PORMPURAAW

ABORIGINAL SHIRE COUNCIL

Annual Financial Statements

For the year ended 30 June 2026

Pormpuraaw Aboriginal Shire Council
Financial Statements
For the year ended 30 June 2026

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Pormpuraaw Aboriginal Shire Council
Statement of Comprehensive Income
For the year ended 30 June 2026

	Note	2026 $	2025 $
Income			
Revenue			
Recurrent revenue			
Levies and charges	3(a)	553,980	531,999
Fees and charges	3(b)	416,377	502,010
Rental income	16	1,873,445	1,757,331
Interest received		3,756,472	3,350,793
Sales revenue	3(c)	5,351,453	7,711,858
Other income	3(d)	1,518,432	1,558,744
Grants, subsidies, contributions and donations	4(i)	15,099,714	13,850,980
Total operating revenue		28,569,873	29,263,715
Capital Income			
Grants, subsidies, contributions and donations	4(ii)	18,200,099	11,707,493
Capital income	5	66,715	28,076
Total capital Income		18,266,814	11,735,569
Total income		46,836,687	40,999,284
Expenses			
Recurrent expenses			
Employee benefits	6	(6,727,697)	(5,413,182)
Materials and services	7	(8,359,193)	(7,385,444)
Finance costs	8	(289,312)	(239,460)
Depreciation			
Property, plant and equipment	13	(6,014,643)	(5,648,188)
Loss on revaluation of leases	16	(497,276)	-
Total operating expenses		(21,888,121)	(18,686,274)
Capital expenses	9	(2,965,545)	(4,335,358)
Total expenses		(24,853,666)	(23,021,632)
Net result		21,983,021	17,977,652
Other comprehensive income			
Items that will not be reclassified to net result			
Increase in asset revaluation surplus	19	(34,260)	44,152
Total other comprehensive income for the year		(34,260)	44,152
Total comprehensive income for the year		21,948,761	18,021,804

The above statement should be read in conjunction with the accompanying notes and accounting policies.

Pormpuraaw Aboriginal Shire Council
Statement of Financial Position
As at 30 June 2026

	Note	2026 $	2025 $
Current assets			
Cash and cash equivalents	10	94,991,215	89,541,399
Receivables	11	1,450,857	1,095,057
Inventories	12	1,475,004	536,213
Contract assets	15	3,011,630	2,035,877
Other assets		156,839	129,370
Lease receivable	16	610,755	588,332
Total current assets		**101,696,300**	**93,926,248**
Non-current assets			
Property, plant and equipment	13	176,521,997	165,047,306
Lease receivable	16	13,083,813	14,191,844
Total non-current assets		**189,605,810**	**179,239,150**
Total assets		**291,302,110**	**273,165,398**
Current liabilities			
Payables	17	1,550,409	2,280,471
Contract liabilities	15	19,455,542	22,734,264
Provisions	18	1,095,942	864,551
Total current liabilities		**22,101,893**	**25,879,286**
Non-current liabilities			
Provisions	18	224,985	259,641
Total non-current liabilities		**224,985**	**259,641**
Total liabilities		**22,326,878**	**26,138,927**
Net community assets		**268,975,232**	**247,026,471**
Community equity			
Asset revaluation surplus	19	140,259,023	140,293,283
Retained surplus		128,716,209	106,733,188
Total community equity		**268,975,232**	**247,026,471**

The above statement should be read in conjunction with the accompanying notes and accounting policies.

Pormpuraaw Aboriginal Shire Council
Statement of Changes in Equity
For the year ended 30 June 2026

	Asset revaluation surplus	Retained surplus	Total
	$	$	$
Balance as at 1 July 2025	140,293,283	106,733,188	247,026,471
Net result	-	21,983,021	21,983,021
Increase in asset revaluation surplus	(34,260)	-	(34,260)
Total comprehensive income for the year	(34,260)	21,983,021	21,948,761
Balance as at 30 June 2026	**140,259,023**	**128,716,209**	**268,975,232**
Balance as at 1 July 2024	140,249,131	88,755,536	229,004,667
Net result	-	17,977,652	17,977,652
Increase in asset revaluation surplus	44,152	-	44,152
Total comprehensive income for the year	44,152	17,977,652	18,021,804
Balance as at 30 June 2025	**140,293,283**	**106,733,188**	**247,026,471**

The above statement should be read in conjunction with the accompanying notes and accounting policies.

Pormpuraaw Aboriginal Shire Council
Statement of Cash Flows
For the year ended 30 June 2026

	Note	2026 $	2025 $
Cash flows from operating activities			
Receipts from customers		8,764,607	10,817,266
Payments to suppliers and employees		(17,895,289)	(14,271,039)
		(9,130,682)	(3,453,773)
Interest received		3,629,112	3,343,672
Rental income		1,787,985	1,757,331
Non-capital grants, subsidies, and contributions		16,950,166	13,830,321
Net cash inflow from operating activities	24	13,236,581	15,477,551
Cash flows from investing activities			
Payments for property, plant and equipment		(20,557,188)	(14,397,995)
Proceeds from sale of property plant and equipment		109,784	30,094
Finance lease receipts	16	588,332	529,625
Grants, subsidies, contributions and donations		12,072,307	21,724,765
Net cash inflow from investing activities		(7,786,765)	7,886,489
Net increase in cash and cash equivalents held		5,449,816	23,364,040
Cash and cash equivalents at the beginning of the financial year		89,541,399	66,177,359
Cash and cash equivalents at end of the financial year	10	94,991,215	89,541,399

The above statement should be read in conjunction with the accompanying notes and accounting policies.

1 Information about these financial statements

1.A Basis of preparation

The Pormpuraaw Aboriginal Shire Council is constituted under the Queensland *Local Government Act 2009* and is domiciled in Australia.

The general purpose financial statements are for the period 1 July 2025 to 30 June 2026. They are prepared in accordance with the *Local Government Act 2009* and the *Local Government Regulation 2012* .

Council is a not-for-profit entity for financial reporting purposes and these financial statements comply with Australian Accounting Standards and Interpretations as applicable to not-for-profit entities.

These financial statements have been prepared under historical cost convention except for the revaluation of certain classes of property, plant and equipment.

1.B New and revised Accounting Standards adopted during the year

There were no relevant new accounting standards mandatorily effective for the year ended 30 June 2026.

1.C Standards issued by the AASB not yet effective

The AASB has issued Australian Accounting Standards and Interpretations which are not mandatorily effective at 30 June 2026. These standards have not been adopted by Council and will be included in the financial statements on their effective date. Where the standard is expected to have a significant impact for Council then further information has been provided in this note.

The following list identifies the new Australian Accounting Standards that were issued but not yet effective at the time of preparing these financial statements that could be applicable to Council.

	Effective for reporting periods beginning on or after:
AASB 2025-2 Amendments to Australian Accounting Standards - Classification and Measurement of Financial Instruments	1 January 2026
AASB 18 Presentation and Disclosure in Financial Statements	1 January 2028

1 Information about these financial statements

1.D Estimates and judgements

Council makes a number of judgements, estimates and assumptions in preparing these financial statements. These are based on the best information available to Council at the time, however, due to the passage of time, these assumptions may change and therefore the recorded balances may not reflect the final outcomes.

Judgements, estimates and assumptions that have a potentially significant effect are outlined in the following financial statement notes:
Valuation and depreciation of property, plant and equipment - Note 13 and Note 14
Impairment of property, plant and equipment - Note 14
Contract assets and liabilities - Note 15
Provisions - Note18
Contingent liabilities - Note 21
Revenue recognition - Note 3 and 4
Inventory - Note 12

1.E Rounding and comparatives

The Council uses the Australian dollar as its functional currency and its presentation currency and rounds to the nearest dollar.

Comparative information is prepared on the same basis as the prior year.

1.F Taxation

Council is exempt from income tax, however Council is subject to Fringe Benefits Tax, Goods and Services Tax (‘GST’) and payroll tax on certain activities. The net amount of GST recoverable from the ATO or payable to the ATO is shown as an asset or liability respectively.

2 Analysis of results by function

2 (a) Components of Council functions

The activities relating to the Council's components reported on in Note 2(b) are as follows :

Community Services – The Way We Want To Live Together

The key objective is to promote outcomes which encourage a healthy, supportive, contributing and proactive community where appropriate services and facilities are available and accessible by all. This function advocates and supports: participation of men in community programs; sport, art & culture; aged community members are provided with quality of life; and community access to justice through an active Justice Group.

The community function includes:
• Work and support programs of education, training and rehabilitation;
• Increase community awareness and engagement in public activities and special events;
• Encouraging leadership and stewardship through regular community discussions; and
• Providing quality aged care facilities by highly trained staff.

Built Environment – Shaping Our Surroundings

The key objective is to plan for the future development of the community in ways which actively value the heritage and the character of our community with access for all.

This function manages and provides, to a standard that ensures a minimum legislative compliance and equitable standard:
• Development and maintenance of urban and rural roads;
• Maintain and extend the program for roads, drainage and pathways;
• Advocate and supports the development of housing & the refurbishment of existing housing.

Natural Environment – It Begins With Each Of Us

The key objective is to ensure the natural environment is protected in a way that is not compromised for future generations and is managed so as to minimise our impact on non-renewable resources.

This function manages and provides:
• The Land & Sea Ranger programs;
• Supports and develops feral animal and plant pest control;
• Public Health programs:
• The development and monitoring of the West Coast Turtle Threat Abatement Program; and
• Water, waste and sewerage services.

Economy – Creating Our Future

The key objective is to facilitate a vibrant local economy which enjoys sustainable business investments and the benefits of a skilled and diverse workforce.

The goal of this function is to advocate and develop:
• Tourism infrastructure, a local tourism economy and employment opportunities;
• Diverse sustainable business opportunities;
• New businesses are established and/or developed in Pormpuraaw which generate a substantial flow of funds into the community; and
• the increase of training and employment opportunities for residents.

Organisation – Developing Our Capacity

The key objective is to strengthen the capacity of the council organisation and its people to serve our community and to pursue positive outcomes in partnership with community business and government bodies.

This function manages and provides:
• The longevity and sustainability of local government and its benefits to the community;
• Councillors that are actively engaged in the affairs of the community;
• Value the benefits of good financial management and accountability; and
• Community benefits which result from good governance.

The organisation function achieves its objectives by: transparency and accountability in business dealings, probity in purchasing; adhering to reporting timeframes and active communication to our stakeholders.

2 Analysis of results by function

(b) Income and expenses defined between recurring and capital are attributed to the following functions:

Year ended 30 June 2026

Functions	Gross Program Income				Total income	Gross program expenses		Total expenses	Net result from recurrent operations	Net Result	Assets
	Recurrent		Capital			Recurrent	Capital				
	Grants	Other	Grants	Other							
	$	$	$	$	$	$	$	$	$	$	$
Community Services	2,638,647	334,625	23,071	-	2,996,343	(2,774,802)	-	(2,774,802)	198,470	221,541	9,626,723
Built Environment	588,279	4,849,488	3,390,985	-	8,828,752	(12,808,424)	(3,317)	(12,811,741)	(7,370,657)	(3,982,989)	128,660,925
Natural Environment	1,355,237	1,001,932	91,530	-	2,448,699	(1,395,915)	-	(1,395,915)	961,254	1,052,784	26,112,402
Economy	512,345	3,506,149	14,694,513	-	18,713,007	(2,926,975)	(2,962,228)	(5,889,203)	1,091,519	12,823,804	27,443,472
Organisation	10,005,206	3,777,965	-	66,715	13,849,886	(1,982,005)	-	(1,982,005)	11,801,166	11,867,881	99,458,588
Total	**15,099,714**	**13,470,159**	**18,200,099**	**66,715**	**46,836,687**	**(21,888,121)**	**(2,965,545)**	**(24,853,666)**	**6,681,752**	**21,983,021**	**291,302,110**

Year ended 30 June 2025

Functions	Gross Program Income				Total income	Gross program expenses		Total expenses	Net result from recurrent operations	Net Result	Assets
	Recurrent		Capital			Recurrent	Capital				
	Grants	Other	Grants	Other							
	$	$	$	$	$	$	$	$	$	$	$
Community Services	2,030,062	637,723	37,131	-	2,704,916	(2,256,186)	-	(2,256,186)	411,599	448,730	8,554,234
Built Environment	44,852	6,575,104	11,516,440	-	18,136,396	(11,143,807)	(4,335,358)	(15,479,165)	(4,523,851)	2,657,231	128,409,648
Natural Environment	1,386,612	776,375	-	-	2,162,987	(1,253,678)	-	(1,253,678)	909,309	909,309	23,964,519
Economy	10,040	2,714,858	153,922	-	2,878,820	(2,209,390)	-	(2,209,390)	515,508	669,430	19,042,041
Organisation	10,379,414	4,708,675	-	28,076	15,116,165	(1,823,213)	-	(1,823,213)	13,264,876	13,292,952	93,194,956
Total	**13,850,980**	**15,412,735**	**11,707,493**	**28,076**	**40,999,284**	**(18,686,274)**	**(4,335,358)**	**(23,021,632)**	**10,577,441**	**17,977,652**	**273,165,398**

3 Revenue

(a) Service charges

Service levies are recognised as revenue when Council obtains control over the assets comprising these receipts, which is the beginning of the levy period to which they relate.

	2026	2025
	$	$
Service levies	553,980	531,999
	553,980	531,999

(b) Fees and charges

Revenue arising from fees and charges is recognised at the point in time when the performance obligation is completed and the customer receives the benefit of the goods / services being provided.

The performance obligation relates to the specific services which are provided to the customers and generally the payment terms are within 30 days of the provision of the service or in some cases, the customer is required to pay on arrival. There is no material obligation for Council in relation to refunds or returns.

	2026	2025
	$	$
Fees and charges	155,040	201,161
Airline fees and charges	261,337	300,849
	416,377	502,010

(c) Sales revenue

Revenue from sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of goods and the cessation of all involvement in the goods.

The Council generates revenues from a number of services including private works in the form of housing maintenance, fuel sales and powercard sales. Revenue from housing maintenance generally comprises a recoupment of material costs together with an hourly charge for use of equipment and employees. Revenue is measured at the fair value of consideration received or receivable in relation to that activity. Where consideration is received for the service in advance it is included in other liabilities and is recognised as revenue in the period when the service is performed.

	2026	2025
	$	$
Rendering of services		
Private work revenue	3,522,238	4,173,905
Concrete batching revenue	161,847	1,219,752
Aged care	320,166	401,751
Plant and equipment services	193,172	242,078
Commissions	100,701	92,374
	4,298,124	6,129,860
Sale of goods		
Fuel	774,648	753,968
Carbon credit sales	22,486	577,788
Admin store sales	139,793	159,003
Other	116,402	91,239
	1,053,329	1,581,998
Total sales revenue	5,351,453	7,711,858

(d) Other income

	2026	2025
RISE community contribution	440,630	216,697
Other revenue	5,195	21,547
Gain on initial recognition of Australian Carbon Credit Units (ACCUs)	822,607	-
Fuel tax credits	250,000	-
Gain on revaluation of finance leases	-	1,315,613
Insurance claim	-	4,887
	1,518,432	1,558,744

4 Grants, subsidies, contributions and donations

Grant income under AASB 15
Where grant income arises from an agreement which is enforceable and contains sufficiently specific performance obligations then the revenue is recognised when control of each performance obligation is satisfied.

The performance obligations vary in each agreement but include events, specified maintenance, purchases, etc. Payment terms vary depending on the terms of the grant, cash is received upfront for some grants and on the achievement of certain payment milestones for others.

Each performance obligation is considered to ensure that the revenue recognition reflects the transfer of control and within grant agreements, there may be some performance obligations where control transfers at a point in time and others which have continuous transfer of control over the life of the contract.

Where control is transferred over time, generally the input methods being either costs or time incurred are deemed to be the most appropriate methods to reflect the transfer of benefit.

Grant income under AASB 1058
Asset arising from grants in the scope of AASB 1058 is recognised at the asset's fair value when the asset is received. Where Council receives an asset for significantly below fair value, the asset is recognised at fair value, related liability (or equity items) are recorded and income then is recognised for any residual amount at the time the asset is received.

Capital grants
Capital grants are received to enable Council to acquire or construct an item of property, plant and equipment to identified specifications which will be under Council's control and which is enforceable are recognised as revenue as and when the obligation to construct or purchase is completed.

For construction projects, this is generally as the construction progresses in accordance with costs incurred since this is deemed to be the most appropriate measure of the completeness of the construction project as there is no profit margin.

Contributions and donations
Where assets are donated or purchased for significantly below fair value, the revenue is recognised when the asset is acquired and controlled by the Council.

Non-cash contributions with a value in excess of the recognition thresholds, are recognised as revenue and as non-current assets. Non-cash contributions below the thresholds are recorded as revenue and expenses.

		2026 $	2025 $
(i)	**Operating**		
	Commonwealth government subsidies and grants	9,374,399	9,064,658
	State government subsidies and grants	5,594,110	4,686,089
	Other operating grants	89,000	81,415
	Contributions	42,205	18,818
		15,099,714	13,850,980

Council received $2,641,538 representing 50% of its Commonwealth Financial Assistance Grant allocation for the financial year 2025–26 and $4,645,416, representing 80% of its allocation for 2026-27. As these are untied grants, the full amount was recognised as revenue upon receipt in the 2025–26 financial year, in accordance with the revenue standards.

		2026 $	2025 $
(ii)	**Capital**		
	Commonwealth government subsidies and grants	41,623	658,932
	State government subsidies and grants	18,158,476	11,048,561
		18,200,099	11,707,493

4 Grants, subsidies, contributions and donations (continued)

(iii) Timing of revenue recognition for grants, subsidies, contributions and donations

	2026		2025	
	Revenue recognised at a point in time	Revenue recognised over time	Revenue recognised at a point in time	Revenue recognised over time
	$	$	$	$
Government grants and subsidies	14,526,619	18,641,989	13,728,543	11,729,697
Other operating grants	89,000	-	11,500	69,915
Contributions	42,205	-	18,818	-
	14,657,824	18,641,989	13,758,861	11,799,612

5 Capital income

	2026	2025
	$	$
Gain on disposal of non-current assets		
Proceeds from sale property, plant and equipment	134,764	30,094
Less: Carrying value of disposed property, plant and equipment	(68,049)	(2,018)
Total capital income	66,715	28,076

6 Employee benefits

	2026	2025
	$	$
Total staff wages, salaries and entitlements	5,404,380	4,442,840
Councillors' remuneration	414,336	411,441
Superannuation	595,970	460,447
	6,414,686	5,314,728
Other employee related expenses	434,018	232,597
	6,848,704	5,547,325
Less: Capitalised employee expenses	(121,007)	(134,143)
	6,727,697	5,413,182

Councillor remuneration represents salary, and other allowances paid in respect of carrying out their duties.

Total Council employees at the reporting date:	2026	2025
	Number	Number
Elected members	5	5
Administration staff	36	34
Depot and outdoors staff	52	41
Total Council employees	93	80

7	**Materials and services**	**2026 $**	**2025 $**
	Cost of fuel	652,946	616,845
	Cost of enterprise sales	136,963	66,087
	Freight	169,024	162,649
	Administration supplies and consumables	616,660	493,879
	Audit of annual financial statements by the Auditor-General of Queensland*	70,100	79,075
	Communications and IT	591,642	285,220
	Consultants	942,763	304,472
	Contractors	132,020	56,970
	Private works expenditure	2,122,425	2,490,310
	Insurance	845,895	863,083
	Vehicle operating costs	122,453	97,497
	Power and utility	338,385	226,911
	Repairs and maintenance	618,345	434,564
	Safety equipment and expenses	94,883	48,095
	Sport, community and recreational expenses	111,543	112,254
	Travel cost	91,183	60,891
	Other materials and services	701,963	986,642
		8,359,193	7,385,444

* Total audit fees quoted by the Queensland Audit Office relating to the 2025-26 financial statements are $75,100, excluding travel expenses (2025: $79,075).

8	**Finance cost**	**Note**	**2026 $**	**2025 $**
	Bank charges		109,347	86,572
	Movement on provision for restoration of landfill	18	3,380	41,571
	Impairment of receivables		176,585	111,317
			289,312	239,460

9	**Capital expenses**		**2026 $**	**2025 $**
	Capital asset write-offs			
	Capital write-off	(i)	2,965,545	10,000
			2,965,545	10,000
	Loss on disposal of non-current assets			
	Proceeds from the sale of property, plant and equipment		-	-
	Less: Carrying value of disposed property, plant and equipment		-	189,293
			-	189,293
	Loss on transfer of assets via finance lease			
	Carrying value of housing assets written-off		-	5,478,442
	Less: Initial recognition of lease		-	(1,342,377)
			-	4,136,065
	Total capital expenses		2,965,545	4,335,358

(i) During the year, Council undertook a significant upgrade of the aerodrome runway, which involved replacing existing runway components that no longer provided their original service potential. Accordingly, the carrying amounts of the replaced components, excluding the formation component that remained in use, were derecognised and recognised as a capital write-off in profit or loss. Eligible costs directly attributable to constructing the replacement components were capitalised.

10 Cash and cash equivalents

	Note	2026 $	2025 $
Cash at bank and on hand		1,632,999	18,661,807
Deposits at call		93,358,216	70,879,592
Balance per Statement of Cash Flows		94,991,215	89,541,399

The Council may be exposed to credit risk through its investments in the QTC Cash Fund or other financial institutions in Australia. The QTC Cash Fund is an asset management portfolio that invests with a wide range of high credit rated counterparties. Deposits with the QTC Cash Fund are capital guaranteed. Other bank accounts are held with financial institutions, which are rated AA- based on rating agency Fitch Ratings, and whilst not capital guaranteed, the likelihood of a credit failure is assessed as remote. All investments are required to have a minimum credit rating of "A-", therefore the likelihood of the counterparty having capacity to meet its financial commitments is strong.

	Note	2026 $	2025 $
Unrestricted cash			
Cash and cash equivalents		94,991,215	89,541,399
Less: Externally imposed restrictions on cash	28	(21,576,270)	(24,081,547)
Unrestricted cash		73,414,945	65,459,852

Council's cash and cash equivalents are subject to a number of external restrictions that limit amounts available for discretionary or future use.

(i) Externally imposed expenditure restrictions at the reporting date to the following cash assets:

	Note	2026 $	2025 $
Unspent government grants and subsidies	28	(21,576,270)	(24,081,547)
Total externally imposed restrictions on cash assets		(21,576,270)	(24,081,547)

11 Receivables

	Note	2026 $	2025 $
Receivables		968,144	1,013,409
Less: Loss allowance	8	(390,343)	(284,783)
Accrued income		746,287	366,431
GST receivable		126,769	-
		1,450,857	1,095,057

Settlement of these amounts is required within 30 days from invoice date.

No collateral is held as security relating to the financial assets held by Pormpuraaw Aboriginal Shire Council.

No interest is charged on receivables.

Expected credit loss assessment

Council assesses expected credit losses on trade and other receivables using an approach appropriate to the nature of each receivable category. Receivables arising from the homeownership program are assessed collectively using a provision matrix based on historical collection patterns and relevant forward-looking information, while all other receivables are reviewed individually, with expected credit losses determined on a case-by-case basis.

12 Inventories

Costs are assigned on the basis of weighted average.

	Note	2026 $	2025 $
Inventories held for sale			
Fuel		323,119	283,972
Carbon credits	(i)	888,026	-
Other trading stocks		17,024	13,645
		1,228,169	297,617
Inventories held for distribution			
Plant and equipment stores		246,835	238,596
		246,835	238,596
Total inventories		1,475,004	536,213

		2026 $	2025 $
(i) Carbon credits			
ACCUs yet to be approved as at 30 June, measured at cost		51,920	-
ACCUs approved and unsold as at 30 June, measured at current replacement cost		836,106	-
		888,026	-

13 Property, plant and equipment

30 June 2026	Note	Furniture & Fittings	Buildings	Plant & Equipment	Infrastructure assets - Water	Infrastructure assets - Sewerage	Infrastructure assets - Other	Land	Work in Progress	Total
Basis of measurement		Cost	Fair Value	Cost	Fair Value	Fair Value	Fair Value	Fair Value	Cost	
Asset values		$	$	$	$	$	$	$	$	$
Opening gross value as at 1 July 2025		416,116	83,792,500	9,008,754	11,603,314	18,247,994	137,797,082	537,596	271,938	261,675,294
Additions										
- Renewals		-	347,222	-	83,580	12,820	16,132,499		1,212,659	17,788,780
- Other additions		-	125,281	1,685,351	11,606	284,546	418,804	-	242,820	2,768,408
Disposals	5, 9	-	(797,868)	(879,156)	-	(5,528)	(5,174,743)	-	-	(6,857,295)
Revaluation adjustment to asset revaluation surplus	19	-	7,543,392	-	861,820	467,489	2,517,230	(17,596)	-	11,372,335
Reallocation of restoration costs	(i)	-	-	-	-	-	(1,437,986)	-	-	(1,437,986)
Impairment adjustment to asset revaluation surplus	(ii) /19	-	-	-	-	-	564,459	-	-	564,459
Transfers from work in progress		-	127,002				105		(127,107)	-
Closing gross value as at 30 June 2026		416,116	91,137,529	9,814,949	12,560,320	19,007,321	150,817,450	520,000	1,600,310	285,873,995
Accumulated depreciation and impairment										
Opening balance as at 1 July 2025		416,116	48,334,100	5,152,805	3,081,172	4,938,891	34,704,904	-	-	96,627,988
Depreciation expense		-	2,134,433	617,946	224,803	369,943	2,667,518	-	-	6,014,643
Depreciation on disposals	5, 9	-	(797,868)	(811,107)	-	(2,211)	(2,212,515)	-	-	(3,823,701)
Revaluation adjustment to asset revaluation surplus	19	-	3,282,805	(0)	(7,578)	(609,209)	623,825	-	-	3,289,843
Reallocation of restoration costs	(i)	-	-	-	-	-	(1,437,986)	-	-	(1,437,986)
Impairment adjustment to asset revaluation surplus	(ii) /19	-	-	-	-	-	8,681,211	-	-	8,681,211
Accumulated depreciation as at 30 June 2026		416,116	52,953,470	4,959,644	3,298,397	4,697,414	43,026,957	-	-	109,351,998
Carrying amount as at 30 June 2026		-	38,184,059	4,855,305	9,261,923	14,309,907	107,790,493	520,000	1,600,310	176,521,997
Range of estimated useful life in years		3 - 5	15 - 80	5 - 15	10 - 80	15 - 120	10 - infinite	-	-	-

(i) During the 2025-26 financial year, Council incurred restoration costs totalling $1,437,986 to restore roads damaged by prior-year weather events to their pre-disaster condition. These costs were recognised as asset additions and offset against accumulated depreciation, as the works restored the service potential of the affected assets rather than increasing their replacement cost. The restoration costs were consistent with the estimates used in determining the reduction in fair value of the affected assets recognised in the prior year.

(ii) As at 30 June 2026, a weather event caused damage to Council's aerodrome and roads infrastructure. The affected assets form part of the Infrastructure - Other asset class, which is measured at fair value. The damage reduced the service potential and fair value of the affected assets.

Based on estimated restoration costs provided by the Queensland Reconstruction Authority, Council recognised a reduction in fair value of $8,681,211. The reduction was recognised as a revaluation decrement against the asset revaluation surplus for the Infrastructure - Other asset class and reflected through accumulated depreciation of the affected depreciable components.

In addition, estimates of restoration costs relating to prior-year weather events were revised during the year. The resulting $564,459 adjustment was recognised through accumulated depreciation and the asset revaluation surplus.

13 Property, plant and equipment (continued)

30 June 2025	Note	Furniture & Fittings	Buildings	Plant & Equipment	Infrastructure assets - Water	Infrastructure assets - Sewerage	Infrastructure assets - Other	Land	Work in Progress	Total
Basis of measurement		Cost	Fair Value	Cost	Fair Value	Fair Value	Fair Value	Fair Value	Cost	
Asset values		$	$	$	$	$	$	$	$	$
Opening gross value as at 1 July 2024		416,116	78,160,117	7,626,177	11,336,897	17,238,491	133,398,853	491,000	935,725	249,603,376
Additions										
- Renewals		-	120,994	-	-	-	1,896,963	-	127,002	2,144,959
- Other additions		-	8,679,376	1,450,537	-	614,741	1,363,446	-	144,936	12,253,036
Disposals	5, 9	-	(6,000,948)	(67,960)	-	-	-	-	-	(6,068,908)
Revaluation adjustment to asset revaluation surplus	19	-	1,909,836	-	266,417	394,762	4,055,325	46,596	-	6,672,936
Reallocation of restoration costs	(i)	-	-	-	-	-	(791,629)	-	-	(791,629)
Impairment adjustment to asset revaluation surplus	(ii) /19	-	-	-	-	-	(2,128,476)	-	-	(2,128,476)
Transfers from work in progress		-	923,125	-	-	-	12,600	-	(935,725)	-
Write off of assets	9	-	-	-	-	-	(10,000)	-	-	(10,000)
Closing gross value as at 30 June 2025		416,116	83,792,500	9,008,754	11,603,314	18,247,994	137,797,082	537,596	271,938	261,675,294
Accumulated depreciation and impairment										
Opening balance as at 1 July 2024		416,116	45,552,207	4,721,853	2,785,238	4,485,604	29,709,256	-	-	87,670,274
Depreciation expense		-	1,999,005	496,894	225,189	342,718	2,584,382	-	-	5,648,188
Depreciation on disposals	5, 9	-	(333,212)	(65,942)	-	-	-	-	-	(399,154)
Revaluation adjustment to asset revaluation surplus	19	-	1,116,100	-	70,745	110,569	981,727	-	-	2,279,141
Reallocation of restoration costs	(i)	-	-	-	-	-	(791,629)	-	-	(791,629)
Impairment adjustment to asset revaluation surplus	(ii) /19	-	-	-	-	-	2,221,168	-	-	2,221,168
Accumulated depreciation as at 30 June 2025		416,116	48,334,100	5,152,805	3,081,172	4,938,891	34,704,904	-	-	96,627,988
Carrying amount as at 30 June 2025		-	35,458,400	3,855,949	8,522,142	13,309,103	103,092,178	537,596	271,938	165,047,306
Range of estimated useful life in years		3 - 5	15 - 80	5 - 15	10 - 80	15 - 120	10 - 1000	-	-	-

(i) In the 2024–25 financial year, Council incurred restoration costs totalling $1,837,617 to return roads to their pre-disaster condition following weather events. This amount was recognised as asset additions. Of the total, $791,629 was written off against accumulated depreciation as these costs did not increase the replacement cost but rather improved the asset condition. The remaining $1,045,988 related to formation components, which have an indefinite useful life and no accumulated depreciation. Accordingly, these costs were capitalised as additions to the replacement cost, resulting in a corresponding increase in the asset's fair value.

(ii) As at 30 June 2025, a new weather event caused further damage to road assets, resulting in a total impairment of $4,349,644. This amount was based on the draft estimate provided by the Queensland Reconstruction Authority and is consistent with the methodology applied in prior years. As the restoration works had not commenced by year-end, the impairment was recognised to reflect the reduced fair value of the affected assets. Of the total estimated impairment, $2,128,476 was recognised against the replacement cost for road formation components, which have an indefinite useful life, while the remaining $2,221,168 was recognised against accumulated depreciation for all other depreciable components, in line with prior year treatment.

13 Property, plant and equipment (Continued)

(a) Recognition

Each class of property, plant and equipment is stated at cost or fair value less, where applicable, any accumulated depreciation and accumulated impairment loss. Items of plant and equipment with a total value of less than $5,000, and infrastructure assets and buildings with a total value of less than $10,000 are treated as an expense in the year of acquisition. All other items of property, plant and equipment are capitalised.

Acquisition of assets
Acquisitions of assets are initially recorded at cost. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition, including freight in, architect's fees and engineering design fees and all other establishment costs.

Capital and operating expenditure
Direct labour and materials and an appropriate proportion of overheads incurred in the acquisition or construction of assets are treated as capital expenditure. Assets under construction are not depreciated until they are completed and commissioned, at which time they are reclassified from work in progress to the appropriate property, plant and equipment class.

Routine operating maintenance, repair costs and minor renewals to maintain the operational capacity and useful life of the non-current asset is expensed as incurred, while expenditure that relates to replacement of a major component of an asset to maintain its service potential is capitalised.

Expenditure incurred in accordance with Disaster Recovery Funding Arrangements on road assets is analysed to determine whether the expenditure is capital in nature. The analysis of the expenditure requires Council engineers to review the nature and extent of expenditure on a given asset. For example, expenditure that patches a road is generally maintenance in nature, whereas a kerb to kerb rebuild is treated as capital. Material expenditure that extends the useful life or renews the service potential of the asset is capitalised.

Deed of Grant in Trust Land
The Council is located on land assigned to it under a Deed of Grant in Trust (DOGIT) under Section 34I of the Land Act 1994. It comprises an area of approximately 466,000 hectares.

The land is administered by the Department of Resources and the Council has restricted use of this land for the benefit of shire inhabitants. The DOGIT land has not been taken up in the Council's assets as it cannot be reliably measured.

(b) Measurement

Property, plant and equipment assets are initially recorded at cost. Subsequently, each class of property, plant and equipment is stated at cost or fair value less, where applicable, any accumulated depreciation and accumulated impairment loss.

Capital work in progress
The cost of property, plant and equipment being constructed by the Council includes the cost of purchased services, materials, direct labour and an appropriate proportion of labour overheads.

(c) Depreciation
Land is not depreciated as it has an unlimited useful life. Depreciation, where applicable, is calculated on a straight-line basis such that the cost of the asset less its residual value is recognised progressively over its estimated useful life to Council. Management believe that the straight-line basis appropriately reflects the pattern of consumption of all Council assets.

The condition assessments performed as part of the annual valuation process for assets measured at depreciated current replacement cost are used to estimate the useful lives of these assets at each reporting date. Details of the range of estimated useful lives for each class of asset are shown in the first table to this note on page 16.

13 Property, plant and equipment (Continued)

(c) Depreciation (Continued)

Key judgments and estimates:

Straight line depreciation is used as that is consistent with the even consumption of service potential of these assets over their useful life to the Council.

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical or physical obsolescence that may change the utility of infrastructure assets.

(d) Impairment

An impairment loss is recognised as an expense in the Statement of Comprehensive Income, unless the asset is carried at a revalued amount. When the asset is measured at a revalued amount, the impairment loss is offset against the asset revaluation surplus of the relevant class to the extent available.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation surplus increase.

(e) Valuation

Key judgments and estimates:

Some of the Council's assets are measured at fair value for financial reporting purposes.

In estimating the fair value of an asset or a liability, the Council uses market-observable data to the extent it is available and other inputs as necessary.

Council's valuation policies and procedures are set by the executive management team. They are reviewed annually taking into consideration an analysis of movements in fair value and other relevant information. Council's current policy for the valuation of property, plant and equipment (recurring fair value measurements) is set out in this note. Non-recurring fair value measurements are made at the point of reclassification by a registered valuer.

14 Fair value measurements

Council compares the carrying amount of its property, plant and equipment on an annual basis to current fair value and makes adjustment where these are materially different. At least once every five years, Council performs a full comprehensive revaluation by engaging an external professionally qualified valuer.

In the intervening years, management engage independent, professionally qualified valuers to perform a desktop valuation. A desktop valuation involves management providing updated information to the valuer regarding additions, deletions and changes in assumptions such as useful life, residual value and condition rating. The valuer then determines suitable indices which are applied to each of these asset classes.

On revaluation, accumulated depreciation is restated proportionately with the change in the carrying amount of the asset and any change in the estimate of remaining useful life.

When an asset is disposed of, the amount reported in surplus in respect of that asset is retained in the asset revaluation surplus and not transferred to retained surplus.

(i) Recognised fair value measurements

In accordance with AASB 13 fair value measurements are categorised on the following basis:

- Fair value based on quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1)
- Fair value based on inputs that are directly or indirectly observable for the asset or liability (level 2)
- Fair value based on unobservable inputs for the asset and liability (level 3)

The fair values of the assets are determined using valuation techniques which maximise the use of observable data, where it is available, and minimise the use of entity specific estimates. If all significant inputs required to fair value an asset are observable, the asset is included in level 2. If one or more of the significant inputs is not based on observable market data, the asset is included in level 3. This is the case for Council buildings and infrastructure assets, which are of a specialist nature for which there is no active market for similar or identical assets. These assets are valued using a combination of observable and unobservable inputs.

Accordingly all Council assets included in property, plant and equipment classes shown at fair value are categorised as level 3, with the exception of the Cairns land and office space. There were no transfers between categories during the year (2025: Nil). Council's policy is to recognise transfers in and out of the fair value hierarchy as at the end of the reporting period.

14 Fair value measurements (Continued)

(ii) Valuation techniques used to derive fair values for level 2 and level 3 valuations

Specific valuation techniques used to value Council assets comprise:

Asset class and fair value hierarchy	Valuation approach	Last comprehensive valuation date	Valuer engaged	Key assumptions and estimates (related data sources)	Index applied (change in index recognised this year)
Buildings (level 2 and 3)	Market approach / Current replacement cost (CRC)	30-Jun-26	Australis Asset Advisory Group	Where an observable market for Council's assets could be identified, fair value was measured by way of a Market Approach, utilising sale prices of comparable properties after adjusting for differences in key attributes of the property. For assets that were considered of a specialist nature and did not meet the criteria for a Market approach, Fair value was measured on the basis of a Cost Approach (level 3). Under this methodology the gross replacement cost was assessed on the basis that it reflected a modern equivalent asset with similar service potential. Under the Cost approach, the asset's fair value is the result of the gross current value less accumulated depreciation, to reflect the consumed or expired service potential of the asset. The most significant inputs into the valuation were the rate per square metre of area (to arrive at the Gross Replacement Cost), building area and a condition score reflecting the remaining useful life of the asset. The cost to replace the asset is calculated and then adjusted to take account of any obsolescence. Assets been componentised for which they consider the asset to meet the definition of "Complex asset". 'Complex assets' were disaggregated into the different parts with a different useful life and depreciated separately. The components were further split into the short-life and long-life parts. The value of each part was determined based on the inter-relationship between a range of factors which include set condition, legal and commercial obsolescence and the determination of key depreciation related assumptions such as residual value and useful life.	N/A

14 Fair value measurements (Continued)

Asset class and fair value hierarchy	Valuation approach	Last comprehensive valuation date	Valuer engaged	Key assumptions and estimates (related data sources)	Index applied (change in index recognised this year)
Infrastructure assets - other (level 3)	Current replacement cost (CRC)	30-Jun-24	Australis Asset Advisory Group	There is no market for Council's water and sewerage assets and other infrastructure assets (including roads) as these are held to provide essential services to the community. For the purpose of assessing the fair value for financial reporting purposes value has been determined primarily by using the current replacement cost methodology. Considerations in the calculations have been the type and the size of the individual infrastructure assets, construction materials used, level of finish, fixtures installed within, and the location of the assets. As the subject assets are located in a regional area, somewhat removed from the nearest provincial city of Cairns, and far removed from Queensland's capital city of Brisbane, a cost increase over and above that applicable to the nearest provincial city or in relation to a Brisbane Cost Index is necessary to account for the increase in replacement cost due to transportation of labour and materials from the nearest supply centre, and also the cost of specialised labour and contractors necessary for the construction work. In determining the most appropriate replacement cost of an asset, the nature of the asset, the nature of available comparative cost data and the purpose of the valuation has been taken into consideration along with the application of Greenfield unit rates and project cost assumptions. Replacement cost has been calculated with reference to unit rates by the valuers in consultation with Council. The rates have been developed from a combination of sources, cost guides, contractor rates, future works and regional information. Costs have been indexed to account for the location of the subject properties being away from the major supply centres or due to being in a different location to some of the other assets recently constructed.	1.89%
Infrastructure assets - water (level 3)	Current replacement cost (CRC)	30-Jun-26	Australis Asset Advisory Group	The water assets were segregated into active and passive assets; passive assets were not further componentised and consisted primarily of mains and pipes. Unit rates were applied based on similar recent project costs, unit rate databases, indices, Rawlinson's Construction rates and quotations. Costs have been indexed to account for the location of the subject properties being away from the major supply centres or due to being in a different location to some of the other assets recently constructed. The remaining useful life was used in the depreciation calculations are estimated using three different methods such as condition, known age and estimated age. The physical condition score combined with obsolescence factor to arrive at adopted remaining life.	N/A

14 Fair value measurements (Continued)

Asset class and fair value hierarchy	Valuation approach	Last comprehensive valuation date	Valuer engaged	Key assumptions and estimates (related data sources)	Index applied (change in index recognised this year)
Infrastructure assets - sewerage (level 3)	Current replacement cost (CRC)	30-Jun-26	Australis Asset Advisory Group	Reference asset replacement costs for the water and sewerage and other infrastructure assets have been compiled by reference to actual costs incurred for some of the subject assets, for similar asset improvements constructed within the North Queensland Region, and also supported by reference to available data prepared and provided by construction cost consultants and quantity surveyors. Costs have been indexed to account for the location of the subject properties being away from the major supply centres or due to being in a different location to some of the other assets recently constructed. The sewer assets were segregated into active and passive assets; passive assets were not further componentised and consisted primarily of mains and pipes. Unit rates were applied based on similar recent project costs, unit rate databases, indices, Rawlinson's Construction rates and quotations. Consistent with roads, it is assumed that environmental factors such as soil type, climate and topography are consistent across each segment and that a segment is designed and constructed to the same standard and uses a consistent amount of labour and materials. Where assets are located underground and physical inspection is not possible, the age, size and type of construction material, together with current and planned maintenance records are used to determine the fair value at reporting date	N/A
Land (level 2)	Market approach	30-Jun-26	Australis Asset Advisory Group	Land was acquired in the year ended 30 June 2019 and fair values were determined by reference to the market value during the previous comprehensive valuation. A desktop valuation has been performed independently by Australis Asset Advisory Group, registered valuers for the years ended 30 June 2025 with an assessment performed to ensure that material changes in the condition of assets have been captured and recorded. Where an observable market for Council's land assets could be identified, fair value was measured by way of a Market Approach (level 2), utilising sale prices of comparable properties after adjusting for differences in key attributes of the property, such as size. Level 2 valuation inputs were used to value land. Sales prices of comparable land are adjusted for differences in key attributes such as property size, location, topography, and other inherent attributes.	N/A

Finance lease assets (Level 3)

Finance leases are recognised at the present value of the expected future lease payments receivable (fair value). Council's current policy for the valuation of finance leases is set out in Note 16.

15 Contract balances

		2026	2025
		$	$
(a)	**Contract assets**	3,011,630	2,035,877
(b)	**Contract liabilities**		
	Funds received upfront to construct or acquire Council controlled assets	17,505,542	22,734,264
	Non-capital performance obligations not yet satisfied	1,950,000	-
		19,455,542	22,734,264
	Current contract liabilities	19,455,542	22,734,264
		19,455,542	22,734,264
	Revenue recognised that was included in the contract liability balance at the beginning of the year		
	Funds to construct Council controlled assets	5,713,358	6,891,706
	Non-capital performance obligations	-	72,788
		5,713,358	6,964,494

Satisfaction of contract liabilities

The contract liabilities that are in relation to capital grants relate to funding received prior to the work being performed since revenue is recognised as Council constructs the assets.

(c) Significant changes in contract balances

Significant movements in contract assets and contract liabilities that have occurred during the year were due to the change in the timing of the work performed and significant monies received in advance.

16 Leases

Council as a lessee

There are currently no existing leases in place.

Exception to lease accounting

Council has applied the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. Council recognises the payments associated with these leases as an expense on a straight- line basis over the lease term.

Leases at significantly below market value - Concessionary / peppercorn leases

Council is the lessee of a number of Deed of Grant in Trust leases, for which no or little lease payments are made. These have been identified as peppercorn leases which are currently not recognised in Council's financial statements. Council does not intend to apply the fair value measurement requirements to these leases until such time as this requirement is mandated.

Council as a lessor

The lease income is recognised on a straight-line basis over the lease term.

Finance Lease:
Leases of property under which the Council as lessor transfers substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are classified as finance leases.

Council has leased 138 dwellings and 1 lot as lessor to the Queensland Government for 40 years. The total lease payment per dwelling in the current year was $4,368 ($4,172 for 2024-25) and $7,986 ($7,628 for 2024-25) for the Pormpuraaw Women's Centre. These lease payments are required to be adjusted each year by the change in the Consumer Price Index (All Groups) for Brisbane. As the gross lease payments are insufficient to cover the fair value (current replacement cost) of the leased properties, there is no interest rate implicit in the leases and therefore no finance income will arise from the leases. Consequently, the leases are recognised at the present value of the expected future lease payments receivable (fair value).

16 Leases (continued)

	2026	2025
	$	$
Current		
Finance leases	610,755	588,332
	610,755	588,332
Non-current		
Finance leases	13,083,813	14,191,844
	13,083,813	14,191,844

A reconciliation between the gross investment in the lease and the fair value of lease payments is as follows:

	2026	2025
Gross minimum lease payments receivable:	17,200,988	17,018,954
Add: Estimated contingent rent	8,363,388	8,087,862
Less: Present value adjustment	(11,869,808)	(10,326,640)
Fair value of lease payments	13,694,568	14,780,176

The fair value of lease payments are receivable as follows:

	2026	2025
Not later than one year	610,755	588,332
Between one and two years	600,263	577,502
Between two and three years	589,951	571,662
Between three and four years	579,817	565,880
Between four and five years	569,857	560,158
Later than five years	10,743,925	11,916,642
	13,694,568	14,780,176

Movements in finance leases were as follows:

	2026	2025
Opening balance	14,780,176	12,651,811
Add: Initial recognition of new leases	-	1,342,377
Less: Lease receipts	(583,401)	(527,653)
Less: Lease receipts - pro-rata	(4,931)	(1,972)
Add/(Less): Gain/(Loss) on revaluation	(497,276)	1,315,613
Closing balance	13,694,568	14,780,176

The calculation of fair value has included an estimate of average annual CPI increases of 2.72% (2025: 2.58%) and a discount rate of 4.52% (2025: 3.63%).

Finance leases are to the State of Queensland, represented by the Department of Housing and Public Works. The likelihood of this counterparty not having capacity to meet its financial commitments is considered low.

Movements on revaluation of finance lease assets are recognised as other income/expenses.

Operating leases:
Where Council retains the risks and rewards relating to a lease, they are classified as operating leases. Rent from Council's commercial buildings and offices is recognised as income on a periodic straight line basis over the lease term.

	2026	2025
	$	$
Property income (excluding variable lease payments not dependent on an index or rate)		
Rent - Commercial Property	245,616	174,283
Rent - Community Housing	194,939	203,719
Rent - Residential Property	266,384	231,905
Accommodation Revenue	1,166,506	1,147,424
	1,873,445	1,757,331

There is nil unearned finance income, unguaranteed residual values accruing to the benefit of Council or accumulated allowance for uncollectible minimum lease payments receivable recognised as income applicable to the leases.

The assets are included in the statement of financial position as property, plant and equipment as the asset is held to meet Council's service delivery objectives. (Note 13)

	2026	2025
Fair value of property, plant and equipment leased out by Council under operating leases		
Buildings	19,610,725	18,485,902

17 Payables

Creditors are recognised upon receipt of the goods or services ordered and are measured at the agreed purchase/contract price net of applicable discounts other than contingent discounts. Amounts owing are unsecured and are generally settled on 30 day terms.

Salaries and wages

A liability for salaries and wages is recognised and measured as the amount unpaid at the reporting date at current pay rates in respect of employees' services up to that date. This liability represents an accrued expense and is reported as a payable.

	2026 $	2025 $
Current		
Creditors and accruals	1,413,525	2,277,675
Others	136,884	2,796
	1,550,409	2,280,471

18 Provisions

Annual leave

A liability for annual leave is recognised. As Council does not have an unconditional right to defer this liability beyond 12 months annual leave is classified as a current liability. This liability represents an accrued expense and is reported as a provision.

Long service leave

A liability for long service leave is measured as the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date. The liability is calculated using current pay rates and projected future increases in those rates and includes related employee on-costs. The estimates are adjusted for the probability of the employee remaining in the Council's employment or other associated employment which would result in the Council being required to meet the liability. Adjustments are then made to allow for the proportion of the benefit earned to date, and the result is discounted to present value. The interest rates attaching to Commonwealth Government guaranteed securities at the reporting date are used to discount the estimated future cash outflows to their present value. This liability is reported as a provision.

Where employees have met the prerequisite length of service and council does not have an unconditional right to defer this liability beyond 12 months, long service leave is classified as a current provision. Otherwise it is classified as non-current.

Landfill restoration provision

A provision is made for the cost of rehabilitation of assets and other future restoration costs where it is probable Council will be liable, or required, to incur costs on the cessation of use of these facilities.

The provision represents the present value of the anticipated future costs associated with the closure of landfill sites in accordance with environmental licence conditions. The calculation of this provision requires assumptions such as application of environmental legislation, site closure dates, available technologies and engineering cost estimates. These uncertainties may result in future actual expenditure differing from amounts currently provided. Because of the long-term nature of the liability, the most significant uncertainty in estimating the provision is the costs that will be incurred. The provision recognised for landfill sites is reviewed at least annually and updated based on the facts and circumstances available at the time.

The total projected cost of $195,951 is expected to be incurred between 2037 and 2067. The figure excludes rehabilitating landfill cells on existing sites that are yet to be constructed or used.

	Note	2026 $	2025 $
Current			
Annual leave		599,032	481,949
Long service leave		496,910	382,602
		1,095,942	864,551
Non-current			
Landfill restoration		195,951	192,571
Long service leave		29,034	67,070
		224,985	259,641
Landfill restoration			
Balance at beginning of financial year		192,571	151,000
Increase/(decrease) due to change in discount rate	8	3,380	41,571
Balance at end of financial year		195,951	192,571

19 Asset revaluation surplus

	2026 $	2025 $
The closing balance of the revaluation surplus comprises the following asset categories:		
Land	145,821	163,417
Furniture & Fittings	434,944	434,944
Buildings	49,696,808	45,436,221
Infrastructure assets - Other	78,309,856	84,533,203
Infrastructure assets - Water	3,114,150	2,244,752
Infrastructure assets - Sewerage	6,334,539	5,257,841
Plant & equipment	2,222,905	2,222,905
	140,259,023	140,293,283

20 Commitments for expenditure

Contractual commitments

Contractual commitments at end of financial year but not recognised in the financial statements are as follows:

	2026 $	2025 $
IT management services	218,175	48,634
Subcontractor services	127,648	642,664
	345,823	691,298

Capital commitments

Commitments for the construction of the following assets contracted for at the reporting date but not recognised as liabilities:

	2026 $	2025 $
Buildings	384,520	110,443
Motor vehicles and capital plant purchases	39,580	220,141
Airport upgrades	-	5,456,977
	424,100	5,787,561

This expenditure is payable within one year.

21 Contingent liabilities

Details and estimates of maximum amounts of contingent liabilities are as follows:

Local government mutual

The Council is a member of the local government mutual liability self-insurance pool, LGM Queensland. In the event of the pool being wound up or it is unable to meet its debts as they fall due, the trust deed and rules provide that any accumulated deficit will be met by the individual pool members in the same proportion as their contribution is to the total pool contributions in respect to any year that a deficit arises.

As at 30 June 2026 the financial results reported an accumulated surplus and it is not anticipated any liability will arise.

22 Superannuation

Council contributes to Brighter Super. Brighter Super is a Multiemployer Plan as defined in Australian Accounting Standard *AASB 119 Employee Benefits*. The scheme has a number of elements including defined benefits funds and an accumulated benefits fund. Council does not have any employees who are members of the defined benefits funds and so is not exposed to the obligations, assets or costs associated with these funds. Council has employees who are members of the accumulated benefits fund. The scheme is managed by the Brighter Super Trustee.

23 Trust Funds

Trust funds held for outside parties	250,465	360,871

In accordance with the *Local Government Act 2009* and *Local Government Regulation 2012*, a separate trust bank account and separate accounting records are maintained for funds held on behalf of outside parties. The funds held in trust relate to building retention amounts and commercial lease bonds. The Council performs only a custodian role in respect of these monies and because the monies cannot be used for Council purposes, they are not brought to account in the financial statements since Council has no control over the assets.

24 Reconciliation of net result for the year to net cash inflow (outflow) from operating activities

		2026 $	2025 $
Net result		21,983,021	17,977,652
Non-cash items:			
Depreciation		6,014,643	5,648,188
Landfill restoration revaluation		3,380	41,571
Loss on revaluation of finance leases		497,276	(1,315,613)
Gain on initial recognition of ACCUs		(822,607)	-
		5,692,692	4,374,146
Investing and development activities (non-cash):			
Net (profit)/loss on disposal of non-current assets	5, 9	2,898,830	4,307,282
Capital grants and contributions		(18,200,099)	(11,707,493)
		(15,301,269)	(7,400,211)
Changes in operating assets and liabilities:			
(Increase)/decrease in receivables		(355,800)	723,210
(Increase)/decrease in inventories		(116,184)	47,433
(Increase)/decrease in contract assets		(51,703)	129,625
Increase/(decrease) in other assets		(27,469)	11,997
Increase/(decrease) in payables		(730,062)	(377,848)
Increase/(decrease) in contract liabilities relating to operating activities		1,950,000	(143,435)
Increase/(decrease) in provisions		193,355	134,982
		862,137	525,964
Net cash inflow from operating activities		13,236,581	15,477,551

25 Events after the reporting period

The following events have occurred since the end of the reporting period:

Since 30 June 2026, Council has entered into a number of significant contracts with a combined value of approximately $12.0 million for the design and construction of residential housing, housing extensions and associated infrastructure works. The contracts are expected to be completed during the 2026-27 and 2027-28 financial years.

26 Transactions with related parties

(a) Transactions with key management personnel (KMP)

Key management personnel (KMP) are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

KMP include the Mayor, Councillors, Council's Chief Executive Officer and executive management.

The compensation paid to KMP for 2025-26 comprises:

	2026 $	2025 $
Short-term employee benefits	1,440,013	1,350,650
Post-employment benefits	169,035	134,954
Long-term benefits	49,031	50,144
Termination benefits	38,495	151,677
Non-cash employment benefits	71,839	40,096
Total	**1,768,413**	**1,727,521**

Detailed remuneration disclosures are provided in the annual report.

(b) Transactions with other related parties

Other related parties include the close family members of KMP and any entities controlled or jointly controlled by KMP or their close family members. Close family members include a spouse, child and dependent of a KMP or their spouse.

Details of transactions between Council and other related parties are disclosed below:

Details of Transaction	Additional information	2026 $	2025 $
Sale of goods & services to related parties	26(b)(i)	85,618	33,952
Service levies to related parties	26(b)(i)	51,380	48,776
Employee expenses for close family members of key management personnel	26(b)(ii)	697,522	670,486
Non-cash employment benefits for close family members of key management personnel	26(b)(iii)	27,114	80,821
Subsidised housing benefit for a close family member	26(b)(iv)	-	12,358
Rental income charged to a close family member	26(b)(iv)	3,029	4,364
Purchase services from entities controlled by CFM	26(b)(v)	441,174	-
Contributions to entities controlled by KMP	26(b)(vi)	15,000	-
Travel expenses incurred on behalf of CFM	26(b)(vii)	871	-

(i) Sales income and service levies charged to entities controlled by key management personnel and related parties were on an arm's length basis in accordance with the lease agreement, the terms of the sale or the Schedule of Fees & Charges.

(ii) All close family members of key management personnel were employed through an arm’s length process. They are remunerated in accordance with the Award and Council’s above award determination for the job they perform.

(iii) Housing is provided as a non-cash employment benefit for most externally recruited positions. The non-cash benefit forms a part of an individual's employment contract with Council.

(iv) Rental income charged to a close family member of the Mayor during the previous year was provided at a discounted rate, which is not at an arm's-length transaction. Of the total rental value, $12,358 was subsidised by Council in accordance with Resolution 2024/10/12. The Mayor declared his conflict of interest in this matter and did not participate in any decisions related to this transaction.

(v) The Council received professional services from an entity controlled by CFM during the year. These services were sourced before the individual became a KMP of the Council. The transaction value disclosed includes only the amounts incurred after the individual commenced employment as a KMP of the Council and all the transactions were at arm's-length.

26 Transactions with related parties (continued)

(vi) The Council made donations to a controlled entity during the year, whose primary objective is to promote the welfare of the Pormpuraaw community.

(vii) During the year, the Council incurred travel expenses on behalf of a close family member of a KMP.

Council employs 93 staff (75 for 2024-25), of which only 11 (9 for 2024-25) are close family members of key management personnel.

(c) Outstanding balances

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

Year ended 30 June 2026

Payables	Amounts owed to entities controlled by CFM	Amounts owed to close family member of KMP	Amounts owed to KMP
Not past due	45,014	-	-
Past due 31-60 days	-	-	-
Past due 61-90 days	-	-	-
More than 90 days overdue	-	-	-
Total owing	**45,014**	**-**	**-**

Year ended 30 June 2025

There are no material outstanding balances at 30 June 2025 in relation to transactions with related parties.

(d) Loans and guarantees to/from related parties

Council does not make loans to or receive loans from related parties. No guarantees have been provided.

(e) Commitments to/from other related parties

Council does not have any commitments to/from related parties.

(f) Transactions with related parties that have not been disclosed

The majority of the entities and people that are related parties of Council live and operate within the Pormpuraaw community. Therefore, on a regular basis ordinary citizen transactions occur between Council and its related parties. The payment by community residents of utility charges, fees and charges and rental charges are considered to be an ordinary citizen transaction.

Council has not included these types of transaction in its disclosure as they are made on the same terms and conditions available to the general public.

27 Financial instruments and financial risk management

(a) Financial assets and financial liabilities

Pormpuraaw Aboriginal Shire Council has categorised and measured the financial assets and financial liabilities held at balance date as follows:

Cash and cash equivalents (Note 10)
Receivables - measured at amortised cost (Note 11)
Lease receivables (Note 16)
Payables - measured at amortised cost (Note 17)

Pormpuraaw Aboriginal Shire Council has exposure to the following risks arising from financial instruments:
- credit risk
- liquidity risk
- market risk

Risk management framework

Pormpuraaw Aboriginal Shire Council is responsible for the establishment and oversight of the risk management framework, together with developing and monitoring risk management policies.

Council's management approves policies for overall risk management, as well as specifically for managing credit, liquidity and market risk.

The Council's risk management policies are established to identify and analyse the risks faced, to set appropriate limits and controls and to monitor these risks and adherence against limits. The Council aims to manage volatility to minimise potential adverse effects on the financial performance of the Council.

The Council's audit committee oversees how management monitors compliance with the Council's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Council. The Council's audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

Pormpuraaw Aboriginal Shire Council does not enter into derivatives.

Credit risk

Credit risk is the risk of financial loss if a counterparty to a financial instrument fails to meet its contractual obligations. These obligations arise principally from the Council's investments and receivables from customers.

Exposure to credit risk is managed through regular analysis of credit counterparty ability to meet payment obligations. The carrying amount of financial assets represents the maximum credit exposure.

Investments in financial instruments are required to be made with Queensland Treasury Corporation (QTC) or similar state / commonwealth bodies or financial institutions in Australia, in line with the requirements of the *Statutory Bodies Financial Arrangements Act 1982* .

No collateral is held as security relating to the financial assets held by Pormpuraaw Aboriginal Shire Council.

The carrying amounts of financial assets at the end of the reporting period represent the maximum exposure to credit risk for the Council.

27 Financial instruments and financial risk management (Continued)

Liquidity risk

Liquidity risk is the risk that the Council will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Council's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Council's reputation.

Exposure to liquidity risk

Council is exposed to liquidity risk through its normal course of business.

The Council manages its exposure to liquidity risk by maintaining sufficient cash deposits and undrawn facilities, both short and long term, to cater for unexpected volatility in cash flows. These facilities are disclosed in Note 10.

The following table sets out the liquidity risk in relation to financial liabilities held by the Council. It represents the remaining contractual cashflows of financial liabilities at the end of the reporting period, excluding the impact of netting agreements:

	0 to 1 year	1 to 5 years	Over 5 years	Total contractual cash flows	Carrying amount
	$	$	$	$	$
2026					
Payables	1,413,525	-	-	1,413,525	1,413,525
	1,413,525	-	-	1,413,525	1,413,525
2025					
Payables	2,277,675	-	-	2,277,675	2,277,675
	2,277,675	-	-	2,277,675	2,277,675

The outflows in the above table are not expected to occur significantly earlier or for significantly different amounts than indicated in the table.

Market risk

Market risk is the risk that changes in market indices, such as interest rates, will affect the Council's income or the value of its holdings of financial instruments.

Interest rate risk

Pormpuraaw Aboriginal Shire Council is exposed to interest rate risk through investments with QTC.

Council has access to a mix of variable and fixed rate funding options through QTC so that interest rate risk exposure can be minimised.

Sensitivity

Sensitivity to interest rate movements is shown for variable financial assets and liabilities based on the carrying amount at reporting date.

The Council does not account for any fixed-rate financial assets or financial liabilities at Fair Value through Profit or Loss, therefore a change in interest rates at the reporting date would not affect profit or loss.

The following interest rate sensitivity analysis depicts what effect a reasonably possible change in interest rates (assumed to be 1%) would have on the profit and equity, based on the carrying values at the end of the reporting period. The calculation assumes that the change in interest rates would be held constant over the period.

	Net carrying amount	Effect on Net Result		Effect on Equity	
		1% increase	1% decrease	1% increase	1% decrease
	$	$	$	$	$
2026					
Deposits at call	93,358,216	933,582	(933,582)	933,582	(933,582)
Total	93,358,216	933,582	(933,582)	933,582	(933,582)
2025					
Deposits at call	70,879,592	708,796	(708,796)	708,796	(708,796)
Total	70,879,592	708,796	(708,796)	708,796	(708,796)

(b) Fair value

The fair value of receivables and payables is assumed to approximate the value of the original transaction, less any allowance for impairment.

28 Tied Grants by Project

The following note has been prepared on a cash basis.

	Balance 01/07/2025 $	Revenue $	Council Contribution $	Expense $	Balance 30/06/2026 $
Commonwealth Government Grants					
Commonwealth Government Allocation					
Financial Assistance Grant	-	7,260,758	-	(7,260,758)	-
Total	-	7,260,758	-	(7,260,758)	-
Department of Infrastructure, Transport, Regional Development, Communications, Sport and the Arts					
Roads to Recovery	26,080	-	-	-	26,080
Local Roads & Community Infrastructure Program - Phase 4	(109,902)	-	22,991	(64,614)	(151,525)
Total	(83,822)	-	22,991	(64,614)	(125,445)
Department of Health, Disability and Ageing					
CHSP Home Support Programme (HACC)	56,051	678,648	-	(514,361)	220,338
Support at Home - Thin Market Grant	-	169,973	-	(91,396)	78,577
Support at Home & New Aged Care Act Transition Funding	10,000	-		(10,000)	-
Indigenous Employment Initiative (IEI) - Aged Care	654,149	574,329	-	(721,525)	506,953
Total	720,200	1,422,950	-	(1,337,282)	805,868
Department of Climate Change, Energy, the Environment and Water					
Indigenous Protected Areas (IPA) Program	321,716	232,564	-	(202,507)	351,774
Total	321,716	232,564	-	(202,507)	351,774
Department of Industry, Science and Resources					
Community Energy Upgrades Fund R2	-	77,021	-	-	77,021
Total	-	77,021	-	-	77,021
National Indigenous Australians Agency					
RJED - Culture & Land Management Officers	-	218,785	-	(12,409)	206,376
RJED - CJBF Culture & Land Management Officers	-	29,302	-	(437)	28,865
RJED - Local Food Choices for Local People	-	131,732	-	-	131,732
RJED - CJBF Local Food Choices for Local People	-	14,353	-	-	14,353
RJED - Ineligible Wages	-	-	6,925	(6,925)	-
Total	-	394,172	6,925	(19,770)	381,326
Services Australia					
Centrelink Agent	-	63,956	10,858	(74,813)	-
Total	-	63,956	10,858	(74,813)	-
Total - Commonwealth Govt Grants	**958,094**	**9,451,420**	**40,773**	**(8,959,744)**	**1,490,544**
State Government Grants					
Department of the Environment, Tourism, Science and Innovation					
QIL&S Ranger Program	118,557	909,755	-	(800,222)	228,090
Total	118,557	909,755	-	(800,222)	228,090
Queensland Police Service					
State Emergency Services	-	14,011	4,143	(18,154)	-
Total	-	14,011	4,143	(18,154)	-
Department of Justice					
Community Justice Group	17,060	472,646	-	(351,964)	137,743
Community Justice Group - Surplus	108,000	-	-	(83,213)	24,787
Total	125,060	472,646	-	(435,176)	162,530
State Library of Queensland					
Indigenous Knowledge Centres	3,473	23,000	38,388	(64,861)	-
First Five Forever Program	1,997	3,000	-	(4,997)	-
Growing IKC	-	39,090	-	(25,340)	13,750
Total	5,470	65,090	38,388	(95,198)	13,750

28 Tied Grants by Project (continued)

	Balance	Revenue	Council	Expense	Balance
	01/07/2025		Contribution		30/06/2026
	$	$	$	$	$
Department of Transport and Main Roads					
ATSI TIDS Projects	-	361,408	-	(361,408)	-
Total	-	361,408	-	(361,408)	-
Queensland Health					
ATSI Public Health Program	-	213,948	-	(171,932)	42,016
Total	-	213,948	-	- 171,932	42,016
Health and Wellbeing Queensland					
Discrete Communities Planning Funding	50,870	-	-	(50,870)	-
Fuel & Burn Program	-	18,000	-	(11,318)	6,682
Total	50,870	18,000	-	(62,188)	6,682
Department of Trade, Employment and Training					
First Start Program	-	15,000	-	(15,000)	-
Total	-	15,000	-	(15,000)	-
Queensland Reconstruction Authority					
DRFA 2025 Restoration - Kowanyama Rd	-	571,405	-	(1,437,985)	(866,580)
DRFA 2025 Restoration - Northern Rd	-	433,464	-	(230,186)	203,278
DRFA 2025 Restoration - BAAS Yard Rd	-	35,741	-	-	35,741
DRFA 2025 Restoration - Pormpuraaw Rd	-	55,498	-	-	55,498
DRFA 2025 Restoration - Floodways	-	113,098	-	-	113,098
Qld Resilience & Risk Reduction Fund	(112,954)	106,079	-	(11,793)	(18,668)
DRF Aerodrome Upgrade	4,473,379	8,858,075	-	(14,692,680)	(1,361,226)
DRFA 2025 Emergent Works	(34,978)	34,818	160	-	-
DRFA 2026 Emergent Works	-	-	-	(12,420)	(12,420)
Get Ready Qld	(1,356)	4,462	3,599	(7,383)	(678)
Total	4,324,092	10,212,640	3,759	(16,392,447)	(1,851,956)
Department of Women, Aboriginal and Torres Strait Islander Partnerships and Multiculturalism					
Splash park	(87,500)	350,000	-	(350,000)	(87,500)
Qld Community Support Scheme	-	59,175	-	(64,003)	(4,828)
Qld Community Support Scheme Training	-	3,750	-	-	3,750
Qld Community Support Scheme Referral & Linking	-	7,113	-	-	7,113
Community Transport	-	31,440	79,549	(121,469)	(10,480)
Community Transport - Once Off	-	4,000	-	-	4,000
Naidoc Week	-	1,500	171	(1,671)	-
Service Enhancement Plan	(20,000)	20,000	-	-	-
Don't Buy Sly Grog Initiative	7,244	-	1,315	(8,559)	-
Total	(100,256)	476,978	81,034	(545,701)	(87,945)
Department of Housing and Public Works					
Forward Remote Capital Program - 7 Social Houses	(159,390)	-	-	-	(159,390)
Remote Capital Program - 3 Social Houses	16,359	-	-	-	16,359
Social Housing Built Form Design Principles	-	-	-	(42,670)	(42,670)
Remote Capital Funding Schedule 2	-	432,540	-	(471,917)	(39,377)
Remote Capital Funding Schedule 3	-	1,950,000	-	-	1,950,000
Remote Capital Funding Schedule 4	900,000	-	-	(212,888)	687,112
Remote Capital Funding Schedule 5	1,350,000	-	-	(253,307)	1,096,693
Total	2,106,969	2,382,540	-	(980,782)	3,508,727
Department of Sport, Racing and Olympic and Paralympic Games					
Deadly Active Sport & Recreation Program	-	59,850	-	(59,850)	-
Total	-	59,850	-	(59,850)	-
Department of State Development, Infrastructure and Planning					
Residential Activation Fund	14,821,108	-	-	-	14,821,108
Total	14,821,108	-	-	-	14,821,108

28 Tied Grants by Project (continued)

	Balance 01/07/2025 $	Revenue $	Council Contribution $	Expense $	Balance 30/06/2026 $
Department of Local Government, Water and Volunteers					
Indigenous Council Funding	-	2,729,449	-	(2,729,449)	-
Indigenous Cape Communities Economic Development Fund	-	108,213	-	-	108,213
LGGSP - New Staff Duplex Complex	(948,970)	948,970	-	-	-
Works for Queensland 2021-2024	(160,000)	160,000	-	-	-
Scheme Supply Fund Pathway One	-	30,000	-	-	30,000
Works for Queensland 2024-2027	1,145,504	-	29,838	(826,172)	349,170
ICCIP	(156,643)	261,351	-	(104,707)	-
Total	(120,109)	4,237,982	29,838	(3,660,328)	487,383
Total - State Govt Grants	**21,331,760**	**19,439,849**	**157,163**	**(23,598,387)**	**17,330,384**
Other Grant Providers					
Cape York Natural Resource Management					
Nest to Ocean R8 (Turtle Program) CY411	(20,000)	89,000	1,435	(70,435)	-
Total	(20,000)	89,000	1,435	(70,435)	-
Total Other Grant Providers	**(20,000)**	**89,000**	**1,435**	**(70,435)**	**-**
Total Grants	**22,269,854**	**28,980,269**	**199,371**	**(32,628,566)**	**18,820,927**
Add back negative (unclaimed) grant balances	**1,811,694**				**2,755,342**
Unspent grant revenue	**24,081,548**				**21,576,270**

Revenue included above	
Contributions	42,205
Movement due to contract balances	4,277,339
Revenue as per Note 4	**33,299,813**

Pormpuraaw Aboriginal Shire Council
Financial Statements
For the year ended 30 June 2026

Management Certificate
For the year ended 30 June 2026

These general purpose financial statements have been prepared pursuant to sections 176 and 177 of the *Local Government Regulation 2012* (the Regulation) and other prescribed requirements.

In accordance with section 212(5) of the Regulation we certify that:

(i) the prescribed requirements of the *Local Government Act 2009* and *Local Government Regulation 2012* for the establishment and keeping of accounts have been complied with in all material respects; and

(ii) the general purpose financial statements, as set out on pages 2 to 35, present a true and fair view, in accordance with Australian Accounting Standards, of the Council's transactions for the financial year and financial position at the end of the year.

Mayor
Ralph Kendall Jnr

Date: 31 / 08 / 2026

Chief Executive Officer
Janelle Menzies

Date: 31 / 08 / 2026

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INDEPENDENT AUDITOR'S REPORT

To the Councillors of Pormpuraaw Aboriginal Shire Council.

Report on the audit of the financial report

Opinion

I have audited the financial report of Pormpuraaw Aboriginal Shire Council (the council).

The financial report comprises the statement of financial position as at 30 June 2026, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including material accounting policy information and the certificate given by the Mayor and Chief Executive Officer.

In accordance with s. 40 of the *Auditor-General Act 2009*, for the year ended 30 June 2026:

a) I received all the information and explanations I required.

b) I consider that, the prescribed requirements in relation to the establishment and keeping of accounts were complied with in all material respects.

c) In my opinion, the financial report:

   i. gives a true and fair view of the council's financial position as at 30 June 2026, and of its financial performance for the year then ended

   ii. complies with the *Local Government Act 2009*, the Local Government Regulation 2012 and Australian Accounting Standards.

Basis for opinion

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

I am independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General Auditing Standards*.

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

Other information

The council is responsible for the other information.

The other information comprises the information included in the council's annual report for the year ended 30 June 2026, but does not include the financial report and my auditor's report thereon.

At the date of this auditor's report, the available other information in the council's annual report for the year ended 30 June 2026 was the current year financial sustainability statement, unaudited current year financial sustainability statement - contextual ratios and unaudited long-term financial sustainability statement.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon. However, as required by the Local Government Regulation 2012, I have formed a separate opinion on the current year financial sustainability statement.

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

If, based on the work I have performed, I conclude that there is a material misstatement of this information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of the council for the financial report

The council is responsible for:

- the preparation of the financial report that gives a true and fair view in accordance with the *Local Government Act 2009* and the Local Government Regulation 2012, and other prescribed requirements and Australian Accounting Standards, and such internal control as they determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error
- the establishment and keeping of accounts in accordance with prescribed requirements
- assessing the council's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless it is intended to abolish the council or to otherwise cease operations of the council.

Auditor's responsibilities for the audit of the financial report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. My auditor's report must state whether I have received all the information and explanations required, and whether I consider the prescribed requirements in relation to the establishment and keeping of accounts have been complied with in all material respects.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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A further description of my responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:
www.auasb.gov.au/auditors_responsibilities/ar4.pdf

A further description of my responsibilities under the *Auditor-General Act 2009* and *Auditor-General Auditing Standards* is located at the Queensland Audit Office website at:
www.qao.qld.gov.au/audit-program/audit-standards

These descriptions form part of my auditor's report.

M Manuel

2 September 2026

Megan Manuel
as delegate of the Auditor-General

Queensland Audit Office
Brisbane

Pormpuraaw Aboriginal Shire Council
Financial Statements
For the year ended 30 June 2026

Measures of Financial Sustainability

1 Current Year Financial Sustainability Statement
2 Current Year Certificate of Accuracy
3 Independent Auditors Report (Current Year Financial Sustainability Statement)
4 Current Year contextual Financial Sustainability Statement
5 Current Year Certificate of Accuracy
6 Unaudited Long Term Financial Sustainability Statement
7 Long Term Certificate of Accuracy

Pormpuraaw Aboriginal Shire Council
Current-year Financial Sustainability Statement
For the year ended 30 June 2026

Type	Measure	Target (Tier 8)	Actual Current Year	5-Year Average	Narrative
Audited ratios					
Liquidity	Unrestricted Cash Expense Cover Ratio	Greater than 4 months	56 months	NA	Council has achieved a very strong liquidity position and, after recent years of good financial management, is well positioned to meet both the short and long term needs of the community. This ratio has also been impacted by the early receipt of Financial Assistance Grants allocation for 2026-27 financial year.
Operating Performance	Operating Surplus Ratio	N/A	23.39%	12.91%	Consistent with recent years, Council achieved a strong operating result and operating surplus ratio for the current year. The result was further strengthened by the receipt of Financial Assistance Grants relating to both the 2025–26 and 2026–27 financial years during the current reporting period. Refer to Note 4(i) for further details.
	Operating Cash Ratio	Greater than 0%	44.44%	40.56%	The current year ratio has been impacted by the early receipt and recognition of the 2026-27 Financial Assistance Grants in June 2026. Despite this timing impact, Council has achieved a strong operating cash ratio for both the current year and the five-year average.
Asset Management	Asset Sustainability Ratio	Greater than 90%	307.15%	89.69%	The significant increase in the asset sustainability ratio reflects the substantial capital renewal works undertaken during the year, particularly on airport and road infrastructure. These works were partly driven by weather-related damage, with recovery funding provided to support the repair and restoration of affected community assets.
	Asset Consumption Ratio	Greater than 60%	61.99%	62.56%	The target has been consistently achieved for both the current year and five-year average. Council manages the consumption rate of assets appropriately.

The current year financial sustainability statement is prepared in accordance with the requirements of the *Local Government Regulation 2012* and the *Financial Management (Sustainability) Guideline 2024*. The amounts used to calculate the five reported measures are prepared on an accrual basis and are drawn from the council's audited general purpose financial statements for the year ended 30 June 2026.

Pormpuraaw Aboriginal Shire Council
Certificate of Accuracy
For the year ended 30 June 2026

This current-year financial sustainability statement has been prepared pursuant to Section 178 of the *Local Government Regulation 2012* (the Regulation).

In accordance with Section 212(5) of the Regulation we certify that this current-year financial sustainability statement has been accurately calculated.

Mayor
Ralph Kendall Jnr

Date: 31 / 08 / 2026

Chief Executive Officer
Janelle Menzies

Date: 31 / 08 / 2026

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INDEPENDENT AUDITOR'S REPORT

To the Councillors of Pormpuraaw Aboriginal Shire Council

Report on the Current-Year Financial Sustainability Statement

Opinion

I have audited the accompanying current year financial sustainability statement of Pormpuraaw Aboriginal Shire Council (the council).

The financial sustainability statement for the year ended 30 June 2026, comprises the statement, explanatory notes, and the certificate of accuracy given by the Mayor and the Chief Executive Officer.

In accordance with s. 212 of the Local Government Regulation 2012, in my opinion, in all material respects, the current year financial sustainability statement is accurately calculated in accordance with the Financial Management (Sustainability) Guideline 2024.

Basis of opinion

I conducted my audit in accordance with the *Auditor-General Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the current year financial sustainability statement* section of my report.

I am independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to my audit of the statement in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General Auditing Standards*.

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

Emphasis of matter – basis of accounting

I draw attention to Note 1, which describes the basis of accounting. The current year financial sustainability statement has been prepared in accordance with the Financial Management (Sustainability) Guideline 2024 for the purpose of fulfilling the council's reporting responsibilities under the Local Government Regulation 2012. As a result, the statement may not be suitable for another purpose. My opinion is not modified in respect of this matter.

Other Information

The council is responsible for the other information.

The other information comprises the information included in the council's annual report for the year ended 30 June 2026, but does not include the financial sustainability statement and my auditor's report thereon.

At the date of this auditor's report, the available other information in the council's annual report for the year ended 30 June 2026 was the general purpose financial statements, unaudited current-year financial sustainability statement – contextual ratios, and the unaudited long-term financial sustainability statement.

My opinion on the current year financial sustainability statement does not cover the other information and accordingly I do not express any form of assurance conclusion thereon. However, as required by the Local Government Regulation 2012, I have formed a separate opinion on the general purpose financial report.

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

If, based on the work I have performed, I conclude that there is a material misstatement of this information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of the council for the current year financial sustainability statement

The council is responsible for the preparation and fair presentation of the current year financial sustainability statement in accordance with the Financial Management (Sustainability) Guideline 2024 and the Local Government Regulation 2012. The council's responsibility also includes such internal control as the council determines is necessary to enable the preparation and fair presentation of the statement that is accurately calculated and is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the audit of the current year financial sustainability statement

My objectives are to obtain reasonable assurance about whether the current year financial sustainability statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this statement.

My responsibility does not extend to forming an opinion on the appropriateness or relevance of the reported ratios, nor on the council's future sustainability.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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- obtain an understanding of internal control relevant to the audit to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the council's internal control.
- evaluate the appropriateness of material accounting policy information used and the reasonableness of accounting estimates and related disclosures made by the council.

I communicate with the council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

M Manuel

2 September 2026

Megan Manuel
as delegate of the Auditor-General

Queensland Audit Office
Brisbane

Pormpuraaw Aboriginal Shire Council
Unaudited Current-year Financial Sustainability Statement - Contextual Ratios
For the year ended 30 June 2026

Type	Measure	Target (Tier 8)	Actual Current Year	5-Year Average	Narrative
Contextual ratios (unaudited)					
Financial Capacity	Council-Controlled Revenue	N/A	3.40%	3.56%	Council is unable to generate revenue through rates as valuations are not issued for rateable land in Indigenous local government areas.
	Population Growth	N/A	0.47%	-1.74%	N/A

The current year financial sustainability statement - Contextual Ratios is prepared in accordance with the requirements of the *Local Government Regulation 2012* and the *Financial Management (Sustainability) Guideline 2024*. The amounts used to calculate the two reported measures are prepared on an accrual basis and are drawn from the council's audited general purpose financial statements for the year ended 30 June 2026.

Pormpuraaw Aboriginal Shire Council
Certificate of Accuracy - Contextual Ratios
For the year ended 30 June 2026

This current-year financial sustainability statement has been prepared pursuant to Section 178 of the *Local Government Regulation 2012* (the Regulation).

In accordance with Section 212(5) of the Regulation we certify that this current-year financial sustainability statement has been accurately calculated.

Mayor
Ralph Kendall Jnr

Date: 31 / 08 / 2026

Chief Executive Officer
Janelle Menzies

Date: 31 / 08 / 2026

Pormpuraaw Aboriginal Shire Council

Unaudited Long-Term Financial Sustainability Statement

Prepared as at 30 June 2026

Type	Measure	Target (Tier 8)	Actuals as at 30 June 2026	30 June 2027	30 June 2028	30 June 2029	30 June 2030	30 June 2031	30 June 2032	30 June 2033	30 June 2034	30 June 2035	30 June 2036
Financial Capacity	Council-Controlled Revenue	N/A	3%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%
	Population Growth	N/A	0.5%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
Asset Management	Asset Renewal Funding Ratio	N/A	N/A for long-term sustainability statement										
Operating Performance	Operating Surplus Ratio	N/A	23%	-7%	-19%	-26%	-26%	-26%	-25%	-24%	-24%	-23%	-22%
	Operating Cash Ratio	Greater than 0%	44%	17%	12%	11%	11%	12%	12%	13%	13%	14%	14%
Liquidity	Unrestricted Cash Expense Cover Ratio	Greater than 4 months	N/A for long-term sustainability statement										
Asset Management	Asset Sustainability Ratio	Greater than 90%	307%	95%	189%	164%	50%	28%	28%	28%	28%	28%	28%
	Asset Consumption Ratio	Greater than 60%	62%	62%	64%	62%	59%	56%	54%	51%	49%	46%	44%

Council measures revenue and expenditure trends over time as a guide to future requirements and to make decisions about the efficient allocation of resources to ensure the most effective provision of services. Council ensures that its financial management strategy is prudent and that its long-term financial forecast shows a sound financial position whilst also being able to meet the community's current and future needs.

Pormpuraaw Aboriginal Shire Council
Long Term Certificate of Accuracy
For the year ended 30 June 2026

Certificate of Accuracy

For the long-term financial sustainability statement prepared as at 30 June 2026

This long-term financial sustainability statement has been prepared pursuant to Section 178 of the *Local Government Regulation 2012* (the Regulation).

In accordance with Section 212(5) of the Regulation we certify that this long-term financial sustainability statement has been accurately calculated.

Mayor
Ralph Kendall Jnr

Date: 31 / 08 / 2026

Chief Executive Officer
Janelle Menzies

Date: 31 / 08 / 2026