



THE CORPORATION OF THE CITY OF WHYALLA

GENERAL PURPOSE FINANCIAL STATEMENTS

For the year ended 30 June 2026

General Purpose Financial Statements

for the year ended 30 June 2026

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The Corporation of the City of Whyalla

General Purpose Financial Statements

for the year ended 30 June 2026

Certification of Financial Statements

We have been authorised by the Council to certify the financial statements in their final form.

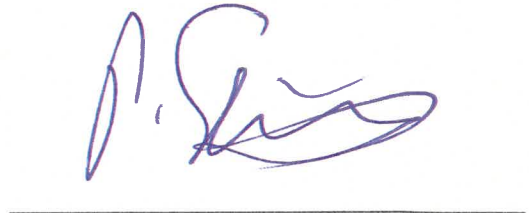
In our opinion:

- the accompanying financial statements comply with the *Local Government Act 1999*, *Local Government (Financial Management) Regulations 2011* and Australian Accounting Standards,
- the financial statements present a true and fair view of the Council's financial position at 30 June 2026 and the results of its operations and cash flows for the financial year,
- internal controls implemented by the Council provide a reasonable assurance that the Council's financial records are complete, accurate and reliable and were effective throughout the financial year,
- the financial statements accurately reflect the Council's accounting and other records.



Justin Commons
Chief Executive Officer

09 October 2026



Phillip Stone
Mayor

09 October 2026

Statement of Comprehensive Income

for the year ended 30 June 2026

	Notes	2026 \$ '000	2025 \$ '000
Income			
Rates	4a	28,106	27,247
Statutory charges	4b	489	461
User charges	4c	5,871	5,105
Grants, subsidies and contributions - operating	4g	10,159	10,249
Grants, subsidies and contributions - capital	4g	912	595
Investment income	4d	66	68
Reimbursements	4e	16	75
Other income	4f	1,325	1,615
Total income		46,944	45,415
Expenses			
Employee costs	5a	15,690	14,712
Materials, contracts and other expenses	5b	20,487	20,218
Depreciation, amortisation and impairment	5c	10,089	9,323
Finance costs	5d	300	816
Total expenses		46,566	45,069
Operating surplus / (deficit)		378	346
Physical resources received free of charge	4i	—	45
Amounts received specifically for new or upgraded assets	4g	6,031	23,946
Asset disposal and fair value adjustments	6	(1,098)	6,605
Net surplus / (deficit)		5,311	30,942
Other comprehensive income			
Amounts which will not be reclassified subsequently to operating result			
Changes in revaluation surplus - I,PP&E	11a	12,683	21,076
Total other comprehensive income		12,683	21,076
Total comprehensive income		17,994	52,018

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Statement of Financial Position

as at 30 June 2026

	Notes	2026 \$ '000	2025 \$ '000
ASSETS			
Current assets			
Cash and cash equivalent assets	7a	390	8,099
Trade and other receivables	7b	6,034	3,790
Inventories	7c	2,534	2,548
Total current assets		8,958	14,437
Non-current assets			
Other non-current assets	8	1,284	2,364
Infrastructure, property, plant and equipment	9	431,923	416,287
Total non-current assets		433,207	418,651
TOTAL ASSETS		442,165	433,088
LIABILITIES			
Current liabilities			
Trade and other payables	10a	5,067	11,995
Borrowings	10b	2,500	2,000
Provisions	10c	2,525	2,503
Total current liabilities		10,092	16,498
Non-current liabilities			
Borrowings	10b	—	2,500
Provisions	10c	1,233	1,244
Total non-current liabilities		1,233	3,744
TOTAL LIABILITIES		11,325	20,242
Net assets		430,840	412,846
EQUITY			
Accumulated surplus		72,533	65,300
Asset revaluation reserves	11a	356,675	343,992
Other reserves	11b	1,632	3,554
Total equity		430,840	412,846

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

for the year ended 30 June 2026

\$ '000	Notes	Accumulated surplus	Asset revaluation reserve	Other reserves	Total equity
2026					
Balance at the end of previous reporting period		65,300	343,992	3,554	412,846
Net surplus / (deficit) for year		5,311	—	—	5,311
Other comprehensive income					
- Gain (Loss) on Revaluation of I,PP&E	9a	—	12,683	—	12,683
Total comprehensive income		5,311	12,683	—	17,994
Transfers between reserves		1,922	—	(1,922)	—
Balance at the end of period		72,533	356,675	1,632	430,840
2025					
Balance at the end of previous reporting period		37,680	322,916	232	360,828
Net surplus / (deficit) for year		30,942	—	—	30,942
Other comprehensive income					
- Gain (Loss) on Revaluation of I,PP&E	9a	—	21,076	—	21,076
Total comprehensive income		30,942	21,076	—	52,018
Transfers between reserves		(3,322)	—	3,322	—
Balance at the end of period		65,300	343,992	3,554	412,846

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Statement of Cash Flows

for the year ended 30 June 2026

	Notes	2026 \$ '000	2025 \$ '000
Cash flows from operating activities			
<u>Receipts</u>			
Rates receipts		28,066	26,926
Statutory charges		507	478
User charges		6,253	5,439
Grants, subsidies and contributions (operating purpose)		10,200	10,265
Investment receipts		66	68
Reimbursements		18	82
Other receipts		1,783	9,900
<u>Payments</u>			
Payments to employees		(16,298)	(14,566)
Payments for materials, contracts and other expenses		(28,032)	(20,262)
Finance payments		(364)	(924)
Net cash provided by (or used in) operating activities	13b	<u>2,199</u>	<u>17,406</u>
Cash flows from investing activities			
<u>Receipts</u>			
Amounts received specifically for new or upgraded assets		4,221	24,290
Grants utilised for capital purposes		912	595
Sale of real estate developments		—	885
Sale of replaced assets		171	165
Sale of surplus assets		1	12,554
<u>Payments</u>			
Expenditure on renewal/replacement of assets		(7,341)	(9,189)
Expenditure on new/upgraded assets		(5,891)	(22,331)
Net cash provided (or used in) investing activities		<u>(7,927)</u>	<u>6,969</u>
Cash flows from financing activities			
<u>Receipts</u>			
Proceeds from borrowings		14,425	34,700
Proceeds from bonds and deposits		96	39
<u>Payments</u>			
Repayment of bonds and deposits		(77)	(120)
Repayments of borrowings		(16,425)	(51,000)
Net cash provided by (or used in) financing activities		<u>(1,981)</u>	<u>(16,381)</u>
Net increase (decrease) in cash held		<u>(7,709)</u>	<u>7,994</u>
plus: cash & cash equivalents at beginning of period		8,099	105
Cash and cash equivalents held at end of period	13a	<u>390</u>	<u>8,099</u>

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to and forming part of the Financial Statements for the year ended 30 June 2026

Contents of the Notes accompanying the General Purpose Financial Statements

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Notes to and forming part of the Financial Statements for the year ended 30 June 2026

Note 1. Summary of Material Accounting Policies

The principal accounting policies adopted by Council in the preparation of these consolidated financial statements are set out below.

These policies have been consistently applied to all the years presented, unless otherwise stated.

(1) Basis of preparation

1.1 Compliance with Australian Accounting Standards

This general purpose financial report has been prepared on a going concern basis using the historical cost convention in accordance with Australian Accounting Standards as they apply to not-for-profit entities, other authoritative pronouncements of the Australian Accounting Standards Board, Interpretations and relevant South Australian legislation.

The financial report was authorised for issue by certificate under regulation 15 of the *Local Government (Financial Management) Regulations 2026* dated 09 October 2026

1.2 Critical accounting estimates

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates and requires management to exercise its judgement in applying Council's accounting policies.

Particular areas involving a high degree of judgement or complexity include the estimation of future payments and timing in relation to landfill restoration. Further information in relation to the estimation of these liabilities are given in the relevant sections of these Notes.

1.3 Rounding

All amounts in the financial statements have been rounded to the nearest thousand dollars (\$'000).

(2) The local government reporting entity

The Corporation of the City of Whyalla is incorporated under the South Australian Local Government Act 1999 and has its principal place of business at Grundel street, Whyalla Norrie. These financial statements include the Council's operations.

(3) Income recognition

Income is measured at the fair value of the consideration received or receivable. Income is recognised when the Council obtains control over the assets comprising the income, or when the amount due constitutes an enforceable debt, whichever first occurs.

Where grants, contributions and donations recognised as incomes during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at the reporting date, the amounts subject to those undischarged conditions are disclosed in these notes. Also disclosed is the amount of grants, contributions and receivables recognised as incomes in a previous reporting period which were obtained in respect of the Council's operations for the current reporting period.

In recent years the payment of untied financial assistance grants has varied from the annual allocation as shown in the table below:

\$'000	Cash Payment Received	Annual Allocation	Annual Net Timing Difference	Cumulative Net Timing Difference
2023/24	\$509	\$6,113	-\$5,604	\$0
2024/25	\$9,810	\$6,464	+\$3,346	+\$3,346
2025/26	\$ 9,314	\$ 6,872	+\$ 2,442	+\$5,788

Because these grants are untied, the Australian Accounting Standards require that payments be recognised upon receipt. Accordingly, the operating results of these periods have been distorted compared to those that would have been reported had the grants been paid in the year to which they were allocated.

Notes to and forming part of the Financial Statements for the year ended 30 June 2026

Note 1. Summary of Material Accounting Policies (continued)

The Adjusted Operating Surplus Ratio disclosed in Note 2 has also been calculated after adjusting for the distortions resulting from the differences between the actual grants received and the grants entitlements allocated.

(4) Cash, cash equivalents and other financial instruments

Cash Assets include all amounts readily convertible to cash on hand at Council's option with an insignificant risk of changes in value with a maturity of three months or less from the date of acquisition.

Receivables for rates and annual charges are secured over the subject land, and bear interest at rates determined in accordance with the *Local Government Act 1999*. Other receivables are generally unsecured and do not bear interest.

All receivables are reviewed as at the reporting date and adequate allowance made for amounts the receipt of which is considered doubtful.

All financial instruments are recognised at fair value at the date of recognition, except for trade receivables from a contract with a customer, which are measured at the transaction price. A detailed statement of the accounting policies applied to financial instruments forms part of Note 14.

(5) Inventories

5.1 Real estate assets developments

Real Estate Assets developments have been classified as Inventory in accordance with *AASB 102 Inventories* and are valued at the lower of cost or net realisable value. Cost includes the costs of acquisition, development, borrowing and other costs incurred on financing of that acquisition and up to the time of sale. Any amount by which cost exceeds the net realisable value has been recognised as an expense.

Revenues arising from the sale of property are recognised in the operating statement when settlement is completed.

5.2 Other real estate held for resale

Properties not acquired for development, but which Council has decided to sell as surplus to requirements, are recognised at the carrying value at the time of that decision.

Certain properties, auctioned for non-payment of rates in accordance with the *Local Government Act 1999* but which failed to meet the reserve set by Council and are available for sale by private treaty, are recorded at the lower of the unpaid rates and charges at the time of auction or the reserve set by Council. Holding costs in relation to these properties are recognised as an expense when incurred.

Inventories held in respect of stores have been valued by using the weighted average cost on a continual basis, after adjustment for loss of service potential. Inventories held in respect of business undertakings have been valued at the lower of cost and net realisable value.

(6) Infrastructure, property, plant and equipment

6.1 Initial recognition

All assets are initially recognised at cost. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition.

All non-current assets purchased or constructed are capitalised as the expenditure is incurred and depreciated as soon as the asset is held "ready for use". Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition, including architects' fees and engineering design fees and all other costs incurred. The cost of non-current assets constructed by the Council includes the cost of all materials used in construction, direct labour on the project and other overhead cost directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner by management.

6.2 Materiality

Assets with an economic life in excess of one year are only capitalised where the cost of acquisition exceeds materiality thresholds established by Council for each type of asset. In determining (and in annually reviewing) such thresholds, regard is had to the nature of the asset and its estimated service life.

Notes to and forming part of the Financial Statements for the year ended 30 June 2026

Note 1. Summary of Material Accounting Policies (continued)

Examples of capitalisation thresholds applied during the year are given below (or in Note 9). No capitalisation threshold is applied to the acquisition of land or interests in land.

Office Furniture & Equipment	\$5,000
Other Plant & Equipment	\$5,000
Buildings - New Construction/Extensions	\$10,000
Open Space Structures	\$10,000
Street Furniture & Playground Equipment	\$5,000
Road Construction & Reconstruction	\$10,000
Paving & Footpaths, Kerbs & Gutters	\$5,000
Drains & Culverts	\$5,000
Reticulation Extensions	\$5,000
Sidelines & Household Connections	\$5,000
Irrigation	\$5,000

6.3 Subsequent recognition

All material asset classes are revalued on a regular basis such that the carrying values are not materially different from fair value. Significant uncertainties exist in the estimation of fair value of a number of asset classes including land, buildings and associated structures and infrastructure. Further detail of these uncertainties, and of existing valuations, methods and valuers are provided at Note 9.

6.4 Depreciation of non-current assets

Other than land, all infrastructure, property, plant and equipment assets recognised are systematically depreciated over their useful lives on a straight-line basis which, in the opinion of Council, best reflects the consumption of the service potential embodied in those assets.

Depreciation methods, useful lives and residual values of classes of assets are reviewed annually.

Major depreciation periods for each class of asset are listed below. Depreciation periods for infrastructure assets have been estimated based on the best information available to Council, but appropriate records covering the entire life cycle of these assets are not available, and extreme care should be used in interpreting financial information based on these estimates.

Plant, Furniture & Equipment

Office Equipment	5 to 10 years
Office Furniture	10 to 20 years
Vehicles and Road-Making Equipment	5 to 8 years
Other Plant and Equipment	5 to 15 years
Street Furniture	10 to 20 years

Building & Other Structures

Buildings – Masonry (overall)	50 to 100 years
Buildings – Other Construction	20 to 40 years
Buildings – Roofing	40 to 60 years
Buildings – Services	10 to 100 years
Buildings – Interior	20 to 40 years
Buildings – Sub-Structure	50 to 120 years
Buildings – Super Structure	50 to 100 years
Open Space Structures – Masonry and Engineered Structures	50 to 100 years
Open Space Structures – Other Construction	20 to 40 years
Playground Equipment	5 to 20 years

Notes to and forming part of the Financial Statements for the year ended 30 June 2026

Note 1. Summary of Material Accounting Policies (continued)

Infrastructure

Sealed Roads – Surface	15 to 30 years
Sealed Roads – Lower Surface / Single Layer	45 to 100 years
Sealed Roads – Carparks	30 to 50 years
Sealed Roads – Pavement Base	65 to 100 years
Sealed Roads – Pavement Sub-Base	400 to 750 years
Unsealed Roads	10 to 20 years
Paving & Footpaths, Kerbs & Gutters - Surface	25 to 75 years
Paving & Footpaths, Kerbs & Gutters - Sub-Surface	100 to 300 years
Traffic Signals & School Crossings	25 years
Stormwater - Drains	70 to 100 years
Stormwater - Culverts	70 to 100 years
Stormwater - Flood Control Structures	70 to 100 years
Stormwater - Dams and Reservoirs	70 to 100 years
Stormwater - Reticulation Pipes	70 to 120 years
Irrigation - Primary Supply Lines	80 years
Irrigation - Secondary Supply Lines	50 years
Irrigation - Sub-Surface Supply Lines (Tertiary)	25 years
Irrigation - Pump Stations & Controls	10 to 20 years
Irrigation - Sprinklers, Drippers and Valves	15 to 20 years
Irrigation - Miscellaneous	25 to 50 years

6.5 Impairment

Assets whose future economic benefits are not dependent on the ability to generate cash flows, and where the future economic benefits would be replaced if Council were deprived thereof, are not subject to impairment testing.

Other assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount (which is the higher of the present value of future cash inflows or value in use).

Where an asset that has been revalued is subsequently impaired, the impairment is first offset against such amount as stands to the credit of that class of assets in Asset Revaluation Reserve, any excess being recognised as an expense.

6.6 Borrowing costs

Borrowing costs in relation to qualifying assets (net of offsetting investment revenue) have been capitalised in accordance with *AASB 123 Borrowing Costs*. The amounts of borrowing costs recognised as an expense or as part of the carrying amount of qualifying assets are disclosed in Note 5, and the amount (if any) of interest revenue offset against borrowing costs in Note 4.

Notes to and forming part of the Financial Statements for the year ended 30 June 2026

Note 1. Summary of Material Accounting Policies (continued)

(7) Payables

7.1 Goods & Services

Creditors are amounts due to external parties for the supply of goods and services and are recognised as liabilities when the goods and services are received. Creditors are normally paid 30 days after the month of invoice. No interest is payable on these amounts.

7.2 Payments Received in Advance & Deposits

Amounts other than grants received from external parties in advance of service delivery, and security deposits held against possible damage to Council assets, are recognised as liabilities until the service is delivered or damage reinstated, or the amount is refunded as the case may be.

(8) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred and are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings are carried at their principal amounts which represent the present value of future cash flows associated with servicing the debt. Interest is accrued over the period to which it relates, and is recorded as part of "Payables".

(9) Employee benefits

9.1 Salaries, Wages & Compensated Absences

Liabilities for employees' entitlements to salaries, wages and compensated absences expected to be paid or settled within 12 months of reporting date are accrued at nominal amounts (including payroll based oncosts) measured in accordance with AASB 119.

Liabilities for employee benefits not expected to be paid or settled within 12 months are measured as the present value of the estimated future cash outflows (including payroll based oncosts) to be made in respect of services provided by employees up to the reporting date. Present values are calculated using government guaranteed securities rates with similar maturity terms.

No accrual is made for sick leave as Council experience indicates that, on average, sick leave taken in each reporting period is less than the entitlement accruing in that period, and this experience is expected to recur in future reporting periods. Council does not make payment for unused sick leave.

9.2 Superannuation

The Council makes employer superannuation contributions in respect of its employees to the Hostplus Superannuation Scheme and other superannuation funds. The Scheme has two types of membership, each of which is funded differently. Details of the accounting policies applied and Council's involvement with the schemes are reported in Note 17.

(10) Provisions for reinstatement, restoration and rehabilitation

Close down and restoration costs include the dismantling and demolition of infrastructure and the removal of residual materials and remediation and rehabilitation of disturbed areas. Estimated close down and restoration costs are provided for in the accounting period when the obligation arising from the related disturbance occurs and are carried at the net present value of estimated future costs.

Although estimated future costs are based on a closure plan, such plans are based on current environmental requirements which may change.

Given there is no air space remaining in the Landfill, all adjustments made to the provision for the capping of landfill cell obligations in future years are recognised through the Statement of Comprehensive Income for the life of the Provision.

As the future cash outflows are estimates that can materially impact the value of the provision, they will be externally verified once every 5 years. In the intervening years the costs are indexed. The last external review was undertaken by Waste and Management Services as at 30 June 2025, with the next review due by 30 June 2030.

Notes to and forming part of the Financial Statements for the year ended 30 June 2026

Note 1. Summary of Material Accounting Policies (continued)

(11) Leases

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

11.1 Council as a lessee

The Council recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-Use-Assets

The Council recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, lease payments made at or before the commencement date less any lease incentives received and the estimate of costs to be incurred to restore the leased asset. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

The right-of-use assets are also subject to impairment. Refer to the accounting policies above - Impairment of non-financial assets.

ii) Lease Liabilities

At the commencement date of the lease, the Council recognises lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the Council uses its incremental borrowing rate or the interest rate implicit in the lease.

iii) Short-term leases and leases of low-value assets

The Council applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date). It also applies the low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

(12) GST implications

In accordance with UIG Abstract 1031 *"Accounting for the Goods & Services Tax"*

- Receivables and creditors include GST receivable and payable.
- Except in relation to input taxed activities, revenues and operating expenditures exclude GST receivable and payable.
- Non-current assets and capital expenditures include GST net of any recoupment.
- Amounts included in the Statement of Cash Flows are disclosed on a gross basis.

(13) New accounting standards and UIG interpretations

Standards issued by the AASB not yet effective

The AASB has issued new and amended Australian Accounting Standards and Interpretations that are not yet effective as of 30 June 2026. These standards have not yet been adopted by Council and will be incorporated into the financial statements upon their effective dates. The following list identifies all applicable new and amended Australian Accounting Standards and Interpretations that were issued but are not yet effective as of 30 June 2026.

AASB 2024-2: Amendments to the Classification and Measurement of Financial Instruments

AASB 2024-2 amends AASB 9 Financial Instruments and AASB 7 Financial Instruments: Disclosures to clarify how the contractual cash flows from financial assets should be assessed when determining their classification. The amendment also clarifies the derecognition requirements of financial liabilities that are settled through electronic payment systems.

Notes to and forming part of the Financial Statements for the year ended 30 June 2026

Note 1. Summary of Material Accounting Policies (continued)

This standard is effective for annual reporting periods beginning on or after 1 January 2026.

The amendment is not expected to have a material impact on the financial statements once adopted.

AASB 18: Presentation and Disclosure in Financial Statements (Not-for-Profit Entities)

AASB 18 replaces AASB 101 *Presentation of Financial Statements* and sets out requirements for the presentation and disclosure of information in general purpose financial statements. Amongst other changes, the standard introduces management-defined performance measures, requires items in the statement of profit or loss to be classified into one of five categories (operating, investing, financing, income taxes and discontinued operations), and enhances the requirements for the aggregation and disaggregation of information.

This standard is effective for annual reporting periods beginning on or after 1 January 2028.

Council is currently assessing the impact the standard will have on the financial statements once adopted.

Australian Sustainability Reporting Standards (AASB S1 and AASB S2)

The Australian Sustainability Reporting Standards comprise AASB S1 *General Requirements for Disclosure of Sustainability-related Financial Information* and AASB S2 *Climate-related Disclosures*. These standards establish a framework for reporting sustainability-related and climate-related financial information.

As at 30 June 2026, AASB S1 and AASB S2 are not mandatory for local government entities. Sustainability reporting requirements for public sector entities continue to evolve in Australia. Any further application of these standards to local government will depend on the requirements adopted by the relevant legislative or regulatory authorities. Council will continue to monitor developments and assess any potential implications for future financial reporting.

(14) Comparative figures

To ensure comparability with the current reporting period's figures, some comparative period line items and amounts may have been reclassified or individually reported for the first time within these financial statements and/or the notes.

(15) Disclaimer

Nothing contained within these statements may be taken to be an admission of any liability to any person under any circumstance.

Notes to and forming part of the Financial Statements

for the year ended 30 June 2026

Note 2. Financial indicators

	Indicator 2026	Indicators 2025	Indicators 2024
Financial Indicators overview <i>These Financial Indicators have been calculated in accordance with Information paper 9 - Local Government Financial Indicators prepared as part of the LGA Financial Sustainability Program for the Local Government Association of South Australia.</i>			
1. Operating Surplus Ratio			
Operating surplus			
Total operating income	0.8%	0.8%	(27.0)%
<i>This ratio expresses the operating surplus as a percentage of total operating revenue.</i>			
2. Net Financial Liabilities Ratio			
Net financial liabilities			
Total operating income	10%	18%	71%
<i>Net Financial Liabilities are defined as total liabilities less financial assets (excluding equity accounted investments in Council businesses). These are expressed as a percentage of total operating revenue.</i>			
Adjustments to Ratios			
<i>In recent years the Federal Government has made advance payments prior to 30th June from future year allocations of financial assistance grants, as explained in Note 1. These Adjusted Ratios correct for the resulting distortion in key ratios for each year and provide a more accurate basis for comparison.</i>			
Adjusted Operating Surplus Ratio			
Operating surplus			
Total operating income	(6.8)%	(7.1)%	(9.2)%
Adjusted Net Financial Liabilities Ratio			
Net financial liabilities			
Total operating income	25%	28%	61%
3. Asset Renewal Funding Ratio			
Asset renewals			
Infrastructure and Asset Management Plan required expenditure	152%	79%	95%
<i>Asset renewals expenditure is defined as capital expenditure on the renewal and replacement of existing assets relative to the optimal level planned, and excludes new capital expenditure on the acquisition of additional assets.</i>			

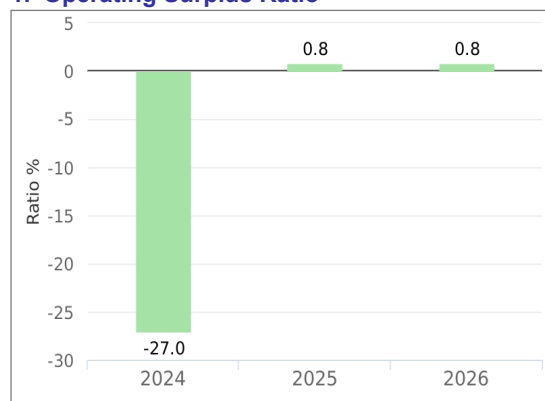
Notes to and forming part of the Financial Statements

for the year ended 30 June 2026

Note 2. Financial indicators (continued)

Financial indicators - graphs

1. Operating Surplus Ratio



Purpose of operating surplus ratio

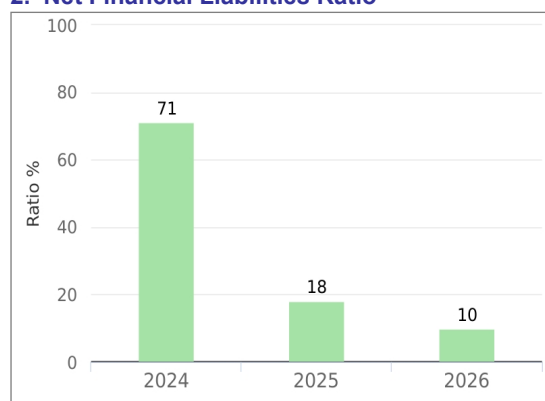
This indicator is to determine the percentage the operating revenue varies from operating expenditure

Commentary on 2025/26 result

2025/26 ratio 0.8%

The timing difference of Financial Assistance Grants has culminated in the ratio displaying a positive result for the year. The Adjusted Operating Surplus Ratio provides a better measure of Council's underlying result.

2. Net Financial Liabilities Ratio



Purpose of net financial liabilities ratio

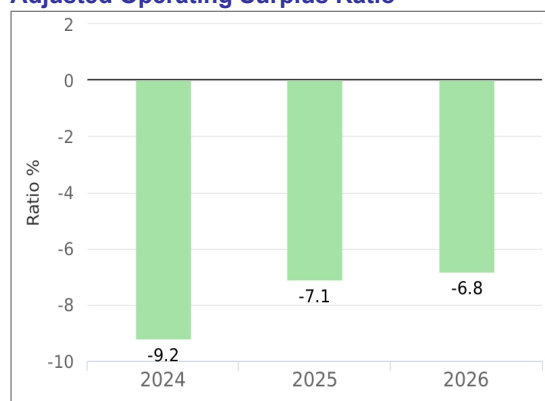
This indicator shows the significance of the net amount owed to others, compared to operating revenue

Commentary on 2025/26 result

2025/26 ratio 10%

This ratio is impacted by the timing difference of Financial Assistance Grants being lower than it otherwise would be. The adjusted Net Financial Liabilities Ratio provides a better measure of Council's underlying debt.

Adjusted Operating Surplus Ratio



Purpose of adjusted operating surplus ratio

This indicator is to determine the percentage the operating revenue (adjusted for timing differences in the Financial Assistance Grant) varies from operating expenditure

Commentary on 2025/26 result

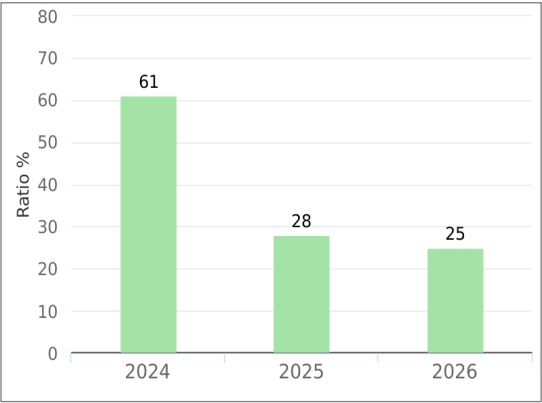
2025/26 ratio (6.8)%

While the ratio shows a deficit result, this is aligned with the original budget position. The result shows that Council continues to move back towards a breakeven result, which will occur over the coming years.

Notes to and forming part of the Financial Statements
for the year ended 30 June 2026

Note 2. Financial indicators (continued)

Adjusted Net Financial Liabilities Ratio



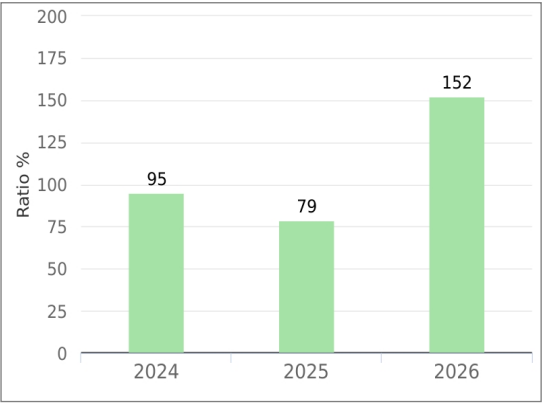
Purpose of adjusted net financial liabilities ratio

This indicator is to determine the percentage the operating revenue (adjusted for timing differences in the Financial Assistance Grant) varies from operating expenditure

Commentary on 2025/26 result

2025/26 ratio	25%
This ratio shows that Council's debt levels are relatively low when compared to overall revenue, meaning that current borrowing levels are not of concern. This ratio is expected to drop slowly over time.	

3. Asset Renewal Funding Ratio



Purpose of asset renewal funding ratio

This indicator aims to determine if assets are being renewed and replaced in an optimal way

Commentary on 2025/26 result

2025/26 ratio	152%
The high level of this ratio this year is due to the completion of renewal works that were deferred from earlier years and offsets the lower results that were achieved over the previous few financial years.	

Notes to and forming part of the Financial Statements

for the year ended 30 June 2026

Note 3. Uniform presentation of finances

	2026 \$ '000	2025 \$ '000
The following is a high-level summary of both operating and capital investment activities of the Council prepared on a modified Uniform Presentation Framework basis, adjusted for timing differences associated with prepaid Federal assistance Grants required to be recognised as revenue on receipt in accordance with Australian Accounting Standards. All Councils in South Australia have agreed to summarise annual budgets and long-term financial plans on the same basis. The arrangements ensure that all Councils provide a common 'core' of financial information, which enables meaningful comparisons of each Council's finances.		
Income		
Rates	28,106	27,247
Statutory charges	489	461
User charges	5,871	5,105
Grants, subsidies and contributions - capital	912	595
Grants, subsidies and contributions - operating	10,159	10,249
Investment income	66	68
Reimbursements	16	75
Other income	1,325	1,615
Total Income	46,944	45,415
Expenses		
Employee costs	(15,690)	(14,712)
Materials, contracts and other expenses	(20,487)	(20,218)
Depreciation, amortisation and impairment	(10,089)	(9,323)
Finance costs	(300)	(816)
Total Expenses	(46,566)	(45,069)
Operating surplus / (deficit)	378	346
Net timing adjustment for general purpose grant funding	(2,442)	(3,346)
Less: grants, subsidies and contributions - capital	(912)	(595)
Net outlays on existing assets		
Capital expenditure on renewal and replacement of existing assets	(7,341)	(9,189)
Add back depreciation, amortisation and impairment	10,089	9,323
Add back proceeds from sale of replaced assets	171	165
	2,919	299
Net outlays on new and upgraded assets		
Capital expenditure on new and upgraded assets (including investment property and real estate developments)	(5,891)	(22,331)
Add back grants, subsidies and contributions - capital new/upgraded	912	595
Add back amounts received specifically for new and upgraded assets	4,221	24,290
Add back proceeds from sale of surplus assets (including investment property, real estate developments and non-current assets held for resale)	1	13,439
	(757)	15,993
Adjusted annual net impact to financing activities (surplus/(deficit))	(814)	12,697

Notes to and forming part of the Financial Statements

for the year ended 30 June 2026

Note 4. Income

	2026 \$ '000	2025 \$ '000
(a) Rates		
General rates		
General rates	22,960	22,864
Less: mandatory rebates	(374)	(386)
Less: discretionary rebates, remissions and write-offs	(346)	(925)
Total general rates	22,240	21,553
Other rates (including service charges)		
Landscape levy	1,099	1,071
Waste collection	4,808	4,674
Less: discretionary rebates, remissions and write-offs	(277)	(274)
Total other rates (including service charges)	5,630	5,471
Other charges		
Penalties for late payment	236	223
Total other charges	236	223
Total rates	28,106	27,247
(b) Statutory charges		
Planning, Development and Infrastructure Act fees	115	108
Town planning fees	52	49
Health and septic tank inspection fees	2	12
Animal registration fees and fines	241	220
Parking fines / expiation fees	21	14
Other licences, fees and fines	58	58
Total statutory charges	489	461
(c) User charges		
Cemetery/crematoria fees	341	312
Hall and equipment hire	37	22
Property lease	455	351
Sales - general	136	145
Subsidies received on behalf of users	1,498	1,287
Sundry	350	337
Airport Charges	2,319	2,038
Marina Fees	64	68
Child Care Centre	553	478
Waste Fees	118	67
Total user charges	5,871	5,105

Notes to and forming part of the Financial Statements

for the year ended 30 June 2026

Note 4. Income (continued)

	2026 \$ '000	2025 \$ '000
(d) Investment income		
Interest on Investments		
- Local Government Finance Authority	52	44
- Banks and other	14	24
<u>Total investment income</u>	<u>66</u>	<u>68</u>
(e) Reimbursements		
Roadworks	2	–
Private works	6	1
Other	8	74
<u>Total reimbursements</u>	<u>16</u>	<u>75</u>
(f) Other income		
Rebates received	944	900
Sundry	256	582
Management Other Income	11	15
Finance Debt Collection	84	56
Quarry Income	30	62
<u>Total other income</u>	<u>1,325</u>	<u>1,615</u>
(g) Grants, subsidies and contributions		
Capital grants, subsidies and contributions		
Amounts received specifically for new or upgraded assets	6,031	23,946
<u>Total amounts received for new or upgraded assets</u>	<u>6,031</u>	<u>23,946</u>
Other grants, subsidies and contributions - capital		
Untied - Local roads and community	912	595
<u>Total Other grants, subsidies and contributions - capital</u>	<u>912</u>	<u>595</u>
Operating grants, subsidies and contributions		
Untied - Financial Assistance Grant	9,314	9,810
Library and communications	144	159
Sundry	701	280
<u>Total other grants, subsidies and contributions - operating</u>	<u>10,159</u>	<u>10,249</u>
<u>Total grants, subsidies and contributions</u>	<u>17,102</u>	<u>34,790</u>

Notes to and forming part of the Financial Statements

for the year ended 30 June 2026

Note 4. Income (continued)

	2026 \$ '000	2025 \$ '000
(i) Sources of grants		
Commonwealth Government	1,326	622
State Government	15,688	34,100
Other	88	68
Total	17,102	34,790

(h) Conditions over grants and contributions

Grants and contributions which were obtained on the condition that they be expended for specified purposes or in a future period, but which are not yet expended in accordance with those conditions, and are required to be repaid to the funding body if not expended, are as follows:

Unexpended at the close of the previous reporting period	3,554	232
Less:		
<i>Expended during the current period from revenues recognised in previous reporting periods</i>		
Roads infrastructure	(2,311)	(7)
Heritage and cultural services	(54)	(23)
Other	(1,189)	(137)
Subtotal	(3,554)	(167)
Plus:		
<i>Amounts recognised as revenues in this reporting period but not yet expended in accordance with the conditions</i>		
Roads infrastructure	183	2,311
Heritage and cultural services	3	5
Other	1,446	1,173
Subtotal	1,632	3,489
Unexpended at the close of this reporting period	1,632	3,554
Net increase (decrease) in assets subject to conditions in the current reporting period	(1,922)	3,322

(i) Physical resources received free of charge

Other	—	45
Total physical resources received free of charge	—	45

Notes to and forming part of the Financial Statements for the year ended 30 June 2026

Note 5. Expenses

	Notes	2026 \$ '000	2025 \$ '000
(a) Employee costs			
Salaries and wages		11,996	11,209
Employee leave expense		1,921	1,998
Superannuation - defined contribution plan contributions	17	1,397	1,241
Superannuation - defined benefit plan contributions	17	165	176
Workers' compensation insurance		305	293
Less: capitalised and distributed costs		(94)	(205)
Total operating employee costs		15,690	14,712
Total number of employees (full time equivalent at end of reporting period)		139	137
(b) Materials, contracts and other expenses			
(i) Prescribed expenses			
Auditor's remuneration			
- Auditing the financial reports		19	18
Bad and doubtful debts		(1)	24
Elected members' expenses		313	316
Election expenses		8	8
Subtotal - prescribed expenses		339	366
(ii) Other materials, contracts and expenses			
Contractors		10,008	8,590
Energy		1,560	1,579
Water		1,483	1,344
Insurance		580	551
Maintenance		235	354
Legal expenses		82	290
Levies paid to Government - Landscape levy		1,097	1,071
Levies - other		45	54
Parts, accessories and consumables		1,302	1,301
Professional services		850	991
Subscriptions, Licences and Memberships		1,372	1,301
Transfer from Works in Progress		–	344
Sundry		1,534	2,082
Subtotal - Other material, contracts and expenses		20,148	19,852
Total materials, contracts and other expenses		20,487	20,218

Notes to and forming part of the Financial Statements

for the year ended 30 June 2026

Note 5. Expenses (continued)

	2026 \$ '000	2025 \$ '000
(c) Depreciation, amortisation and impairment		
(i) Depreciation and amortisation		
Land improvements	1,082	923
Buildings and other structures	1,744	1,713
Infrastructure		
- Stormwater drainage	722	707
- Irrigation Systems	341	334
- Playgrounds	177	136
- Roads & Footpaths	4,153	4,068
- Runway Assets	664	240
Plant and equipment	734	715
Furniture and fittings	198	191
Street Furniture	81	81
Other assets	193	215
Total depreciation, amortisation and impairment	10,089	9,323
(d) Finance costs		
Interest on overdraft and short-term drawdown	300	816
Total finance costs	300	816

Notes to and forming part of the Financial Statements

for the year ended 30 June 2026

Note 6. Asset disposal and fair value adjustments

	2026 \$ '000	2025 \$ '000
Infrastructure, property, plant and equipment		
(i) Assets renewed or directly replaced		
Proceeds from disposal	171	165
Less: carrying amount of assets sold	(1,269)	(3,561)
Gain (loss) on disposal	(1,098)	(3,396)
(ii) Assets surplus to requirements		
Proceeds from disposal	1	12,554
Less: carrying amount of assets sold	(1)	(3,140)
Gain (loss) on disposal	–	9,414
Real estate development assets		
Proceeds from disposal	–	885
Less: carrying amount of assets sold	–	(298)
Gain (loss) on disposal	–	587
Net Gain (Loss) on Disposal	(1,098)	6,605

Notes to and forming part of the Financial Statements for the year ended 30 June 2026

Note 7. Current assets

	2026 \$ '000	2025 \$ '000
(a) Cash and cash equivalent assets		
Cash on hand and at bank	90	8,099
Short term deposits and bills, etc.	300	—
Total cash and cash equivalent assets	390	8,099
(b) Trade and other receivables		
Rates - general and other	2,264	2,233
Council rates postponement scheme	49	40
Accrued revenues	2,200	89
Debtors - general	705	693
GST recoupment	303	272
Prepayments	520	485
Sundry	9	10
Subtotal	6,050	3,822
Less: provision for expected credit losses	(16)	(32)
Total trade and other receivables	6,034	3,790
(c) Inventories		
Stores and materials	77	114
Trading stock	129	106
Real estate developments	2,328	2,328
Total inventories	2,534	2,548

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Notes to and forming part of the Financial Statements

for the year ended 30 June 2026

Note 8. Non-current assets

	2026 \$ '000	2025 \$ '000
Other non-current assets		
Other		
Capital work in progress	1,284	2,364
Total other non-current assets	1,284	2,364
Other disclosures		
Real estate developments - current and non-current		
(Valued at the lower of cost and net realisable value)		
Industrial and commercial	2,328	2,328
Total real estate for resale	2,328	2,328
Represented by:		
Acquisition costs	414	414
Development costs	1,782	1,782
Finance costs	132	132
Subtotal	2,328	2,328
Total real estate for resale	2,328	2,328
Apportionment of real estate developments		
Current assets	2,328	2,328

Notes to and forming part of the Financial Statements

for the year ended 30 June 2026

Note 9. Infrastructure, Property, Plant & Equipment

Infrastructure, property, plant and equipment

		as at 30/06/25				Asset movements during the reporting period								as at 30/06/26			
	Fair Value Level	At Fair Value \$ '000	At Cost \$ '000	Accumulated Depreciation \$ '000	Carrying amount \$ '000	Asset Additions New / Upgrade \$ '000	Asset Additions Renewals \$ '000	WDV of Asset Disposals \$ '000	Depreciation Expense (Note 5c) \$ '000	WIP Transfers \$ '000	Adjustments & Transfers \$ '000	Revaluation Decrements to Equity (ARR) (Note 9) \$ '000	Revaluation Increments to Equity (ARR) (Note 9) \$ '000	At Fair Value \$ '000	At Cost \$ '000	Accumulated Depreciation \$ '000	Carrying amount \$ '000
Land	2	9,274	—	—	9,274	—	—	—	—	—	—	—	260	9,534	—	—	9,534
Land	3	31,950	—	—	31,950	—	—	—	—	—	—	—	895	32,844	—	—	32,844
Land improvements	3	45,819	—	(19,356)	26,463	2,993	2,800	(453)	(1,082)	87	—	(462)	1,410	51,771	—	(20,015)	31,756
Buildings and other structures	2	12,209	—	(12,209)	—	—	25	—	—	—	—	(368)	343	12,577	—	(12,577)	—
Buildings and other structures	3	108,188	—	(52,126)	56,062	572	1,026	(471)	(1,744)	(177)	—	(986)	3,040	111,622	—	(54,300)	57,322
Infrastructure																	
- Stormwater drainage	3	79,431	—	(37,069)	42,362	—	107	—	(722)	—	—	(1,054)	2,149	81,687	—	(38,844)	42,843
- Irrigation Systems	3	12,645	—	(4,800)	7,845	17	141	(1)	(341)	2	—	(3,137)	4,063	16,854	—	(8,265)	8,589
- Playgrounds	3	3,025	—	(1,443)	1,582	—	677	(101)	(177)	21	—	(2)	97	3,563	—	(1,466)	2,097
- Roads & Footpaths	3	301,038	—	(100,927)	200,111	36	1,622	(174)	(4,153)	(266)	—	(2,784)	8,121	309,547	—	(107,035)	202,512
- Runway Assets	3	32,524	—	(544)	31,980	2,033	—	—	(664)	1,521	—	(2)	1,100	37,088	—	(1,120)	35,968
Plant and equipment		—	7,269	(3,529)	3,740	5	615	(70)	(734)	—	—	—	—	—	7,500	(3,944)	3,556
Furniture and fittings		—	3,089	(1,979)	1,110	119	313	—	(198)	(107)	—	—	—	—	3,208	(1,972)	1,236
Street Furniture		—	2,272	(1,243)	1,029	—	16	—	(81)	—	—	—	—	—	2,288	(1,325)	963
Other assets		—	4,763	(1,984)	2,779	116	—	—	(193)	—	—	—	—	—	4,880	(2,177)	2,703
Total infrastructure, property, plant and equipment		636,103	17,393	(237,209)	416,287	5,891	7,342	(1,270)	(10,089)	1,081	—	(8,795)	21,478	667,087	17,876	(253,040)	431,923
Comparatives		580,079	16,546	(216,199)	380,426	22,331	9,233	(6,701)	(9,323)	(411)	(344)	(23,818)	44,894	636,103	17,393	(237,209)	416,287

Notes to and forming part of the Financial Statements for the year ended 30 June 2026

Note 9. Infrastructure, Property, Plant & Equipment (continued)

Valuation of infrastructure, property, plant & equipment and investment property

Valuation of assets

The fair value of assets and liabilities must be estimated in accordance with various Accounting Standards for either recognition and measurement requirements or for disclosure purposes.

AASB 13 Fair Value Measurement requires all assets and liabilities measured at fair value to be assigned to a "level" in the fair value hierarchy as follows:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Refer to Note 9(a) for the disclosure of the Fair Value Levels of Infrastructure, Property, Plant and Equipment Assets.

Information on valuations

Fair value hierarchy level 2 valuations - Certain land, and the buildings and structures thereon, are shown above as being based on fair value hierarchy level 2 valuation inputs. They are based on prices for similar assets in an active market, with directly or indirectly observable adjustments for specific advantages or disadvantages attaching to the particular asset.

Fair value hierarchy level 3 valuations of land - Valuations of crown land, community land and land subject to other restrictions on use or disposal, shown above as being based on fair value hierarchy level 3 valuation inputs, are based on prices for similar assets in an active market, but include adjustments for specific advantages or disadvantages attaching to the particular asset that are not directly or indirectly observable in that market, or the number and / or amount of observable adjustments of which are so great that the valuation is more fairly described as being based on level 3 valuation inputs.

Fair value hierarchy level 3 valuations of buildings, infrastructure and other assets - There is no known market for buildings, infrastructure and other assets. These assets are valued at depreciated current replacement cost. This method involves:

- The determination of the cost to construct the asset (or its modern engineering equivalent) using current prices for materials and labour, the quantities of each being estimated based on recent experience of this or similar Councils, or on industry construction guides where these are more appropriate.
- The calculation of the depreciation that would have accumulated since original construction using current estimates of residual value and useful life under the prime cost depreciation method adopted by Council.

This method has significant inherent uncertainties, relying on estimates of quantities of materials and labour, residual values and useful lives, and the possibility of changes in prices for materials and labour, and the potential for development of more efficient construction techniques.

Other information

At 1 July 2004 upon the transition to AIFRS, Council elected pursuant to *AASB 1.D5* to retain a previously established deemed cost under GAAP as its deemed cost. With subsequent addition at cost, this remains as the basis of recognition of non-material asset classes.

Upon revaluation, the current new replacement cost and accumulated depreciation are re-stated such that the difference represents the fair value of the asset determined in accordance with *AASB 13 Fair Value Measurement*: accumulated depreciation is taken to be the difference between current new replacement cost and fair value. In the case of land, current replacement cost is taken to be the fair value.

Highest and best use

All of Council's non financial assets are considered as being utilised for their highest and best use.

Notes to and forming part of the Financial Statements for the year ended 30 June 2026

Note 9. Infrastructure, Property, Plant & Equipment (continued)

Fair Value Measurement

The requirements of AASB 13 Fair Value Measurement have been applied to all valuations undertaken since 1 July 2013 as shown by the valuation dates by individual asset classes below.

Land, Land Improvements & Playgrounds

- Basis of valuation: Fair Value
- Date of condition audit and full revaluation: 30 June 2025
- Date of indexation: 30 June 2026
- Valuer: Public Private Property and Sproutt

Council applies indexation to the depreciated replacement cost between comprehensive revaluations, based on the Local Government Price Index, with the most recent indexation applied as at 30 June 2026.

Council being of the opinion that it is not possible to attribute a value sufficiently reliably to qualify for recognition, land under roads and water has not been recognised in these reports. Land acquired for road or marine purposes during the year is initially recognised at cost, but transferred to fair value at reporting date, effectively writing off the expenditure.

No capitalisation threshold is applied to the acquisition of land or interests in land.

Level 3 classified land and land improvements assets relate to properties where there is an inability or restriction on Council to sell this asset in the open market.

Depreciation for 2026/27 is projected to increase by \$280,000, or 22%.

Buildings & Other Structures

- Basis of valuation: Fair Value / Market Value
- Date of condition audit and full revaluation: 30 June 2025
- Date of indexation: 30 June 2026
- Valuer: Public Private Property and Sproutt

Council applies indexation to the unit rates between comprehensive revaluations, based on the Local Government Price Index, with the most recent indexation applied as at 30 June 2026.

Buildings have been disclosed as either Fair Value Hierarchy Level 2 valuations or as Fair Value Hierarchy Level 3 valuations, in accordance with AASB 13 Fair Value Measurement.

Building valuations, disclosed as Level 2, are based on prices for similar assets in an active market, with directly or indirectly observable adjustments for specific advantages or disadvantages attaching to the particular asset.

Building valuations, disclosed as Level 3 have been determined to have no known market for these assets and they are valued at depreciated current replacement cost. This method involves the determination of the cost to construct the asset (or its modern engineering equivalent) using current prices for materials and labour, the quantities of each being estimated based on recent experience of this or similar Councils, or on industry construction guides where these are more appropriate. This method has significant inherent uncertainties, relaying on estimates of quantities of materials and labour, residual values and useful lives, and the possibility of changes in prices for materials and labour, and the potential for development of more efficient construction techniques.

Depreciation for 2026/27 is projected to increase by \$81,000, or 5%.

Notes to and forming part of the Financial Statements for the year ended 30 June 2026

Note 9. Infrastructure, Property, Plant & Equipment (continued)

Infrastructure

Roads, Footpaths and Runway Assets

- Written down current replacement cost
- Date of condition audit and full revaluation: 30 June 2023
- Date of indexation: 30 June 2026
- Valuer: Tonkin Consulting Pty Ltd

Council applies indexation to the unit rates between comprehensive revaluations, based on the Local Government Price Index, with the most recent indexation applied as at 30 June 2026.

Depreciation for 2026/27 is projected to increase by \$153,000, or 3%.

Stormwater Drainage

- Written down current replacement cost
- Date of condition audit and full revaluation: 30 June 2024
- Date of indexation: 30 June 2026
- Valuer: Tonkin Consulting Pty Ltd

Council applies indexation to the unit rates between comprehensive revaluations, based on the Local Government Price Index, with the most recent indexation applied as at 30 June 2026.

Depreciation for 2026/27 is projected to increase by \$20,000, or 3%.

Irrigation

- Written down current replacement cost
- Date of condition audit and full revaluation: 30 June 2026
- Valuer: Know-Ledge Asset Management Pty Ltd and Modelve

Depreciation for 2026/27 is projected to increase by \$32,000, or 9%.

Plant & Equipment

These assets are recognised at cost.

All other Assets

These assets are recognised at cost.

Notes to and forming part of the Financial Statements

for the year ended 30 June 2026

Note 10. Liabilities

	2026 Current \$ '000	2026 Non Current \$ '000	2025 Current \$ '000	2025 Non Current \$ '000
(a) Trade and other payables				
Goods and services	2,000	—	6,469	—
Payments received in advance	2,602	—	4,412	—
Accrued expenses - employee entitlements	265	—	853	—
Accrued expenses - finance costs	107	—	171	—
Accrued expenses - other	43	—	59	—
Deposits, retentions and bonds	50	—	31	—
<u>Total trade and other payables</u>	<u>5,067</u>	<u>—</u>	<u>11,995</u>	<u>—</u>

(b) Borrowings

Loans	2,500	—	2,000	2,500
<u>Total Borrowings</u>	<u>2,500</u>	<u>—</u>	<u>2,000</u>	<u>2,500</u>

All interest bearing liabilities are secured over the future revenues of the Council

(c) Provisions

Employee entitlements (including oncosts)	2,525	119	2,503	130
Landfill Capping and Closure	—	1,114	—	1,114
<u>Total provisions</u>	<u>2,525</u>	<u>1,233</u>	<u>2,503</u>	<u>1,244</u>

Notes to and forming part of the Financial Statements

for the year ended 30 June 2026

Note 11. Reserves

	as at 30/06/25				as at 30/06/26
	Opening Balance \$ '000	Increments (Decrements) \$ '000	Transfers \$ '000	Impairments \$ '000	Closing Balance \$ '000
(a) Asset revaluation reserve					
Land	29,521	1,155	—	—	30,676
Land improvements	8,135	948	—	—	9,083
Buildings and other structures	38,685	2,029	—	—	40,714
Infrastructure					
- Stormwater drainage	41,134	1,095	—	—	42,229
- Irrigation Systems	1,733	926	—	—	2,659
- Playgrounds	1,934	95	—	—	2,029
- Roads & Footpaths	210,721	5,337	—	—	216,058
- Runway Assets	12,129	1,098	—	—	13,227
Total asset revaluation reserve	343,992	12,683	—	—	356,675
Comparatives	322,916	21,076	—	—	343,992

	as at 30/06/25				as at 30/06/26
	Opening Balance \$ '000	Tfrs to Reserve \$ '000	Tfrs from Reserve \$ '000	Other Movements \$ '000	Closing Balance \$ '000
(b) Other reserves					
Committed Funds Reserve	3,554	1,632	(3,554)	—	1,632
Total other reserves	3,554	1,632	(3,554)	—	1,632
Comparatives	232	3,489	(167)	—	3,554

Purposes of reserves

Asset revaluation reserves

The asset revaluation reserve is used to record increments and decrements arising from changes in fair value of non current assets (less any subsequent impairment losses, where applicable).

Committed Funds Reserve

The committed funds reserve is used to record amounts committed for brought forward projects, unexpended grant funds and developer contributions.

Notes to and forming part of the Financial Statements

for the year ended 30 June 2026

Note 12. Assets subject to restrictions

	2026 \$ '000	2025 \$ '000
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The uses of the following assets are restricted, wholly or partially, by legislation or other externally imposed requirements. The assets are required to be utilised for the purposes for which control was transferred to Council, or for which the revenues were originally obtained.

Cash and financial assets

Other Contributions	11	1
Federal Government	67	48
State Government	1,554	3,505
Total cash and financial assets	1,632	3,554
Total assets subject to externally imposed restrictions	1,632	3,554

Notes to and forming part of the Financial Statements for the year ended 30 June 2026

Note 13. Reconciliation to Statement of Cash Flows

	Notes	2026 \$ '000	2025 \$ '000
--	-------	-----------------	-----------------

(a) Reconciliation of cash

Cash assets comprise highly liquid investments with short periods to maturity subject to insignificant risk of changes of value. Cash at the end of the reporting period as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

Total cash and equivalent assets	7a	390	8,099
Balances per Statement of Cash Flows		390	8,099

(b) Reconciliation of Operating Result

Net surplus/(deficit)		5,311	30,942
Non-cash items in income statements			
Depreciation, amortisation and impairment		10,089	9,323
Non-cash asset acquisitions		–	(45)
Grants for capital acquisitions treated as investing activity		(6,944)	(24,541)
Net (gain)/loss on disposals		1,098	(6,605)
		9,554	9,074
Add (less): changes in net current assets			
Net (increase)/decrease in receivables		(2,228)	(80)
Change in allowances for under-recovery of receivables		(16)	(3)
Net (increase)/decrease in inventories		13	(45)
Net (increase)/decrease in other assets		1	–
Net increase/(decrease) in trade and other payables		(5,136)	8,284
Net increase/(decrease) in unpaid employee benefits		11	(8)
Net increase/(decrease) in other provisions		–	184
Net cash provided by (or used in) operations		2,199	17,406

(c) Financing arrangements

Unrestricted access was available at balance date to the following lines of credit:

Bank overdrafts	500	500
Corporate credit cards	37	37
LGFA cash advance debenture facility	26,000	26,000

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice.

Council also has immediate access to a short-term draw-down facility, and variable interest rate borrowings under a cash advance facility, both from the Local Government Finance Authority of SA.

Notes to and forming part of the Financial Statements for the year ended 30 June 2026

Note 14. Financial instruments

Recognised financial instruments

Bank, deposits at call, short term deposits

Accounting Policy:

Initially recognised at fair value and subsequently measured at amortised cost; interest is recognised when earned.

Terms & Conditions:

Deposits are returning fixed interest rates between 4.15% and 4.65% (2025: 0.05% and 4.15%). Short term deposits have an average maturity of 1 day and an average interest rate of 4.26% (2025: 1 day and 2.96%).

Carrying Amount:

Approximates fair value due to the short term to maturity.

Receivables - rates and associated charges (including legals and penalties for late payment)

Accounting Policy:

Initially recognised at fair value and subsequently measured at amortised cost. An impairment provision is recognised using the expected credit loss method.

Terms & Conditions:

Secured over the subject land, arrears attract interest of 8.50% (2025: 9.15%). Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries in the State.

Carrying Amount:

Approximates fair value (after deduction of any allowance).

Receivables - fees and other charges

Accounting policy:

Initially recognised at fair value and subsequently measured at amortised cost. An impairment provision is recognised using the expected credit loss method.

Terms and conditions:

Unsecured, and do not bear interest. Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries.

Carrying amount:

Approximates fair value (after deduction of any allowance).

Receivables - other levels of government

Accounting policy:

Initially recognised at fair value and subsequently measured at amortised cost. An impairment provision is recognised using the expected credit loss method.

Terms and conditions:

Amounts due have been calculated in accordance with the terms and conditions of the respective programs following advice of approvals, and do not bear interest. All amounts are due by Departments and Agencies of State and Federal Governments.

Carrying amount:

Approximates fair value.

Liabilities - creditors and accruals

Accounting policy:

Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Council.

Notes to and forming part of the Financial Statements for the year ended 30 June 2026

Note 14. Financial instruments (continued)

Terms and conditions:

Liabilities are normally settled on 30 day terms.

Carrying amount:

Approximates fair value.

Liabilities - interest bearing borrowings

Accounting Policy:

Initially recognised at fair value and subsequently at amortised cost using the effective interest rate.

Terms & Conditions:

Secured over future revenues, borrowings are repayable and interest is charged at fixed and variable rates between 5.60% and 5.85% (2025: 1.90% and 5.60%).

Carrying Amount:

Approximates fair value.

Liabilities - leases

Accounting policy:

Accounted for in accordance with AASB 16 as stated in Note 16.

	Due < 1 year \$ '000	Due > 1 year and ≤ 5 years \$ '000	Due > 5 years \$ '000	Total Contractual Cash Flows \$ '000	Carrying Values \$ '000
2026					
Financial assets					
Cash and cash equivalents	390	—	—	390	390
Receivables	5,514	—	—	5,514	5,514
Total financial assets	5,904	—	—	5,904	5,904
Financial liabilities					
Payables	2,200	—	—	2,200	2,200
Current borrowings	2,500	—	—	2,500	2,500
Non-current borrowings	—	—	—	—	—
Total financial liabilities	4,700	—	—	4,700	4,700
2025					
Financial assets					
Cash and cash equivalents	8,099	—	—	8,099	8,099
Receivables	3,822	—	—	3,822	3,305
Total financial assets	11,921	—	—	11,921	11,404
Financial liabilities					
Payables	6,730	—	—	6,730	6,730
Current borrowings	2,002	—	—	2,002	2,000
Non-current borrowings	140	2,507	—	2,647	2,500
Total financial liabilities	8,872	2,507	—	11,379	11,230

Notes to and forming part of the Financial Statements for the year ended 30 June 2026

Note 14. Financial instruments (continued)

The following interest rates were applicable to Council's borrowings at balance date:

	2026		2025	
	Weighted Avg Interest Rate \$ '000	Carrying Value \$ '000	Weighted Avg Interest Rate \$ '000	Carrying Value \$ '000
Overdraft	10.72%	–	10.57%	–
Fixed interest rates	5.60%	2,500	3.96%	4,500
		<u>2,500</u>		<u>4,500</u>

Net fair value

All carrying values approximate fair value for all recognised financial instruments. There is no recognised market for the financial assets of the Council.

Risk exposures

Credit Risk represents the loss that would be recognised if counterparties fail to perform as contracted. The maximum credit risk on financial assets of the Council is the carrying amount, net of any impairment. All Council investments are made with the SA Local Government Finance Authority and are guaranteed by the SA Government. Except as detailed in Notes 7 and 8 in relation to individual classes of receivables, exposure is concentrated within the Council's boundaries, and there is no material exposure to any individual debtor.

Market Risk is the risk that fair values of financial assets will fluctuate as a result of changes in market prices. All of Council's financial assets are denominated in Australian dollars and are not traded on any market, and hence neither market risk nor **currency risk** apply.

Liquidity Risk is the risk that Council will encounter difficulty in meeting obligations with financial liabilities. In accordance with the model Treasury Management Policy (LGA Information Paper 15), liabilities have a range of maturity dates. Council also has available a range of bank overdraft and standby borrowing facilities that it can access.

Interest Rate Risk is the risk that future cash flows will fluctuate because of changes in market interest rates. Council has a balance of both fixed and variable interest rate borrowings and investments. Cash flow fluctuations are managed holistically in seeking to minimise interest costs over the longer term in a risk averse manner.

Notes to and forming part of the Financial Statements

for the year ended 30 June 2026

Note 14. Financial instruments (continued)

Expected credit losses (ECL)

Council uses an allowance matrix to measure expected credit losses for receivables from individual customers, which comprise a large number of small balances. As rates and annual charges are secured over subject land no allowance for such receivables is made. The following table provides information about Council's ECLs from receivables (excluding secured rates and charges, GST and other amounts held in trust). Impairment analysis is performed each reporting date. ECLS are based on credit history adjusted for forward looking estimates and economic conditions.

Set out below is the movement in the allowance for expected credit losses:

	2026 \$ '000	2025 \$ '000
As at 1 July	32	35
Provisions	(4)	16
Write-off	(12)	(16)
Less reversals	–	(1)
Other movements	–	(2)
As at 30 June	16	32

Notes to and forming part of the Financial Statements

for the year ended 30 June 2026

Note 15. Capital expenditure and investment property commitments

	2026 \$ '000	2025 \$ '000
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(a) Capital commitments

Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:

Land Improvements	7,455	2,734
Buildings	781	127
Infrastructure	5,909	8,495
	14,145	11,356

These expenditures are payable:

Not later than one year	11,685	11,356
Later than one year and not later than 5 years	2,460	—
	14,145	11,356

(b) Other expenditure commitments

Other non-capital expenditure commitments at the reporting date but not recognised in the financial statements as liabilities:

Audit Services	101	93
Waste Management Services	4,542	4,484
Other Maintenance Contracts	2,829	2,210
Other	6,733	4,822
	14,205	11,609

These expenditures are payable:

Not later than one year	7,472	7,390
Later than one year and not later than 5 years	6,733	4,219
	14,205	11,609

Notes to and forming part of the Financial Statements

for the year ended 30 June 2026

Note 16. Leases

(i) Council as a lessee

Council leases a former high school site from the State Government to be used as its principal offices, while investigating what site will form the best long term option for this purpose. Council is dependent on this arrangement in the short to medium term to be able to continue delivering services to the community. The initial lease term is for 4 years with approximately 1 year remaining on this term. The lease payment is \$1 per annum (if requested). The lease covers the formal high school building and the surrounding grounds. Council can only use the building for civic purposes and all sub-leasing must be approved by the Education Department and must be on similar terms as Council's lease. It should be noted that Council is responsible for all ground maintenance of the site, costing approximately \$190,000 per annum, which forms part of the consideration for Council having use of the site. Council has commenced the process to enter into a new longer term lease of the site.

(ii) Council as a lessor

Council owns various buildings, plant and other facilities that are available for hire or lease (on a non-cancellable basis wherever practicable) in accordance with the published revenue policy. Rentals received from such leases are disclosed as rent and hire of non-investment property in Note 4.

Investment property

Rentals received, and outgoings reimbursed, in relation to Investment Property are also disclosed in Note 4. These lease agreements, all of which are classified as operating leases, are made on a non-cancellable basis wherever practicable.

	2026 \$ '000	2025 \$ '000
Future minimum rentals receivable under non-cancellable operating leases as at 30 June, are as follows:		
Not later than one year	291	317
Later than one year and not later than 5 years	719	913
Later than 5 years	606	1,979
	1,616	3,209

Notes to and forming part of the Financial Statements

for the year ended 30 June 2026

Note 17. Superannuation

The Council makes employer superannuation contributions in respect of its employees to Hostplus (formerly Local Government Superannuation Scheme and Statewide Super). There are two types of membership, each of which is funded differently. Permanent and contract employees of the South Australian Local Government sector with Salarylink benefits prior to 24 November 2009 have the option to contribute to the Accumulation section and/or Salarylink. All other employees (including casuals) have all contributions allocated to the Accumulation section.

Accumulation only members

Accumulation only members receive both employer and employee contributions on a progressive basis. Employer contributions are based on a fixed percentage of ordinary time earnings in accordance with superannuation guarantee legislation (12.00% in 2025/26; 11.50% in 2024/25). No further liability accrues to the Council as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

Salarylink (Defined Benefit Fund) members

Salarylink is a defined benefit scheme where the benefit payable is based on a formula determined by the member's contribution rate, number of years and level of contribution and final average salary. Council makes employer contributions to Salarylink as determined by the Fund's Trustee based on advice from the appointed Actuary. The rate is currently 6.3% (6.3% in 2024/25) of "superannuation" salary.

In addition, Council makes a separate contribution of 3% of ordinary time earnings for Salarylink members to their Accumulation account. Employees also make member contributions to the Salarylink section of the Fund. As such, assets accumulate in the Salarylink section of the Fund to meet the member's benefits, as defined in the Trust Deed, as they accrue.

The Salarylink section is a multi-employer sponsored plan. As the Salarylink section's assets and liabilities are pooled and are not allocated by each employer, and employees may transfer to another employer within the local government sector and retain membership of the Fund, the Actuary is unable to allocate benefit liabilities, assets and costs between employers. As provided by AASB 119.34(a), Council does not use defined benefit accounting for these contributions.

The most recent actuarial investigation was conducted by the Fund's actuary, Louise Campbell, FIAA, of Willis Towers Watson as at 30 June 2023. The Trustee has determined that the current funding arrangements are adequate for the expected Salarylink liabilities. However, future financial and economic circumstances may require changes to Council's contribution rates at some future time.

Contributions to other superannuation schemes

Council also makes contributions to other superannuation schemes selected by employees under the "choice of fund" legislation. All such schemes are of the accumulation type, where the superannuation benefits accruing to the employee are represented by their share of the net assets of the scheme, and no further liability attaches to the Council.

Notes to and forming part of the Financial Statements for the year ended 30 June 2026

Note 18. Contingencies and assets/liabilities not recognised in the balance sheet

The following assets and liabilities do not qualify for recognition in the Statement of Financial Position, but knowledge is considered relevant to the users of the financial report in making and evaluating decisions about the allocation of scarce resources.

1. Land under roads and water

As reported in the Financial Statements, Council is of the opinion that it is not possible to attribute a value sufficiently reliably for these assets to qualify for recognition, and accordingly land under roads and water has not been recognised in the reports. Land acquired for road or marine purposes during the year is initially recognised at cost, but transferred to fair value at reporting date, effectively writing off the expenditure.

At reporting date, Council controlled 353 km of road reserves, of average width 20 metres and one land parcel under water, containing the Whyalla Jetty.

2. Potential insurance losses

Council is a multi-purpose organisation providing a large range of building, parks infrastructure, playgrounds and other facilities accessible to the public. At any time, it is likely that claims will have been made against Council that remain unsettled.

Council insures against all known insurable risks using a range of insurance policies, each of which is subject to deductible "insurance excesses", the amount of which varies according to the class of insurance.

Council has recognised the potential losses arising from claims known at reporting date based on average historical net cost (including insurance excess) of similar types of claims. Other potential claims not reported to Council may have existed at reporting date.

3. Bank guarantees

Council has no bank guarantees.

4. Legal expenses

Council is the planning consent authority for its area under the *Planning, Development and Infrastructure Act 2016*. Pursuant to that Act, certain persons aggrieved by a planning decision of the Council may appeal. It is normal practice that parties bear their own legal costs. At the date of these reports, Council had no notice of any appeals against planning decisions made prior to reporting date.

Council is responsible for the operations of the Mount Laura and, previously, the Newton Street landfill sites. The cost of Councils' obligations in relation to the Mount Laura site has been included in Note 10. The Newton Street site is monitored and costs are expensed on an annual basis. Requirements for future restorations have not been identified as at 30 June 2026. If applicable, once identified, the amount will be included and amortised on an annual basis.

Note 19. Events after the balance sheet date

Events that occur after the reporting date of 30 June 2026, up to and including the date when the financial statements are "authorised for issue" have been taken into account in preparing these statements.

Council has adopted the date the financial report was authorised for issue by certificate under regulation 15 of the *Local Government (Financial Management) Regulations 2026* as the appropriate "authorised for issue" date relating to these General Purpose Financial Statements.

Council is not aware of any "non adjusting events" that merit disclosure.

Notes to and forming part of the Financial Statements

for the year ended 30 June 2026

Note 20. Related party transactions

Key management personnel

Transactions with key management personnel

The key management personnel of the Council include the Mayor, Councillors, CEO and certain prescribed officers under section 112 of the Local Government Act 1999. In all 39 persons were paid the following total compensation

	2026 \$ '000	2025 \$ '000
The compensation paid to key management personnel comprises:		
Short-term employee benefits	3,983	3,866
Post-employment benefits	408	380
Long-term benefits	371	345
Termination benefits	81	18
Total	4,843	4,609
Rentals for Council property	13	—
Total	13	—

Seven key management personnel and relatives own or are employed by retail businesses from which various supplies were purchased as required either for cash or on 30 day account. The total amount purchased from these businesses for the 2025/26 financial year was \$3,723,961 with aggregate purchases from four of these individual businesses exceeding \$5,000 during the year. The majority of this cost relates to council's waste management contract.

All purchases were made in accordance with council's procurement policy and were entered into on arms-length terms. Any KMPs with a conflict of interest were not involved in the procurement decisions.

Four close family members of key management personnel are employed by Council in accordance with the terms of the Award, and as recorded in the public Register of Salaries maintained in accordance with section 105 of the Local Government Act 1999.

Two key management personnel or close family members (including related parties) lodged a total of two planning and building applications during the year. In accordance with the Local Government Act 1999, these persons declared conflicts of interest and took no part in the assessment or approval processes for these applications.

Two planning and building approvals without conditions were granted during the year. Total fees for these applications (all of which are payable on lodgement) amounted to \$229.

One property owned by council is rented to an employee at market rates.



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INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL REPORT

To the members of the Corporation of the City of Whyalla

Opinion

We have audited the accompanying financial report of the Corporation of the City of Whyalla (the Council), which 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 comprising a summary of significant accounting policies and other explanatory information, and the Council Certificate of the Corporation of the City of Whyalla.

In our opinion, the accompanying financial report presents fairly, in all material respects, the financial position of the Council as at 30 June 2026, and its financial performance and its cash flows for the year then ended in accordance with the Australian Accounting Standards, the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are 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 our audit of the financial report in Australia. We have also fulfilled our ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Council's responsibility for the financial report

Council is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* and for such internal control as Council determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, Council is responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Council either intends to liquidate the Council or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Council's financial reporting process.

Auditor's responsibilities for the audit of the financial report

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

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

- Identify and assess the risks of material misstatement of the financial report, 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 our 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.
- Obtain an understanding of internal control relevant to the audit of the financial report in order 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 accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of Council's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Council's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Council to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

GALPINS ACCOUNTANTS, AUDITORS & BUSINESS CONSULTANTS



Tim Muhlhausler CA, Registered Company Auditor
Partner

13 October 2026



INDEPENDENT ASSURANCE REPORT ON THE INTERNAL CONTROLS Financial Statements 2026

To the members of the Corporation of the City of Whyalla

Opinion

We have audited the compliance of the Corporation of the City of Whyalla (the Council) with the requirements of Section 125 of the *Local Government Act 1999* in relation only to the Internal Controls established by the Council to ensure that financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities for the period 1 July 2025 to 30 June 2026 have been conducted properly and in accordance with law.

In our opinion, the Corporation of the City of Whyalla has complied, in all material respects, with *Section 125 of the Local Government Act 1999* in relation to internal controls established by the Council in relation to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities so as to provide reasonable assurance that the financial transactions of the Council have been conducted properly and in accordance with law for the period 1 July 2025 to 30 June 2026.

Basis for opinion

We conducted our engagement in accordance with applicable Australian Standards on Assurance Engagement ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* and ASAE 3150 *Assurance Engagements on Controls*, issued by the Australian Auditing and Assurance Standards Board, in order to state whether, in all material respects, the Council has complied with Section 125 of the *Local Government Act 1999* in relation only to the internal controls specified above for the period 1 July 2025 to 30 June 2026. ASAE 3000 also requires us to comply with the relevant ethical requirements of the Australian professional accounting bodies.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

The Council's responsibility for internal controls

The Council is responsible for implementing and maintaining an adequate system of internal controls, in accordance with Section 125 of the *Local Government Act 1999* to ensure that the receipt, expenditure and investment of money, acquisition and disposal of property, and incurring of liabilities have been conducted properly and in accordance with law.

Our independence and quality control

We have complied with the independence and other relevant ethical requirements relating to assurance engagements, and applied Auditing Standard ASQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements* in undertaking this assurance engagement.

Auditor's responsibility

Our responsibility is to express an opinion on the Council's compliance with Section 125 of the *Local Government Act 1999* in relation only to the internal controls established by the Council to ensure that financial transactions relating to receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities have been conducted properly and in accordance with law, based on our procedures. Our engagement has been conducted in accordance with applicable Australian Standards on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* and ASAE 3150 *Assurance Engagements on Controls*, issued by the Australian Auditing and Assurance Standards Board, in order to state whether, in all material respects, the Council has complied with Section 125 of the *Local Government Act 1999* in relation only to the internal controls specified above for the period 1 July 2025 to 30 June 2026. ASAE 3000 also requires us to comply with the relevant ethical requirements for the Australian professional accounting bodies.

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Limitations of controls

Because of the inherent limitations of any internal control structure it is possible that, even if the controls are suitably designed and operating effectively, the control objectives may not be achieved so that fraud, error, or non-compliance with laws and regulations may occur and not be detected.

An assurance engagement on controls is not designed to detect all instances of controls operating ineffectively as it is not performed continuously throughout the period and the tests performed are on a sample basis. Any projection of the outcome of the evaluation of controls to future periods is subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.

Limitation of use

This report has been prepared for the members of the Council in accordance with Section 129 of the *Local Government Act 1999* in relation to the internal controls specified above. We disclaim any assumption of responsibility for any reliance on this report to any persons or users other than the members of the Council, or for any purpose other than that for which it was prepared.

GALPINS ACCOUNTANTS, AUDITORS & BUSINESS CONSULTANTS

Tim Muhlhausler CA, Registered Company Auditor
Partner

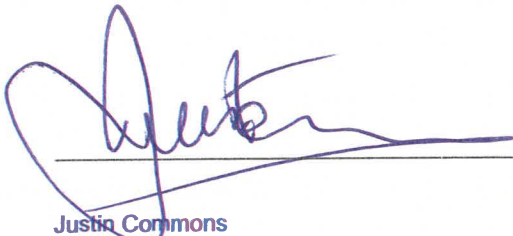
13 October 2026

The Corporation of the City of Whyalla
General Purpose Financial Statements
for the year ended 30 June 2026

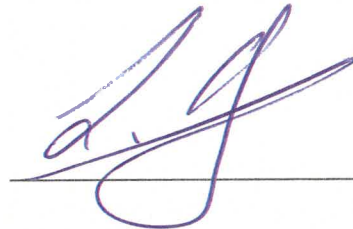
Certification of Auditor Independence

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of The Corporation of the City of Whyalla for the year ended 30 June 2026, the Council's Auditor, Galpins Accountants, has maintained its independence in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

This statement is prepared in accordance with the requirements of Regulation 22(3) *Local Government (Financial Management) Regulations 2011*.



Justin Commons
Chief Executive Officer



Laurie Kozlovic
Presiding Member, Audit and Risk Committee

Date: 09 October 2026

THE CORPORATION OF THE CITY OF WHYALLA

GENERAL PURPOSE FINANCIAL STATEMENTS For the year ended 30 June 2026

Statement by Auditor

I confirm that, for the audit of the financial statements of the Corporation of the City of Whyalla for the year ended 30 June 2026, I have maintained my independence in accordance with the requirements of APES 110 – *Code of Ethics for Professional Accountants (Including Independence Standards)*, Part 4A, published by the Accounting Professional and Ethical Standards Board, in accordance with the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

This statement is prepared in accordance with the requirements of Regulation 22 (5) *Local Government (Financial Management) Regulation 2011*.

GALPINS ACCOUNTANTS, AUDITORS & BUSINESS CONSULTANTS



Tim Muhlhausler CA, Registered Company Auditor

Partner

11 September 2026

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under Professional Standards Legislation

