential general rate or general rate</b>	<b>Proposed Rate in \$</b>	<b>Adopted Rate in \$</b>	<b>Reasons for the difference</b>
GRV General	0.110736	0.110736	No Change
GRV Industrial	0.123706	0.123706	No Change
Short Term Accommodation Unhosted	0.166103	0.166103	No Change
Short Term Accommodation Hosted	0.138420	0.138420	No Change
UV Mining	0.004018	0.004020	Slight change required categories in order to meet the requirements of the Local Government Act 1995, section 6.35(3) & (6) - Minimum Payments
UV General	0.004018	0.004020	Slight change required categories in order to meet the requirements of the Local Government Act 1995, section 6.35(3) & (6) - Minimum Payments
UV Plantations	0.005292	0.005292	No Change
<b>Minimum payment</b>	<b>Proposed Minimum \$</b>	<b>Adopted Minimum \$</b>	<b>Reasons for the difference</b>
GRV General	1409	1410	Reduction required categories in order to meet the requirements of the Local Government Act 1995, section 6.35(3) & (6) - Minimum Payments
GRV Industrial	1,534	1,510	Reduction required categories in order to meet the requirements of the Local Government Act 1995, section 6.35(3) & (6) - Minimum Payments
Short Term Accommodation Unhosted	2,114	2,114	No Change

SHIRE OF NANNUP  
 NOTES TO AND FORMING PART OF THE BUDGET  
 FOR THE YEAR ENDED 30 JUNE 2026

2. RATES AND SERVICE CHARGES (CONTINUED)

Short Term Accommodation Hosted	1,761	1,761	No Change
UV Mining	1,534	1,510	Reduction required categories in order to meet the requirements of the Local Government Act 1995, section 6.35(3) & (6) - Minimum Payments
UV General	1,534	1,510	Reduction required categories in order to meet the requirements of the Local Government Act 1995, section 6.35(3) & (6) - Minimum Payments
UV Plantations	3,013	3,013	No Change

SHIRE OF NANNUP  
 NOTES TO AND FORMING PART OF THE BUDGET  
 FOR THE YEAR ENDED 30 JUNE 2026

2. RATES AND SERVICE CHARGES (CONTINUED)

(e) Service Charges

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

(f) Waivers or concessions

Rate, fee or charge to which the waiver or concession is granted	Type	Waiver/ Concession	Discount %	Discount (\$)	2025/26 Budget	2024/25 Actual	2024/25 Budget	Circumstances in which the waiver or concession is granted	Objects and reasons of the waiver or concession
UV Plantaion Properties - Rates	Rate	Concession			\$ 1,701	\$ 883	\$ 1,575	Application required	Were proof is provided of remaining agricultural land use.
WARR ACT Rate - UV Properties	Fee and charge	Concession			63,731	0	0	Where the Rate in the \$ multiplied by the Rateable valuation on the property is greater than \$500 a conncession equal to the calculated amount minus \$500 is automatically allowed	To ensure fairness and equity with respect Ratepayer contributions towards the Operation of Waste Site Faciliities within the Shire of Nannup.
WARR ACT Rate - GRV Properties	Fee and charge	Concession			4,994	0	0	Where the Rate in the \$ multiplied by the Rateable valuation on the property is greater than \$1,500 a conncession equal to the calculated amount minus \$1,500 is automatically allowed	To ensure fairness and equity with respect Ratepayer contributions towards the Operation of Waste Site Facilities within the Shire of Nannup.
					70,426	883	1,575		

**SHIRE OF NANNUP**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2026**

**3. NET CURRENT ASSETS**

**(a) Composition of estimated net current assets**

**Current assets**

Cash and cash equivalents  
Receivables  
Contract assets  
Inventories  
Other assets  
Non-current assets held for sale

**Less: current liabilities**

Trade and other payables  
Contract liabilities  
Capital grant/contribution liability  
Lease liabilities  
Long term borrowings  
Employee provisions

**Net current assets**

**Less: Total adjustments to net current assets**

**Net current assets used in the Statement of Financial Activity**

**(b) Current assets and liabilities excluded from budgeted deficiency**

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

**Adjustments to net current assets**

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

**Total adjustments to net current assets**

Note	2025/26 Budget 30 June 2026	2024/25 Actual 30 June 2025	2024/25 Budget 30 June 2025
	\$	\$	\$
4	3,795,072	4,932,583	3,212,346
	472,598	472,598	1,546,298
	190,216	190,216	
	163,855	163,855	7,654
	30,812	30,812	0
	0	0	30,540
	<b>4,652,554</b>	<b>5,790,064</b>	<b>4,796,838</b>
	(613,378)	(613,378)	(491,092)
	(0)	0	
	(1,487,421)	(1,487,421)	(1,804,237)
8	0	(2,690)	0
7	0	(98,236)	0
	(355,179)	(355,179)	(347,726)
	<b>(2,455,978)</b>	<b>(2,556,904)</b>	<b>(2,643,055)</b>
	<b>2,196,576</b>	<b>3,233,160</b>	<b>2,153,783</b>
3(b)	<b>(2,196,576)</b>	<b>(2,307,009)</b>	<b>(2,153,783)</b>
	<b>0</b>	<b>926,151</b>	<b>0</b>
9	(2,374,102)	(2,609,969)	(2,329,731)
	0	98,236	0
	0	2,690	0
	177,526	202,034	175,948
	<b>(2,196,576)</b>	<b>(2,307,009)</b>	<b>(2,153,783)</b>

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

**Items excluded from calculation of budgeted deficiency**

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

**(c) Non-cash amounts excluded from operating activities**

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

**Adjustments to operating activities**

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

**Non cash amounts excluded from operating activities**

Note	2025/26 Budget 30 June 2026	2024/25 Actual 30 June 2025	2024/25 Budget 30 June 2025
	\$	\$	\$
5	(89,488)	(104,700)	(121,773)
		(32,641)	
5	0	874	4,440
6	5,763,075	5,755,432	4,558,462
	0		(55,905)
	(24,508)		
	0	10,981	
	0	228	
	<b>5,649,079</b>	<b>5,630,174</b>	<b>4,385,224</b>

**SHIRE OF NANNUP**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2026**

**3. NET CURRENT ASSETS**

**(d) Non-cash amounts excluded from investing activities**

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

**Adjustments to investing activities**

Right of use assets recognised

**Non cash amounts excluded from investing activities**

Note	2025/26 Budget 30 June 2026	2024/25 Actual 30 June 2025	2024/25 Budget 30 June 2025
	\$	\$	\$
5(c)	0	5,380	0
	0	5,380	0

**(e) Non-cash amounts excluded from financing activities**

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

**Adjustments to financing activities**

Less: Lease liability recognised

**Non cash amounts excluded from financing activities**

Note	2025/26 Budget 30 June 2026	2024/25 Actual 30 June 2025	2024/25 Budget 30 June 2025
	\$	\$	\$
8	0	(5,380)	0
	0	(5,380)	0

**SHIRE OF NANNUP  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30 JUNE 2026**

**3. NET CURRENT ASSETS**

**(f) MATERIAL ACCOUNTING POLICIES**

**CURRENT AND NON-CURRENT CLASSIFICATION**

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

**TRADE AND OTHER PAYABLES**

Trade and other payables represent liabilities for goods and services provided to the Shire prior to the end of the financial year that are unpaid and arise when the Shire becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured, are recognised as a current liability and are normally paid within 30 days of recognition. The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

**PREPAID RATES**

Prepaid rates are, until the taxable event has occurred (start of the next financial year), refundable at the request of the ratepayer. Rates received in advance are initially recognised as a financial liability. When the taxable event occurs, the financial liability is extinguished and the Shire recognises revenue for the prepaid rates that have not been refunded.

**INVENTORIES**

**General**

Inventories are measured at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

**SUPERANNUATION**

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

**INVENTORY - LAND HELD FOR RESALE**

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

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

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

**GOODS AND SERVICES TAX (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows.

**CONTRACT LIABILITIES**

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

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

**TRADE AND OTHER RECEIVABLES**

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

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

Trade receivables are held with the objective to collect the contractual cashflows and therefore the Shire measures them subsequently at amortised cost using the effective interest rate method.

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

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

**PROVISIONS**

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

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

**EMPLOYEE BENEFITS**

**Short-term employee benefits**

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

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

The Shire's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the determination of the net current asset position.

**Other long-term employee benefits**

Long-term employee benefits provisions are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

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

**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 NANNUP**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2026**

**4. RECONCILIATION OF CASH**

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

	Note	2025/26 Budget	2024/25 Actual	2024/25 Budget
		\$	\$	\$
Cash at bank and on hand		1,903,833	3,041,344	503,825
Term deposits		1,891,239	1,891,239	2,708,521
<b>Total cash and cash equivalents</b>		<b>3,795,072</b>	<b>4,932,583</b>	<b>3,212,346</b>
Held as				
- Unrestricted cash and cash equivalents		(66,451)	835,193	(921,622)
- Restricted cash and cash equivalents		3,861,523	4,097,390	4,133,968
	3(a)	<b>3,795,072</b>	<b>4,932,583</b>	<b>3,212,346</b>
<b>Restrictions</b>				
The following classes of assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:				
- Cash and cash equivalents		3,861,523	4,097,390	4,133,968
		<b>3,861,523</b>	<b>4,097,390</b>	<b>4,133,968</b>
The assets are restricted as a result of the specified purposes associated with the liabilities below:				
Reserve accounts	9	2,374,102	2,609,969	2,329,731
Unspent capital grants, subsidies and contribution liabilities		1,487,421	1,487,421	1,804,237
		<b>3,861,523</b>	<b>4,097,390</b>	<b>4,133,968</b>
<b>Reconciliation of net cash provided by operating activities to net result</b>				
<b>Net result</b>		(1,180,229)	(4,513,231)	(1,850,489)
Depreciation	6	5,763,075	5,755,432	4,558,462
(Profit)/loss on sale of asset	5	(89,488)	(103,826)	(117,333)
(Increase)/decrease in receivables		0	1,084,681	
(Increase)/decrease in contract assets		0	(190,216)	
(Increase)/decrease in inventories		0	(156,201)	
(Increase)/decrease in other assets		0	41,283	
Increase/(decrease) in payables		0	147,628	
Increase/(decrease) in unspent capital grants		0	(292,785)	
Increase/(decrease) in employee provisions		0	7,681	
Capital grants, subsidies and contributions		(5,194,246)	(962,766)	(3,490,542)
<b>Net cash from operating activities</b>		<b>(700,888)</b>	<b>817,680</b>	<b>(899,902)</b>

**MATERIAL ACCOUNTING POLICES**

**CASH AND CASH EQUIVALENTS**

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

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

**FINANCIAL ASSETS AT AMORTISED COST**

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

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



SHIRE OF NANNUP  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30 JUNE 2026

5. PROPERTY, PLANT AND EQUIPMENT

The following assets are budgeted to be acquired and/or disposed of during the year.

	2025/26 Budget				2024/25 Actual					2024/25 Budget				
	Additions	Disposals - Net Book Value	Disposals - Sale Proceeds	Disposals - Profit	Additions	Disposals - Net Book Value	Disposals - Sale Proceeds	Disposals - Profit	Disposals - Loss	Additions	Disposals - Net Book Value	Disposals - Sale Proceeds	Disposals - Profit	Disposals - Loss
<b>(a) Property, Plant and Equipment</b>	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Buildings - non-specialised	222,642	0	0	0	376,632	0	0	0	0	523,984	0	0	0	0
Furniture and equipment	16,700	0	0	0	0	0	0	0	0	0	0	0	0	0
Plant and equipment	150,692	(95,512)	185,000	89,488	848,320	(231,578)	335,404	104,700	(874)	1,066,000	(307,667)	425,000	121,773	(4,440)
<b>Total</b>	<b>390,034</b>	<b>(95,512)</b>	<b>185,000</b>	<b>89,488</b>	<b>1,224,952</b>	<b>(231,578)</b>	<b>335,404</b>	<b>104,700</b>	<b>(874)</b>	<b>1,589,984</b>	<b>(307,667)</b>	<b>425,000</b>	<b>121,773</b>	<b>(4,440)</b>
<b>(b) Infrastructure</b>														
Infrastructure - roads	1,070,000	0	0	0	1,171,857	0	0	0	0	973,687	0	0	0	0
Infrastructure - footpaths	2,762,406	0	0	0	139,257	0	0	0	0	2,314,352	0	0	0	0
Infrastructure - drainage	0	0	0	0	9,509	0	0	0	0	10,000	0	0	0	0
Infrastructure - bridges	1,388,500	0	0	0	35,510	0	0	0	0	318,510	0	0	0	0
Infrastructure - parks and ovals	53,000	0	0	0	51,531	0	0	0	0	40,616	0	0	0	0
Infrastructure - Other	112,033	0	0	0	2,700	0	0	0	0	10,000	0	0	0	0
<b>Total</b>	<b>5,385,939</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,410,364</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,667,165</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>(c) Right of Use Assets</b>														
Right of use - plant and equipment	0	0	0	0	5,380	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,380</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total</b>	<b>5,775,973</b>	<b>(95,512)</b>	<b>185,000</b>	<b>89,488</b>	<b>2,640,696</b>	<b>(231,578)</b>	<b>335,404</b>	<b>104,700</b>	<b>(874)</b>	<b>5,257,149</b>	<b>(307,667)</b>	<b>425,000</b>	<b>121,773</b>	<b>(4,440)</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.

**SHIRE OF NANNUP**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2026**

**6. DEPRECIATION**

**By Class**

Buildings - non-specialised  
 Buildings - specialised  
 Furniture and equipment  
 Plant and equipment  
 Infrastructure - roads  
 Infrastructure - footpaths  
 Infrastructure - drainage  
 Infrastructure - bridges  
 Infrastructure - parks and ovals  
 Right of use - plant and equipment

**By Program**

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

2025/26 Budget	2024/25 Actual	2024/25 Budget
\$	\$	\$
56,599	56,599	28,071
353,246	353,246	26,971
7,077	7,077	8,871
470,647	470,647	322,478
3,976,953	3,969,310	3,043,684
36,566	36,566	202,418
175,993	175,993	323,578
615,893	615,893	566,612
59,490	59,490	18,450
10,611	10,611	17,328
<b>5,763,075</b>	<b>5,755,432</b>	<b>4,558,462</b>
153,715	155,058	113,989
26,328	26,295	852
34,042	34,000	5,576
35,400	35,355	7,217
295,003	294,637	70,111
4,815,314	4,808,429	4,014,566
44,425	44,369	13,350
358,848	357,289	332,801
<b>5,763,075</b>	<b>5,755,432</b>	<b>4,558,462</b>

**MATERIAL ACCOUNTING POLICIES**

**DEPRECIATION**

The depreciable amount of all fixed assets including buildings but excluding freehold land, are depreciated on a straight-line basis over the individual asset's useful life from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful life of the improvements.

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

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

Buildings - non-specialised  
 Buildings - specialised  
 Furniture and equipment  
 Plant and equipment  
 Infrastructure - roads  
 Infrastructure - footpaths  
 Infrastructure - drainage  
 Infrastructure - bridges  
 Infrastructure - parks and ovals  
 Right of use - plant and equipment

**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.

20 to 100 years  
 20 to 100 years  
 4 to 10 years  
 4 to 20 years  
 10 to 80 years  
 35 to 60 years  
 70 to 150 years  
 90 to 100 years  
 50 to 75 Years  
 Based on the remaining lease

SHIRE OF NANNUP  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30 JUNE 2026

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 2025	2025/26 Budget New Loans	2025/26 Budget Principal Repayments	Budget Principal outstanding 30 June 2026	2025/26 Budget Interest Repayments	Actual Principal 1 July 2024	2024/25 Actual New Loans	2024/25 Actual Principal Repayments	Actual Principal outstanding 30 June 2025	2024/25 Actual Interest Repayments	Budget Principal 1 July 2024	2024/25 Budget New Loans	2024/25 Budget Principal Repayments	Budget Principal outstanding 30 June 2025	2024/25 Budget Interest Repayments
				\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Waste Facility Machine	40	WATC	1.2%	190,715	0	(37,206)	153,509	(2,250)	227,464	0	(36,749)	190,715	(2,707)	227,464	0	(36,749)	190,715	(2,707)
				190,715	0	(37,206)	153,509	(2,250)	227,464	0	(36,749)	190,715	(2,707)	227,464	0	(36,749)	190,715	(2,707)
Self Supporting Loans																		
Waste Facility Machine	40	WATC	1.2%	103,819	0	(31,719)	72,100	(2,632)	134,614	0	(30,795)	103,819	(3,556)	134,614	0	(30,795)	103,819	(4,112)
Nannup Music Club	39	WATC	3.0%	275,123	0	(29,311)	245,812	(11,971)	303,167	0	(28,044)	275,123	(13,238)	303,167	0	(28,044)	275,123	(14,373)
				378,942	0	(61,030)	317,912	(14,603)	437,781	0	(58,839)	378,942	(16,794)	437,781	0	(58,839)	378,942	(18,485)
				569,657	0	(98,236)	471,421	(16,853)	665,245	0	(95,588)	569,657	(19,501)	665,245	0	(95,588)	569,657	(21,192)

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 NANNUP  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30 JUNE 2026

7. BORROWINGS

(b) New borrowings - 2025/26

The Shire does not intend to undertake any new borrowings for the year ended 30th June 2026

(c) Unspent borrowings

The Shire had no unspent borrowing funds as at 30th June 2025 nor is it expected to have unspent borrowing funds as at 30th June 2026.

(d) Credit Facilities

	2025/26 Budget	2024/25 Actual	2024/25 Budget
	\$	\$	\$
<b>Undrawn borrowing facilities</b>			
<b>credit standby arrangements</b>			
Bank overdraft limit	0	0	0
Bank overdraft at balance date	0	0	0
Credit card limit	20,000	20,000	20,000
Credit card balance at balance date	0	0	0
<b>Total amount of credit unused</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>
<b>Loan facilities</b>			
Loan facilities in use at balance date	<b>471,421</b>	<b>569,657</b>	<b>569,657</b>

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 NANNUP  
NOTES TO AND FORMING PART OF THE BUDGET  
FOR THE YEAR ENDED 30 JUNE 2026

8. LEASE LIABILITIES

Purpose	Lease Number	Institution	Lease Interest Rate	Lease Term	Budget Lease Principal 1 July 2025	2025/26 Budget New Leases	2025/26 Budget Lease Principal Repayments	Budget Lease Principal outstanding 30 June 2026	2025/26 Budget Lease Interest Repayments	Actual Principal 1 July 2024	2024/25 Actual New Leases	2024/25 Actual Lease Principal repayments	Actual Lease Principal outstanding 30 June 2025	2024/25 Actual Lease Interest repayments	Budget Principal 1 July 2024	2024/25 Budget New Leases	2024/25 Budget Lease Principal repayments	Budget Lease Principal outstanding 30 June 2025	2024/25 Budget Lease Interest repayments
					\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
CESM Vehicle	979823	SG Fleet	0.0%		2,690	0	(2,690)	0		7,921	5,380	(10,611)	2,690		7,921	0	(7,921)	0	0
					2,690	0	(2,690)	0	0	7,921	5,380	(10,611)	2,690	0	7,921	0	(7,921)	0	0

MATERIAL ACCOUNTING POLICIES

LEASES

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

At the commencement date, a right-of-use asset is recognised at cost and a lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Shire uses its incremental borrowing rate.

LEASE LIABILITIES

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

**SHIRE OF NANNUP**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2026**

**9. RESERVE ACCOUNTS**

**(a) Reserve Accounts - Movement**

	2025/26 Budget				2024/25 Actual				2024/25 Budget			
	Opening	Transfer	Transfer	Closing	Opening	Transfer	Transfer	Closing	Opening	Transfer	Transfer	Closing
	Balance	to	(from)	Balance	Balance	to	(from)	Balance	Balance	to	(from)	Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Restricted by council</b>												
(a) Leave Entitlements	202,030	5,496	(30,000)	177,526	234,672	8,225	(40,867)	202,030	231,854	4,095	(60,000)	175,949
(b) Plant	442,763	105,045	(62,000)	485,808	389,235	566,966	(513,438)	442,763	384,565	560,128	(641,000)	303,693
(c) Office Equipment	120,551	3,279	(15,700)	108,130	116,467	4,084		120,551	115,070	2,032		117,102
(d) Asset Management	267,055	7,265	(118,487)	155,833	749,436	26,311	(508,692)	267,055	740,514	13,080	(573,105)	180,489
(e) Landfill	195,564	5,320	(15,000)	185,884	188,943	6,621		195,564	186,674	3,297	(10,000)	179,971
(f) Emergency Management	69,045	1,878	(6,500)	64,423	66,715	2,330		69,045	65,913	1,164	0	67,077
(g) Aged Accommodation	433,738	11,799		445,537	419,062	14,676		433,738	414,033	7,313		421,346
(h) Gravel Pit	177,789	4,836		182,625	171,776	6,013		177,789	169,715	2,998	0	172,713
(i) Infrastructure	414,921	11,287	(88,000)	338,208	594,110	20,811	(200,000)	414,921	586,980	10,368	(200,000)	397,348
(j) Strategic Initiatives	185,522	5,047	(64,179)	126,390	353,865	12,391	(180,734)	185,522	349,618	6,175	(227,283)	128,510
(k) Youth	17,721	482		18,203	17,125	596		17,721	16,922	299	0	17,221
(l) Trails	83,270	2,265		85,535	167,399	5,871	(90,000)	83,270	165,391	2,921	0	168,312
	<b>2,609,969</b>	<b>164,000</b>	<b>(399,867)</b>	<b>2,374,102</b>	<b>3,468,805</b>	<b>674,895</b>	<b>(1,533,731)</b>	<b>2,609,969</b>	<b>3,427,249</b>	<b>613,870</b>	<b>(1,711,388)</b>	<b>2,329,731</b>

**(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>		
<b>Restricted by council</b>		
(a) Leave Entitlements	Ongoing	To fund leave accumulated by employees
(b) Plant	Ongoing	To fund major repairs, replacement or new acquisition of plant and associated equipment.
(c) Office Equipment	Ongoing	To be used to ensure the equipment required for Council Administration and the supporting computer system is maintained.
(d) Asset Management	Ongoing	To fund the major maintenance, improvement or development of Buildings.
(e) Landfill	Ongoing	To provide funding for major maintenance of and rehabilitation of the refuse disposal site once it reaches the end of useful life.
(f) Emergency Management	Ongoing	To provide funding for costs associated with local emergencies, where the costs cannot be recovered from another party.
(g) Aged Accommodation	Ongoing	To be used to facilitate the development of Aged Housing within the Shire of Nannup.
(h) Gravel Pit	Ongoing	To be used for the rehabilitation of gravel pits at the end of their useful lives.
(i) Infrastructure	Ongoing	To fund the major maintenance, improvement or development of infrastructure.
(j) Strategic Initiatives	Ongoing	To fund Strategic Projects identified by Council.
(k) Youth	Ongoing	To be used for future Youth Asset Purchases.
(l) Trails	Ongoing	To be used for major maintenance, upgrade or improvement of Trails.

**SHIRE OF NANNUP**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2026**

**10. OTHER INFORMATION**

**The net result includes as revenues**

**(a) Interest earnings**

	<b>2025/26 Budget</b>	<b>2024/25 Actual</b>	<b>2024/25 Budget</b>
	\$	\$	\$
Investments	161,000	210,179	120,535
Late payment of fees and charges *	25,000	26,957	12,000
Instalment Interest on Rates	6,500	6,542	5,500
Self Supporting Loan Interest	16,203	16,794	18,485
Other interest revenue	2,730	2,729	2,500
	<b>211,433</b>	<b>263,201</b>	<b>159,020</b>

\* The Shire has resolved to charge interest under section 6.13 for the late payment of any amount of money at 5%.

**The net result includes as expenses**

**(b) Auditors remuneration**

Audit services	45,000	42,204	38,700
Other services	10,000	10,960	4,000
	<b>55,000</b>	<b>53,164</b>	<b>42,700</b>

**(c) Interest expenses (finance costs)**

Borrowings (refer Note 7(a))	16,853	19,501	21,192
	<b>16,853</b>	<b>19,501</b>	<b>21,192</b>

**(d) Write offs**

General rate	1,500	488	2,040
	<b>1,500</b>	<b>488</b>	<b>2,040</b>

**SHIRE OF NANNUP**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2026**

**11. COUNCIL MEMBERS REMUNERATION**

	<b>2025/26 Budget</b>	<b>2024/25 Actual</b>	<b>2024/25 Budget</b>
	\$	\$	\$
<b>President A Dean</b>			
President's allowance	16,000	16,000	16,000
Meeting attendance fees	14,000	14,000	14,000
Annual allowance for ICT expenses	1,500	1,500	1,500
Travel and accommodation expenses	1,409	1,020	1,748
	32,909	32,520	33,248
<b>Deputy President V Hansen</b>			
Deputy President's allowance	4,000	4,000	4,000
Meeting attendance fees	7,000	7,000	7,000
Annual allowance for ICT expenses	1,500	1,500	1,500
Travel and accommodation expenses	1,409	1,495	1,748
	13,909	13,995	14,248
<b>Councillor C Brown</b>			
Meeting attendance fees	7,000	7,000	7,000
Annual allowance for ICT expenses	1,500	1,500	1,500
Travel and accommodation expenses	1,409	1,020	1,748
	9,909	9,520	10,248
<b>Councillor I Gibb</b>			
Meeting attendance fees	7,000	7,000	7,000
Annual allowance for ICT expenses	1,500	1,500	1,500
Travel and accommodation expenses	1,409	1,020	1,748
	9,909	9,520	10,248
<b>Councillor P Fraser</b>			
Meeting attendance fees	7,000	0	7,000
Annual allowance for ICT expenses	1,500	0	1,500
Travel and accommodation expenses	1,409	1,020	1,748
	9,909	1,020	10,248
**** <b>Councillor T Sly</b>			
Meeting attendance fees	7,000	6,677	7,000
Annual allowance for ICT expenses	1,500	1,431	1,500
Travel and accommodation expenses	1,409	1,020	1,748
	9,909	9,128	10,248
***** <b>Councillor L Curtis</b>			
Meeting attendance fees	7,000	6,677	7,000
Annual allowance for ICT expenses	1,500	1,431	1,500
Travel and accommodation expenses	1,409	1,020	1,748
	9,909	9,128	10,248
<b>Total Council Member Remuneration</b>	96,363	84,831	98,736
President's allowance	16,000	16,000	16,000
Deputy President's allowance	4,000	4,000	4,000
Meeting attendance fees	56,000	48,354	56,000
Annual allowance for ICT expenses	10,500	8,862	10,500
Travel and accommodation expenses	9,863	7,615	12,236
	<b>96,363</b>	<b>84,831</b>	<b>98,736</b>



**SHIRE OF NANNUP**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2026**

**12. TRUST FUNDS**

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

<b>Detail</b>	<b>Balance 30 June 2025</b>	<b>Estimated amounts received</b>	<b>Estimated amounts paid</b>	<b>Estimated balance 30 June 2026</b>
	\$	\$	\$	\$
Building Services Levy (BSL)	247	12,000	(12,247)	(0)
Construction Training Fund (CTF)	600	8,000	(8,600)	0
Department of Transport	0	360,000	(360,000)	0
Key, Facility & Equipment Bonds	9,711	4,000	(5,600)	8,111
Retention Bonds	42,692	0	(26,000)	16,692
Other Bonds	44,018	0	0	44,018
Unclaimed Moneies	180	0	0	180
	<b>97,448</b>	<b>384,000</b>	<b>(412,447)</b>	<b>69,001</b>

**SHIRE OF NANNUP**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2026**

**13. REVENUE AND EXPENDITURE**

**(a) Revenue and Expenditure Classification**

**REVENUES**

**RATES**

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

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

**GRANTS, SUBSIDIES AND CONTRIBUTIONS**

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

**CAPITAL GRANTS, SUBSIDIES AND CONTRIBUTIONS**

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

**REVENUE FROM CONTRACTS WITH CUSTOMERS**

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

**FEES AND CHARGES**

Revenues (other than service charges) from the use of facilities and charges made for local government services, sewerage rates, rentals, hire charges, fee for service, photocopying charges, licences, sale of goods or information, fines, penalties and administration fees.

Local governments may wish to disclose more detail such as rubbish collection fees, rental of property, fines and penalties, other fees and charges.

**SERVICE CHARGES**

Service charges imposed under *Division 6 of Part 6 of the Local Government Act 1995*. Regulation 54 of the *Local Government (Financial Management) Regulations 1996* identifies the charges which can be raised. These are television and radio broadcasting, underground electricity and neighbourhood surveillance services and water.

Exclude rubbish removal charges which should not be classified as a service charge. Interest and other items of a similar nature received from bank and investment accounts, interest on rate instalments, interest on rate arrears and interest on debtors.

**INTEREST REVENUE**

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

**OTHER REVENUE / INCOME**

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

**PROFIT ON ASSET DISPOSAL**

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

**EXPENSES**

**EMPLOYEE COSTS**

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

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

**MATERIALS AND CONTRACTS**

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

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

**UTILITIES (GAS, ELECTRICITY, WATER)**

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

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

**INSURANCE**

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

**LOSS ON ASSET DISPOSAL**

Loss on the disposal of fixed assets.

**DEPRECIATION ON NON-CURRENT ASSETS**

Depreciation and amortisation expenses raised on all classes of assets.

**FINANCE COSTS**

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

**OTHER EXPENDITURE**

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

**SHIRE OF NANNUP**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2026**

**13. REVENUE AND EXPENDITURE**

**(b) Revenue Recognition**

Recognition of revenue from contracts with customers is dependant on the source of revenue and the associated terms and conditions associated with each source of revenue and recognised as follows:

<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, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	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
Waste management entry fees	Waste treatment, recycling and disposal service at disposal sites	Single point in time	Payment in advance at gate or on normal trading terms if credit provided	None	On entry to facility
Airport landing charges	Permission to use facilities and runway	Single point in time	Monthly in arrears	None	On landing/departure event
Fees and charges for other goods and services	Cemetery services, library fees, reinstatements and private works	Single point in time	Payment in full in advance	None	Output method based on provision of service or completion of works
Sale of stock	Aviation fuel, kiosk and visitor centre stock	Single point in time	In full in advance, on 15 day credit	Refund for faulty goods	Output method based on goods

**SHIRE OF NANNUP**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2026**

**14. 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 facilities and services to members of the council. Other costs that relate to assisting elected members and ratepayers on matters which do not concern specific council services. Development of policies, strategic planning and long term financial plans.

**General purpose funding**

To collect revenue to allow for the provision of services.

Rates, general purpose government grants and interest revenue.

**Law, order, public safety**

To provide services to help ensure a safer community.

Supervision of various by-laws, fire prevention, emergency services and animal control.

**Health**

To provide an operational framework for good community health.

Food quality, pest control, and support for the operation of child health clinics.

**Education and welfare**

To support disadvantaged persons, the elderly, children and youth.

Support with the provision of day care and pre-school facilities; assistance to playgroups, retirement villages, services for senior citizens and youth, and other voluntary services.

**Housing**

Help ensure adequate housing.

Maintenance of staff and rental housing.

**Community amenities**

Provide services required by the community.

Rubbish collection services, operation of refuse sites, environmental protection, administration of the town planning scheme, development of land, maintenance of cemeteries, maintenance and operation of public conveniences and storm water drainage maintenance.

**Recreation and culture**

To establish and manage efficiently infrastructure and resources which will help the social well being of the community.

Maintenance of halls, the leisure centre and various reserves; operation of library, heritage facilities and cultural activities.

**Transport**

To provide effective and efficient transport services to the community.

Construction and maintenance of streets, roads, bridges cleaning and lighting of streets, depot, 'maintenance and parking control.

**Economic services**

To help promote the Shire and improve its economic wellbeing.

The regulation and provision of tourism, area promotion, economic development, building control, (agricultural) noxious weeds management and water standpipes.

**Other property and services**

Identification of expenses not included in programs above and for the pooling of costs that have been reallocated to the programs above.

Private works, plant repairs and operation costs, business units activities and directorate costs.

**SHIRE OF NANNUP**  
**NOTES TO AND FORMING PART OF THE BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2026**

**15. FEES AND CHARGES**

	<b>2025/26 Budget</b>	<b>2024/25 Actual</b>	<b>2024/25 Budget</b>
	\$	\$	\$
<b>By Program:</b>			
Governance	150	145	-
General purpose funding	4,344	4,344	3,000
Law, order, public safety	5,250	4,172	22,720
Health	21,000	9,873	4,600
Education and welfare	509	2,461	1,600
Housing	31,400	12,843	25,936
Community amenities	558,785	466,167	451,268
Recreation and culture	48,888	41,374	50,273
Economic services	107,513	127,962	93,850
Other property and services	13,500	82	13,500
	<b>791,339</b>	<b>669,423</b>	<b>666,747</b>

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