

INDEPENDENT AUDITOR'S REPORT



Government of South Australia

Audit Office of South Australia

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To the Presiding Member Outback Communities Authority

Opinion

I have audited the financial report of the Outback Communities Authority for the financial year ended 30 June 2026.

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the Outback Communities Authority as at 30 June 2026, its financial performance and its cash flows for year then ended in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards – Simplified Disclosures.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2026
- a Statement of Financial Position as at 30 June 2026
- a Statement of Changes in Equity for the year ended 30 June 2026
- a Statement of Cash Flows for the year ended 30 June 2026
- notes, comprising material accounting policy information and other explanatory information
- a Certificate from the Presiding Member and the Director, Outback Communities Authority.

Basis for opinion

I conducted the audit in accordance with the *Public Finance and Audit Act 1987* and Australian Auditing Standards. My responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial report' section of my report. I am independent of the Outback Communities Authority. The *Public Finance and Audit Act 1987* establishes the independence of the Auditor-General. In conducting the audit, the relevant ethical requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* have been met.

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

Responsibilities of the Director and the members of the Outback Communities Authority for the financial report

The Director is responsible for the preparation of the financial report that gives a true and fair view in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards – Simplified Disclosures, and for such internal control as management determines is necessary to enable the preparation of the financial report that gives a true and fair view and that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Director is responsible for assessing the entity's ability to continue as a going concern, taking into account any policy or funding decisions the government has made which affect the continued existence of the entity. The Director is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the assessment indicates that it is not appropriate.

The members of the Outback Communities Authority are responsible for overseeing the entity's financial reporting process

Auditor's responsibilities for the audit of the financial report

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987*, I have audited the financial report of the Outback Communities Authority for the financial year ended 30 June 2026.

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. 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 in accordance with Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the 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 my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control

- obtain an understanding of internal control relevant to the audit 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 Outback Communities Authority's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Director
- conclude on the appropriateness of the Director'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 entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify the opinion. My conclusion is based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity 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.

My report refers only to the financial report described above and does not provide assurance over the integrity of electronic publication by the entity on any website nor does it provide an opinion on other information which may have been hyperlinked to/from the report.

I communicate with the Director and the Presiding Member about, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during the audit.



Daniel O'Donohue
Deputy Auditor-General

29 September 2026

Outback Communities Authority

Financial Statements

For the year as at 30 June 2026

Outback Communities Authority
Certification of the Financial Statements
for the year as at 30 June 2026

We certify that the:

- financial statements of the Outback Communities Authority:
 - are in accordance with the accounts and records of the Outback Communities Authority;
 - comply with relevant Treasurer's Instructions;
 - comply with relevant accounting standards; and
 - present a true and fair view of the financial position of the Outback Communities Authority at the end of financial year and the results of its operations and cash flows for the financial year.
- internal controls employed by the Outback Communities Authority for the financial year over its financial reporting and its preparation of financial statements have been effective.



Jan Ferguson OAM
Presiding Member
Outback Communities Authority
29 September 2026



Margaret Howard
Director
Outback Communities Authority
29 September 2026

Outback Communities Authority
Statement of Comprehensive Income
for the year as at 30 June 2026

	Note	2026 \$'000	2025 \$'000
Income			
Grants and subsidies	3.1	4 338	2 546
Intra government transfers	3.2	3 178	3 136
Resources received free of charge	3.3	40	151
Other income	3.4	919	922
Total income		8 475	6 755
Expenses			
Employee related expenses	4.1	1 757	1 566
Supplies and services	4.2	3 488	3 521
Grants and subsidies	4.3	724	2 103
Depreciation and amortisation	5.4	1 331	1 271
Other expenses	4.4	294	213
Total expenses		7 594	8 674
Net result		881	(1 919)
Total comprehensive result		881	(1 919)

The accompanying notes form part of these financial statements. The net result and total comprehensive result are attributable to the SA Government as owner.

Outback Communities Authority
Statement of Financial Position
as at 30 June 2026

	Note	2026 \$'000	2025 \$'000
Current assets			
Cash and cash equivalents	5.1	3 757	2 640
Receivables	5.2	1 201	1 032
Total current assets		4 958	3 672
Non-current assets			
Property plant and equipment	5.4	21 523	22 283
Total non-current assets		21 523	22 283
Total assets		26 481	25 955
Current liabilities			
Payables	6.1	141	506
Employee related liabilities	6.2	164	161
Total current liabilities		305	667
Non-current liabilities			
Employee related liabilities	6.2	192	185
Total non-current liabilities		192	185
Total liabilities		497	852
Net assets		25 984	25 103
Equity			
Retained earnings		16 755	15 874
Asset revaluation surplus		9 229	9 229
Total equity		25 984	25 103

The accompanying notes form part of these financial statements. The total equity is attributable to the SA Government as owner.

Outback Communities Authority
Statement of Changes in Equity
for the year as at 30 June 2026

	Asset revaluation surplus \$'000	Retained earnings \$'000	Total equity \$'000
Balance at 1 July 2024	9 229	17 793	27 022
Net result for 2024-25	-	(1 919)	(1 919)
Total comprehensive result for 2024-25	-	(1 919)	(1 919)
Balance at 30 June 2025	9 229	15 874	25 103
Net result for 2025-26	-	881	881
Total comprehensive result for 2025-26	-	881	881
Balance at 30 June 2026	9 229	16 755	25 984

The accompanying notes form part of these financial statements. All changes in equity are attributable to the SA Government as owner.

Outback Communities Authority
Statement of Cash Flows
for the year as at 30 June 2026

	Note	2026 \$'000	2025 \$'000
Cash flows from operating activities			
<u>Cash inflows</u>			
Other receipts		767	783
Intra government transfers		3 178	3 136
Grants and subsidies		4 338	2 546
Interest received		83	82
Net GST recovered from the Department for Housing and Urban Development		318	264
Cash generated from operating activities		8 684	6 811
<u>Cash outflows</u>			
Payments for supplies and services		(4 242)	(3 757)
Employee related payments		(1 715)	(1 380)
Payment of grants and subsidies		(734)	(2 131)
Interest paid		-	(3)
Other payments		(296)	(249)
Cash used in operating activities		(6 987)	(7 520)
Net cash from/(used in) from operating activities		1 697	(709)
<u>Cash outflows</u>			
Purchase of property, plant and equipment		(580)	(945)
Cash used in investing activities		(580)	(945)
Net cash used in investing activities		(580)	(945)
Cash flows from financing activities			
<u>Cash outflows</u>			
Repayment of principal portion of lease liabilities		-	(22)
Cash used from financing activities		-	(22)
Net cash used in financing activities		-	(22)
Net increase/(decrease) in cash and cash equivalents		1 117	(1 676)
Cash and cash equivalents at the beginning of the reporting period		2 640	4 316
Cash and cash equivalents at the end of the period	5.1	3 757	2 640

The accompanying notes form part of these financial statements.

Outback Communities Authority

Notes to the financial statements

for the year as at 30 June 2026

1. About the Outback Communities Authority

The Outback Communities Authority (the Authority) is a body corporate established and empowered by the *Outback Communities (Administration and Management) Act 2009* (the Act), which is within the portfolio responsibilities of the Minister for Local Government. The Act also defines the areas of the State to which its provisions apply, sets out the Authority's powers and functions and makes provision for the support staff. It also enables specific provisions of the *Local Government Act 1999* to be applied by regulation to part, or all, of the Authority's area.

The Act further requires the yearly statement of accounts of the Authority to be audited by the Auditor-General and that the Authority provides an annual report to the State Parliament.

The Authority does not control any other entity and has no interests in unconsolidated structured entities. The Authority has not entered into any contractual arrangements which involve the sharing of control or significant influence over another entity.

1.1. Basis of Preparation

The financial statements are general purpose financial statements prepared in compliance with:

- section 23 of the *Public Finance and Audit Act 1987*;
- Treasurer's Instructions and Accounting Policy Statements issued by the Treasurer under the *Public Finance and Audit Act 1987*; and
- relevant Australian Accounting Standards applying simplified disclosures.

For the purposes of preparing the financial statements, the Authority is a not-for-profit entity. The financial statements have been prepared based on a 12 month reporting period and presented in Australian currency. The historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured.

Material accounting policies are set out throughout the notes.

All amounts in the financial statements and accompanying notes are rounded to the nearest thousand dollars (\$'000).

Income, expenses and assets are recognised net of the amount of Goods and Services Tax (GST) except:

- when the GST incurred on a purchase of goods or services is not recoverable from the Australian Taxation Office (ATO), in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item applicable.
- receivables and payables which are stated with the amount of GST included.

Assets that are to be sold, consumed or realised as part of the normal 12 month operating cycle have been classified as current assets. Liabilities that are due to be settled within 12 months after the end of the reporting period or for which the Authority has no right to defer the settlement for at least 12 months after the end of the reporting period are classified as current liabilities. All other assets and liabilities are classified as non-current.

The net amount of the GST receivable/payable to the ATO is not recognised as a receivable/payable in the Statement of Financial Position as the Authority is a member of an approved GST group of which the Department for Housing and Urban Development is responsible for the remittance and collection of GST.

Cash flows are included in the Statement of Cash Flows on a gross basis. However, the GST components of cash flows arising from investing and financing activities are recoverable from, or payable to, the ATO are classified as operating cash flows.

Outback Communities Authority
Notes to the financial statements
for the year as at 30 June 2026

1.2. Objectives and programs

The functions of the Outback Communities Authority (the Authority) are:

- to manage the provision of public services and facilities to outback communities;
- to promote improvements in the provision of public services and facilities to outback communities; and
- to articulate the views, interests and aspirations of outback communities.

In performing its functions, the Authority is to:

- foster and support the provision of public services and facilities to outback communities by community organisations, including by making grants and loans to such organisations;
- consider long-term requirements for maintenance, replacement and development of infrastructure for public services and facilities for outback communities;
- consider State and national objectives and strategies that are relevant to outback communities;
- seek ongoing collaboration with local, State and national governments in the planning and delivery of public services and facilities to outback communities;
- ensure that there are systems in place to further its understanding of the views, interests and aspirations of outback communities;
- facilitate decision making by others on a basis that is well informed in relation to the views, interests and aspirations of outback communities, including by participating in appropriate local, State and national forums; and
- provide services with a high level of efficiency and effectiveness, manage resources effectively, prudently and in a fully accountable manner, and maintain and enhance the value of public assets.

Outback Communities Authority

Notes to the financial statements

for the year as at 30 June 2026

2. Board and committees

2.1. Key Management Personnel

Key management personnel of the Authority include the Minister for Local Government, the board members and the Director who have responsibility for the strategic direction and management of the Authority.

The total compensation for the Authority's key management personnel was \$330 796 (2025: \$261 850). This compensation excludes salaries and other benefits the Minister receives. The Minister's remuneration and allowances are set by the *Parliamentary Remuneration Act 1990* and the Remuneration Tribunal of SA respectively and are payable from the Consolidated Account under section 6 of the *Parliamentary Remuneration Act 1990*.

Transactions with key management personnel and other related parties

During the year, the Authority spent in total \$14 390 (2025: \$14 190) on services under normal commercial terms and conditions with entities owned by two of the board members. The costs incurred were for cleaning services and catering for the Authority. Neither board member took part in decisions relating to the engagement and no outstanding balances in relation to the transactions remain at year end.

2.2. Board and Committee Members

Members of the Outback Communities Authority during the financial year 2026 were:

Day L R	Triggs A C*
Fennell W J	Vaughan A R
Ferguson J D	Wallace R
Bertram T S (appointed July 2025)	

*These board members are current SA Government employees. In accordance with Premier and Cabinet Circular 016, government employees did not receive any remuneration for board/committee duties during the financial year.

Board and committee Remuneration

The number of members whose remuneration received or receivable falls within the following bands:

	2026	2025
\$0 - \$19 999	6	7
\$20 000 - \$39 999	1	-
Total number of members	7	7

The total remuneration received or receivable by members was \$0.121 million (2025: \$0.054 million). Remuneration of members reflects all costs of performing board/committee member duties including sitting fees, superannuation contributions, salary sacrifice benefits, fringe benefits and any related fringe benefits tax.

Outback Communities Authority
Notes to the financial statements
for the year as at 30 June 2026

3. Income

3.1. Grants and subsidies

	2026	2025
	\$'000	\$'000
<u>Commonwealth-sourced grants</u>		
Commonwealth-sourced Grant Funding	2 816	1 387
Total Commonwealth-sourced grants	2 816	1 387
<u>SA Government grants and subsidies</u>		
SA Government grants	1 522	1 159
Total grants and subsidies	4 338	2 546

The above SA Government grants were allocated to the following programs / projects:

Local Roads and Community Infrastructure Program	1 098	896
Other	424	263
Total Grants and subsidies	1 522	1 159

The Authority recognises grant revenue from the following major sources:

Commonwealth-sourced grant funding is predominately Financial Assistance Grants, which are recognised in accordance with AASB 1058 as income on receipt. For accounting purposes, these grants are untied and able to be spent in accordance with local priorities. These grants were originally received by the State and then paid from Local Government Grants Commission administered items to the Authority.

\$0.424 million was received in 2025-26 in relation to Disaster Ready Fund, Dunjiba Municipal Services, Green Industries SA and Andamooka Roads.

Local Roads and Communities Program

The Australian Government's Local Roads and Community Infrastructure Program supported local councils to deliver priority local road and community infrastructure projects across Australia. In the Outback areas within South Australia funding was received to complete projects enhancing local community facilities. While the majority of projects were completed in 2024-25, one project had an approved extension into 2025-26. This program was finalised and acquitted in 2025-26 with revenue recognised on receipt.

\$1.098 million was received in 2025-26 in relation to the Local Roads and Community Infrastructure Program.

Outback Communities Authority
Notes to the financial statements
for the year as at 30 June 2026

3.2. Intra government transfers

	2026	2025
	\$'000	\$'000
Transfers received from other SA Government entities		
SA Government transfers	3 178	3 136
Total Intra government transfers	3 178	3 136

SA Government transfers comprise of appropriations received by the Department for Housing and Urban Development and then paid from administered items to the Authority and are recognised as income on receipt.

3.3. Resources received free of charge

	2026	2025
	\$'000	\$'000
Resources received free of charge	40	39
Donated assets	-	112
Total resources received free of charge	40	151

The resources received free of charge are measured at fair value.

The Authority receives audit services free of charge from the Audit Office of South Australia relation to work performed under the Public Finance and Audit Act 1987. No other services were provided by the Audit Office of South Australia.

In 2024-25, the Department for Infrastructure and Transport transferred assets at Leigh Creek to the Authority, specifically the tennis and netball courts, oval, clubrooms and car park.

3.4. Other Income

	2026	2025
	\$'000	\$'000
Community Contribution Scheme	523	505
Recoveries/reimbursements	251	257
Interest	92	84
Airstrip landing fees	53	38
Other income	-	38
Total other income	919	922

Other income consists of recoveries, reimbursements and community contributions which are derived in accordance with section 21 of the Act. In 2024-25, Other income includes 2023-24 audit fees waived \$0.038 million.

Community contribution scheme income is recognised under AASB 1058 when the Authority receives the income or obtains the right to receive the income and the income recognition criteria are met (that is, the amount can be reliably measured, and the flow of resources is probable). Receivables relating to the Authority's rights to Community Contribution Scheme income are recognised in Note 5.2.

Outback Communities Authority
Notes to the financial statements
for the year as at 30 June 2026

4. Expenses

4.1. Employee related expenses

	2026	2025
	\$'000	\$'000
Salaries and wages	1 219	1 067
Superannuation	170	125
Long service leave	46	112
Annual leave	107	130
Board and committee fees	104	52
Skills and experience retention leave	2	4
Other employee related expenses	109	76
Total employee related expenses	1 757	1 566

Employment on-costs – superannuation

The superannuation employment on-cost charge represents Outback Communities Authority's contributions to superannuation plans in respect of current services of current employees.

	2026	2025
The number of employees whose remuneration received or receivable falls within the following bands:		
\$177,001 to \$197,000	-	1
\$197,001 to \$217,000	1	-
Total	1	1

The total remuneration received by these employees for the year was \$0.209 million (2025: \$0.195 million).

The table includes all employees who received remuneration equal to or greater than the base executive remuneration level during the year. Remuneration of employees reflects all costs of employment including salaries and wages, payments in lieu of leave, superannuation contributions, termination payments, salary sacrifice benefits, fringe benefits and any related fringe benefits tax.

Outback Communities Authority
Notes to the financial statements
for the year as at 30 June 2026

4.2. Supplies and services

	2026	2025
	\$'000	\$'000
Service contracts***	2 181	2 324
Insurance	320	226
Other	135	223
Utilities	250	207
Plant, equipment and vehicle expenses	134	139
Property expenses	34	110
Information technology and communications	144	91
Accommodation expenses*	51	54
Operating leases	66	41
Administrative costs	101	40
Audit fees**	40	39
Legal services	30	27
Materials and other purchases	2	-
Total supplies and services	3 488	3 521

*The Authority's accommodation is provided by the Department for Infrastructure and Transport (DIT) under Memorandum of Administrative Arrangement (MoAA) issued in accordance with Government-wide accommodation policies. MoAA do not meet the definition of a lease set out in AASB 16.

** Audit fees are provided free of charge by the Audit Office of SA and relates to work performed under the *Public Finance and Audit Act 1987*. No other services were provided by the Audit Office of SA.

*** Service contracts contain expenses relating to the Leigh Creek transformation program, cleaning and maintenance of public amenities and other project related expenditure.

4.3. Grant and subsidies

	2026	2025
	\$'000	\$'000
Local Roads and Community Infrastructure	-	1 474
Community Affairs Resourcing Management Grants	399	375
Small Projects Funding and Sponsorship	272	200
Regional Development Initiatives	53	52
Other	-	2
Total grants and subsidies	724	2 103

4.4. Other expenses

	2026	2025
	\$'000	\$'000
Transfer of community contributions	254	197
Asset write offs	-	14
Other	40	2
Total other expenses	294	213

Outback Communities Authority
Notes to the financial statements
for the year as at 30 June 2026

5. Assets

5.1. Cash and cash equivalents

	2026	2025
	\$'000	\$'000
Deposits with the Treasurer (Special deposit accounts)		
Deposits with the Treasurer	3 757	2 640
Total cash and cash equivalents	3 757	2 640

Special deposit accounts are established under section 8 of the *Public Finance and Audit Act 1987*. Special deposit accounts must be used in accordance with their approved purpose.

5.2. Receivables

	2026	2025
	\$'000	\$'000
Current receivables		
Contractual receivables		
Contractual receivables from government entities	75	71
Contractual receivables from non-government entities	56	54
Less impairment loss on contractual receivables	(5)	(5)
Total contractual receivables	126	120
Statutory receivables		
Statutory receivables	918	810
Total statutory receivables	918	810
Prepayments	157	102
Total current receivables	1 201	1 032
Total receivables	1 201	1 032

Contractual receivables

Contractual receivables arise in the normal course of selling goods and services to other government agencies and to the public. Contractual receivables are normally settled within 30 days after the issue of an invoice, or the goods/services have been provided under a contractual arrangement.

Statutory receivables

Statutory receivables do not arise from contracts with customers. Statutory receivables are related to community contribution Scheme revenue (refer note 3.4) and are recognised and measured similarly to contractual receivables but are not classified as financial instruments for disclosure purposes.

Receivables are non-interest bearing. Receivables are held with the objective of collecting contractual cash flows and they are measured at amortised cost.

Collectability of receivables is reviewed on an ongoing basis.

Impairment losses relate to contracts with customers external to the SA Government. No impairment loss was recognised in relation to statutory receivables.

Outback Communities Authority
Notes to the financial statements
for the year as at 30 June 2026

5.3. Useful life and depreciation of non-financial assets

Depreciation and Amortisation

All non-current assets not held for sale with a limited useful life are systematically depreciated over their useful lives in a manner that reflects the consumption of their service potential.

Useful Life

Depreciation is calculated on a straight-line basis. Property, plant and equipment assets depreciation are calculated over the estimated useful life as follows:

Class of asset	Useful life (years)
Water, sewerage and drainage	20 - 100
Buildings and infrastructure	10 - 60
Plant and equipment	8 - 48
Right-of-use vehicles	1 - 5

Review of accounting estimates

Assets' residual values, useful lives and amortisation methods are reviewed and adjusted, if appropriate, on an annual basis. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for prospectively by changing the time period or method, as appropriate.

Impairment

There were no indications of impairment of property, plant and equipment and infrastructure assets at 30 June 2026.

Revaluation of property, plant and equipment is undertaken on a regular cycle.

Outback Communities Authority
Notes to the financial statements
for the year as at 30 June 2026

5.4. Property, plant and equipment owned by the Authority

Property, plant and equipment comprise tangible assets owned. All non-current assets with a value of \$10 000 or greater are capitalised, otherwise it is expensed.

Property, plant and equipment is recorded at fair value.

Initial recognition

Non-current tangible assets are initially recorded at cost or at the value of any liabilities assumed, plus any incidental cost involved with the acquisition. Where assets are acquired at no value, or minimal value, they are recorded at fair value in the Statement of Financial Position. However, if the assets are acquired at no or nominal value as part of a restructure of administrative arrangements then the assets are recognised at book value i.e. the amount recorded by the transferor public authority immediately prior to the restructure.

Revaluation

Property, plant and equipment, other than right of use assets are subsequently measured at fair value after allowing for accumulated depreciation.

An expert valuation of the Authority's land, building, infrastructure, water, sewerage, drainage, plant and equipment assets was performed as at 1 July 2023. Land is valued at level 3 of the fair value hierarchy using a market approach due to the lack of comparable sales and location of the properties. The fair value of the land was based on comparable sales, adjusted for the location, building environment and any restrictions on use. Plant and Equipment was valued at level 2 of the fair value hierarchy using a market approach based on recent market transactions for similar assets where sufficient sales exist.

Buildings, Infrastructure, Water, Sewerage and Drainage assets were valued using the replacement cost approach due to there not being an active market. The current replacement cost considered the specialised nature, restricted use, location, condition and size of the assets. The valuation included all costs directly attributable to the construction of a modern equivalent asset based on a combination of internal records such as supplier tenders, construction invoices and unit rates from CBRE's specialist in house quantity surveyors and external records such as construction costing publications.

The fair value of the assets was determined by estimating the remaining service potential of the assets at the valuation date based on the asset condition and specialised internal and external knowledge. Accumulated depreciation as at the revaluation date was eliminated against the gross carrying amounts of the assets to arrive at the fair value of the assets.

Revaluation of non-current assets, or a group of assets is only performed when the fair value at the time of acquisition is greater than \$1.5 million and the estimated useful life is greater than three years. The Authority must revalue its land, building, infrastructure, water, sewerage, drainage, plant and equipment assets at least every six years. Non-current tangible assets that are acquired between revaluations are held at cost until the next valuation, when they are revalued to fair value.

Outback Communities Authority
Notes to the financial statements
for the year as at 30 June 2026

5.4. Property, plant and equipment (continued)

The following table shows the movement of property, plant and equipment during 2025-26:

2026	Land	Buildings and	Water, sewerage	Plant and	Work in Progress	Total
	\$'000	Infrastructure	and drainage	Equipment		
		\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at beginning of the period	353	17 543	2 140	1 467	780	22 283
Additions	-	27	-	354	190	571
Transfer to/(from) works in progress	-	-	-	376	(376)	-
Depreciation and amortisation	-	(931)	(127)	(273)	-	(1 331)
Carrying amount at the end of the period	353	16 639	2 013	1 924	594	21 523
Gross carrying amount						
Gross carrying amount	353	41 729	4 961	3 777	594	51 414
Accumulated depreciation	-	(25 090)	(2 948)	(1 853)	-	(29 891)
Carrying amount at the end of the period	353	16 639	2 013	1 924	594	21 523

Outback Communities Authority
Notes to the financial statements
for the year as at 30 June 2026

5.5. Property, plant and equipment leased by the Authority

The Authority is responsible for the control and care of Port Le Hunte jetty under the Commonwealth's Recreational Jetties Divestment Program. The Authority has entered a peppercorn lease with the Department for Infrastructure and Transport and rent is payable annually for \$1 over a term of 99 years. The Authority does not recognise Right of Use (ROU) assets and lease liabilities for leases that have significantly below market terms and conditions.

6. Liabilities

6.1. Payables

	2026	2025
	\$'000	\$'000
Current		
Accrued expenses	115	314
Contractual payables	26	192
Total current payables	141	506
Total payables	141	506

Contractual payables are normally settled within 15 days from the date the invoice is received.

6.2. Employee related liabilities

	2026	2025
	\$'000	\$'000
Current		
Annual leave	114	119
Long service leave	11	12
Skills and experience retention leave	7	6
Employment on-costs	21	19
Accrued salaries and wages	11	5
Total current employee benefits	164	161
Non-current		
Long service leave	174	167
Employment on-costs	18	18
Total non-current employee benefits	192	185
Total employee benefits	356	346

Long term employee benefits are measured at present value and short-term employee benefits are measured at nominal amounts.

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6.2. Employee related liabilities (continued)

Long service leave

The liability for long service leave is measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of reporting period using the projected unit credit method. The expected timing and amount of long service leave payments is determined through whole-of-government actuarial calculations, which is then applied to the authority's employee details. Key assumptions include whether the characteristics of employee remuneration, terms of service with the public sector, and expectations as to when employees take long service leave, as established by the actuary, are applicable to employees of the authority. These assumptions affect both the expected amount to be paid that has been factored into the calculation of the liability. The discount rate used in measuring the liability is another key assumption. The discount rate is reflective of long-term Commonwealth Government bonds. The yield on long term Commonwealth Government bonds has increased to 4.75% (2025: 4.25%).

Current long service leave has been allocated between current and non-current liabilities based on the Authority's leave pattern history of previous years.

Employment on-costs

Employment on-costs include payroll tax and superannuation contributions and are settled when the respective employee benefits that they relate to are discharged. These on-costs primarily relate to the balance of leave owing to employees. Estimates as to the proportion of long service leave estimated to be taken as leave, rather than paid on termination, affects whether certain on-costs are recognised as a consequence of long service leave liabilities.

The Authority makes contributions to several State Government and externally managed superannuation schemes. These contributions are treated as an expense when they occur. There is no liability for payments to beneficiaries as they have been assumed by the respective superannuation schemes. The only payable outstanding at reporting date relates to any contributions due but not yet paid.

As a result of an actuarial assessment performed by DTF, the portion of long service leave taken as leave remains unchanged from the 2025 rate of 44%, and the average factor for the calculation of employer superannuation contribution on-costs has remained unchanged at 12% (2025: 12%). These rates are used in the employment on-cost calculation. The net financial effect of the changes in the current financial year on employment on-costs and staff benefits expense are immaterial. The impact on future periods is impractical to estimate but is not expected to be material.

7. Outlook

7.1. Unrecognised contractual commitments

Commitments arising from contractual or statutory sources are disclosed at their nominal value (inclusive of non-recoverable GST).

Other contractual commitments

The Authority's other contractual commitments include plan development and accommodation and motor vehicle expenses that do not meet the definition of a lease under AASB 16

	2026	2025
	\$'000	\$'000
Not later than one year	843	556
Later than one year but not later than five years	726	337
Later than five years	-	43
Total expenditure commitments	1 569	936

7.2. Contingent assets and contingent liabilities

The Authority is not aware of any contingent assets or liabilities as at 30 June 2026.

7.3. Events after balance date

The Authority is not aware of any events after the reporting date.