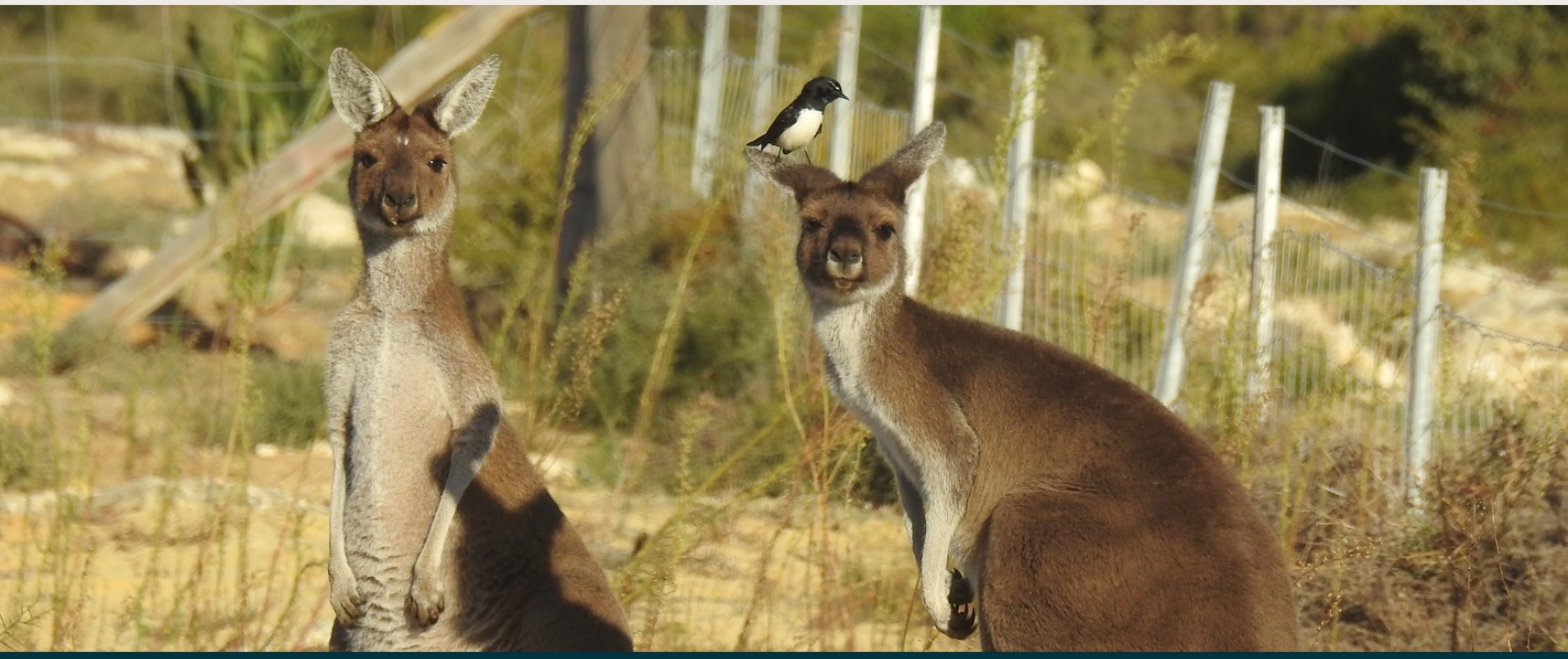
SHIRE OF GINGIN

HISTORY | BEAUTY | PROSPERITY



AGENDA

Audit, Risk and Improvement Committee

24 November 2026

NOTICE OF MEETING

Notice is hereby given that an Audit, Risk and Improvement Committee meeting will be held in the Council Chambers at the Gingin Administration Centre on Tuesday 24 November 2026 commencing at 12:30 pm.

James Bayliss
TEMPORARY CHIEF EXECUTIVE OFFICER

ACKNOWLEDGEMENT OF COUNTRY

The Shire of Gingin acknowledges the Yued people, the traditional owners of Yued Boodja. The Shire pays respect to Yued Elders past and present, and acknowledges emerging Yued leaders. We extend this respect to all Aboriginal people. The Shire recognises the living, dynamic culture of the Yued people and the unique contribution they make to the Gingin region on Yued Boodja.

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1 DECLARATION OF OPENING

2 RECORD OF ATTENDANCE, APOLOGIES AND LEAVE OF ABSENCE

2.1 ATTENDANCE

2.2 APOLOGIES

2.3 LEAVE OF ABSENCE

3 DISCLOSURES OF INTEREST

4 CONFIRMATION OF MINUTES

OFFICER RECOMMENDATION

That the Minutes of the Audit Risk and Improvement Committee meeting held on 9 September 2026 be confirmed as a true and accurate record.

5 OFFICERS' REPORTS

5.1 FINANCIAL REPORT AND AUDIT REPORT FOR THE YEAR ENDED 30 JUNE 2026

File	FIN/25
Author	Karina Leonhardt - Strategic Financial Officer
Reporting Officer	Leanne Parola - Acting Executive Manager Corporate and Community Services
Refer	Nil
Appendices	1. Audit Opinion - Shire of Gingin - 30 June 2026 [**5.1.1** - 3 pages] 2. Annual Financial Report - Shire of Gingin - 30 June 2026 [**5.1.2** - 41 pages]

DISCLOSURES OF INTEREST

PURPOSE

To consider the Annual Financial Report, Auditor's Concluding Report, Audit Opinion and Management Report for the Shire of Gingin for the financial year ended 30 June 2026.

BACKGROUND

Regulation 16 of the *Local Government (Audit) Regulations 1996* sets out the functions of the Audit, Risk and Improvement Committee (the Committee) established under section 7.1A of the *Local Government Act 1995* (the Act).

In fulfilling these functions, the Committee is to receive and review the report of the audit of the local government's annual financial report under Part 7 of the Act, determine whether any matters raised in the reports require action to be taken by the local government, and recommend to Council the actions to be taken in response.

Regulation 10 of the *Local Government (Audit) Regulations 1996* requires that a report provided on the financial audit is to include the auditor's opinion on (a) the financial position of the local government; and (b) the results of the operations of the local government.

The auditor's report is to include a report on the conduct of the financial audit and where it is considered appropriate by the auditor, a management report. These reports are required to be forwarded to the persons specified in section 7.12AD(2) of the *Local Government Act 1995* with the auditor's report.

COMMENT

The financial audit for the 2025/26 financial year has now been completed by the contract auditor appointed by the Office of the Auditor General. Representatives from the contract audit firm Moore Australia WA and the Office of the Auditor General attended an Audit Exit Meeting on Tuesday 10 November 2026 to discuss the audit findings as detailed within the Concluding Report and take any questions from Councillors.

In receiving the auditor's reports, it is noted that the Auditor General has issued an unqualified opinion in relation to the 2025/26 Financial Statements consistent with a fair presentation of the financial position of the Shire.

A copy of the Independent Auditor's Report and Annual Financial Report for the 2025/26 financial year are provided, **see appendices**.

Details and management responses to audit findings are detailed within the Audit Concluding Report and Management Report provided, **see confidential appendices**.

RISK IMPLICATIONS

Risks associated with auditing financial reports include financial misstatements, non-compliance with legislation and accounting standards, and weak governance controls. Adverse audit findings can damage public trust and the council's reputation. Failure to detect significant issues exposes both the auditor and council to accountability risks. Overall, effective audits are essential to ensure transparency, compliance, and community confidence.

STATUTORY/LOCAL LAW IMPLICATIONS

Local Government Act 1995
Part 6 – Financial Management
Division 3 – Reporting on activities and finance

Part 7 – Audit
Division 1A – Audit, risk and improvement committee
Division 3 – Conduct of financial audit
Division 4 - General

Local Government (Audit) Regulations 1996
Reg. 9 – Performance of financial audit
Reg. 10 – Report by auditor on financial audit
Reg. 16. Functions of audit, risk and improvement committee

Local Government (Financial Management) Regulations 1996
Regs. 36-51 – Annual financial report, content of
Australian Accounting Standards Board Standards

POLICY IMPLICATIONS

Nil

BUDGET IMPLICATIONS

Nil

STRATEGIC IMPLICATIONS

Shire of Gingin Strategic Community Plan 2026-2036

Aspiration	4. Excellence & Accountability - Deliver Quality Leadership and Business Expertise
Strategic Objective	4.2 Effective Governance - Apply systems of compliance which assists Council to make informed decisions within a transparent, accountable and principled environment
Strategic Objective	4.4 Strategic & Sustainable Financial Planning - Undertake long-term resource planning and allocation in accordance with the Integrated Planning and Reporting Framework

VOTING REQUIREMENTS - SIMPLE MAJORITY

OFFICER RECOMMENDATION

That the Audit, Risk and Improvement Committee:

1. **Receive the 2025/26 Audit Concluding Report and 2025/26 Management Report; and**

2. **Recommend that Council accept the Annual Financial Report and Independent Auditor's Report for the year ended 30 June 2026.**

Auditor General

INDEPENDENT AUDITOR'S REPORT

2026

Shire of Gingin

To the Council of the Shire of Gingin

Opinion

I have audited the financial report of the Shire of Gingin (Shire) which comprises:

- the statement of financial position as at 30 June 2026, the statement of comprehensive income, statement of changes in equity, statement of cash flows and statement of financial activity for the year then ended
- notes comprising a summary of material accounting policies and other explanatory information.

In my opinion, the financial report:

- is based on proper accounts and records
- presents fairly, in all material respects, the results of the operations of the Shire for the year ended 30 June 2026 and its financial position at the end of that period
- is in accordance with the *Local Government Act 1995* (the Act) and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards.

Emphasis of Matter – Restatement of Comparative balances

I draw attention to Note 29 of the financial report which states that the amounts reported in the previously issued 30 June 2025 financial report have been restated and disclosed as comparatives in this financial report. My opinion is not modified in respect of this matter.

Basis for opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial report section below.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other information

The Chief Executive Officer (CEO) is responsible for the preparation and the Council for overseeing the other information. The other information is the information in the Shire's annual report for the year ended 30 June 2026, but not the financial report and my auditor's report.

My opinion on the financial report does not cover the other information and accordingly, I do not express any form of assurance conclusion thereon.

7th Floor Albert Facey House 469 Wellington Street Perth MAIL TO: Perth BC PO Box 8489 Perth WA 6849 TEL: 08 6557 7500

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I did not receive the other information prior to the date of this auditor's report. When I do receive it, I will read it and if I conclude that there is a material misstatement in this information, I am required to communicate the matter to the CEO and Council and request them to correct the misstated information. If the misstated information is not corrected, I may need to retract this auditor's report and re-issue an amended report.

Responsibilities of the Chief Executive Officer and Council for the financial report

The Chief Executive Officer (CEO) of the Shire is responsible for:

- keeping proper accounts and records
- preparation and fair presentation of the financial report in accordance with the requirements of the Act, the Regulations and Australian Accounting Standards
- managing internal control as required by the CEO to ensure the financial report is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the CEO is responsible for:

- assessing the Shire's ability to continue as a going concern
- disclosing, as applicable, matters related to going concern
- using the going concern basis of accounting unless the State Government has made decisions affecting the continued existence of the Shire.

The Council is responsible for overseeing the Shire's financial reporting process.

Auditor's responsibilities for the audit of the financial report

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial report. The objectives of my audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

A further description of my responsibilities for the audit of the financial report is located on the Auditing and Assurance Standards Board website. This description forms part of my auditor's report and can be found at https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf.

My independence and quality management relating to the report on the financial report

I have complied with the independence requirements of the *Auditor General Act 2006* and the relevant ethical requirements relating to assurance engagements. In accordance with *ASQM 1 Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements*, the Office of the Auditor General maintains a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Matters relating to the electronic publication of the audited financial report

This auditor's report relates to the financial report of the Shire for the year ended 30 June 2026 included in the annual report on the Shire's website. The Shire's management is responsible for the integrity of the Shire's website. This audit does not provide assurance on the integrity of the Shire's website. The auditor's report refers only to the financial report. It does not provide an opinion on any other information which may have been hyperlinked to/from the annual report. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to contact the Shire to confirm the information contained in the website version.



Mahmoud Salahat
Acting Senior Director Financial Audit
Delegate of the Auditor General for Western Australia
Perth, Western Australia
16 November 2026

SHIRE OF GINGIN

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2026

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The Shire of Gingin conducts the operations of a local government with the following community vision:

"We are a welcoming inclusive community that celebrates its unique coastal and inland landscapes with an aim to increase visitation to the region."

Principal place of business:
7 Brockman Street, Gingin

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SHIRE OF GINGIN
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2026

Local Government Act 1995
Local Government (Financial Management) Regulations 1996

Statement by CEO

The accompanying financial report of the Shire of Gingin has been prepared in compliance with the provisions of the *Local Government Act 1995* from proper accounts and records to present fairly the financial transactions for the financial year ended 30 June 2026 and the financial position as at 30 June 2026.

At the date of signing this statement the particulars included in the financial report are not misleading or inaccurate.

Signed on the 10th day of November 2026

CEO

James Bayliss
Name of Temporary CEO

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

	Note	2026 Actual	2026 Budget	2025 Actual (Restated*)
		$	$	$
Revenue				
Rates	2(a),25	12,025,936	11,927,871	11,148,315
Grants, subsidies and contributions	2(a)	4,822,320	3,029,624	3,092,051
Fees and charges	2(a)	5,660,286	5,138,826	5,182,281
Interest revenue	2(a)	889,385	402,637	787,172
Other revenue	2(a)	499,870	340,108	545,443
		23,897,797	20,839,066	20,755,262
Expenses				
Employee costs	2(b)	(7,664,522)	(8,077,400)	(6,625,521)
Materials and contracts		(9,402,584)	(10,211,152)	(6,779,971)
Utility charges		(607,873)	(566,166)	(554,943)
Depreciation		(11,210,229)	(11,002,864)	(10,241,683)
Finance costs	2(b)	(175,320)	(195,291)	(298,600)
Insurance		(481,042)	(472,672)	(444,830)
Other expenditure		(833,607)	(821,284)	(766,904)
		(30,375,177)	(31,346,829)	(25,712,452)
		(6,477,380)	(10,507,763)	(4,957,190)
Capital grants, subsidies and contributions	2(a)	6,427,887	9,685,062	5,269,443
Profit on asset disposals		250,948	45,025	117,045
Loss on asset disposals		(13,918)	(92,739)	(114,339)
Fair value adjustments to financial assets at fair value through profit or loss	4(b)	75,558	0	(3,551)
		6,740,475	9,637,348	5,268,598
Net result for the period		**263,095**	**(870,415)**	**311,408**
Other comprehensive income for the period				
Items that will not be reclassified subsequently to profit or loss				
Changes in asset revaluation surplus	17	2,578,547	0	16,452,048
Total other comprehensive income for the period	17	**2,578,547**	**0**	**16,452,048**
Total comprehensive income for the period		**2,841,642**	**(870,415)**	**16,763,456**

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

* Refer to Note 29 Correction of Prior Period Error

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SHIRE OF GINGIN
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2026

	Note	2026	2025 (Restated*)
		$	$
CURRENT ASSETS			
Cash and cash equivalents	3	23,377,158	17,666,084
Other financial assets	4(a)	4,554	4,465
Trade and other receivables	5	1,832,346	1,193,642
Inventories	6	52,095	30,210
Other assets	7	401,175	279,618
TOTAL CURRENT ASSETS		25,667,328	19,174,019
NON-CURRENT ASSETS			
Other financial assets	4(b)	160,306	89,302
Trade and other receivables	5	164,082	172,912
Property, plant and equipment	8	69,561,905	69,466,701
Infrastructure	9	214,970,979	211,083,396
Right-of-use assets	11(a)	18,126	25,142
TOTAL NON-CURRENT ASSETS		284,875,398	280,837,453
TOTAL ASSETS		310,542,726	300,011,472
CURRENT LIABILITIES			
Trade and other payables	12	5,202,441	2,369,572
Contract liabilities	13	618,616	698,684
Capital grant/contributions liabilities	13	4,257,905	2,663,376
Lease liabilities	11(b)	15,928	14,987
Borrowings	14	530,585	272,116
Employee related provisions	15	1,076,824	981,248
Other provisions	16	239,332	98,105
TOTAL CURRENT LIABILITIES		11,941,631	7,098,088
NON-CURRENT LIABILITIES			
Lease liabilities	11(b)	2,696	10,547
Borrowings	14	1,265,339	1,795,924
Employee related provisions	15	192,237	198,046
Other provisions	16	9,406,933	6,016,619
TOTAL NON-CURRENT LIABILITIES		10,867,205	8,021,136
TOTAL LIABILITIES		22,808,836	15,119,224
NET ASSETS		287,733,890	284,892,248
EQUITY			
Retained surplus		46,149,492	46,778,955
Reserve accounts	28	9,321,151	8,428,593
Revaluation surplus	17	232,263,247	229,684,700
TOTAL EQUITY		287,733,890	284,892,248

This statement is to be read in conjunction with the accompanying notes.
* Refer to Note 29 Correction of Prior Period Error

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SHIRE OF GINGIN
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2026

	Note	Retained surplus	Reserve accounts	Revaluation surplus	Total equity
		$	$	$	$
Balance as at 1 July 2024		**47,491,043**	**7,405,097**	**213,232,652**	**268,128,792**
Comprehensive income for the period					
Net result for the period (as restated)	29	311,408	0	0	311,408
Other comprehensive income for the period	17	0	0	16,452,048	16,452,048
Total comprehensive income for the period (as restated)		311,408	0	16,452,048	16,763,456
Transfers from reserve accounts	28	899,964	(899,964)	0	0
Transfers to reserve accounts	28	(1,923,460)	1,923,460	0	0
Balance as at 30 June 2025 (as restated)		**46,778,955**	**8,428,593**	**229,684,700**	**284,892,248**
Comprehensive income for the period					
Net result for the period		263,095	0	0	263,095
Other comprehensive income for the period	17	0	0	2,578,547	2,578,547
Total comprehensive income for the period		263,095	0	2,578,547	2,841,642
Transfers from reserve accounts	28	1,216,769	(1,216,769)	0	0
Transfers to reserve accounts	28	(2,109,327)	2,109,327	0	0
Balance as at 30 June 2026		**46,149,492**	**9,321,151**	**232,263,247**	**287,733,890**

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

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

	Note	2026 Actual $	2025 Actual $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Rates		11,849,433	11,364,440
Grants, subsidies and contributions		4,523,218	2,898,880
Fees and charges		5,661,608	5,188,777
Interest revenue		889,385	787,172
Goods and services tax received		1,667,974	1,524,595
Other revenue		499,870	545,443
		25,091,488	22,309,307
Payments			
Employee costs		(7,527,965)	(6,745,570)
Materials and contracts		(6,859,039)	(6,188,303)
Utility charges		(607,873)	(554,943)
Finance costs		(102,318)	(115,600)
Insurance paid		(481,042)	(444,830)
Goods and services tax paid		(1,844,722)	(1,528,346)
Other expenditure		(793,426)	(544,882)
		(18,216,385)	(16,122,474)
Net cash provided by operating activities		6,875,103	6,186,833
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for purchase of property, plant & equipment	8(a)	(1,338,446)	(1,586,526)
Payments for construction of infrastructure	9(a)	(6,034,448)	(4,883,475)
Proceeds from capital grants, subsidies and contributions		6,110,632	4,366,258
Proceeds from financial assets at amortised cost - self-supporting loans		4,465	4,378
Proceeds from sale of property, plant & equipment		388,624	311,772
Net cash (used in) investing activities		(869,173)	(1,787,593)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings	27(a)	(272,116)	(258,807)
Payments for principal portion of lease liabilities	27(b)	(22,740)	(30,431)
Net cash (used in) financing activities		(294,856)	(289,238)
Net increase in cash held		5,711,074	4,110,002
Cash at beginning of year		17,666,084	13,556,082
Cash and cash equivalents at the end of the year		23,377,158	17,666,084

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

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

	Note	2026 Actual	2026 Budget	2025 Actual (Restated)*
		$	$	$
OPERATING ACTIVITIES				
Revenue from operating activities				
General rates	25	8,419,276	8,311,526	7,842,428
Rates excluding general rates	25	3,606,660	3,616,345	3,305,887
Grants, subsidies and contributions		4,822,320	3,029,624	3,092,051
Fees and charges		5,660,286	5,138,826	5,182,281
Interest revenue		889,385	402,637	787,172
Other revenue		499,870	340,108	545,443
Profit on asset disposals		250,948	45,025	117,045
Fair value adjustments to financial assets at fair value through profit or loss		75,558	0	0
		24,224,303	20,884,091	20,872,307
Expenditure from operating activities				
Employee costs		(7,664,522)	(8,077,400)	(6,625,521)
Materials and contracts		(9,402,584)	(10,211,152)	(6,779,971)
Utility charges		(607,873)	(566,166)	(554,943)
Depreciation		(11,210,229)	(11,002,864)	(10,241,683)
Finance costs		(175,320)	(195,291)	(298,600)
Insurance		(481,042)	(472,672)	(444,830)
Other expenditure		(833,607)	(821,284)	(766,904)
Loss on asset disposals		(13,918)	(92,739)	(114,339)
Fair value adjustments to financial assets at fair value through profit or loss		0	0	(3,551)
		(30,389,095)	(31,439,568)	(25,830,342)
Total amounts excluded from operating activities	26(a)	10,973,664	11,142,078	10,677,993
Amount attributable to operating activities		4,808,872	586,601	5,719,958
INVESTING ACTIVITIES				
Inflows from investing activities				
Proceeds from capital grants, subsidies and contributions		6,427,887	9,685,062	5,269,443
Proceeds from disposal of property, plant and equipment		388,624	267,000	311,772
Proceeds from financial assets at amortised cost - self-supporting loans	27(a)	4,465	4,466	4,378
		6,820,976	9,956,528	5,585,593
Outflows from investing activities				
Right of use assets received - non-cash	11(a)	(15,830)	(15,234)	(22,880)
Acquisition of property, plant and equipment	8(a)	(3,250,230)	(2,680,537)	(3,316,226)
Acquisition of infrastructure	9(a)	(6,034,448)	(11,640,702)	(4,883,475)
		(9,300,508)	(14,336,473)	(8,222,581)
Total amounts excluded from investing activities	26(b)	15,830	15,234	22,880
Amount attributable to investing activities		(2,463,702)	(4,364,711)	(2,614,108)
FINANCING ACTIVITIES				
Inflows from financing activities				
Proceeds from new leases - non-cash	27(b)	15,830	15,234	22,880
Transfers from reserve accounts	28	1,216,769	2,220,109	899,964
		1,232,599	2,235,343	922,844
Outflows from financing activities				
Repayment of borrowings	27(a)	(272,116)	(272,117)	(258,807)
Payments for principal portion of lease liabilities	27(b)	(22,740)	(22,408)	(30,431)
Transfers to reserve accounts	28	(2,109,327)	(1,412,452)	(1,923,460)
		(2,404,183)	(1,706,977)	(2,212,698)
Total amounts excluded from financing activities	26(c)	(15,830)	(15,234)	(22,880)
Amount attributable to financing activities		(1,187,414)	513,132	(1,312,734)
MOVEMENT IN SURPLUS OR DEFICIT				
Surplus or deficit at the start of the financial year	26(d)	4,028,081	3,264,978	2,234,965
Amount attributable to operating activities		4,808,872	586,601	5,719,958
Amount attributable to investing activities		(2,463,702)	(4,364,711)	(2,614,108)
Amount attributable to financing activities		(1,187,414)	513,132	(1,312,734)
Surplus or deficit after imposition of general rates	26(d)	**5,185,837**	**0**	**4,028,081**

This statement is to be read in conjunction with the accompanying notes.
* Refer to Note 29 Correction of Prior Period Error

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SHIRE OF GINGIN
FOR THE YEAR ENDED 30 JUNE 2026
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SHIRE OF GINGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2026

1. BASIS OF PREPARATION

The financial report of the Shire of Gingin which is a Class 3 local government comprises general purpose financial statements which have 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 financial report be prepared in accordance with the *Local Government Act 1995* and, to the extent that they are not inconsistent with the *Local Government Act 1995*, 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 except for disclosure requirements of:
- AASB 7 Financial Instruments Disclosures
- AASB 16 Leases paragraph 58
- AASB 101 Presentation of Financial Statements paragraph 61
- AASB 107 Statement of Cash Flows paragraphs 43 and 45
- AASB 116 Property, Plant and Equipment paragraph 79
- AASB 137 Provisions, Contingent Liabilities and Contingent Assets paragraph 85
- AASB 140 Investment Property paragraph 75(f)
- AASB 1052 Disaggregated Disclosures paragraph 11
- AASB 1054 Australian Additional Disclosures paragraph 16

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.

The *Local Government (Financial Management) Regulations 1996* provide that:
- land and buildings classified as property, plant and equipment;or
- infrastructure; or
- vested improvements that the local government controls;

and measured at reportable value, are only required to be revalued every five years. Revaluing these non-financial assets every five years is a departure from *AASB 116 Property, Plant and Equipment*, which would have required the Shire to assess at each reporting date whether the carrying amount of the above mentioned non-financial assets materially differs from their fair value and, if so, revalue the class of non-financial assets.

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

Critical accounting estimates and judgements
The preparation of a financial report 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 amounts 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 - note 8
  - Infrastructure - note 9
- Expected credit losses on financial assets - note 5
- Measurement of employee benefits - note 15
- Measurement of provisions - note 16

Fair value hierarchy information can be found in note 24

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 financial report.

Initial application of accounting standards
During the current year, no new or revised Australian Accounting Standards and Interpretations were applied for the first time.

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 2024-2 *Amendments to Australian Accounting Standards - Classification and Measurement of Financial Instruments*
- AASB 2024-3 *Amendments to Australian Accounting Standards – Annual Improvements Volume 11*

These amendments are not expected to have any material impact on the financial report on initial application.
- AASB 18 *(NFP/super) Presentation and Disclosure in Financial Statements - (Appendix D) [for not-for-profit and superannuation entities]*

This standard is expected to have a material impact on the disclosures required to be made in the annual financial report for the year ended 30 June 2029 onwards.

SHIRE OF GINGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2026

2. REVENUE AND EXPENSES

(a) Revenue

Contracts with customers
Recognition of revenue 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
Grants, subsidies and contributions	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
Fees and charges - licences, registrations, approvals	Building, planning, development and animal management	Single point in time	Full payment prior to issue	None	On payment of the licence, registration or approval
Fees and charges - waste management entry fees	Waste treatment, recycling and disposal service at disposal sites	Single point in time	Payment at gate or on normal trading terms if credit provided	None	On entry to facility
Fees and charges - sale of stock	Aquatic centre kiosk and history book stock	Single point in time	Payment in full on purchase	None	At point of sale
Other revenue - private works	Contracted private works	Single point in time	Payment on normal trading terms if credit provided	None	At point of service

Consideration from contracts with customers is included in the transaction price.

Revenue recognition

Rate revenue was recognised from the rate record as soon as practicable after the Shire resolved to impose rates in the financial year as well as when the rate record was amended to ensure the information in the record was current and correct.

Revenue recognised during the year under each basis of recognition by nature of goods or services is provided in the table below:

For the year ended 30 June 2026

Nature	Contracts with customers	Capital grant/contributions	Statutory requirements	Other	Total
	$	$	$	$	$
Rates	0	0	12,025,936	0	12,025,936
Grants, subsidies and contributions	4,822,320	0	0	0	4,822,320
Fees and charges	3,285,038	0	2,375,248	0	5,660,286
Interest revenue	0	0	107,744	781,641	889,385
Other revenue	0	0	0	499,870	499,870
Capital grants, subsidies and contributions	0	6,427,887	0	0	6,427,887
Total	8,107,358	6,427,887	14,508,928	1,281,511	30,325,684

For the year ended 30 June 2025

Nature	Contracts with customers	Capital grant/contributions	Statutory requirements	Other	Total (as restated)
	$	$	$	$	$
Rates	0	0	11,148,315	0	11,148,315
Grants, subsidies and contributions	3,092,051	0	0	0	3,092,051
Fees and charges	3,101,451	0	2,080,830	0	5,182,281
Interest revenue	0	0	111,707	675,465	787,172
Other revenue	0	0	0	545,443	545,443
Capital grants, subsidies and contributions	0	5,269,443	0	0	5,269,443
Total	6,193,502	5,269,443	13,340,852	1,220,908	26,024,705

SHIRE OF GINGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2026

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

	Note	2026 Actual	2025 Actual
		$	$
Assets and services acquired below fair value			
Contributed assets		1,911,784	1,729,700
		1,911,784	1,729,700
Interest revenue			
Financial assets at amortised cost - self-supporting loans		268	255
Interest on reserve account		326,268	330,973
Trade and other receivables overdue interest		107,744	111,707
Other interest revenue		455,105	344,237
		889,385	787,172
The 2026 original budget estimate in relation to: Trade and other receivables overdue interest was $91,500.			

(b) Expenses

Auditors remuneration			
- Audit of the Annual Financial Report		44,000	42,700
		44,000	42,700
Employee Costs			
Employee benefit costs		7,193,374	6,263,494
Other employee costs		471,148	362,027
		7,664,522	6,625,521
Finance costs			
Interest and financial charges paid/payable for lease liabilities and borrowings		102,318	115,600
Provisions: unwinding of discount		73,002	183,000
		175,320	298,600

SHIRE OF GINGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2026

3. CASH AND CASH EQUIVALENTS

	Note	2026	2025
		$	$
Cash at bank and on hand		23,377,158	17,666,084
Total cash and cash equivalents		23,377,158	17,666,084
Held as			
- Unrestricted cash and cash equivalents		9,179,486	5,875,431
- Restricted cash and cash equivalents	18	14,197,672	11,790,653
		23,377,158	17,666,084

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

Bank overdrafts are reported as short term borrowings in current liabilities in the statement of financial position.

Restricted financial assets
Restricted financial asset balances are not available for general use by the local government due to externally imposed restrictions. Restrictions are specified in an agreement, contract or legislation. This applies to reserve accounts, unspent grants, subsidies and contributions and unspent loans that have not been fully expended in the manner specified by the contributor, legislation or loan agreement.

4. OTHER FINANCIAL ASSETS

	Note	2026	2025
		$	$
(a) Current assets			
Financial assets at amortised cost		4,554	4,465
		4,554	4,465
Other financial assets at amortised cost			
Self-supporting loans receivable	26(d)	4,554	4,465
		4,554	4,465
Held as			
- Unrestricted other financial assets at amortised cost		4,554	4,465
		4,554	4,465
(b) Non-current assets			
Financial assets at amortised cost		5,128	9,682
Financial assets at fair value through profit or loss		155,178	79,620
		160,306	89,302
Financial assets at amortised cost			
Self-supporting loans receivable		5,128	9,682
		5,128	9,682
Financial assets at fair value through profit or loss			
Units in Local Government House Trust - opening balance		79,620	83,171
Movement attributable to fair value increment/decrement		75,558	(3,551)
Units in Local Government House Trust - closing balance		155,178	79,620

MATERIAL ACCOUNTING POLICIES
Other 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.

Fair values of financial assets at amortised cost are not materially different to their carrying amounts, since the interest receivable on those assets is either close to current market rates or the assets are of a short term nature. Non-current financial assets at amortised cost fair values are based on discounted cash flows using a current market rates. They are classified as level 2 fair values in the fair value hierarchy (see Note 24 (i)) due to the observable market rates.

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.

Financial assets at fair value through profit or loss
The Shire classifies the following financial assets at fair value through profit or loss:
- debt investments which do not qualify for measurement at either amortised cost or fair value through other comprehensive income.
- equity investments which the Shire has elected to recognise as financial assets at fair value through profit or loss.

SHIRE OF GINGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2026

5. TRADE AND OTHER RECEIVABLES

	Note	2026	2025
		$	$
Current			
Rates and statutory receivables		854,890	570,674
Trade receivables		503,710	369,769
GST receivable		288,187	111,439
Allowance for credit losses of trade receivables		(39,972)	(38,650)
Legal costs - recovery of rates		63,319	120,789
Rubbish fees		162,212	59,621
		1,832,346	1,193,642
Non-current			
Rates and statutory receivables		164,082	172,912
		164,082	172,912

Disclosure of opening and closing balances related to contracts with customers

Information about receivables from contracts with customers.	Note	30 June 2026 Actual	30 June 2025 Actual	1 July 2024 Actual
		$	$	$
Trade and other receivables from contracts with customers		503,710	369,769	458,974
Contract assets	7	166,409	74,782	231,651
Allowance for credit losses of trade receivables	5	(39,972)	(38,650)	(32,154)
Total trade and other receivables from contracts with customers		630,147	405,901	658,471

MATERIAL ACCOUNTING POLICIES

Rates and statutory receivables
Rates and statutory receivables are non-contractual receivables arising from statutory requirements and include amounts due from ratepayers for unpaid rates and service charges and other statutory charges or fines.

Rates and statutory receivables are recognised when the taxable event has occurred and the amount can be measured reliably.

Trade receivables
Trade receivables are amounts receivable from contractual arrangements with customers for goods sold, services performed or grants or contributions with sufficiently specific performance obligations or for the construction of recognisable non-financial assets as part of the ordinary course of business.

Other receivables
Other receivables are amounts receivable from contractual arrangements with third parties other than contracts with customers and amounts receivable as grants with sufficiently specific performance obligations or for the construction of recognisable non-financial assets.

Measurement
Trade and other receivables are recognised initially at the amount of the transaction price.

Classification and subsequent measurement
Receivables which are generally due for settlement within 30 days except rates receivables which are expected to be collected within 12 months are classified as current assets. All other receivables such as deferred pensioner rates receivable more than 12 months after the end of the reporting period are classified as non-current assets.

Trade and other 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, therefore any difference between the face value and fair value is considered immaterial.

SHIRE OF GINGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2026

6. INVENTORIES

	Note	2026	2025
Current		$	$
Fuel and materials		38,484	16,390
History books held for sale		13,611	13,820
		52,095	30,210
The following movements in inventories occurred during the year:			
Balance at beginning of year		30,210	32,614
Inventories expensed during the year		(388,326)	(324,898)
Write down of inventories to net realisable value		(209)	1,208
Additions to inventory		410,420	321,286
Balance at end of year		52,095	30,210

MATERIAL ACCOUNTING POLICIES
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.

SHIRE OF GINGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2026

7. OTHER ASSETS

	2026	2025
	$	$
Other assets - current		
Prepayments	234,766	204,836
Contract assets	166,409	74,782
	401,175	279,618

MATERIAL ACCOUNTING POLICIES

Other current assets

Other non-financial assets include prepayments which represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period.

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 GINGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2026

8. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in balances

Movement in the balances of each class of property, plant and equipment between the beginning and the end of the current financial year.

		Property				Plant and equipment			
	Note	Land	Buildings	Work in progress	Total property	Furniture and equipment	Plant and equipment	Vehicles	Total property, plant and equipment (Restated)
		$	$	$	$	$	$	$	$
Balance at 1 July 2024		13,448,020	33,434,420	12,990	46,895,430	79,675	4,348,606	1,917,669	53,241,380
Additions*		0	207,520	59,734	267,254	0	2,635,801	413,171	3,316,226
Disposals		0	(6,890)	0	(6,890)	0	(195,353)	(84,636)	(286,879)
Revaluation increments / (decrements) transferred to revaluation surplus		1,283,080	13,460,791	0	14,743,871	0	0	0	14,743,871
Depreciation		0	(869,176)	0	(869,176)	(14,016)	(443,048)	(229,447)	(1,555,687)
Transfers		0	73,983	(59,734)	14,249	0	(6,459)	0	7,790
Balance at 30 June 2025		14,731,100	46,300,648	12,990	61,044,738	65,659	6,339,547	2,016,757	69,466,701
Comprises:									
Gross balance amount at 30 June 2025		14,731,100	46,300,648	12,990	61,044,738	337,862	9,421,774	3,447,384	74,251,758
Accumulated depreciation at 30 June 2025		0	0	0	0	(272,203)	(3,082,227)	(1,430,627)	(4,785,057)
Balance at 30 June 2025	8(b)	14,731,100	46,300,648	12,990	61,044,738	65,659	6,339,547	2,016,757	69,466,701
Additions*		0	544,907	850	545,757	0	693,950	2,010,523	3,250,230
Disposals		(100)	0	0	(100)	0	(28,385)	(123,109)	(151,594)
Depreciation		0	(1,171,935)	0	(1,171,935)	(17,009)	(1,168,699)	(714,240)	(3,071,883)
Transfers		0	(196,058)	264,509	68,451	0	0	0	68,451
Balance at 30 June 2026		14,731,000	45,477,562	278,349	60,486,911	48,650	5,836,413	3,189,931	69,561,905
Comprises:									
Gross balance amount at 30 June 2026		14,731,000	46,656,453	278,349	61,665,802	204,526	9,790,149	4,846,163	76,506,640
Accumulated depreciation at 30 June 2026		0	(1,178,891)	0	(1,178,891)	(155,876)	(3,953,736)	(1,656,232)	(6,944,735)
Balance at 30 June 2026	8(b)	14,731,000	45,477,562	278,349	60,486,911	48,650	5,836,413	3,189,931	69,561,905

* Asset additions included non-cash additions. Refer to note 2(a).

SHIRE OF GINGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2026

8. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Carrying amount measurements

Asset class	Note	Carrying amount 2026	Carrying amount 2025	Fair value hierarchy	Valuation technique	Basis of valuation	Date of last valuation	Inputs used
		$	$					
(i) Fair value - as determined at the last valuation date								
Land and buildings								
Land - market value		14,731,000	14,731,100	2	Market approach using recent observable market data for similar properties	Independent registered valuers	June 2025	Price per square metre
Total land	8(a)	14,731,000	14,731,100					
Buildings - non specialised		2,275,890	2,302,500	2	Market approach using recent observable market data for similar properties	Independent registered valuers	June 2025	Price per square metre
Buildings - specialised		43,201,672	43,998,148	3	Cost approach using current replacement cost	Independent registered valuers	June 2025	Construction costs and current condition, residual values and remaining useful life assessments inputs
Total buildings	8(a)	45,477,562	46,300,648					

Level 3 inputs are based on assumptions with regards to future values and patterns of consumption utilising current information. If the basis of these assumptions were varied, they have the potential to result in a significantly higher or lower fair value measurement.

During the period there were no changes in the valuation techniques used by the local government to determine the fair value of land at market value of buildings using either level 2 or level 3 inputs. The valuation techniques applied to property subject to lease was the same as that applied to property not subject to lease.

SHIRE OF GINGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2026

9. INFRASTRUCTURE

(a) Movements in balances

Movement in the balances of each class of infrastructure between the beginning and the end of the current financial year.

	Infrastructure - roads	Infrastructure - footpaths	Infrastructure - bridges	Infrastructure - parks and ovals	Infrastructure - other	Infrastructure - work in progress	Infrastructure - landfill assets	Total infrastructure
	$	$	$	$	$	$	$	$
Balance at 1 July 2024	180,671,270	4,258,849	5,470,942	8,595,992	8,510,965	264,780	5,171,582	212,944,380
Additions	4,415,010	12,843	0	116,616	283,875	6,283	48,848	4,883,475
(Disposals)	0	0	0	0	(7,631)	0	(14,556)	(22,187)
Revaluation increments / (decrements) transferred to revaluation surplus	0	0	0	0	1,941,423	0	0	1,941,423
Depreciation	(6,556,826)	(115,981)	(196,058)	(652,751)	(469,838)	0	(664,451)	(8,655,905)
Transfers	0	0	0	438,054	(445,844)	0	0	(7,790)
Balance at 30 June 2025	178,529,454	4,155,711	5,274,884	8,497,911	9,812,950	271,063	4,541,423	211,083,396
Comprises:								
Gross balance at 30 June 2025	191,882,350	4,390,551	5,667,000	9,896,724	9,812,950	271,063	5,872,892	227,793,530
Accumulated depreciation at 30 June 2025	(13,352,896)	(234,840)	(392,116)	(1,398,813)	0	0	(1,331,469)	(16,710,134)
Balance at 30 June 2025	178,529,454	4,155,711	5,274,884	8,497,911	9,812,950	271,063	4,541,423	211,083,396
Additions	2,911,738	129,753	0	441,552	45,079	2,311,398	194,928	6,034,448
Acquisition of infrastructure on recognition of related provision	0	0	0	0	0	0	3,458,539	3,458,539
Revaluation increments / (decrements) transferred to revaluation surplus	0	0	0	0	0	0	2,578,547	2,578,547
Depreciation	(5,980,340)	(112,832)	(196,059)	(690,215)	(467,932)	0	(668,122)	(8,115,500)
Transfers	0	0	0	0	233,269	0	(301,720)	(68,451)
Balance at 30 June 2026	175,460,852	4,172,632	5,078,825	8,249,248	9,623,366	2,582,461	9,803,595	214,970,979
Comprises:								
Gross balance at 30 June 2026	194,794,088	4,520,304	5,667,000	10,335,145	10,103,298	2,582,461	9,803,595	237,805,891
Accumulated depreciation at 30 June 2026	(19,333,236)	(347,672)	(588,175)	(2,085,897)	(479,932)	0	0	(22,834,912)
Balance at 30 June 2026	175,460,852	4,172,632	5,078,825	8,249,248	9,623,366	2,582,461	9,803,595	214,970,979

SHIRE OF GINGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2026

9. INFRASTRUCTURE (Continued)

(b) Carrying amount measurements

Asset class	Fair value hierarchy	Valuation technique	Basis of valuation	Date of last valuation	Inputs used
(i) Fair value - as determined at the last valuation date					
Infrastructure - roads	3	Cost approach using current replacement cost	Management valuation	June 2023	Construction costs and current condition, and remaining useful life assessments inputs
Infrastructure - footpaths	3	Cost approach using current replacement cost	Management valuation	June 2023	Construction costs and current condition, and remaining useful life assessments inputs
Infrastructure - bridges	3	Cost approach using current replacement cost	Management valuation	June 2023	Construction costs and current condition, and remaining useful life assessments inputs
Infrastructure - parks and ovals	3	Cost approach using current replacement cost	Management valuation	June 2023	Construction costs and current condition, and remaining useful life assessments inputs
Infrastructure - other	3	Cost approach using current replacement cost	Management valuation	June 2025	Construction costs and current condition, and remaining useful life assessments inputs
Infrastructure - landfill assets	3	Cost approach using current replacement cost	Management valuation	June 2026	Construction costs and current condition, and remaining useful life assessments inputs

Level 3 inputs are based on assumptions with regards to future values and patterns of consumption utilising current information. If the basis of these assumptions were varied, they have the potential to result in a significantly higher or lower fair value measurement.

During the period there were no changes in the valuation techniques used to determine the fair value of infrastructure using level 3 inputs.

SHIRE OF GINGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2026

10. FIXED ASSETS

(a) Depreciation

Depreciation rates
Useful lives for the different asset classes for the current and prior years are included in the table below:

Asset class	Useful life
Buildings	3 to 74 years
Furniture and equipment	4 to 50 years
Plant and equipment	1 to 32 years
Vehicles	1 to 10 years
Roads	8 to 60 years
Footpaths	37 years
Infrastructure - parks and ovals	1 to 50 years
Infrastructure - other	1 to 70 years
Infrastructure - bridges	3 to 57 years
Infrastructure - landfill assets	6 to 16 years
Right-of-use (buildings)	Based on the remaining lease term
Right-of-use (plant and equipment)	Based on the remaining lease term

SHIRE OF GINGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2026

10. FIXED ASSETS (Continued)

MATERIAL ACCOUNTING POLICIES

Initial recognition

An item of property, plant and equipment or infrastructure that qualifies for recognition as an asset is measured at its cost.

Upon initial recognition, cost is determined as the amount paid (or other consideration given) to acquire the assets, plus costs incidental to the acquisition. The cost of non-current assets constructed by the Shire includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads. For assets acquired at zero cost or otherwise significantly less than fair value, cost is determined as fair value at the date of acquisition.

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 *Local Government (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.

Individual assets that are land, buildings and infrastructure acquired between scheduled revaluation dates of the asset class in accordance with the Shire's revaluation policy, are recognised at cost and disclosed as being at reportable value.

Measurement after recognition

Plant and equipment including furniture and equipment and right-of-use assets (other than vested improvements) are measured using the cost model as required under *Local Government (Financial Management) Regulation 17A(2).* Assets held under the cost model are carried at cost less accumulated depreciation and any impairment losses.

Reportable value

In accordance with *Local Government (Financial Management) Regulation 17A(2)* , the carrying amount of non-financial assets that are land and buildings classified as property, plant and equipment, investment properties, infrastructure or vested improvements that the local government controls is the reportable value.

Reportable value is for the purpose of *Local Government (Financial Management) Regulation 17A(4)* is the fair value of the asset at its last valuation date minus (to the extent applicable) the accumulated depreciation and any accumulated impairment losses in respect of the non-financial asset subsequent to its last valuation date.

Revaluation

Land and buildings classified as property, plant and equipment, infrastructure or vested improvements that the local government controls and measured at reportable value, are only required to be revalued every five years in accordance with the regulatory framework. This includes buildings and infrastructure items which were pre-existing improvements (i.e. vested improvements) on land vested in the Shire.

Whilst the regulatory framework only requires a revaluation to occur every five years, it also provides for the Shire to revalue earlier if it chooses to do so.

For land, buildings and infrastructure, increases in the carrying amount arising on revaluation of asset classes are credited to a revaluation surplus in equity.

Decreases that offset previous increases of the same class of asset are recognised against revaluation surplus directly in equity. All other decreases are recognised in profit or loss.

Subsequent increases are then recognised in profit or loss to the extent they reverse a net revaluation decrease previously recognised in profit or loss for the same class of asset.

Depreciation

The depreciable amount of all property, plant and equipment and infrastructure, is 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.

Depreciation on revaluation

When an item of property, plant and equipment and infrastructure is revalued, any accumulated depreciation at the date of the revaluation is treated in one of the following ways:
(i) The gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset and the accumulated depreciation is the balancing figure; or
(ii) Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

Impairment

In accordance with *Local Government (Financial Management)* Regulations 17A(4C), the Shire is not required to comply with AASB 136 *Impairment of Assets* to determine the recoverable amount of its non-financial assets that are land or buildings classified as property, plant and equipment, infrastructure or vested improvements that the local government controls in circumstances where there has been an impairment indication of a general decrease in asset values.

In other circumstances where it has been assessed that one or more of these non-financial assets are impaired, the 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.

Gains or losses on disposal

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income in the period in which they arise.

SHIRE OF GINGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2026

11. LEASES

(a) Right-of-use assets

Movement in the balance of each class of right-of-use asset between the beginning and the end of the current financial year.	Note	Right-of-use assets - land and buildings	Right-of-use assets - plant and equipment	Total right-of-use assets
		$	$	$
Balance at 1 July 2024		7,616	24,738	32,354
Additions		0	22,880	22,880
Depreciation		(7,616)	(22,476)	(30,092)
Balance at 30 June 2025		0	25,142	25,142
Gross balance amount at 30 June 2025		38,173	137,271	175,444
Accumulated depreciation at 30 June 2025		(38,173)	(112,129)	(150,302)
Balance at 30 June 2025		0	25,142	25,142
Additions		15,830	0	15,830
Depreciation		(7,904)	(14,942)	(22,846)
Balance at 30 June 2026		7,926	10,200	18,126
Gross balance amount at 30 June 2026		15,830	137,271	153,101
Accumulated depreciation at 30 June 2026		(7,904)	(127,071)	(134,975)
Balance at 30 June 2026		7,926	10,200	18,126

The following amounts were recognised in the statement of comprehensive income during the period in respect of leases where the Shire is the lessee:		2026 Actual	2025 Actual
		$	$
Depreciation on right-of-use assets		(22,846)	(30,092)
Finance charge on lease liabilities	27(b)	(1,191)	(1,061)
Low-value asset lease payments recognised as expense		(22,740)	(30,431)
Total amount recognised in the statement of comprehensive income		(46,777)	(61,584)
Total cash outflow from leases		(23,931)	(31,492)

(b) Lease liabilities

Current		15,928	14,987
Non-current		2,696	10,547
	27(b)	18,624	25,534

Secured liabilities and assets pledged as security
Lease liabilities are effectively secured, as the rights to the leased assets recognised in the financial statements revert to the lessor in the event of default.

MATERIAL ACCOUNTING POLICIES

Leases
At inception of a contract, the Shire assesses if the contract contains or is 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 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.

All contracts that are classified as short-term leases (i.e. a lease with a term of 12 months or less) and leases of low value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Details of individual lease liabilities required by regulations are provided at Note 27(b).

Right-of-use assets - measurement
Right-of-use assets are measured at cost. All right-of-use assets (other than vested improvements) under zero cost concessionary leases are measured at zero cost (i.e. not recognised in the Statement of Financial Position). The exception is vested improvements on concessionary land leases such as roads, buildings or other infrastructure which are reported at fair value.

Refer to Note 10 under revaluation for details on the material accounting policies applying to vested improvements.

Right-of-use assets - depreciation
Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shorter. Where a lease transfers ownership of the underlying asset, or the cost of the right-of-use asset reflects that the Shire anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

SHIRE OF GINGIN
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12. TRADE AND OTHER PAYABLES

	2026	2025
	$	$
Current		
Trade payables	1,273,348	1,019,245
Prepaid rates	338,007	239,124
Accrued payroll liabilities	185,869	228,230
Statutory liabilities	89,151	0
Bonds and deposits held	885,934	861,442
Accrued interest on long term borrowings	14,986	17,191
Income received in advance	3,760	4,340
Accrued expenses	2,411,386	0
	5,202,441	2,369,572

MATERIAL ACCOUNTING POLICIES

Financial liabilities
Financial liabilities are initially recognised at fair value when the Shire becomes a party to the contractual provisions of the instrument.

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Financial liabilities are derecognised where the related obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and any consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

Statutory liabilities
Statutory liabilities, are amounts owed to regulatory authorities due to statutory obligations such as FBT and PAYG. GST payable is offset against GST receivable and any net GST payable is included as a statutory liability.

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 usually 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 income for the prepaid rates that have not been refunded.

SHIRE OF GINGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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13. OTHER LIABILITIES

	2026	2025
	$	$
Current		
Contract liabilities	618,616	698,684
Capital grant/contributions liabilities	4,257,905	2,663,376
	4,876,521	3,362,060
Reconciliation of changes in contract liabilities		
Opening balance	698,684	816,808
Additions	205,135	135,985
Revenue from contracts with customers included as a contract liability at the start of the period	(285,203)	(254,109)
	618,616	698,684
Reconciliation of changes in capital grant/contribution liabilities		
Opening balance	2,663,376	1,836,861
Additions	5,991,206	3,819,561
Revenue from capital grant/contributions held as a liability at the start of the period	(4,396,677)	(2,993,046)
	4,257,905	2,663,376
Expected satisfaction of capital grant/contribution liabilities		
Less than 1 year	4,257,905	2,663,376
	4,257,905	2,663,376

Performance obligations in relation to capital grant/contribution liabilities are satisfied as project milestones are met or on completion of construction or acquisition of the asset.

MATERIAL ACCOUNTING POLICIES

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.

Capital grant/contribution liabilities
Capital grant/contribution liabilities represent the Shire's obligations to construct recognisable non-financial assets to identified specifications to be controlled by the Shire which are yet to be satisfied. Capital grant/contribution liabilities are recognised as income when the obligations in the contract are satisfied.

SHIRE OF GINGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2026

14. BORROWINGS

		2026			2025		
	Note	Current	Non-current	Total	Current	Non-current	Total
Secured		$	$	$	$	$	$
Debentures		530,585	1,265,339	1,795,924	272,116	1,795,924	2,068,040
Total secured borrowings	27(a)	530,585	1,265,339	1,795,924	272,116	1,795,924	2,068,040

Secured liabilities and assets pledged as security
Debentures are secured by a floating charge over the assets of the Shire of Gingin.
The Shire of Gingin has complied with the financial covenants of its borrowing facilities during the 2026 and 2025 years.

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. They are classified as level 3 fair values in the fair value hierarchy (see Note 24(i)) due to the unobservable inputs, including own credit risk.

Risk
Details of individual borrowings required by regulations are provided at Note 27(a).

SHIRE OF GINGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2026

15. EMPLOYEE RELATED PROVISIONS

Employee related provisions

	2026	2025
Current provisions	**$**	**$**
Employee benefit provisions		
Annual leave	633,202	568,167
Long service leave	443,622	413,081
Total current employee related provisions	1,076,824	981,248
Non-current provisions		
Employee benefit provisions		
Long service leave	192,237	198,046
Total non-current employee related provisions	192,237	198,046
Total employee related provisions	1,269,061	1,179,294

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave and associated on-costs for services rendered up to the reporting date and recorded as an expense during the period the services are delivered.

Annual leave liabilities are classified as current, as there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period.

MATERIAL ACCOUNTING POLICIES

Employee benefits
The Shire's obligations for employees' annual leave, long service leave and other employee leave entitlements are recognised as employee related provisions in the Statement of Financial Position.

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 statement of financial 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 assumptions such as anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

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

SHIRE OF GINGIN
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16. OTHER PROVISIONS

	Provision for landfill rehabilitation
	$
Opening balance at 1 July 2025	
Current provisions	98,105
Non-current provisions	6,016,619
	6,114,724
Additional provision	3,458,539
Charged to profit or loss	
- unwinding of discount	73,002
Balance at 30 June 2026	9,646,265
Comprises	
Current	239,332
Non-current	9,406,933
	9,646,265

Other provisions
Amounts which are expected to be paid out within 12 months of the reporting date are classified as current. Exact timing of payment of non-current obligations is unable to be reliably estimated as it is dependent on factors beyond the control of the local government.

Provision for landfill rehabilitation
Under the licence for the operation of the Shire of Gingin waste landfill sites, the Shire has a legal obligation to restore the sites.

The estimated future obligations include the costs of restoring the affected areas and continued monitoring of the sites.

The provision for future remediation costs is the best estimate of the present value of the expenditure required to settle the remediation obligation at the reporting date. Future remediation costs are reviewed annually and any changes in the estimate are reflected in the remediation provision at each reporting date.

The additional provision has been recognised in profit or loss, except to the extent it has been recognised in other comprehensive income and reduce the revaluation surplus within equity. Refer Note 17.

MATERIAL ACCOUNTING POLICIES
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.

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17. REVALUATION SURPLUS

	2026 Opening balance	Total Movement on revaluation	2026 Closing balance	2025 Opening balance	Total Movement on revaluation	2025 Closing balance
	$	$	$	$	$	$
Revaluation surplus - Land	7,009,887	0	7,009,887	5,726,807	1,283,080	7,009,887
Revaluation surplus - Buildings	38,900,389	0	38,900,389	25,439,599	13,460,790	38,900,389
Revaluation surplus - Infrastructure - roads	161,366,287	0	161,366,287	161,366,287	0	161,366,287
Revaluation surplus - Infrastructure - footpaths	4,097,518	0	4,097,518	4,097,518	0	4,097,518
Revaluation surplus - Infrastructure - bridges	6,054,415	0	6,054,415	6,054,415	0	6,054,415
Revaluation surplus - Infrastructure - parks and ovals	5,161,727	0	5,161,727	5,161,727	0	5,161,727
Revaluation surplus - Infrastructure - other	7,094,477	0	7,094,477	5,153,054	1,941,423	7,094,477
Revaluation surplus - Infrastructure - landfill assets	0	2,578,547	2,578,547	233,245	(233,245)	0
	229,684,700	2,578,547	232,263,247	213,232,652	16,452,048	229,684,700

SHIRE OF GINGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2026

18. RESTRICTIONS OVER FINANCIAL ASSETS

	Note	2026 Actual	2025 Actual
		$	$
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	3	14,197,672	11,790,653
		14,197,672	11,790,653
The restricted financial assets are a result of the following specific purposes to which the assets may be used:			
Restricted reserve accounts	28	9,321,151	8,428,593
Contract liabilities	13	618,616	698,684
Capital grant liabilities	13	4,257,905	2,663,376
Total restricted financial assets		14,197,672	11,790,653

19. UNDRAWN BORROWING FACILITIES AND CREDIT STANDBY ARRANGEMENTS

Bank overdraft limit		500,000	500,000
Bank overdraft at balance date		0	0
Credit card limit		37,000	32,000
Credit card balance at balance date		(12,687)	(8,287)
Total amount of credit unused		524,313	523,713
Loan facilities			
Loan facilities - current		530,585	272,116
Loan facilities - non-current		1,265,339	1,795,924
Total facilities in use at balance date		1,795,924	2,068,040
Unused loan facilities at balance date		NIL	NIL

SHIRE OF GINGIN
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FOR THE YEAR ENDED 30 JUNE 2026

20. CONTINGENT LIABILITIES

Contingent liabilities are not recognised in the statement of financial position but are disclosed and, if quantifiable, are measured at best estimate.

There are no contingent liabilities to disclose at the end of the reporting period. (2025: None)

21. CAPITAL COMMITMENTS

	2026	2025
	$	$
Contracted for:		
- capital expenditure projects	5,459,019	52,200
- plant & equipment purchases	374,208	504,318
	5,833,227	556,518
Payable:		
- not later than one year	5,833,227	556,518

The 2026 capital commitments relate to the following projects:
Woodridge Recreation Ground pond fencing - $24,000
Bus shelter replacement - $17,876
Purchase of two trailers - $25,450
Purchase of dual cab light truck - $208,370
Purchase of utility - $74,183
Purchase of utility - $66,205
Installation of sump fence - $7,000
Installation of safety railing, Gingin depot - $6,165
Replacement of veranda posts, Gingin aquatic centre - $5,775
Installation of shade sail at GESC - $13,045
Relocation of ablution block - $119,240
Drainage works - Edwards Street, Gingin - $72,504
Footpath upgrade - Lancelin - $135,419
Replacement of Weld Street bridge - $5,057,995

The 2025 capital commitments relate to the following projects:
Ledge Point off road vehicle area - $52,200
Purchase of tractor - $154,000
Purchase of truck - $350,318

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22. RELATED PARTY TRANSACTIONS

(a) Council member remuneration

Fees, expenses and allowances to be paid or reimbursed to council members.	Note	2026 Actual	2026 Budget	2025 Actual
		$	$	$
President's annual allowance		16,000	16,000	15,780
President's meeting attendance fees		15,600	15,600	15,386
President's annual allowance for ICT expenses		2,500	2,500	2,466
President's travel and accommodation expenses		1,192	2,723	1,495
		35,292	36,823	35,127
Deputy President's annual allowance		2,815	4,000	1,250
Deputy President's meeting attendance fees		6,461	8,320	2,600
Deputy President's annual allowance for ICT expenses		1,875	2,500	781
Deputy President's travel and accommodation expenses		4,223	2,723	0
		15,374	17,543	4,631
All other council member's meeting attendance fees		53,844	58,240	55,775
All other council member's annual allowance for ICT expenses		15,625	17,500	16,759
All other council member's travel and accommodation expenses		10,948	19,054	11,278
		80,417	94,794	83,812
	22(b)	131,083	149,160	123,570

(b) Key management personnel (KMP) compensation

The total of compensation paid to KMP of the Shire during the year are as follows:				
Short-term employee benefits		866,619		803,862
Post-employment benefits		80,521		73,399
Employee - other long-term benefits		91,378		99,663
Employee - termination benefits		108,753		198,339
Council member costs	22(a)	131,083		123,570
		1,278,354		1,298,833

Short-term employee benefits
These amounts include all salary and fringe benefits awarded to KMP except for details in respect to fees and benefits paid to council members which may be separately found in the table above.

Post-employment benefits
These amounts are the current-year's cost of the Shire's superannuation contributions made during the year.

Other long-term benefits
These amounts represent annual leave and long service leave entitlements accruing during the year.

Termination benefits
These amounts represent termination benefits paid to KMP (Note: may or may not be applicable in any given year).

Council member costs
These amounts represent payments of member fees, expenses, allowances and reimbursements during the year.

SHIRE OF GINGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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22. RELATED PARTY TRANSACTIONS (Continued)

(c) Transactions with related parties

Transactions between related parties and the Shire are on normal commercial terms and conditions, no more favourable than those available to other parties, unless otherwise stated.

No provisions for doubtful debts or guarantees exist in relation to related parties at year end.

In addition to KMP compensation above the following transactions occurred with related parties:	2026 Actual $	2025 Actual $
Purchase of goods and services	336,982	16,100
Short term employee benefits - other related parties	44,933	51,922
Amounts payable to related parties:		
Trade and other payables	2,820	0

(d) Related parties

The Shire's main related parties are as follows:

i. Key management personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the Shire, directly or indirectly, including any council member, are considered key management personnel.

ii. Other Related Parties

An entity that is controlled by or over which KMP, or close family members of KMP, have authority and responsibility for planning, directing and controlling the activity of the entity, directly or indirectly, are considered to be related parties.

Short-term employee benefits related to associate persons of a Key Management Personnel who was employed by the Shire under normal employment terms and conditions.

Outside of normal citizen type transactions with the Shire, there were no other related party transactions involving key management personnel and/or their close family members and/or their controlled (or jointly controlled) entities.

iii. Entities subject to significant influence by the Shire

Joint arrangements detailed in Note 23.

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23. JOINT ARRANGEMENTS

Share of joint operations

The Shire has two separate joint agreements with the Department of Communities for the provision of housing at 2 Atkinson Way Lancelin.

For accounting purposes, these joint arrangements constitute joint operations. The assets are land and 11 x 2 bedroom units. The ownership of the assets is determined by agreements which includes the percentage of each parties equitable interest. The assets are included in the Land and Buildings as follows;

Statement of financial position	2026 Actual	2025 Actual
	$	$
Land Lot 84 Atkinson Way Lancelin	71,000	71,000
Atkinson Way Lancelin (5 x 2 bedroom units) Units 1-5 @ 36.10%	403,047	393,490
Atkinson Way Lancelin (6 x 2 bedroom units) Units 6-11 @ 39.37%	575,471	527,558
Less: accumulated depreciation	(17,977)	0
Total assets	1,031,541	992,048
Seniors Housing Reserve	52,905	71,000
Total equity	52,905	71,000
Statement of comprehensive income		
Income	93,792	86,962
Depreciation	(17,977)	(15,948)
Other expense	(72,336)	(65,535)
Profit/(loss) for the period	3,479	5,479
Other comprehensive income	0	0
Total comprehensive income for the period	3,479	5,479
Statement of cash flows		
Other revenue	93,792	86,962
Other expense	(72,336)	(65,535)
Net cash provided by (used in) operating activities	21,456	21,427

MATERIAL ACCOUNTING POLICIES

Joint operations

A joint operation is a joint arrangement where the Shire has joint control with two or more parties to the joint arrangement. All parties to joint arrangement have rights to the assets, and obligations for the liabilities relating to the arrangement.

Assets, liabilities, revenues and expenses relating to the Shire's interest in the joint operation are accounted for in accordance with the relevant Australian Accounting Standards.

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24. OTHER MATERIAL ACCOUNTING POLICIES

a) 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.

b) 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 resale are classified as current or non-current based on the Shire's intentions to release for sale.

c) Rounding off figures
All figures shown in this annual financial report, other than a rate in the dollar, are rounded to the nearest dollar. Amounts are presented in Australian Dollars.

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

When the Shire applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements that has a material effect on the statement of financial position, an additional (third) Statement of Financial Position as at the beginning of the preceding period in addition to the minimum comparative financial statements is presented.

e) Budget comparative figures
Unless otherwise stated, the budget comparative figures shown in this annual financial report relate to the original budget estimate for the relevant item of disclosure.

f) 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.

g) Fair value of assets and liabilities
Fair value is the price that the Shire would receive to sell the asset or would have to pay to transfer a liability, in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

To the extent possible, market information is extracted from either the principal market for the asset or liability or, in the absence of such a market, the most advantageous market available to the Shire at the end of the reporting period.

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use. The Shire only considers whether the highest and best use differs from its current use where it is highly probable a non-financial asset will be used for an alternative purpose or the asset is held for the purpose of generating net cash inflows.

h) Interest revenue
Interest revenue is calculated by applying the effective interest rate to the gross carrying amount of a financial asset measured at amortised cost except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

i) Fair value hierarchy
AASB 13 Fair Value Measurement requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurement into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1
Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2
Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3
Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

j) Valuation techniques
The Shire selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Shire are consistent with one or more of the following valuation approaches:

Market approach
Valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.

Income approach
Valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.

Cost approach
Valuation techniques that reflect the current replacement cost of the service capacity of an asset.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Shire gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

k) Impairment of assets
In accordance with Australian Accounting Standards the Shire's assets, other than inventories, are assessed at each reporting date to determine whether there is any indication they may be impaired.

Where such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount except for non-financial assets that are:
- land and buildings classified as property, plant and equipment;
- infrastructure; or
- vested improvements that the local government controls, in circumstances where there has been an impairment indication of a general decrease in asset values.

These non-financial assets are assessed in accordance with the regulatory framework detailed in Note 10.

Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. AASB 116 *Property, Plant and Equipment*) whereby any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

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25. RATING INFORMATION

(a) General rates

RATE TYPE Rate description	Basis of valuation	Rate in $	Number of properties	2025/26 Actual rateable value*	2025/26 Actual rate revenue	2025/26 Actual interim rates	2025/26 Actual total revenue	2025/26 Budget rate revenue	2025/26 Budget interim rate	2025/26 Budget total revenue	2024/25 Actual total revenue
				$	$	$	$	$	$	$	$
GRV Townsites and GRV Other	Gross rental valuation	0.104660	2,626	50,206,707	5,254,634	40,085	5,294,719	5,254,634	0	5,254,634	4,955,173
UV Rural and Rural Other	Unimproved valuation	0.004511	460	498,264,037	2,247,669	53,880	2,301,549	2,247,669	0	2,247,669	2,132,337
UV Intensive/Mining	Unimproved valuation	0.006610	122	122,424,000	809,223	13,785	823,008	809,223	0	809,223	754,918
Total general rates			3,208	670,894,744	8,311,526	107,750	8,419,276	8,311,526	0	8,311,526	7,842,428
		Minimum payment $									
Minimum payment											
GRV Townsites and GRV Other	Gross rental valuation	1,416	1,780	14,313,934	2,520,480	0	2,520,480	2,520,480	0	2,520,480	2,311,281
UV Rural and Rural Other	Unimproved valuation	1,630	460	114,507,820	749,800	0	749,800	749,800	0	749,800	669,232
UV Intensive/Mining	Unimproved valuation	2,780	121	32,084,575	336,380	0	336,380	336,380	0	336,380	315,689
Total minimum payments			2,361	160,906,329	3,606,660	0	3,606,660	3,606,660	0	3,606,660	3,296,202
Total general rates and minimum payments			5,569	831,801,073	11,918,186	107,750	12,025,936	11,918,186	0	11,918,186	11,138,630
Ex-gratia rates											
Ex-gratia rates			0	0	0	0	0	9,685	0	9,685	9,685
Total amount raised from rates (excluding general rates)			0	0	0	0	0	9,685	0	9,685	9,685
Total rates							12,025,936			11,927,871	11,148,315

(b) Rates related information

Rates instalment interest							30,579			28,000	33,448
Rates instalment plan charges							27,360			16,665	15,345
Rates overdue interest							77,165			63,500	78,258
Rates written off							57			0	1,068

*Rateable Value at time of raising of rate.

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26. DETERMINATION OF SURPLUS OR DEFICIT

The following amounts have been excluded from the determination of the budgeted deficiency in accordance with *Financial Management Regulation 32.* Reconciling items relate to movements within current assets and liabilities reflected on the statement of financial activity and required to reconcile the Net current assets to the surplus or deficit after imposition of general rates.

	Note	2025/26 (30 June 2026 carried forward)	2025/26 Budget (30 June 2026 carried forward)	2024/25 (30 June 2025 carried forward)
		$	$	$
(a) Amounts excluded from operating activities				
Less: Profit on asset disposals		(250,948)	(45,025)	(117,045)
Less: Fair value adjustments to financial assets at fair value through profit or loss		(75,558)	0	3,551
Add: Loss on disposal of assets		13,918	92,739	114,339
Add: Depreciation		11,210,229	11,002,864	10,241,683
Non-cash movements in non-current assets and liabilities:				
- Pensioner deferred rates		8,830	0	(4,334)
- Employee benefit provisions		(5,809)	0	72,219
- Other provisions		73,002	91,500	367,580
Total amounts excluded from operating activities		10,973,664	11,142,078	10,677,993
(b) Amounts excluded from investing activities				
Add: Right of use assets received - non-cash	11(a)	15,830	15,234	22,880
Total amounts excluded from investing activities		15,830	15,234	22,880
(c) Amounts excluded from financing activities				
Non-cash proceeds from new leases	27(b)	(15,830)	(15,234)	(22,880)
Total amounts excluded from financing activities		(15,830)	(15,234)	(22,880)
(d) Adjustments to net current assets				
Less: Reserve accounts	28	(9,321,151)	(7,601,686)	(8,428,593)
Less: Current assets not expected to be received at end of year				
- Financial assets at amortised cost - self supporting loans	4(a)	(4,554)	(4,554)	(4,465)
Add: Current liabilities not expected to be cleared at end of year				
- Current portion of borrowings	14	530,585	530,585	272,116
- Current portion of lease liabilities	11(b)	15,928	15,665	14,987
Add: Current liabilities covered by funds held in reserve account				
- Current portion of other provisions		239,332	0	98,105
Total adjustments to net current assets		(8,539,860)	(7,059,990)	(8,047,850)
Net current assets used in the statement of financial activity				
Total current assets		25,667,328	12,932,248	19,174,019
Less: Total current liabilities		(11,941,631)	(5,872,258)	(7,098,088)
Less: Total adjustments to net current assets		(8,539,860)	(7,059,990)	(8,047,850)
Surplus or deficit after imposition of general rates		5,185,837	0	4,028,081

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27. BORROWING AND LEASE LIABILITIES

(a) Borrowings

		Actual							Budget			
Purpose	Note	Principal at 1 July 2024	New loans during 2024-25	Principal repayments during 2024-25	Principal at 30 June 2025	New loans during 2025-26	Principal repayments during 2025-26	Principal at 30 June 2026	Principal at 1 July 2025	New loans during 2025-26	Principal repayments during 2025-26	Principal at 30 June 2026
		$	$	$	$	$	$	$	$	$	$	$
Wannamal West Road - Tip Rationalisation		352,043	0	(24,300)	327,743	0	(25,903)	301,840	327,742	0	(25,903)	301,839
Guilderton Community Hall Extension		210,889	0	(47,310)	163,579	0	(50,749)	112,830	163,579	0	(50,749)	112,830
Regional Hardcourt Facility		165,803	0	(28,952)	136,851	0	(30,918)	105,933	136,850	0	(30,918)	105,932
Lot 44 Weld Street Gingin		96,348	0	(21,674)	74,674	0	(23,209)	51,465	74,674	0	(23,209)	51,465
Regional Hardcourt Facility		164,952	0	(24,761)	140,191	0	(25,794)	114,397	140,192	0	(25,794)	114,398
Swimming Pool Tiling		33,800	0	(16,640)	17,160	0	(17,160)	0	17,160	0	(17,160)	0
Seabird Sea Wall		58,575	0	(22,993)	35,582	0	(23,573)	12,009	35,582	0	(23,573)	12,009
Altus Financials Suite Software Upgrade		129,736	0	(9,701)	120,035	0	(9,890)	110,145	120,036	0	(9,891)	110,145
Gingin Outdoor Activity Space		126,525	0	(17,311)	109,214	0	(17,559)	91,655	109,215	0	(17,559)	91,656
Cunliffe Street Redevelopment		229,758	0	(21,175)	208,583	0	(22,151)	186,432	208,583	0	(22,151)	186,432
Land for future Gingin sporting precinct		746,000	0	(21,612)	724,388	0	(22,780)	701,608	724,388	0	(22,780)	701,608
Total		2,314,429	0	(256,429)	2,058,000	0	(269,686)	1,788,314	2,058,001	0	(269,687)	1,788,314
Self-supporting loans												
Ledge Point Country Club Cool Room		12,418	0	(2,378)	10,040	0	(2,430)	7,610	10,039	0	(2,430)	7,609
Total self-supporting loans		12,418	0	(2,378)	10,040	0	(2,430)	7,610	10,039	0	(2,430)	7,609
Total borrowings	14	2,326,847	0	(258,807)	2,068,040	0	(272,116)	1,795,924	2,068,040	0	(272,117)	1,795,923

Self-supporting loans are financed by payments from third parties. These are shown in Note 4 as other financial assets at amortised cost.
All other loan repayments were financed by general purpose revenue.

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27. BORROWING AND LEASE LIABILITIES (Continued)

Borrowing finance cost payments

Purpose	Loan number	Institution	Interest rate	Date final payment is due	Actual for year ending 30 June 2026	Budget for year ending 30 June 2026	Actual for year ending 30 June 2025
					$	$	$
Wannamal West Road - Tip Rationalisation	111	WATC*	6.49%	15/08/2026	(20,225)	(20,857)	(21,851)
Guilderton Community Hall Extension	114	WATC*	7.14%	20/05/2028	(10,376)	(10,790)	(13,842)
Regional Hardcourt Facility	120	WATC*	6.68%	21/06/2029	(8,566)	(8,634)	(10,537)
Lot 44 Weld Street Gingin	123	WATC*	6.96%	16/04/2028	(4,465)	(4,800)	(6,022)
Regional Hardcourt Facility	124A	WATC*	4.13%	4/06/2030	(5,448)	(5,526)	(6,484)
Swimming Pool Tiling	126	WATC*	3.10%	3/02/2026	(183)	(400)	(708)
Seabird Sea Wall	127	WATC*	2.51%	27/07/2026	(493)	(746)	(1,079)
Altus Financials Suite Software Upgrade	131	WATC*	1.94%	20/06/2036	(2,272)	(2,279)	(2,461)
Gingin Outdoor Activity Space	132	WATC*	1.43%	20/06/2031	(1,492)	(1,501)	(1,741)
Cunliffe Street Redevelopment	133	WATC*	4.56%	21/06/2033	(9,228)	(9,256)	(10,206)
Land for future Gingin sporting precinct	134	WATC*	5.33%	14/05/2044	(38,181)	(38,340)	(39,358)
Total					(100,929)	(103,129)	(114,289)
Self-supporting loans finance cost payments							
Ledge Point Country Club Cool Room	130	WATC*	2.16%	22/05/2029	(198)	(204)	(250)
Total self-supporting loans finance cost payments					(198)	(204)	(250)
Total finance cost payments					(101,127)	(103,333)	(114,539)

* WA Treasury Corporation

(b) Lease liabilities

		Actual							Budget			
Purpose	Note	Principal at 1 July 2024	New leases during 2024-25	Principal repayments during 2024-25	Principal at 30 June 2025	New leases during 2025-26	Principal repayments during 2025-26	Principal at 30 June 2026	Principal at 1 July 2025	New leases during 2025-26	Principal repayments during 2025-26	Principal at 30 June 2026
		$	$	$	$	$	$	$	$	$	$	$
Lancelin administration office		7,813	0	(7,813)	0	15,830	(7,753)	8,077	0	15,234	(7,421)	7,813
Gingin administration - IT server		25,272	0	(17,792)	7,480	0	(7,480)	0	7,481	0	(7,481)	0
Gingin administration - photocopier		0	22,880	(4,826)	18,054	0	(7,507)	10,547	18,054	0	(7,506)	10,548
Total lease liabilities	11(b)	33,085	22,880	(30,431)	25,534	15,830	(22,740)	18,624	25,535	15,234	(22,408)	18,361

Lease finance cost payments

Purpose	Lease number	Institution	Interest rate	Date final payment is due	Actual for year ending 30 June 2026	Budget for year ending 30 June 2026	Actual for year ending 30 June 2025	Lease term
					$	$	$	
Lancelin administration office	1A	LJ Hughes	4.20%	30/06/2025	0	0	(221)	24
Lancelin administration office	1B	LJ Hughes	4.20%	30/06/2027	(506)	(229)	0	24
Gingin administration - photocopier	2	QPC Group	1.10%	31/10/2027	(661)	0	(618)	36
Gingin administration - IT server	3	Dell Financial Services	1.30%	1/12/2025	(24)	(229)	(222)	60
Total finance cost payments					(1,191)	(458)	(1,061)	

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28. RESERVE ACCOUNTS

	2026 Actual opening balance	2026 Actual transfer to	2026 Actual transfer (from)	2026 Actual closing balance	2026 Budget opening balance	2026 Budget transfer to	2026 Budget transfer (from)	2026 Budget closing balance	2025 Actual opening balance	2025 Actual transfer to	2025 Actual transfer (from)	2025 Actual closing balance
	$	$	$	$	$	$	$	$	$	$	$	$
Restricted by council												
LSL, Annual, Sick Leave and Staff Contingency	476,067	18,428	0	494,495	476,067	8,492	0	484,559	455,699	20,368	0	476,067
Plant and Equipment Reserve	1,249,543	159,369	(65,203)	1,343,709	1,267,543	22,610	(658,000)	632,153	1,380,281	139,374	(270,112)	1,249,543
Land and Buildings Reserve	693,972	178,078	(245,921)	626,129	715,041	12,754	(307,950)	419,845	714,103	31,917	(52,048)	693,972
Guilderton Caravan Park Reserve	209,708	8,105	0	217,813	209,708	3,741	0	213,449	105,014	104,694	0	209,708
Shire Recreation Development Reserve	277,140	146,228	(118,422)	304,946	277,141	4,943	(185,000)	97,084	377,898	16,890	(117,648)	277,140
Redfield Park Reserve	34,867	1,350	0	36,217	34,867	622	0	35,489	33,375	1,492	0	34,867
Ocean Farm Recreation Reserve	34,525	1,336	0	35,861	34,525	616	0	35,141	33,048	1,477	0	34,525
Tip Rationalisation Reserve	2,955,787	414,418	(424,861)	2,945,344	2,912,246	351,947	(598,390)	2,665,803	2,247,610	757,025	(48,848)	2,955,787
Lancelin Community Sport and Recreation Reserve	169,870	16,410	0	186,280	158,961	31,093	0	190,054	135,553	34,317	0	169,870
Community Infrastructure Reserve	78,015	342,548	0	420,563	88,925	216,579	0	305,504	50,660	38,264	(10,909)	78,015
Staff Housing Reserve	6,362	15,170	0	21,532	6,362	113	0	6,475	6,090	272	0	6,362
Future Infrastructure Reserve	586,461	22,702	0	609,163	586,461	10,461	0	596,922	561,370	25,091	0	586,461
Guilderton Country Club Reserve	9,586	9,169	0	18,755	9,286	8,398	0	17,684	30,544	10,042	(31,000)	9,586
Coastal Management Reserve - Coastal Inundation	425,373	146,467	(245,500)	326,340	448,523	108,000	(228,734)	327,789	411,494	118,392	(104,513)	425,373
Guilderton Foreshore Reserve	457,063	388,400	0	845,463	452,867	370,889	(96,950)	726,806	326,964	133,149	(3,050)	457,063
Seniors Housing Reserve	78,054	32,321	(57,470)	52,905	78,053	33,492	(77,585)	33,960	151,327	31,764	(105,037)	78,054
Gingin Railway Station Reserve	6,367	246	0	6,613	6,367	114	0	6,481	6,095	272	0	6,367
Contributions to Roads Reserve - Cullala Road Intersection	50,001	1,936	0	51,937	50,001	892	0	50,893	47,862	2,139	0	50,001
Contributions to Roads Reserve - Chitna Road	3,334	129	0	3,463	3,333	59	0	3,392	3,191	143	0	3,334
Contributions to Roads Reserve - Balance of Muni Funds	172,660	14,750	0	187,410	171,699	3,063	0	174,762	21,496	305,094	(153,930)	172,660
Community Infrastructure Reserve - Lower Coastal Fire Control	28,002	1,084	0	29,086	28,002	499	0	28,501	26,804	1,198	0	28,002
Community Infrastructure Reserve - Gingin Logo Plates	10,487	1,315	0	11,802	10,396	485	0	10,881	9,473	1,014	0	10,487
Community Infrastructure Reserve - Gingin Ambulance	72,075	8,790	0	80,865	72,075	7,286	0	79,361	63,248	8,827	0	72,075
Community Infrastructure Reserve - Lancelin Ambulance	38,515	19,491	0	58,006	38,513	18,687	0	57,200	19,637	18,878	0	38,515
Public Open Space Reserve	72,266	12,721	(46,892)	38,095	72,265	1,289	(55,000)	18,554	69,174	3,092	0	72,266
Guilderton Trailer Parking Reserve	47,501	7,669	0	55,170	47,126	5,758	0	52,884	39,609	7,892	0	47,501
Gingin Outdoor Activity Space	5,857	227	0	6,084	5,857	104	0	5,961	5,628	229	0	5,857
Gingin Resilience Fund	24,615	953	0	25,568	24,615	439	0	25,054	13,750	10,865	0	24,615
Contribution to Roads Reserve - Aurisch Road Maintenance	22,690	878	(12,500)	11,068	24,480	12,937	(12,500)	24,917	12,500	13,059	(2,869)	22,690
Community Infrastructure - Development Reserve Fund Lot 601 Brockman Street (Brookview Estate)	131,830	138,639	0	270,469	98,038	98,133	0	196,171	45,600	86,230	0	131,830
Community Facilities Fund	0	0	0	0	0	66,848	0	66,848	0	0	0	0
Maritime Facilities Fund	0	0	0	0	0	11,109	0	11,109	0	0	0	0
	8,428,593	2,109,327	(1,216,769)	9,321,151	8,409,343	1,412,452	(2,220,109)	7,601,686	7,405,097	1,923,460	(899,964)	8,428,593

All reserves are supported by cash and cash equivalents and are restricted within equity as Reserve accounts.

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28. RESERVE ACCOUNTS (Continued)

In accordance with council resolutions or adopted budget in relation to each reserve account, the purpose for which the reserves are set aside and their anticipated date of use are as follows:

Name of reserve account	Purpose of the reserve account
Restricted by council	
LSL, Annual, Sick Leave and Staff Contingency	Used to fund annual leave, long service leave, sick leave, redundancy/retirement and staff contingency.
Plant and Equipment Reserve	Used for the purchase of major plant and equipment.
Land and Buildings Reserve	Used for the replacement and/or acquisition of land and buildings.
Guilderton Caravan Park Reserve	Used for the development of Guilderton Caravan Park facilities.
Shire Recreation Development Reserve	Used for the development of Shire Recreation facilities.
Redfield Park Reserve	Used for the development of Public Open Space within the Redfield Park subdivision.
Ocean Farm Recreation Reserve	Used for the development of recreation and community facilities within the Ocean Farm subdivision.
Tip Rationalisation Reserve	Used for rationalisation of rubbish tip facilities within the Shire.
Lancelin Community Sport and Recreation Reserve	Used in developing building and other associated infrastructure at the Lancelin Community Sporting Club and are to be spent upon request from the Club, and approval from Council.
Community Infrastructure Reserve	Used to assist in the financing of community facilities.
Staff Housing Reserve	To be used to fund Staff housing infrastructure additions and/or replacement.
Future Infrastructure Reserve	To used to fund future infrastructure construction, purchase, additions and/or renewals.
Guilderton Country Club Reserve	To be used to fund the development of the Guilderton Country Club and are to be spent upon request from the Club, and approval from Council.
Coastal Management Reserve - Coastal Inundation	For the purpose of funding coastal erosion mitigation and inundation works.
Guilderton Foreshore Reserve	For the purpose to upgrade facilities and amenity within the Guilderton foreshore area.
Seniors Housing Reserve	For the purpose of repairs, improvements, extensions or construction of seniors housing.
Gingin Railway Station Reserve	For the purpose of improving and maintaining the Gingin Railway Station.
Contributions to Roads Reserve - Cullala Road Intersection	For the purpose of funding future road works.
Contributions to Roads Reserve - Chitna Road	For the purpose of funding future road works.
Contributions to Roads Reserve - Balance of Muni Funds	For the purpose of funding future road works.
Community Infrastructure Reserve - Lower Coastal Fire Control	Used to assist in the financing of community facilities.
Community Infrastructure Reserve - Gingin Logo Plates	Used to assist in the financing of community facilities.
Community Infrastructure Reserve - Gingin Ambulance	Used to assist in the financing of community facilities.
Community Infrastructure Reserve - Lancelin Ambulance	Used to assist in the financing of community facilities.
Public Open Space Reserve	For the purpose of funding development of public open space.
Guilderton Trailer Parking Reserve	For the purpose of future trailer park bay maintenance at Guilderton Foreshore.
Gingin Outdoor Activity Space	For the purpose of maintenance at the Gingin Outdoor Activity Space.
Gingin Resilience Fund	To be used in delivering of Resilience Plan as set out in funding agreement.
Contribution to Roads Reserve - Aurisch Road Maintenance	For the purpose of funding future road works.
Community Infrastructure - Development Reserve Fund Lot 601 Brockman Street (Brookview Estate)	Used to assist in the financing of community facilities.
Community Facilities Fund	For the purpose of construction and/or maintenance of community facilities to service each of the Lancelin South Structure Plan area.
Maritime Facilities Fund	For the purpose of construction and/or maintenance by the Shire of maritime facilities in the upper coastal area.

SHIRE OF GINGIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2026

29. CORRECTION OF PRIOR PERIOD ERROR

During the current financial year, the Shire identified that two replacement fire trucks provided by the Department of Fire and Emergency Services during the year ended 30 June 2025 had not been recognised in the Shire's property, plant and equipment or as capital contribution income in the 2025 financial year.

The replacement fire trucks were received by the Shire on 13 June 2025 and had a combined value of $639,816. As the assets had been received prior to 30 June 2025, the assets and the corresponding capital contribution income should have been recognised in the 2025 financial year.

The omission therefore represents a prior period error. In accordance with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors, the error has been corrected retrospectively by restating the comparative amounts for the year ended 30 June 2025.

The impact of the correction on the comparative financial statements is as follows:

Statement of Financial Position (Extract)	**30 June 2025**	**Increase/ (Decrease)**	**30 June 2025 (Restated)**
	$	**$**	**$**
Property, plant and equipment	68,826,885	639,816	69,466,701
Net assets	284,252,432	639,816	284,892,248
Retained surplus	46,139,139	639,816	46,778,955
Total equity	284,252,432	639,816	284,892,248

Statement of Comprehensive Income (Extract)	**2025**	**Increase/ (Decrease)**	**2025 (Restated)**
	$	**$**	**$**
Capital Grants, Subsidies and Contributions	4,629,627	639,816	5,269,443
Net result for the period	(328,408)	639,816	311,408
Total comprehensive income for the period	16,123,640	639,816	16,763,456

Statement of Financial Activity (Extract)	**2025**	**Increase/ (Decrease)**	**2025 (Restated)**
	$	**$**	**$**
Proceeds from Capital Grants, Subsidies and Contributions	4,629,627	639,816	5,269,443
Acquition of Property, Plant and Equipment	(2,676,410)	(639,816)	(3,316,226)

6 CLOSURE