

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

TABLE OF CONTENTS

Statement by CEO	2
Statement of comprehensive income	3
Statement of financial position	4
Statement of changes in equity	5
Statement of cash flows	6
Statement of financial activity	7
Index of notes to the financial report	8
Independent auditor's report	47

AASB 101.138(b)

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

The Shire will endeavour to provide the community services and facilities to meet the needs of the members of the community and enable them to enjoy a pleasant and healthy way of life.

AASB 101.138(a)

Principal place of business:
1 Main Street
Country Shire

**SHIRE OF COUNTRY
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 Country 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 reporting period 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 _____ day of _____ 2026

CEO

Name of CEO

AASB 101.5
AASB 101.10(b),(ea),10A
AASB 101.38
AASB 101.51

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

FM Reg 36(2)(c)

FM Reg 14
AASB 101.82(a)
AASB 101.99
FM Reg 36(2)(c)
FM Reg Schedule 1 Part 2
AASB 101.113

AASB 16.49
AASB 101.82(b)
AASB 16.49

AASB 7.20(a)(i)

AASB 101.82(c)

AASB 101.81A(a)

AASB 101.85

AASB 101.82A(a)(i)

AASB 101.96

AASB 101.92
AASB Interpretation 1.6(d)

AASB 101.82A(b)

AASB 101.81A(b)

AASB 101.81A(c)

Note	2026 Actual	2026 Budget	2025 Actual
	\$	\$	\$
Revenue			
Rates	37,662,797	37,578,489	36,868,923
Grants, subsidies and contributions	7,331,075	4,210,770	8,171,126
Fees and charges	19,216,934	18,689,885	18,336,718
Service charges	110,365	110,500	110,500
Interest revenue	862,293	749,843	777,577
Other revenue	523,333	432,352	1,154,367
	65,706,797	61,771,839	65,419,211
Expenses			
Employee costs	(25,798,619)	(26,016,189)	(25,248,758)
Materials and contracts	(22,864,204)	(19,769,832)	(19,405,109)
Utility charges	(1,965,880)	(1,853,085)	(1,770,653)
Depreciation	(14,757,406)	(14,330,986)	(13,920,066)
Finance costs	(547,846)	(545,230)	(578,906)
Insurance	(685,505)	(706,845)	(765,138)
Other expenditure	(1,478,516)	(687,610)	(796,759)
	(68,097,976)	(63,909,777)	(62,485,389)
	(2,391,179)	(2,137,938)	2,933,822
Capital grants, subsidies and contributions	14,742,296	9,782,221	18,810,754
Profit on asset disposals	29,653	13,575	439,462
Loss on asset disposals	(298,878)	(97,420)	(41,763)
Fair value adjustments to financial assets at fair value through profit or loss	5,643	5,200	5,108
Fair value adjustments to investment property	111,274	0	0
Share of net profit of associates accounted for using the equity method	9,234	1,000	(7,947)
Loss on revaluation of Infrastructure - drainage	0	0	(102,356)
	14,599,222	9,704,576	19,103,258
	12,208,043	7,566,638	22,037,080
Net result for the period			
Other comprehensive income for the period			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Changes in asset revaluation surplus	1,517,580	0	(42,118,667)
Changes in asset revaluation surplus arising from a change in liabilities	30,500	0	0
Share of other comprehensive income of associates accounted for using the equity method	176	0	(568)
	1,548,256	0	(42,119,235)
	1,548,256	0	(42,119,235)
	13,756,299	7,566,638	(20,082,155)

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

AASB 101.5 **SHIRE OF COUNTRY**
AASB 101.10(a)(ea) **STATEMENT OF FINANCIAL POSITION**
AASB 101.10A **AS AT 30 JUNE 2026**

AASB 101.38	Note	2026 \$	2025 \$
CURRENT ASSETS			
AASB 101.60			
AASB 101.54(i)	3	24,562,679	19,641,775
AASB 101.54(h) AASB 7.8(c)	5	2,538,396	1,932,632
AASB 101.54(d) AASB 7.8(f)	4(a)	9,332,905	8,372,692
AASB 101.54(i)	6	871,954	2,990,822
AASB 101.51	7	910,757	695,592
AASB 101.54(j) AASB 5.38	7	653,000	0
AASB 101.55		38,869,691	33,633,513
NON-CURRENT ASSETS			
AASB 101.60			
AASB 101.54(h) AASB 7.8(c)	5	195,448	164,810
AASB 101.54(d) AASB 7.8(f)	4(b)	2,381,240	541,440
AASB 101.54(g)	6	3,530,361	1,320,960
AASB 101.54(e)	26(a)	210,807	206,897
AASB 101.54(a)	8	156,988,525	149,023,555
AASB 101.54(a)	9	399,393,226	400,520,344
AASB 16.47(a)	11(a)	428,998	318,817
AASB 101.54(b)	12	2,346,684	2,235,410
AASB 101.54(c)	13	1,331,450	11,450
AASB 101.55		566,806,739	554,343,683
AASB 101.55		605,676,430	587,977,196
CURRENT LIABILITIES			
AASB 101.60			
AASB 101.54(k)	14	4,169,296	3,688,810
AASB 101.55	15	1,718,955	403,499
AASB 101.55	15	4,169,847	2,538,658
AASB 16.47(b)	11(b)	205,134	127,670
AASB 101.54(m)	16	2,788,105	2,780,672
AASB 101.54(l)	17	5,262,089	4,374,895
AASB 101.54(l)	18	306,484	265,094
AASB 101.55		18,619,910	14,179,298
NON-CURRENT LIABILITIES			
AASB 101.60			
AASB 101.55	15	307,010	481,437
AASB 16.47(b)	11(b)	302,743	241,166
AASB 101.54(m)	16	12,534,528	12,958,535
AASB 101.54(l)	17	735,698	689,941
AASB 101.54(l)	18	1,364,110	1,370,687
AASB 101.55		15,244,089	15,741,766
AASB 101.55		33,863,999	29,921,064
AASB 101.55		571,812,431	558,056,132
EQUITY			
AASB 101.60			
AASB 101.54(r)		432,253,662	422,241,633
AASB 101.54(r) AASB 1058.37(b)	32	18,120,032	15,924,018
AASB 101.54(r)	19	121,438,737	119,890,481
AASB 101.55		571,812,431	558,056,132

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

AASB 101.5
AASB 101.10(c)(ea)
AASB 101.10A
AASB 101.38
AASB 101.51
AASB 101.106

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

	Note	Retained surplus \$	Reserve accounts \$	Revaluation surplus \$	Total equity \$
AASB 101.106(d)		400,585,766	15,542,805	162,009,716	578,138,287
Comprehensive income for the period					
AASB 101.106(d)(i)		22,037,080	0	0	22,037,080
AASB 101.106(d)(ii)	19	0	0	(42,119,235)	(42,119,235)
AASB 101.106(a)		22,037,080	0	(42,119,235)	(20,082,155)
AASB 1058.37(b)	32	11,955,350	(11,955,350)	0	0
AASB 1058.37(b)	32	(12,336,563)	12,336,563	0	0
		422,241,633	15,924,018	119,890,481	558,056,132
Comprehensive income for the period					
AASB 101.106(d)(i)		12,208,043	0	0	12,208,043
AASB 101.106(d)(ii)	19	0	0	1,548,256	1,548,256
AASB 101.106(a)		12,208,043	0	1,548,256	13,756,299
AASB 1058.37(b)	32	7,726,291	(7,726,291)	0	0
AASB 1058.37(b)	32	(9,922,305)	9,922,305	0	0
		432,253,662	18,120,032	121,438,737	571,812,431

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

AASB 101.5
AASB 101.10(d)(ea)
AASB 101.38
AASB 101.51
AASB 101.113

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

AASB 107.10
AASB 107.18(a)
AASB 107.14(a)
FM Reg Schedule 1 Part 2

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts

Note	2026 Actual \$	2025 Actual \$
	37,385,478	37,102,955
	8,704,591	7,739,997
	19,208,747	19,456,922
	110,365	110,500
	862,293	777,577
	188,655	632,603
	523,333	1,154,367
	66,983,462	66,974,921

Payments

	(24,976,590)	(25,525,584)
	(23,736,595)	(20,580,217)
	(1,965,880)	(1,770,653)
	(545,521)	(578,906)
	(685,505)	(765,138)
	(617,736)	(269,111)
	(205,290)	(170,283)
	(52,733,117)	(49,659,892)

Net cash provided by operating activities

14,250,345 17,315,029

AASB 107.10
AASB 107.21

CASH FLOWS FROM INVESTING ACTIVITIES

	(4,460,213)	(2,000,000)
	0	(10,250)
	(8,625,389)	(13,014,698)
	(8,604,579)	(16,792,577)
12	0	(560,345)
13	(1,650,000)	0
	12,327,980	18,158,368
	5,500	500
	1,500,000	2,000,000
	165,843	161,630
	591,200	1,374,912
	(8,749,658)	(10,682,460)

Net cash (used in) investing activities

AASB 107.10
AASB 107.21

CASH FLOWS FROM FINANCING ACTIVITIES

	(2,466,574)	(1,930,557)
	(163,209)	(105,249)
	2,050,000	0
	(579,783)	(2,035,806)

Net cash (used in) financing activities

Net increase in cash held

4,920,904 4,596,763

Cash at beginning of year 19,641,775 15,045,012

Cash and cash equivalents at the end of the year 24,562,679 19,641,775

AASB 107.45

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

AASB 101.5
AASB 101.10(ea)
AASB 101.38
AASB 101.51
AASB 101.113
FM Reg 36(2)(a),(b)

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

FM Reg 22(1)(d)(i)
FM Reg 22(1)(d)(ii)

OPERATING ACTIVITIES

Revenue from operating activities

Note	2026 Actual \$	2026 Budget \$	2025 Actual \$
29	37,501,028	37,427,038	36,723,909
29	161,769	151,451	145,014
	7,331,075	4,210,770	8,171,126
	19,216,934	18,689,885	18,336,718
	110,365	110,500	110,500
	862,293	749,843	777,577
	523,333	432,352	1,154,367
	29,653	13,575	439,462
4(b)	5,643	5,200	5,108
12	111,274	0	0
26(e)	9,234	1,000	(7,947)

Expenditure from operating activities

	(25,798,619)	(26,016,189)	(25,248,758)
	(22,864,204)	(19,769,832)	(19,405,109)
	(1,965,880)	(1,853,085)	(1,770,653)
	(14,757,406)	(14,330,986)	(13,920,066)
	(547,846)	(545,230)	(578,906)
	(685,505)	(706,845)	(765,138)
	(1,478,516)	(687,610)	(796,759)
	(298,878)	(97,420)	(41,763)
	0	0	(102,356)
	(68,396,854)	(64,007,197)	(62,629,508)

Non-cash amounts excluded from operating activities

Amount attributable to operating activities

INVESTING ACTIVITIES

Inflows from investing activities

	14,742,296	9,782,221	18,810,754
	591,200	1,239,561	1,374,912
31(a)	165,843	165,843	161,630
	1,500,000	1,500,000	2,000,000
26(b),(c)	5,500	0	500
	17,004,839	12,687,625	22,347,796

Outflows from investing activities

26(b),(c)	0	0	(10,250)
11(a)	(302,250)	(300,000)	(156,400)
8(a)	(9,281,389)	(13,840,475)	(13,314,698)
9(a)	(11,769,657)	(11,604,000)	(16,792,577)
9(a)	(112,988)	0	0
	(4,460,213)	(1,500,000)	(2,000,000)
12	0	0	(560,345)
13	(1,650,000)	(1,000,000)	0
	(27,576,497)	(28,244,475)	(32,834,270)

Non-cash amounts excluded from investing activities

Amount attributable to investing activities

FINANCING ACTIVITIES

Inflows from financing activities

31(a)	2,050,000	2,200,000	0
31(d)	302,250	300,000	156,400
32	7,726,291	5,415,739	11,955,350
	10,078,541	7,915,739	12,111,750

Outflows from financing activities

31(a)	(2,466,574)	(2,274,123)	(1,930,557)
31(d)	(163,209)	(162,670)	(105,249)
32	(9,922,305)	(7,047,233)	(12,336,563)
	(12,552,088)	(9,484,026)	(14,372,369)

Non-cash amounts excluded from financing activities

Amount attributable to financing activities

MOVEMENT IN SURPLUS OR DEFICIT

Surplus or deficit at the start of the financial year

30(d)	6,272,696	6,272,696	5,404,483
	10,830,880	11,502,441	13,875,606
	(9,370,634)	(15,906,850)	(10,590,374)
	(2,775,797)	(1,868,287)	(2,417,019)
30(d)	4,957,145	0	6,272,696

FM Reg 22(1)(d)(iii)

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

**SHIRE OF COUNTRY
FOR THE YEAR ENDED 30 JUNE 2026
INDEX OF NOTES TO THE FINANCIAL REPORT**

Note 1	Basis of preparation	9
Note 2	Revenue and expenses	10
Note 3	Cash and cash equivalents	12
Note 4	Other financial assets	12
Note 5	Trade and other receivables	13
Note 6	Inventories	14
Note 7	Other assets	15
Note 8	Property, plant and equipment	16
Note 9	Infrastructure	18
Note 10	Fixed assets	20
Note 11	Leases	22
Note 12	Investment property	24
Note 13	Intangible assets	25
Note 14	Trade and other payables	26
Note 15	Other liabilities	27
Note 16	Borrowings	28
Note 17	Employee related provisions	29
Note 18	Other provisions	30
Note 19	Revaluation surplus	31
Note 20	Restrictions over financial assets	32
Note 21	Undrawn borrowing facilities and credit standby arrangements	32
Note 22	Contingent liabilities	33
Note 23	Capital commitments	33
Note 24	Related party transactions	34
Note 25	Joint arrangements	36
Note 26	Investment in associates	37
Note 27	Events occurring after the end of the reporting period	39
Note 28	Other material accounting policies	40

Information required by legislation

Note 29	Rating information	41
Note 30	Determination of surplus or deficit	42
Note 31	Borrowing and lease liabilities	43
Note 32	Reserve accounts	45
Note 33	Trust funds	46

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

AASB 101.51
AASB 101.112
AASB 101.10(e)
AASB 101.117

1. BASIS OF PREPARATION

AASB 1054.7	<p>The financial report of the Shire of Country which is a Class 3 local government comprises general purpose financial statements which have been prepared in accordance with the <i>Local Government Act 1995</i> and accompanying regulations.</p>	<p>Initial application of accounting standards During the current year, no new or revised Australian Accounting Standards and Interpretations were applied for the first time.</p>	AASB 108.28
AASB 101.20(b)	<p>Local Government Act 1995 requirements Section 6.4(2) of the <i>Local Government Act 1995</i> read with the <i>Local Government (Financial Management) Regulations 1996</i> prescribe that the financial report be prepared in accordance with the <i>Local Government Act 1995</i> and, to the extent that they are not inconsistent with the <i>Local Government Act 1995</i>, 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:</p> <ul style="list-style-type: none"> • 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 	<p>New accounting standards for application in future years The following new accounting standards will have application to local government in future years:</p> <ul style="list-style-type: none"> • AASB 2014-10 Amendments to Australian Accounting Standards - <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> • AASB 2024-4b Amendments to Australian Accounting Standards - <i>Effective Date of Amendments to AASB 10 and AASB 128 [deferred AASB 10 and AASB 128 amendments in AASB 2014-10 apply]</i> • AASB 2022-9 Amendments to Australian Accounting Standards - <i>Insurance Contracts in the Public Sector</i> • AASB 2024-2 Amendments to Australian Accounting Standards - <i>Classification and Measurement of Financial Instruments</i> • AASB 2024-3 Amendments to Australian Accounting Standards - <i>Annual Improvements Volume 11</i> <p>These amendments are not expected to have any material impact on the financial report on initial application.</p> <ul style="list-style-type: none"> • AASB 18 (<i>NFP/super</i>) <i>Presentation and Disclosure in Financial Statements - (Appendix D) [for not-for-profit and superannuation entities]</i> 	AASB 108.30
AASB 101.20(c)	<p>The <i>Local Government (Financial Management) Regulations 1996</i> 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 <i>Leases</i> which would have required the Shire to measure any vested improvements at zero cost.</p>	<p>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.</p> <p>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.</p> <p>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.</p>	AASB 101.122 AASB 101.125
Exclude paragraph where not applicable	<p>The <i>Local Government (Financial Management) Regulations 1996</i> provide that:</p> <ul style="list-style-type: none"> - land and buildings classified as property, plant and equipment; or - infrastructure; or - vested improvements that the local government controls; <p>are measured at reportable value, and are only required to be revalued every five years. Revaluing these non-financial assets every five years is a departure from AASB 116 <i>Property, Plant and Equipment</i>, 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.</p>	<p>As with all estimates, the use of different assumptions could lead to material changes in the amounts reported in the financial report.</p>	
AASB 101.20(c)	<p>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.</p>	<p>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:</p> <ul style="list-style-type: none"> • Fair value measurement of assets carried at reportable value including: <ul style="list-style-type: none"> • Property, plant and equipment - Note 8 • Infrastructure - Note 9 • Expected credit losses on financial assets - Note 5 • Assets held for sale - Note 7 • Impairment losses of non-financial assets - Note 10 • Investment property - Note 12 • Estimated useful life of intangible assets - Note 13 • Measurement of employee benefits - Note 17 • Measurement of provisions - Note 18 	
AASB 108.13	<p>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.</p> <p>All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 33 of the financial report.</p>	<p>Fair value heirarchy information can be found in Note 28</p>	

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

AASB 101.10(e)(ea)

AASB 101.38

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:

AASB15.110

AASB15.119

AASB15.124

AASB15.125

AASB15.126

Revenue category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/refunds/warranties	Timing of revenue recognition
Grants, subsidies and contributions	Provision of community events	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 services at disposal sites	Single point in time	Payment in advance at gate or on normal trading terms if credit provided	None	On entry to facility
Fees and charges - airport landing charges	Permission to use facilities and runway	Single point in time	Monthly in arrears	None	On landing/departure event
Fees and charges - sale of stock	Aviation fuel, kiosk and visitor centre stock	Single point in time	In full in advance, on 15 day credit	Refund for faulty goods	At point of sale
Other revenue - private works	Contracted private works	Single point in time	Monthly in arrears	None	At point of service

AASB 15.122, 126 (a)

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

Revenue recognition

AASB 1058.36

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.

AASB 15.113 (a)

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
	\$	\$	\$	\$	\$
AASB 1058.28 Rates	0	0	37,662,797	0	37,662,797
AASB 15.114 Grants, subsidies and contributions	560,000	0	126,368	6,644,707	7,331,075
AASB 1058.28 Fees and charges	4,344,761	0	11,674,113	3,198,060	19,216,934
Service charges	0	0	110,365	0	110,365
AASB 1058.29(a)(i) Interest revenue	0	0	37,985	824,308	862,293
Other revenue	161,134	0	0	362,199	523,333
Capital grants, subsidies and contributions	0	11,280,954	2,648,711	812,631	14,742,296
Total	5,065,895	11,280,954	52,260,339	11,841,905	80,449,093

For the year ended 30 June 2025

Nature	Contracts with customers	Capital grant/contributions	Statutory requirements	Other	Total
	\$	\$	\$	\$	\$
AASB 1058.28 Rates	0	0	36,868,923	0	36,868,923
AASB 15.114 Grants, subsidies and contributions	106,549	0	0	8,064,577	8,171,126
AASB 1058.28 Fees and charges	4,136,571	0	10,264,787	3,935,360	18,336,718
Service charges	0	0	110,500	0	110,500
AASB 1058.29(a)(i) Interest revenue	0	0	35,687	741,890	777,577
Other revenue	346,540	0	0	807,827	1,154,367
Capital grants, subsidies and contributions	0	16,487,941	1,567,410	755,403	18,810,754
Total	4,589,660	16,487,941	48,847,307	14,305,057	84,229,965

SHIRE OF COUNTRY
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 \$
AASB 1058.23		Assets and services acquired below fair value	
AASB 1058.26 (a)		3,821,078	300,000
AASB 1058.26 (b)		255,350	0
		4,076,428	300,000
AASB 1058.27		The Shire utilises volunteer services at the fire station, library and beach lifeguards. When beach lifeguard volunteers are not available, the Shire employs paid beach lifeguards, and therefore the fair value of beach lifeguard volunteers can be reliably measured. All other volunteer services are not recognised as revenue as the fair value of the services cannot be reliably estimated.	
		Interest revenue	
		16,798	21,011
		382,176	334,404
FM Reg 43 (b)		2,534	2,368
		460,785	419,794
		862,293	777,577
FM Reg 36(2)(d)		The 2026 original budget estimate in relation to: Trade and other receivables overdue interest was \$2,500.	

(b) Expenses

AASB 1054.10		Auditors remuneration	
		45,689	41,067
AASB 1054.11		3,674	3,168
		49,363	44,235
		Employee Costs	
AASB 101.97		23,347,167	22,953,416
AASB 119.25		2,451,452	2,295,342
		25,798,619	25,248,758
		Finance costs	
AASB 7.20(b)		545,521	578,906
AASB 137.60		2,325	0
		547,846	578,906
		Other expenditure	
AASB 1058.29 (a) (ii)		3,681	1,145
AASB 15.113 (b)		4,897	1,317
AASB 15.113 (b)		1,980	1,659
AASB 15.113 (b)		8,740	0
AASB 136.126 (a)		95,000	0
AASB 101.98(a)	8(a)	1,162,609	623,500
	6	201,609	169,138
		1,478,516	796,759

AASB 15.118(c) The impairment loss on contract assets has been recognised in relation to expenditure incurred for a future event for which grant funding is yet to be received. This amount was previously recognised as revenue as the Shire had satisfied the relevant performance obligations in the contract. During review of the grant expenditure management identified certain expenses as unable to be claimed under the grant agreement.

The write down of inventories to net realisable value relates to the revaluation of land held for resale following the completion and marketing of stage 2 of the subdivision development.

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

AASB 101.10(e)(ea)
AASB 101.38

3. CASH AND CASH EQUIVALENTS

	Note	2026 \$	2025 \$
AASB 101.77			
Cash at bank and on hand		4,137,864	8,187,302
Term deposits		20,424,815	11,454,473
Total cash and cash equivalents		24,562,679	19,641,775
Held as			
- Unrestricted cash and cash equivalents		9,329,223	8,826,765
- Restricted cash and cash equivalents	20	15,233,456	10,815,010
		24,562,679	19,641,775

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.

Term deposits are presented as cash equivalents if they have a maturity of three months or less from the date of acquisition and are repayable with 24 hours notice with no loss of interest.

AASB 101.117

AASB 107.6
AASB 107.7
AASB 107.46

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.

AASB 1058.37

4. OTHER FINANCIAL ASSETS

	Note	2026 \$	2025 \$
AASB 7.6 AASB 101.77 AASB 7.8(f)			
(a) Current assets			
Financial assets at amortised cost		9,332,905	8,372,692
		9,332,905	8,372,692
Other financial assets at amortised cost			
Self-supporting loans receivable	30(d)	165,843	165,843
Term deposits		7,167,062	7,106,849
Treasury bonds		2,000,000	1,100,000
		9,332,905	8,372,692
Held as			
- Unrestricted other financial assets at amortised cost		165,843	165,843
- Restricted other financial assets at amortised cost	19(a)	9,167,062	8,206,849
		9,332,905	8,372,692
AASB 7.31 AASB 7.8(f) AASB 7.8(a)			
(b) Non-current assets			
Financial assets at amortised cost		2,358,080	523,923
Financial assets at fair value through profit or loss		23,160	17,517
		2,381,240	541,440
Financial assets at amortised cost			
Self-supporting loans receivable		358,080	523,923
Term deposits		2,000,000	0
		2,358,080	523,923
Financial assets at fair value through profit or loss			
Units in Local Government House Trust - opening balance		17,517	12,409
Movement attributable to fair value increment		5,643	5,108
Units in Local Government House Trust - closing balance		23,160	17,517

Loans receivable from clubs/institutions have the same terms and conditions as the related borrowing disclosed in Note 31(a) as self-supporting loans. Fair value of financial assets at fair value through profit or loss is determined from the net asset value of the units held in the Trust at balance date as compiled by WALGA.

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 28 (i)) due to the observable market rates.

AASB 101.117

AASB 9.4.1.2

AASB 107.33

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 fair value through profit or loss.

AASB 9.4.1.5

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

AASB 101.10(e)(ea)
AASB 101.38

5. TRADE AND OTHER RECEIVABLES

	Note	2026 \$	2025 \$
Current			
Rates and statutory receivables		999,070	756,897
Trade receivables		619,220	763,909
Other receivables		406,531	331,212
GST receivable		504,760	75,679
Receivables for employee related provisions	17	25,034	20,253
Allowance for credit losses of rates and statutory receivables		(1,568)	(2,332)
Allowance for credit losses of trade receivables	26(b)	(12,347)	(11,030)
Allowance for credit losses of other receivables	26(b)	(2,304)	(1,956)
		2,538,396	1,932,632
Non-current			
Rates and statutory receivables		195,448	164,810
		195,448	164,810

AASB 7.42D(a)-(c),(e)
AASB 9.B4.1.3

The carrying amounts of the trade and other receivables include receivables which are subject to a factoring arrangement. Under the factoring arrangement, the Shire of Country has transferred the relevant receivables to the factor in exchange for cash and is prevented from selling or pledging the receivables. Late payment and credit risk remains with the Shire of Country, therefore the Shire continues to recognise the transferred assets in their entirety. The amount repayable under the factoring arrangement is presented as a secured borrowing under other loans at Note 16. The Shire considers that the held to collect business model remains appropriate for these receivables and continues measuring them at amortised cost.

AASB 15.116(a)

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	478,071	525,274	538,382
Contract assets	413,813	23,000	12,560
Allowance for credit losses of trade receivables	(12,347)	(11,030)	(11,546)
Allowance for impairment of contract assets	(8,740)	0	0
Total trade and other receivables from contracts with customers	870,797	537,244	539,396

AASB 101.117

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.

AASB 9.Aus2.1.1

AASB 9.C6
AASB 9.C7

AASB 9.5.1.3
AASB 7.21

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.

AASB 101.66

AASB 7.25.29(a)
AASB 13.97.93(b),(d)

AASB 101.10(e)(ea)
AASB 101.38

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

6. INVENTORIES

	Note	2026	2025
		\$	\$
AASB 101.77			
AASB 102.36(b)		568,974	473,684
AASB 101.78(c)		126,840	80,654
		10,656	79,500
		165,484	2,356,984
		871,954	2,990,822
		56,040	56,040
		3,474,321	1,264,920
		3,530,361	1,320,960
The following movements in inventories occurred during the year:			
		4,311,782	3,936,999
AASB 102.36(d)		(997,735)	(567,401)
AASB 102.36(e)	2(b)	(1,162,609)	(623,500)
		2,250,877	1,565,684
AASB 102.36(b)		4,402,315	4,311,782

AASB 101.117(b)
AASB 102
AASB 102.9

MATERIAL ACCOUNTING POLICIES

General

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

AASB 102.36(a)

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.

Land held for resale

Land held for development and resale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development, and holding costs until completion of development.

Land held for resale (Continued)

Borrowing costs and holding costs incurred after development is completed are expensed.

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

Land held for resale is classified as current except where it is expected to be sold more than 12 months after the end of the reporting period based on the Shire's intentions to release for sale.

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

7. OTHER ASSETS

	2026	2025
	\$	\$
Other assets - current		
AASB 101.77,78(b) Prepayments	505,684	566,051
AASB 15.116(a) Contract assets	413,813	129,541
AASB 15.113(b) Allowance for impairment of contract assets	(8,740)	0
	910,757	695,592
AASB 5.38 Non-current assets held for sale	653,000	0

Land classified as non-current assets held for sale

AASB 5.41(a),(b),(c) During the year council elected to dispose of vacant land on Main Street. The property is currently being marketed for sale. The property is to be disposed of by public auction in August 2026, with a number of parties having already shown an interest in the property.

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.

Impairment of assets associated with contracts with customers are detailed at Note 2(b).

Non-current assets held for sale

Assets are classified as held for sale where the carrying amount will be recovered through a sale rather than continuing use and the asset is available for immediate sale with a sale being highly probable. Non-current assets classified as held for sale are valued at the lower of the carrying amount and fair value less costs to sell.

The fair value of land was determined using the sales comparison approach using comparable properties in the area. This is a level 2 measurement as per the fair value hierarchy set out in Note 28(i).

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.

AASB 5.6 to 12A

AASB 5.15

AASB 13.91(a)

AASB 13.93(b),(d)

AASB 5.41(c)

AASB 13.27-33

SHIRE OF COUNTRY

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

AASB 101.10(e)(ea)

AASB 101.38

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.

AASB 16.95	Note	Assets not subject to operating lease		Assets subject to operating lease		Total property				Plant and equipment		Total property, plant and equipment
		Land	Buildings	Land	Buildings	Land	Buildings	Work in progress	Total property	Furniture and equipment	Plant and equipment	
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
		64,119,340	57,664,893	10,657	563,138	64,129,997	58,228,031	3,404,707	125,762,735	4,204,094	8,790,546	138,757,375
AASB 116.73(e)(i)	Additions*	0	8,413,491	0	0	0	8,413,491	1,508,964	9,922,455	45,311	3,346,932	13,314,698
AASB 116.73(e)(ix)	Disposals	0	(236,541)	0	0	0	(236,541)	0	(236,541)	0	(740,672)	(977,213)
AASB 116.73(e)(vii)	Depreciation	0	(868,480)	0	(6,435)	0	(874,915)	0	(874,915)	(342,141)	(854,249)	(2,071,305)
	Transfers	0	2,567,097	0	0	0	2,567,097	(2,567,097)	0	0	0	0
	Balance at 30 June 2025	64,119,340	67,540,460	10,657	556,703	64,129,997	68,097,163	2,346,574	134,573,734	3,907,264	10,542,557	149,023,555
	Comprises:											
AASB 116.73(d)	Gross balance amount at 30 June 2025	64,119,340	71,688,550	10,657	563,138	64,129,997	72,251,688	2,346,574	138,728,259	4,904,276	13,266,977	156,899,512
AASB 116.73(d)	Accumulated depreciation at 30 June 2025	0	(3,592,090)	0	(6,435)	0	(3,598,525)	0	(3,598,525)	(997,012)	(2,724,420)	(7,319,957)
AASB 116.73(d)	Accumulated impairment loss at 30 June 2025	0	(556,000)	0	0	0	(556,000)	0	(556,000)	0	0	(556,000)
	Balance at 30 June 2025	64,119,340	67,540,460	10,657	556,703	64,129,997	68,097,163	2,346,574	134,573,734	3,907,264	10,542,557	149,023,555
AASB 116.73(e)(i)	Additions*	0	3,723,171	0	0	0	3,723,171	2,227,620	5,950,791	704,665	2,625,933	9,281,389
AASB 116.73(e)(ix)	Disposals	(135,000)	0	0	0	(135,000)	0	0	(135,000)	0	(725,425)	(860,425)
AASB 116.73(e)(iv)	Revaluation increments / (decrements) transferred to revaluation surplus	243,156	2,280,113	0	0	243,156	2,280,113	0	2,523,269	0	0	2,523,269
	Assets classified as held for sale	(653,000)	0	0	0	(653,000)	0	0	(653,000)	0	0	(653,000)
	Impairment (losses) / reversals**	0	0	0	0	0	0	0	0	0	(95,000)	(95,000)
AASB 116.73(e)(vii)	Depreciation	0	(966,304)	0	(6,435)	0	(972,739)	0	(972,739)	(352,641)	(905,883)	(2,231,263)
	Transfers	0	3,589,071	0	0	0	3,589,071	(3,589,071)	0	0	0	0
	Balance at 30 June 2026	63,574,496	76,166,511	10,657	550,268	63,585,153	76,716,779	985,123	141,287,055	4,259,288	11,442,182	156,988,525
	Comprises:											
AASB 116.73(d)	Gross balance amount at 30 June 2026	63,574,496	81,280,905	10,657	563,138	63,585,153	81,844,043	985,123	146,414,319	5,608,941	15,167,485	167,190,745
AASB 116.73(d)	Accumulated depreciation at 30 June 2026	0	(4,558,394)	0	(12,870)	0	(4,571,264)	0	(4,571,264)	(1,349,653)	(3,630,303)	(9,551,220)
AASB 116.73(d)	Accumulated impairment loss at 30 June 2026	0	(556,000)	0	0	0	(556,000)	0	(556,000)	0	(95,000)	(651,000)
AASB 101.77	Balance at 30 June 2026	63,574,496	76,166,511	10,657	550,268	63,585,153	76,716,779	985,123	141,287,055	4,259,288	11,442,182	156,988,525

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

AASB 136.130(a) ** The impairment loss relates to a grader damaged in an accident. The whole amount was recognised as other expense in profit or loss, as there was no amount included in the asset revaluation surplus relating to plant and equipment. Refer Note 2(b).

AASB 116.74A(a) An amount of \$90,000 (nil in prior year) was received from an insurance company as compensation for the damage to the grader.

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

AASB 101.10(e)(ea)

AASB 101.38

8. PROPERTY, PLANT AND EQUIPMENT (Continued)

AASB 13.91

(b) Carrying amount measurements

AASB 116.77

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		11,037,997	11,679,100	2	Market approach using recent observable market data for similar properties	Independent registered valuer	June 2026	Price per square metre
Land - subject to usage restrictions		52,547,156	52,450,897	3	Market approach using recent observable market data for similar properties	Independent registered valuer	June 2026	Price per square metre, discounted due to usage restrictions
Total land	8(a)	63,585,153	64,129,997					
Buildings - non specialised		3,864,406	3,351,869	2	Market approach using recent observable market data for similar properties	Independent registered valuer	June 2026	Price per square metre
Buildings - specialised		72,852,373	64,745,294	3	Cost approach using current replacement cost	Management valuation	June 2026	Construction costs and current condition, residual values and remaining useful life assessments inputs
Total buildings	8(a)	76,716,779	68,097,163					

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 property, plant and equipment 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 COUNTRY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2026

AASB 101.10(e)(ea)

AASB 101.38

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 - drainage	Infrastructure - parks and ovals	Infrastructure - other	Infrastructure - landfill assets	Total infrastructure	
	\$	\$	\$	\$	\$	\$	\$	
AASB 116.73(e)	Balance at 1 July 2024	240,069,153	42,220,433	51,597,970	32,918,805	68,939,140	1,873,467	437,618,968
AASB 116.73(e)(i)	Additions	8,168,464	668,430	478,354	940,951	6,536,378	0	16,792,577
AASB 116.73(e)(iv)	Revaluation increments / (decrements) transferred to revaluation surplus	(5,541,368)	(17,545,047)	0	(3,548,140)	(15,484,112)	0	(42,118,667)
AASB 116.73(e)(v),(vi)	Revaluation (loss) / reversals transferred to profit or loss	0	0	(102,356)	0	0	0	(102,356)
AASB 116.73(e)(vii)	Depreciation	(7,094,251)	(756,134)	(876,345)	(635,643)	(2,222,125)	(85,680)	(11,670,178)
	Balance at 30 June 2025	235,601,998	24,587,682	51,097,623	29,675,973	57,769,281	1,787,787	400,520,344
	Comprises:							
AASB 116.73(d)	Gross balance at 30 June 2025	367,597,754	31,377,775	85,800,436	47,242,811	83,794,399	2,656,070	618,469,245
AASB 116.73(d)	Accumulated depreciation at 30 June 2025	(131,995,756)	(6,790,093)	(34,702,813)	(17,566,838)	(26,025,118)	(868,283)	(217,948,901)
AASB 116.73(e)	Balance at 30 June 2025	235,601,998	24,587,682	51,097,623	29,675,973	57,769,281	1,787,787	400,520,344
AASB 116.73(e)(i)	Additions *	3,512,905	608,634	1,800,736	1,803,564	3,968,818	75,000	11,769,657
AASB 116.73(e)(x)	Acquisition of infrastructure on recognition of related provision						112,988	112,988
	Impairment (losses) / reversals **	(1,005,689)	0	0	0	0	0	(1,005,689)
AASB 116.73(e)(vii)	Depreciation	(7,118,392)	(770,801)	(986,628)	(659,910)	(2,379,808)	(88,535)	(12,004,074)
	Balance at 30 June 2026	230,990,822	24,425,515	51,911,731	30,819,627	59,358,291	1,887,240	399,393,226
	Comprises:							
AASB 116.73(d)	Gross balance at 30 June 2026	371,110,659	31,986,409	87,601,172	49,046,375	87,763,217	2,844,058	630,351,890
AASB 116.73(d)	Accumulated depreciation at 30 June 2026	(139,114,148)	(7,560,894)	(35,689,441)	(18,226,748)	(28,404,926)	(956,818)	(229,952,975)
AASB 116.73(d)	Accumulated impairment loss at 30 June 2026	(1,005,689)	0	0	0	0	0	(1,005,689)
AASB 101.77	Balance at 30 June 2026	230,990,822	24,425,515	51,911,731	30,819,627	59,358,291	1,887,240	399,393,226

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

AASB 136.130(a)

** The impairment loss relates to assets damaged by a flood event. The whole amount was recognised in the asset revaluation surplus relating to the relevant asset class. Refer to Note 19.

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

AASB 101.10(e)(ea)

AASB 101.38

9. INFRASTRUCTURE (Continued)

AASB 13.91

(b) Carrying amount measurements

AASB 116.77

AASB 116.Aus77.1

	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 2025	Construction costs and current condition, and remaining useful life assessments inputs
	Infrastructure - footpaths	3	Cost approach using current replacement cost	Management valuation	June 2025	Construction costs and current condition, and remaining useful life assessments inputs
	Infrastructure - drainage	3	Cost approach using current replacement cost	Management valuation	June 2025	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 2025	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 2024	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 COUNTRY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2026

AASB 101.10(e)(ea)

AASB 101.38

10. FIXED ASSETS

(a) Depreciation

AASB 101.117

Depreciation rates

AASB 116.73(c)

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

Asset class	Useful life
AASB 101.77 Buildings	30 to 50 years
Furniture and equipment	4 to 10 years
Plant and equipment	5 to 15 years
Sealed roads and streets	
formation	not depreciated
pavement	50 years
seal	
- bituminous seals	20 years
- asphalt surfaces	25 years
Gravel roads	
formation	not depreciated
pavement	50 years
Footpaths - slab	20 years
Sewerage piping	100 years
Water supply piping and drainage systems	75 years
Infrastructure other	15 to 50 years
Landfill assets	30 years
Right-of-use (buildings)	Based on the remaining lease term
Right-of-use (plant and equipment)	Based on the remaining lease term

AASB 108.39

Revision of useful lives of plant and equipment

AASB 116.76

During the year the estimated total useful lives of plant and equipment used in the maintenance of road infrastructure were revised upwards from 10 to 15 years. The net effect of the change is a net decrease in depreciation going forward of \$197,475.

10. FIXED ASSETS (Continued)

<p>AASB 101.117 AASB 116 AASB 116.15</p>	<p>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.</p>	<p>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.</p>	<p>AASB 116.73(b) AASB 116.50</p>
<p>AASB 116.Aus15.1</p>	<p>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.</p>	<p>The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.</p>	<p>AASB 116.51</p>
<p>FM Reg 17A(5)</p>	<p>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 <i>Local Government (Financial Management) Regulation 17A(5)</i>. These assets are expensed immediately.</p> <p>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.</p> <p>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.</p>	<p>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.</p>	<p>AASB 116.35</p>
<p>FM Reg 17A(2) (b), (c)</p>	<p>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 <i>Local Government (Financial Management) Regulation 17A(2)</i>. Assets held under the cost model are carried at cost less accumulated depreciation and any impairment losses.</p>	<p>Impairment In accordance with <i>Local Government (Financial Management) Regulations 17A(4C)</i>, the Shire is not required to comply with <i>AASB 136 Impairment of Assets</i> 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.</p>	<p>AASB 136.59 FM Reg 17A(4C)</p>
<p>AASB 116.30</p>	<p>Reportable value In accordance with <i>Local Government (Financial Management) Regulation 17A(2)</i>, 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.</p>	<p>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.</p>	
<p>FM Reg 17A(4) FM Reg 17A(2)(a)</p>	<p>Reportable value is for the purpose of <i>Local Government (Financial Management) Regulation 17A(4)</i> 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.</p>	<p>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.</p>	
<p>FM Reg 17A(4)</p>	<p>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.</p>		
<p>FM Reg 17A(4B)(b)</p>	<p>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.</p>		
<p>AASB 116.Aus39.1</p>	<p>For land, buildings and infrastructure, increases in the carrying amount arising on revaluation of asset classes are credited to a revaluation surplus in equity.</p> <p>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.</p> <p>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.</p>		

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

11. LEASES

(a) Right-of-use assets

		Right-of-use assets - land and buildings	Right-of-use assets - plant and equipment	Total right-of-use assets
	Note	\$	\$	\$
AASB 16.54	Movement in the balance of each class of right-of-use asset between the beginning and the end of the current financial year.			
	Balance at 1 July 2024	285,000	0	285,000
	Additions*	0	156,400	156,400
	Depreciation	(90,000)	(32,583)	(122,583)
	Balance at 30 June 2025	195,000	123,817	318,817
AASB 116.73 (d)	Gross balance amount at 30 June 2025	360,000	156,400	516,400
AASB 116.73 (d)	Accumulated depreciation at 30 June 2025	(165,000)	(32,583)	(197,583)
	Balance at 30 June 2025	195,000	123,817	318,817
AASB 16.53 (h)	Additions*	0	302,250	302,250
AASB 16.53 (a)	Depreciation	(90,000)	(102,069)	(192,069)
AASB 16.53 (j)	Balance at 30 June 2026	105,000	323,998	428,998
AASB 116.73 (d)	Gross balance amount at 30 June 2026	360,000	458,650	818,650
AASB 116.73 (d)	Accumulated depreciation at 30 June 2026	(255,000)	(134,652)	(389,652)
	Balance at 30 June 2026	105,000	323,998	428,998

		2026 Actual	2025 Actual
		\$	\$
AASB 16.54	The following amounts were recognised in the statement of comprehensive income during the period in respect of leases where the Shire is the lessee:		
AASB 16.53 (a)	Depreciation on right-of-use assets	(192,069)	(122,583)
AASB 16.53 (b)	Finance charge on lease liabilities	(17,092)	(13,102)
AASB 16.53 (c)	Short-term lease payments recognised as expense	(3,000)	(3,200)
AASB 16.53 (d)	Low-value asset lease payments recognised as expense	(5,000)	(4,500)
AASB 16.53 (e)	Expenses for variable lease payment not recognised as a liability	(2,000)	(2,000)
	Total amount recognised in the statement of comprehensive income	(219,161)	(145,385)
AASB 16.53 (g)	Total cash outflow from leases	(180,301)	(118,351)
AASB 16.47 (b)	(b) Lease liabilities		
	Current	205,134	127,670
	Non-current	302,743	241,166
		31(d) 507,877	368,836

AASB 16.59 The Shire has two leases relating to plant and equipment. The lease term for both leases is 4 years. One of the leases has variable lease payments. The measurement of lease liabilities does not include variable lease payments and any future cash outflows associated with leases not yet commenced to which the Shire is committed. The land and building lease has a term of 4 years with an extension option of 4 years and a termination option of 6 months. Refer to Note 31(d) for details of lease liabilities.

Secured liabilities and assets pledged as security

AASB 7.7 Lease liabilities are effectively secured, as the rights to the leased assets recognised in the financial statements
AASB 7.14(b) revert to the lessor in the event of default.

	MATERIAL ACCOUNTING POLICIES	Right-of-use assets - measurement
AASB 101.17(b)	Leases	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.
AASB 16.9	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.	Refer to Note 10 under revaluation for details on the material accounting policies applying to vested improvements.
AASB 16.22	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.	Right-of-use assets - depreciation
AASB 16.26		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.
AASB 16.5	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 31(d).	

AASB 16.32

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

11. LEASES (Continued)

(c) Lessor - property, plant and equipment subject to lease

		2026 Actual	2025 Actual
		\$	\$
AASB 16.97	The table below represents a maturity analysis of the undiscounted lease payments to be received after the reporting date.		
	Less than 1 year	60,000	60,000
	1 to 2 years	60,000	60,000
	2 to 3 years	60,000	60,000
	3 to 4 years	60,000	60,000
	4 to 5 years	60,000	60,000
	> 5 years	240,000	300,000
		540,000	600,000
	Amounts recognised in profit or loss for property, plant and equipment subject to lease		
AASB 16.90(b)	Rental income	60,000	60,000

The Shire leases houses to staff and aged persons with rentals payable monthly. These leases are classified as operating leases as they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets. The staff houses are not considered investment property as they are leased for use in the supply of services to the community. The aged persons housing are considered a joint operation and are not considered investment property as the primary purpose is provision of community housing.

AASB 16.92 Lease payments for some contracts include CPI increases, but there are no other variable lease payments that depend on an index or rate. Although the Shire is exposed to changes in the residual value at the end of the current leases, the Shire typically enters into new operating leases and therefore will not immediately realise any reduction in residual value at the end of these leases. Expectations about the future residual values are reflected in the fair value of the properties.

Refer to Note 12 for details of leased investment property.

MATERIAL ACCOUNTING POLICIES		
AASB 16.61	The Shire as lessor Upon entering into each contract as a lessor, the Shire assesses if the lease is a finance or operating lease.	Initial direct costs incurred in entering into an operating lease (e.g. legal cost, cost to setup) are included in the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.
AASB 16.62	All leases are classified as operating leases as they do not transfer substantially all the risks and rewards of ownership to the lessee.	
AASB 16.81	Rental income received from operating leases is recognised on a straight-line basis over the term of the specific lease.	When a contract is determined to include lease and non-lease components, the Shire applies AASB 15 <i>Revenue from Contracts with Customers</i> to allocate the consideration under the contract to each component.

AASB 16.83

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

AASB 101.10(e)(ea)
AASB 101.38

12. INVESTMENT PROPERTY

FM Reg 17A(2)(a)(ii)
AASB 140.76
AASB 140.76(a)
AASB 140.76(d)
AASB 140.76

Non-current assets - at reportable value

Carrying balance at 1 July

Acquisitions

Net gain/(loss) from fair value adjustment

Closing balance at 30 June

	2026 Actual	2026 Budget	2025 Actual
	\$	\$	\$
Carrying balance at 1 July	2,235,410		1,675,065
Acquisitions	0		560,345
Net gain/(loss) from fair value adjustment	111,274		0
Closing balance at 30 June	2,346,684		2,235,410
Leasing arrangements			
Lease payments under non-cancellable operating leases of investment properties not recognised in the financial statements are receivable as follows:			
Less than 1 year	176,868	176,868	173,400
1 to 2 years	234,709	234,709	230,107
2 to 3 years	234,709	234,709	230,107
3 to 4 years	234,709	234,709	230,107
4 to 5 years	234,710	234,710	230,107
> 5 years	402,348	402,348	597,625
	1,518,053	1,518,053	1,691,453

AASB 16.97

Lease payments under non-cancellable operating leases of investment properties not recognised in the financial statements are receivable as follows:

Less than 1 year

1 to 2 years

2 to 3 years

3 to 4 years

4 to 5 years

> 5 years

AASB 16.92

The investment properties are leased to tenants under operating leases with rentals payable monthly. Lease income from operating leases where the Shire is a lessor is recognised in income on a straightline basis over the lease term.

Lease payments for some contracts include CPI increases, but there are no other variable lease payments that depend on an index or rate. Although the Shire is exposed to changes in the residual value at the end of the current leases, the Shire group typically enters into new operating leases and therefore will not immediately realise any reduction in residual value at the end of these leases. Expectations about the future residual values are reflected in the fair value of the properties.

AASB 140.75(h)

Refer to Note 23 for disclosure of contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements.

Refer to Note 11 for details of leased property, plant and equipment not classified as investment property

AASB 101.117
AASB 140
AASB 140.33
AASB 140.35,75(a), (c)

MATERIAL ACCOUNTING POLICIES

Investment properties

Investment properties are principally freehold buildings, held for long-term rental yields and not occupied by the Shire.

FM Reg 17A(2)(a)

In accordance with *Local Government (Financial Management) Regulation 17A(2)*, the non-financial assets that are investment properties are shown at their reportable value.

FM Reg 17A(4)

Reportable value for the purposes of *Local Government (Financial Management) Regulation 17A(4)* is the fair value of the asset at its last valuation date.

Revaluation

In accordance with the regulatory framework, investment properties are required to be revalued whenever required by AASB 140 and, in any event, every five years.

FM Reg 17A(4A)(a)

Fair value of investment properties

A management valuation was performed to determine the fair value of investment properties. The main Level 3 inputs used in the valuation were discount rates, yields, expected vacancy rates and rental growth rates estimated by management based on comparable transactions and industry data.

AASB 140.75(e)

AASB 101.10(e)(ea)
AASB 101.38

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

13. INTANGIBLE ASSETS

	2026 Actual \$	2025 Actual \$
Intangible assets		
Non-current		
AASB 138.118(c) Computer software development	1,950,450	300,450
Less: Accumulated amortisation	(619,000)	(289,000)
	1,331,450	11,450
AASB 138.118(e) Movements in balances of computer software during the financial year are shown as follows:		
Balance at 1 July	11,450	67,450
Additions - development of computer software	1,650,000	0
Amortisation	(330,000)	(56,000)
Balance at 30 June	1,331,450	11,450
TOTAL INTANGIBLE ASSETS	1,331,450	11,450

Amortisation

AASB 138.118 (d) The estimated useful life of intangible assets is 5 years for the current and prior years.

MATERIAL ACCOUNTING POLICIES

Computer software

Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the the Shire are recognised as intangible assets where the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use;
- management intends to complete the software and use or sell it;
- there is an ability to use or sell the software;
- it can be demonstrated how the software will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software are available; and
- the expenditure attributable to the software during its development can be reliably measured.

AASB 138.57, 66, 74, 97

Computer software (continued)

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use.

Amortisation

All intangible assets with a finite useful life, are amortised on a straight-line basis over the individual asset's useful life from the time the asset is held ready for use.

The residual value of intangible assets is considered to be zero and the useful life and amortisation method are reviewed at the end of each financial year.

Amortisation is included within depreciation in the Statement of Comprehensive Income.

AASB 138.118(a), (b)

AASB 101.10(e)(ea)

AASB 101.38

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

14. TRADE AND OTHER PAYABLES

Current

Trade payables
 Prepaid rates
 Accrued payroll liabilities
 Statutory liabilities
 Bonds and deposits held

	2026	2025
	\$	\$
Trade payables	3,250,616	2,662,161
Prepaid rates	15,000	19,508
Accrued payroll liabilities	703,680	365,401
Statutory liabilities	115,640	564,841
Bonds and deposits held	84,360	76,899
	4,169,296	3,688,810

AASB 101.117

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.

AASB 9(3.3.1)

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.

AASB 101.17(c)

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.

AASB 1058.29(b)

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

AASB 101.10(e)(ea)
AASB 101.38

15. OTHER LIABILITIES

	2026	2025
	\$	\$
Current		
AASB 15.106 Contract liabilities	1,718,955	403,499
AASB 1058.16 Capital grant/contributions liabilities	4,169,847	2,538,658
	<u>5,888,802</u>	<u>2,942,157</u>
Non-current		
AASB 1058.16 Capital grant/contributions liabilities	307,010	481,437
	<u>307,010</u>	<u>481,437</u>
Reconciliation of changes in contract liabilities		
AASB 15.116(a) Opening balance	403,499	309,715
Additions	1,718,955	403,499
AASB 15.116(b) Revenue from contracts with customers included as a contract liability at the start of the period	(403,499)	(309,715)
	<u>1,718,955</u>	<u>403,499</u>
AASB 15.120(a) The aggregate amount of the performance obligations unsatisfied (or partially unsatisfied) in relation to these contract liabilities was \$2,000,000 (\$650,000 in prior year)		
AASB 15.120(b) The Shire expects to satisfy the performance obligations, from contracts with customers unsatisfied at the end of the reporting period, within the next 12 months.		
Reconciliation of changes in capital grant/contribution liabilities		
Opening balance	3,020,095	856,131
Additions	3,995,420	2,653,009
AASB 1058.31 Revenue from capital grant/contributions held as a liability at the start of the period	(2,538,658)	(489,045)
	<u>4,476,857</u>	<u>3,020,095</u>
Expected satisfaction of capital grant/contribution liabilities		
AASB 1058.33(a) Less than 1 year	4,169,847	174,427
1 to 2 years	257,010	2,538,658
2 to 3 years	0	257,010
3 to 4 years	30,000	0
4 to 5 years	0	30,000
> 5 years	20,000	20,000
	<u>4,476,857</u>	<u>3,020,095</u>

AASB 1058.32 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.

AASB 15.117

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.

AASB 1058.35

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

16. BORROWINGS

	Note	2026			2025		
		Current	Non-current	Total	Current	Non-current	Total
Secured		\$	\$	\$	\$	\$	\$
Bank loans		248,311	257,229	505,540	239,701	505,540	745,241
Debentures		1,975,696	12,277,299	14,252,995	1,834,422	12,452,995	14,287,417
Other loans		564,098	0	564,098	706,549	0	706,549
Total secured borrowings	31(a)	2,788,105	12,534,528	15,322,633	2,780,672	12,958,535	15,739,207

Secured liabilities and assets pledged as security

AASB 7.7
AASB 7.14(b) Debentures, bank overdrafts and bank loans are secured by a floating charge over the assets of the Shire of Country. Other loans relate to transferred receivables. Refer to Note 5.

AASB 101.135(d) The Shire of Country has complied with the financial covenants of its borrowing facilities during the 2026 and 2025 years.

MATERIAL ACCOUNTING POLICIES

Borrowing costs

AASB 123.8
AASB 123.Aus8.1 The Shire has elected to recognise borrowing costs as an expense when incurred regardless of how the borrowings are applied.

AASB 7.25,29(a) 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.

AASB 13.97,93(b),(d) 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 28(i)) due to the unobservable inputs, including own credit risk.

Risk

Details of individual borrowings required by regulations are provided at Note 31(a).

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

17. EMPLOYEE RELATED PROVISIONS

Employee related provisions

Current provisions

Employee benefit provisions

Annual leave
Long service leave
Other employee leave provisions

Employee related other provisions

Employment on-costs

Total current employee related provisions

Non-current provisions

Employee benefit provisions

Long service leave

Employee related other provisions

Employment on-costs

Total non-current employee related provisions

Total employee related provisions

	2026	2025
	\$	\$
Annual leave	1,482,964	1,086,712
Long service leave	2,533,875	2,134,942
Other employee leave provisions	482,246	562,630
	4,499,085	3,784,284
Employment on-costs	763,004	590,611
	763,004	590,611
Total current employee related provisions	5,262,089	4,374,895
Long service leave	629,022	596,799
	629,022	596,799
Employment on-costs	106,676	93,142
	106,676	93,142
Total non-current employee related provisions	735,698	689,941
Total employee related provisions	5,997,787	5,064,836

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.

AASB 101.117

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.

AASB 101.69

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.

AASB 119.11

AASB 101.69

AASB 119.51(a)

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.

AASB 119.156

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

AASB 101.10(e)(ea)

AASB 101.38

AASB 137.84

18. OTHER PROVISIONS

		Make good provisions
		\$
AASB 137.84 (a)	Opening balance at 1 July 2025	
	Current provisions	265,094
	Non-current provisions	1,370,687
		1,635,781
AASB 137.84(b)	Additional provision	112,988
AASB 137.84(c)	Amounts used	(50,000)
AASB 137.84(d)	Unused amounts reversed	(30,500)
AASB 137.84(e)	Charged to profit or loss	
	- unwinding of discount	2,325
AASB 137.84(a)	Balance at 30 June 2026	1,670,594
	Comprises	
	Current	306,484
	Non-current	1,364,110
		1,670,594

Other provisions

AASB 137.85(a)

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.

AASB 137.85(b)

Make good provisions

Under the licence for the operation of the City waste landfill site, the Shire has a legal obligation to restore the site and continue to monitor the site for contamination.

The provision for future remediation costs is the best estimate of the present value of the expenditure required to settle the remediation obligation and continued monitoring of the site at the reporting date. Expected 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 of \$112,988 was recognised in relation to the make good costs associated with the clearing and construction of a new landfill cell within the waste facility site. The cost of the new landfill cell includes the additional provision as a non-cash addition directly relating to the liabilities.

There was an unused amount of the provision arising from a reduction in the estimated cost of the remediation of the existing landfill area. The non-cash reversal of the provision of \$30,500 was transferred to the revaluation surplus - Infrastructure landfill assets. Refer note 19.

The make good provision is reassessed annually whilst the fair value of the related landfill asset is only required to be assessed every 5 years.

MATERIAL ACCOUNTING POLICIES

Provisions

AASB 137.14

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.

AASB 137.36

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

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

AASB 101.10(e)(ea)
AASB 101.38

19. REVALUATION SURPLUS

AASB 116.Aus39.1
AASB 116.Aus40.1

AASB 101.77
AASB 101.106(A)

	2026 Opening balance \$	Total Movement on revaluation \$	2026 Closing balance \$	2025 Opening balance \$	Total Movement on revaluation \$	2025 Closing balance \$
Revaluation surplus - Land	19,203,298	243,156	19,446,454	19,203,298	0	19,203,298
Revaluation surplus - Buildings	400,544	2,280,113	2,680,657	400,544	0	400,544
Revaluation surplus - Infrastructure - roads	79,915,493	(1,005,689)	78,909,804	85,456,861	(5,541,368)	79,915,493
Revaluation surplus - Infrastructure - footpaths	11,059,784	0	11,059,784	28,604,831	(17,545,047)	11,059,784
Revaluation surplus - Infrastructure - parks and ovals	3,422,205	0	3,422,205	6,970,345	(3,548,140)	3,422,205
Revaluation surplus - Infrastructure - other	1,239,718	0	1,239,718	16,723,830	(15,484,112)	1,239,718
Revaluation surplus - Infrastructure - landfill assets	4,644,871	30,500	4,675,371	4,644,871	0	4,644,871
	119,885,913	1,548,080	121,433,993	162,004,580	(42,118,667)	119,885,913
Revaluation surplus - Share from investments in associates	4,568	176	4,744	5,136	(568)	4,568
	119,890,481	1,548,256	121,438,737	162,009,716	(42,119,235)	119,890,481

In the current year, the movement in the revaluation surplus for infrastructure roads relates to an impairment loss as a result of a flood event. Refer to Note 9(a). The movement in the revaluation surplus for landfill assets relates to reversal of the unused amount of the associated provision for landfill make good costs. Refer to Note 18.

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

AASB 101.10(e)(ea)

AASB 101.38

20. RESTRICTIONS OVER FINANCIAL ASSETS

	Note	2026 Actual \$	2025 Actual \$
AASB 1058.37 (a)			
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	15,540,466	11,296,447
- Financial assets at amortised cost	4	9,167,062	8,206,849
		24,707,528	19,503,296
The restricted financial assets are a result of the following specific purposes to which the assets may be used:			
AASB 1058.37(a)	32	18,120,032	15,924,018
	15	1,718,955	403,499
	15	4,476,857	3,020,095
AASB 1058.37 (a)	31(c)	391,684	155,684
		24,707,528	19,503,296

21. UNDRAWN BORROWING FACILITIES AND CREDIT STANDBY ARRANGEMENTS

Credit standby arrangements			
AASB 107.8		500,000	500,000
		0	0
AASB 107.8		55,000	55,000
		(16,581)	(2,684)
		538,419	552,316
Loan facilities			
AASB 107.50(a)		2,788,105	2,780,672
AASB 101.69		12,534,528	12,958,535
		15,322,633	15,739,207
		NIL	NIL

AASB 101.10(e)(ea)
AASB 101.38

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

22. CONTINGENT LIABILITIES

AASB 137.86

In compliance with the *Contaminated Sites Act 2003*, the Shire has listed sites to be possible sources of contamination. Details of those sites are:

- Country Shire Airport
- Country Shire Depot

AASB 137.91

Until the Shire conducts an investigation to determine the presence and scope of contamination, assess the risk, and agree with the Department of Water and Environmental Regulation on the need and criteria for remediation using a risk based approach, the Shire is unable to estimate the potential costs associated with remediation of these sites. This approach is consistent with the Department of Water and Environmental Regulation Guidelines.

23. CAPITAL COMMITMENTS

AASB 116.74(c)

Contracted for:

- capital expenditure projects
- plant & equipment purchases
- investment property

AASB 140.75(h)

Payable:

- not later than one year

2026	2025
\$	\$
3,210,066	7,988,379
350,147	165,894
56,080	31,650
3,616,293	8,185,923
3,616,293	8,185,923

The capital expenditure projects outstanding at the end of the current reporting period represent the construction of the new recreation centre and purchase of a new grader (the prior year commitment was for the construction of the new recreation centre and a truck).

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

24. 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		53,216	53,216	50,364
President's meeting attendance fees		28,670	28,670	28,560
President's superannuation		6,706	6,706	3,025
President's annual allowance for ICT expenses		550	550	545
President's travel and accommodation expenses		4,561	4,500	4,782
		<u>93,703</u>	<u>93,642</u>	<u>87,276</u>
Deputy President's annual allowance		13,304	13,304	12,591
Deputy President's meeting attendance fees		28,670	28,670	28,560
Deputy President's superannuation		5,037	5,037	1,577
Deputy President's annual allowance for ICT expenses		550	550	545
Deputy President's travel and accommodation expenses		3,562	3,200	3,384
		<u>51,123</u>	<u>50,761</u>	<u>46,657</u>
All other council member's meeting attendance fees		86,010	86,010	85,680
All other council member's superannuation		10,321	10,321	3,285
All other council member's annual allowance for ICT expenses		1,650	1,650	1,635
All other council member's travel and accommodation expenses		8,790	8,400	9,307
		<u>106,771</u>	<u>106,381</u>	<u>99,907</u>
	24(b)	<u>251,597</u>	<u>250,784</u>	<u>233,840</u>

(b) Key management personnel (KMP) compensation

The total of compensation paid to KMP of the Shire during the year are as follows:

AASB 124.17(a)	Short-term employee benefits	1,165,891		1,246,081
AASB 124.17(b)	Post-employment benefits	110,658		101,985
AASB 124.17(c)	Employee - other long-term benefits	165,904		168,410
AASB 124.17(d)	Employee - termination benefits	0		15,674
	Council member costs	251,597	251,597	233,840
		<u>1,694,050</u>		<u>1,765,990</u>

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

24. 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 outstanding balances or 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 \$
Sale of goods and services	13,032	11,068
Purchase of goods and services	265,941	369,871
Short term employee benefits - other related parties	85,612	84,306
Distribution of equity by associate	5,500	500
Contribution to equity in associate	0	10,250
Amounts outstanding from related parties:		
Trade and other receivables	13,540	5,684
Amounts payable to related parties:		
Trade and other payables	25,601	32,564

(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

During the previous year, a company controlled by a related party of a council member, was awarded a contract under the selective tender process on terms and conditions equivalent for those that prevail in arm's length transactions under the Shire's procurement process.

The contract involved roadworks in the Shire, and amounted to \$265,941 in the current year (\$369,871 in the prior year).

The Shire provides finance and governance services to its associate, the value of these services amounted to \$13,032 in the current year (\$11,068 in the prior year).

Short-term employee benefits related to an associate person of the CEO 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 24 and associates detailed in Note 25.

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

AASB 101.10(e)(ea)

AASB 101.38

25. JOINT ARRANGEMENTS

AASB 12.1(a)

Share of joint operations

AASB 12.2(a)

The Shire has an agreement with the Department of Communities for the provision of community housing on Town Street, Shire. This arrangement constitutes a joint arrangement as unanimous decisions are required by the parties to the agreement amounting to joint control. The arrangement has been determined to be a joint operation.

AASB 12.21(a)(iii)

AASB 12.21(a)(ii)

The assets held under the agreement by both parties are land and 6 x 2 bedroom units. The ownership of the joint operation being the Shire Aged Houses, is defined in the agreement including the percentage of each party's proportionate interest in the assets of the joint operation. The Shire is entitled to and responsible for 100% of the rent income and expenses associated with the joint operation. Surplus funds are held in the Aged Persons unit reserve account for future building maintenance.

AASB 12.21(a)(i)

AASB 12.2(b)(ii)

The Shire manages the property and tenancy of the joint operation and the effects of its interest in the joint operations are as follows:

AASB 12.1(b)

AASB 12.20(a)

Statement of financial position

Cash and cash equivalents
 Land and buildings (6 x 2 bedroom units) @ 25%
 Less: accumulated depreciation
Total assets

Reserve accounts
Total equity

	2026 Actual \$	2025 Actual \$
Cash and cash equivalents	12,650	10,650
Land and buildings (6 x 2 bedroom units) @ 25%	300,000	300,000
Less: accumulated depreciation	(97,500)	(90,000)
Total assets	215,150	220,650
Reserve accounts	12,650	10,650
Total equity	12,650	10,650

AASB 12.1(b)

AASB 12.20(a)

Statement of comprehensive income

Other revenue
 Depreciation
 Other expense
Profit/(loss) for the period
 Other comprehensive income
Total comprehensive income for the period

AASB 12.1(b)

AASB 12.20(a)

Statement of cash flows

Other revenue
 Other expense
Net cash provided by (used in) operating activities

MATERIAL ACCOUNTING POLICIES

Joint operations

AASB 11.15

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.

AASB 11.21

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.

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

26. INVESTMENT IN ASSOCIATES

(a) Investment in associates

Set out in the table below are the associates of the Shire. All associates are measured using the equity method. Western Australia is the principal place of business for all associates.

Name of entity	% of ownership interest		2026	2025
	2026	2025	Actual	Actual
Country Regional Council (Refer to Note 26(b))	16.67%	16.67%	\$ 204,331	\$ 200,777
Immaterial investments in associates (Refer to Note 26(c))			6,476	6,120
Total equity-accounted investments			210,807	206,897

(b) Share of investment in Country Regional Council

AASB 12.21 The Shire has a 1/6th interest in Country Regional Council. The Regional Council was formed to manage the development and sale of land at Country Town Estate on behalf of six local governments.

AASB 12.9(e) The Shire has determined it has significant influence over the Regional Council despite holding less than 20 percent of the voting rights as the Shire has representation on council and participates in policy-making decisions including the decisions regarding contributions and distributions.

AASB 12.21(b)(i)
AASB 12.B.14 The tables below reflect the summarised financial information of the material investments in associates based on the audited results of the Country Regional Council. This does not reflect the Shire's share of those amounts. They have been amended to reflect adjustments made by the Shire when using the equity method, including fair value adjustments and modifications for differences in accounting policy.

	Note	2026 Actual	2025 Actual
Summarised statement of comprehensive income		\$	\$
AASB 12.12.21(b)(v) Revenue		756,789	680,562
AASB 12.12.13(e) Interest revenue		561	697
AASB 12.12.13(f) Finance cost		(244,841)	(199,348)
AASB 12.12.13(d) Depreciation		(353,165)	(293,744)
AASB 12.12.12(b)(vi) Profit/(loss) from continuing operations		50,268	(55,336)
AASB 12.12.12(b)(vii) Profit/(loss) from discontinued operations		0	0
Profit/(loss) for the period		50,268	(55,336)
AASB 12.12.12(b)(viii) Other comprehensive income		1,056	0
AASB 12.12.12(b)(ix) Total comprehensive income for the period		51,324	(55,336)
Summarised statement of financial position			
AASB 12.12.13(a) Cash and cash equivalents		3,583,124	3,005,799
Other current assets		32,089	12,168
AASB 12.12.12(b)(i) Total current assets		3,615,213	3,017,967
AASB 12.12.12(b)(ii) Non-current assets		7,848,100	6,527,642
Total assets		11,463,313	9,545,609
AASB 12.12.13(b) Current financial liabilities		1,543,987	2,678,923
Other current liabilities		12,564	13,698
AASB 12.12.12(b)(iii) Total current liabilities		1,556,551	2,692,621
AASB 12.12.13(c) Non-current financial liabilities		8,657,718	5,627,259
Other non-current liabilities		23,056	21,065
AASB 12.12.12(b)(iv) Total non-current liabilities		8,680,774	5,648,324
Total liabilities		10,237,325	8,340,945
Net assets		1,225,988	1,204,664
Reconciliation to carrying amounts			
AASB 12.B.14(b) Opening net assets 1 July		1,204,664	1,200,000
Changes in members contributions		(30,000)	60,000
Profit/(Loss) for the period		50,268	(55,336)
Other comprehensive income		1,056	0
Closing net assets 30 June		1,225,988	1,204,664
Carrying amount at 1 July		200,777	200,000
- Share of associates net profit/(loss) for the period	26(e)	8,378	(9,223)
- Share of associates other comprehensive income arising during the period		176	0
- Distribution of equity by associate		(5,000)	0
- Contribution to equity in associate		0	10,000
Carrying amount at 30 June (Refer to Note 26(a))		204,331	200,777

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

AASB 101.10(e)(ea)
AASB 101.38

26. INVESTMENT IN ASSOCIATES (Continued)

(c) Immaterial investments in associates

Aggregate carrying amount of interests in individually immaterial associates accounted for using the equity method are reflected in the table below.

AASB 12.B16(a) - Share of associates net profit for the period
AASB 12.B16(c) - Share of associates other comprehensive income arising during the period
AASB 12.B16(d) - Share of associates total comprehensive income arising during the period

Carrying amount at 1 July

- Share of associates total comprehensive income arising during the period
- Distribution of equity by associates
- Contribution to equity in associates

AASB 12.B16 **Carrying amount at 30 June (Refer to Note 26(a))**

(d) Contingent liabilities from investments in associates

AASB 12.23(b) Contingent liabilities - associates

Share of contingent liabilities incurred jointly with other investors of the associate
Contingent liabilities relating to liabilities of the associate for which the Shire is severally liable

Note	2026 Actual \$	2025 Actual \$
26(e)	856	1,276
	0	(568)
	856	708
	6,120	5,662
	856	708
	(500)	(500)
	0	250
	6,476	6,120
	783,000	205,000
	150,000	150,000
	933,000	355,000

AASB 101.117 **MATERIAL ACCOUNTING POLICIES**
AASB 128.3 **Investments in associates**

An associate is an entity over which the Shire has significant influence, that is it has the power to participate in the financial and operating policy decisions of the investee but not control or joint control of those policies.

AASB 128.16 Investments in associates are accounted for using the equity method. The equity method of accounting, is whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the Shire's share of net assets of the associate. In addition, the Shire's share of the profit or loss of the associate is included in the Shire's profit or loss.

(e) Share of associates net profit/(loss) for the period

Investment in Country Regional Council (Refer to Note 26(b))
Immaterial investments in associates (Refer to Note 26(c))

	2026 Actual \$	2025 Actual \$
	8,378	(9,223)
	856	1,276
	9,234	(7,947)

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

27. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

Following the end of the financial year the Shire's administration building was significantly damaged by fire. The exact extent of the damage is yet to be quantified. The Shire maintains fire insurance cover and does not expect to incur significant financial loss as a result. Operations are expected to be disrupted for a period of six to nine months as repairs are undertaken.

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

AASB 101.10(e)
AASB 101.38

28. OTHER MATERIAL ACCOUNTING POLICIES

Interpretation 1031

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 and elected members. 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).

AASB 101.66
AASB 101.69

AASB 101.51(e)
FM Reg 15(3)
AASB 101.51(d)

AASB 101.38

AASB 101.10(f)

FM Reg 36(2)

AASB 116.73(a)
AASB 13.2

AASB 13.16-21

AASB 13.27-33

AASB 13.Aus29.1

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.

AASB 13.93

AASB 13.93(d)

AASB 13.85

AASB 13.810

AASB 13.88

AASB 13.11,61,67

AASB 136.9,12

FM Reg 17A(4C)

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

30. 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.

	2025/26 (30 June 2026 carried forward)	2025/26 Budget (30 June 2026 carried forward)	2024/25 (30 June 2025 carried forward)
Note	\$	\$	\$
(a) Amounts excluded from operating activities			
Less: Profit on asset disposals	(29,653)	(13,575)	(439,462)
Less: Fair value adjustments to financial assets at fair value through profit or loss	(5,643)	(5,200)	(5,108)
Less: Share of net profit of associates and joint ventures accounted for using the equity method	(9,234)	(1,000)	7,947
Add: Loss on disposal of assets	298,878	97,420	41,763
Add: Loss on revaluation of fixed assets	9(a) 0	0	102,356
Add: Impairment of Plant and Equipment	8(a) 95,000	0	0
Add: Depreciation	10(a) 14,757,406	14,330,986	13,920,066
Non-cash movements in non-current assets and liabilities:			
- Investment property	12 (111,274)	0	0
- Pensioner deferred rates	(30,638)	30,080	0
- Reclassification to assets held for sale	7 653,000	0	0
- Employee benefit provisions	45,757	0	(33,975)
- Other provisions	(89,065)	0	90,456
- Contract liabilities	0	650,000	(3,158,263)
- Inventory	(2,209,401)	(1,370,687)	123,500
Amounts excluded from operating activities	13,365,133	13,718,024	10,649,280
(b) Amounts excluded from investing activities			
Movement in non-current capital grant/contribution liability	(174,427)	(650,000)	(260,300)
Property, plant and equipment received for substantially less than fair value	8(a) 656,000	0	300,000
Infrastructure received for substantially less than fair value	9(a) 3,165,078	0	0
Acquisition of infrastructure on recognition of related provision	18 112,988	0	0
Non-cash capital grants, subsidies and contributions	(3,821,078)	0	(300,000)
Right of use assets received - non-cash	11(a) 302,250	300,000	156,400
Non-cash movements in non-current assets and liabilities:			
- Transfer to non current financial assets at amortised cost - term deposit	(2,000,000)	0	0
Reconciling item - movement between current assets			
- Financial assets at amortised cost - term deposits	2,960,213	0	0
Amounts excluded from investing activities	1,201,024	(350,000)	(103,900)
(c) Amounts excluded from financing activities			
Non-cash proceeds from new leases	31(d) (302,250)	(300,000)	(156,400)
Amounts excluded from financing activities	(302,250)	(300,000)	(156,400)
(d) Adjustments to net current assets			
Less: Reserve accounts	32 (18,120,032)	(17,555,512)	(15,924,018)
Less: Current assets not expected to be received at end of year			
- Financial assets at amortised cost - self supporting loans	4(a) (165,843)	(165,843)	(165,843)
Add: Current liabilities not expected to be cleared at end of year			
- Current portion of borrowings	16 2,788,105	2,788,105	2,780,672
- Current portion of lease liabilities	11(b) 205,134	205,134	127,670
Total adjustments to net current assets	(15,292,636)	(14,728,116)	(13,181,519)
Net current assets used in the Statement of financial activity			
Total current assets	38,869,691	28,053,107	33,633,513
Less: Total current liabilities	(18,619,910)	(13,324,991)	(14,179,298)
Less: Total adjustments to net current assets	(15,292,636)	(14,728,116)	(13,181,519)
Surplus or deficit after imposition of general rates	4,957,145	0	6,272,696

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

31. BORROWING AND LEASE LIABILITIES

(a) Borrowings

Purpose	Note	Actual						Budget				
		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
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Library extensions		0	0	0	0	1,800,000	(76,851)	1,723,149	0	2,000,000	(76,851)	1,923,149
Oval lighting		966,723	0	(109,333)	857,390	0	(117,754)	739,636	857,390	0	(117,754)	739,636
Country Recreation Centre		6,941,785	0	(731,297)	6,210,488	0	(752,658)	5,457,830	6,210,488	0	(752,658)	5,457,830
Airport upgrades		6,404,155	0	(616,883)	5,787,272	0	(638,662)	5,148,610	5,787,272	0	(638,662)	5,148,610
Saleyard upgrades		976,632	0	(231,391)	745,241	0	(239,701)	505,540	745,241	0	(239,701)	505,540
Admin building roof		822,524	0	(80,023)	742,501	0	(82,654)	659,847	742,501	0	(82,654)	659,847
Factored Receivables		706,549	0	0	706,549	250,000	(392,451)	564,098	706,549	200,000	(200,000)	706,549
Total		16,818,368	0	(1,768,927)	15,049,441	2,050,000	(2,300,731)	14,798,710	15,049,441	2,200,000	(2,108,280)	15,141,161
Self-supporting loans												
DFES Headquarters		851,396	0	(161,630)	689,766	0	(165,843)	523,923	689,766	0	(165,843)	523,923
Total self-supporting loans		851,396	0	(161,630)	689,766	0	(165,843)	523,923	689,766	0	(165,843)	523,923
Total borrowings	16	17,669,764	0	(1,930,557)	15,739,207	2,050,000	(2,466,574)	15,322,633	15,739,207	2,200,000	(2,274,123)	15,665,084

FM Reg 48(f)
FM Reg 36(2)(d)

FM Reg 48(f) (v)
FM Reg 48(f) (v)

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.

Borrowing finance cost payments

Purpose	Loan number	Institution	Interest rate	Date final payment is due	Actual for year ending 30 June 2025	Budget for year ending 30 June 2025	Actual for year ending 30 June 2024
					\$	\$	\$
Library extensions	259	WATC*	3.26%	30/03/2043	(29,340)	(29,340)	0
Oval lighting	256	WATC*	7.56%	20/04/2028	(62,635)	(62,635)	(71,056)
Country Recreation Centre	257	WATC*	2.90%	31/07/2029	(174,687)	(174,687)	(196,048)
Airport upgrades	252	WATC*	3.50%	30/08/2030	(197,015)	(197,015)	(218,794)
Saleyard upgrades	258	Bank	3.56%	01/02/2025	(24,417)	(24,417)	(32,727)
Admin building roof	254	WATC*	3.26%	28/02/2028	(23,537)	(23,537)	(26,168)
Total					(511,631)	(511,631)	(544,793)
Self-supporting loans finance cost payments							
DFES Headquarters	252	WATC*	2.59%		(16,798)	(16,798)	(21,011)
Total self-supporting loans finance cost payments					(16,798)	(16,798)	(21,011)
Total finance cost payments					(528,429)	(528,429)	(565,804)

* WA Treasury Corporation

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

31. BORROWING AND LEASE LIABILITIES (Continued)

(b) New borrowings - 2025/26

Particulars/purpose	Institution	Loan type	Term years	Interest rate	Amount borrowed		Amount (used)		Total interest and charges	Actual balance unspent
					2026 Actual	2026 Budget	2026 Actual	2026 Budget		
				%	\$	\$	\$	\$	\$	\$
Library extensions	WATC*	Debenture	10	3.26%	1,800,000	2,000,000	(1,564,000)	(2,000,000)	293,400	236,000
					1,800,000	2,000,000	(1,564,000)	(2,000,000)	293,400	236,000

* WA Treasury Corporation

(c) Unspent borrowings

Particulars	Institution	Date Borrowed	Unspent balance 1 July 2025	Borrowed during 2025-26	Expended during 2025-26	Unspent balance 30 June 2026
			\$	\$	\$	\$
Country Recreation Centre	WATC*	01/10/2015	155,684	0	0	155,684
Library extensions	WATC*	30/09/2019	0	1,800,000	(1,564,000)	236,000
			155,684	1,800,000	(1,564,000)	391,684

* WA Treasury Corporation

(d) Lease liabilities

Purpose	Note	Actual				Budget						
		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
Ranger vehicles		\$ 0	\$ 156,400	\$ (18,384)	\$ 138,016	\$ 0	\$ (37,738)	\$ 100,278	\$ 138,016	\$ 0	\$ (37,738)	\$ 100,278
Heavy plant		0	0	0	0	302,250	(35,539)	266,711	0	300,000	(35,000)	265,000
Land and building lease		317,685	0	(86,865)	230,820	0	(89,932)	140,888	230,820	0	(89,932)	140,888
Total lease liabilities	11(b)	317,685	156,400	(105,249)	368,836	302,250	(163,209)	507,877	368,836	300,000	(162,670)	506,166

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
Ranger vehicles	98341	Vehicle Leasing	3.50%	01/09/2027	\$ (4,503)	\$ (4,503)	\$ (2,737)	48 months
Heavy plant	96353	Vehicle Leasing	3.50%	31/08/2028	(5,291)	(7,298)	0	48 months
Land and building lease	96354	Simple Leasing	3.50%	31/10/2026	(7,298)	(5,000)	(10,365)	48 months
Total finance cost payments					(17,092)	(16,801)	(13,102)	

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

AASB 101.10(e)(ea)

AASB 101.38

FM Reg 36(1)(a)

FM Reg 36(2)(d)

FM Reg 38.1 (b-e)

32. 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 legislation/agreement												
(a) Sewerage rate reserve	56,840	0	(10,654)	46,186	56,840	0	0	56,840	56,840	0	0	56,840
(b) Developer contributions reserve	664,810	1,356,840	0	2,021,650	664,810	1,500,000	0	2,164,810	164,140	500,670	0	664,810
(c) Aged persons unit reserve	10,650	2,000	0	12,650	10,650	2,000	0	12,650	8,400	2,250	0	10,650
(d) Payment in lieu of parking plan reserve	2,144,635	97,922	0	2,242,557	2,144,635	26,501	0	2,171,136	2,108,095	36,540	0	2,144,635
	2,876,935	1,456,762	(10,654)	4,323,043	2,876,935	1,528,501	0	4,405,436	2,337,475	539,460	0	2,876,935
Restricted by council												
(e) Leave reserve	150,522	624	0	151,146	150,522	624	0	151,146	149,898	624	0	150,522
(f) Building reserve	4,301,443	2,525,065	(4,301,443)	2,525,065	4,301,443	0	(2,725,422)	1,576,021	10,641,967	1,376,855	(7,717,379)	4,301,443
(g) Airport reserve	2,190,421	2,242,959	(2,148,051)	2,285,329	2,190,421	2,970,205	(1,019,571)	4,141,055	1,972,536	2,768,964	(2,551,079)	2,190,421
(h) Waste management reserve	2,990,856	3,078,909	(466,143)	5,603,622	2,990,856	2,322,700	(604,086)	4,709,470	1,379,579	3,087,434	(1,476,157)	2,990,856
(i) Plant replacement reserve	1,772,154	132,532	(500,000)	1,404,686	1,772,154	132,532	(801,060)	1,103,626	758,421	1,049,468	(35,735)	1,772,154
(j) Asset management reserve	1,641,687	485,454	(300,000)	1,827,141	1,641,687	92,671	(265,600)	1,468,758	(1,697,071)	3,513,758	(175,000)	1,641,687
	13,047,083	8,465,543	(7,715,637)	13,796,989	13,047,083	5,518,732	(5,415,739)	13,150,076	13,205,330	11,797,103	(11,955,350)	13,047,083
	15,924,018	9,922,305	(7,726,291)	18,120,032	15,924,018	7,047,233	(5,415,739)	17,555,512	15,542,805	12,336,563	(11,955,350)	15,924,018

AASB 1058.37

All reserves are supported by cash and cash equivalents and financial assets at amortised cost and are restricted within equity as Reserve accounts.

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:

FM Reg 38(1)(a)

Name of reserve account	Purpose of the reserve account
Restricted by legislation/agreement	
(a) Sewerage rate reserve	To hold specified area rates as required by section 6.37.2(b) of the <i>Local Government Act 1995</i> .
(b) Developer contributions reserve	To hold developer contributions as required by State Planning Policy 3.6 Infrastructure Contributions (SPP 3.6).
(c) Aged persons unit reserve	To hold funds from the joint operation in accordance with the agreement with Department of Communities.
(d) Payment in lieu of parking plan reserve	To hold payment in lieu of parking as required by section 2.771 of <i>Planning and Development (Local Planning Schemes) Regulations 2015</i> .
Restricted by council	
(e) Leave reserve	To be used to pay annual and long service leave liabilities.
(f) Building reserve	Expenditure for the construction and maintenance of buildings.
(g) Airport reserve	Expenditure for the future maintenance, development and improvements at the Country Airport.
(h) Waste management reserve	Expenditure for future waste management the rehabilitation, redevelopment and development of refuse sites.
(i) Plant replacement reserve	Future expenditure for replacement of plant.
(j) Asset management reserve	Expenditure for future renewal of fixed assets.

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

33. TRUST FUNDS

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

	1 July 2025	Amounts received	Amounts paid	30 June 2026
	\$	\$	\$	\$
LGA 3.47 (5) Fire and Emergency Services Act 1998 36U	684,691	326,401	(256,011)	755,081
PDA 154	4,658	269,681	(258,097)	16,242
LGA 6.9(4)	368,400	0	(56,897)	311,503
	6,587	2,568	(1,350)	7,805
	<u>1,064,336</u>	<u>598,650</u>	<u>(572,355)</u>	<u>1,090,631</u>