



MORETON BAY CITY COUNCIL
trading as
CITY OF MORETON BAY
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 June 2024



Financial Statements
For the year ended 30 June 2024
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STATEMENT OF COMPREHENSIVE INCOME
For the year ended 30 June 2024

	Note	Consolidated		Council	
		2024	Restated 2023	2024	Restated 2023
		\$'000	\$'000	\$'000	\$'000
Income					
Revenue					
Recurring Revenue					
Rates and utility charges	3(a)	402,823	374,734	402,823	374,734
Fees and charges	3(b)	48,979	40,359	48,979	40,359
Grants, subsidies and contributions	3(c)(i)	7,517	31,052	7,313	31,052
Sales revenue		5,054	5,189	5,054	5,189
		<u>464,373</u>	<u>451,334</u>	<u>464,169</u>	<u>451,334</u>
Capital Revenue					
Grants, subsidies and contributions	3(c)(ii)	<u>195,326</u>	<u>161,298</u>	<u>195,326</u>	<u>161,298</u>
Other Income					
Rental income		4,800	4,499	4,800	4,499
Interest revenue	3(d)	44,292	38,354	44,227	38,256
Other revenue	3(e)	43,413	35,919	43,413	35,919
Share of profit of associate	10	96,564	80,096	96,564	80,096
		<u>189,069</u>	<u>158,868</u>	<u>189,004</u>	<u>158,770</u>
Capital Income	3(f)	797	22,930	797	22,930
Total Income		<u>849,565</u>	<u>794,430</u>	<u>849,296</u>	<u>794,332</u>
Expenses					
Recurring Expenses					
Employee benefits	4(a)	(216,012)	(198,006)	(215,294)	(196,598)
Materials and services	4(b)	(241,072)	(218,260)	(240,340)	(219,808)
Depreciation and amortisation					
Property, plant and equipment	11	(156,151)	(134,888)	(156,151)	(134,888)
Right of use assets		(356)	(330)	(356)	(330)
Finance costs	4(c)	(15,068)	(16,699)	(15,068)	(16,699)
		<u>(628,659)</u>	<u>(568,183)</u>	<u>(627,209)</u>	<u>(568,323)</u>
Capital Expenses	4(d)	(30,518)	(14,658)	(30,518)	(14,658)
Total Expenses		<u>(659,177)</u>	<u>(582,841)</u>	<u>(657,727)</u>	<u>(582,981)</u>
NET RESULT		<u>190,388</u>	<u>211,589</u>	<u>191,569</u>	<u>211,351</u>
Other Comprehensive Income					
Items that will not be reclassified to net result					
(Decrease)/Increase in asset revaluation surplus	17	(52,744)	634,111	(52,744)	634,111
Total other comprehensive income for the year		<u>(52,744)</u>	<u>634,111</u>	<u>(52,744)</u>	<u>634,111</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>137,644</u>	<u>845,700</u>	<u>138,825</u>	<u>845,462</u>

The accompanying notes form part of these financial statements.

* Comparative figures have been restated. Refer to Note 26 for details.



STATEMENT OF FINANCIAL POSITION
As at 30 June 2024

	Note	Consolidated		Council	
		2024	Restated 2023	2024	Restated 2023
		\$'000	\$'000	\$'000	\$'000
Assets					
Current Assets					
Cash and cash equivalents	5	95,085	107,089	94,084	104,975
Trade and other receivables	6	83,616	77,593	83,589	77,565
Investments	8	50,000	155,055	50,000	155,055
Inventories		2,375	2,427	2,375	2,427
Total Current Assets		<u>231,076</u>	<u>342,164</u>	<u>230,048</u>	<u>340,022</u>
Non-Current Assets					
Trade and other receivables	6	677,478	677,473	677,478	677,473
Other financial assets	7	138,866	124,175	138,866	124,175
Investments	8	15	15	15	15
Investment property	9	23,400	22,750	23,400	22,750
Investment in associate	10	1,485,599	1,420,914	1,485,599	1,420,914
Property, plant and equipment	11	7,077,096	6,967,660	7,077,096	6,967,660 *
Right of use assets		1,312	1,577	1,312	1,577
Total Non-Current Assets		<u>9,403,766</u>	<u>9,214,564</u>	<u>9,403,766</u>	<u>9,214,564 *</u>
Total Assets		<u>9,634,842</u>	<u>9,556,728</u>	<u>9,633,814</u>	<u>9,554,586 *</u>
Liabilities					
Current Liabilities					
Trade and other payables	12	42,940	62,468	42,743	62,332
Contract liabilities	13	6,054	9,440	6,054	9,440
Lease liabilities		382	359	382	359
Borrowings	14	42,728	40,541	42,728	40,541
Provisions	15	35,340	33,519	35,311	33,499
Other liabilities	16	31,217	31,557	31,217	31,557
Total Current Liabilities		<u>158,661</u>	<u>177,884</u>	<u>158,435</u>	<u>177,728</u>
Non-Current Liabilities					
Contract liabilities	13	18,162	-	18,162	-
Lease liabilities		1,064	1,353	1,064	1,353
Borrowings	14	187,139	229,431	187,139	229,431
Provisions	15	49,749	53,396	49,749	53,393
Other liabilities	16	28,520	44,953	28,520	44,953
Total Non-Current Liabilities		<u>284,634</u>	<u>329,133</u>	<u>284,634</u>	<u>329,130</u>
Total Liabilities		<u>443,295</u>	<u>507,017</u>	<u>443,069</u>	<u>506,858</u>
NET COMMUNITY ASSETS		<u>9,191,547</u>	<u>9,049,711</u>	<u>9,190,745</u>	<u>9,047,728 *</u>
Community Equity					
Retained surplus		6,930,958	6,736,378	6,930,156	6,734,395 *
Asset revaluation surplus	17	2,260,589	2,313,333	2,260,589	2,313,333
TOTAL COMMUNITY EQUITY		<u>9,191,547</u>	<u>9,049,711</u>	<u>9,190,745</u>	<u>9,047,728 *</u>

The accompanying notes form part of these financial statements.

* Comparative figures have been restated. Refer to Note 26 for details.



STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2024

Consolidated		Retained Surplus	Asset Revaluation Surplus	Total Community Equity
	Note		17	
		\$'000	\$'000	\$'000
Balance as at 1 July 2023 (Restated)		6,736,378	2,313,333	9,049,711
Net result		190,388	-	190,388
Other comprehensive income for the year				
Decrease in asset revaluation surplus		-	(52,744)	(52,744)
Adjustment to equity on the recognition of assets		4,192	-	4,192
Total comprehensive income for the year		194,580	(52,744)	141,836
Balance at 30 June 2024		6,930,958	2,260,589	9,191,547
Balance as at 1 July 2022 (Restated)		6,522,151	1,679,222	8,201,373 *
Net result		211,589	-	211,589
Other comprehensive income for the year				
Increase in asset revaluation surplus		-	634,111	634,111
Adjustment to equity on the recognition of assets		2,638	-	2,638
Total comprehensive income for the year		214,227	634,111	848,338 *
Balance at 30 June 2023 (Restated)		6,736,378	2,313,333	9,049,711 *

The accompanying notes form part of these financial statements.

* Comparative figures have been restated. Refer to Note 26 for details.



STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2024

Council		Retained Surplus	Asset Revaluation Surplus	Total Community Equity
	Note		17	
		\$'000	\$'000	\$'000
Balance as at 1 July 2023 (Restated)		6,734,395	2,313,333	9,047,728
Net result		191,569	-	191,569
Other comprehensive income for the year				
Decrease in asset revaluation surplus		-	(52,744)	(52,744)
Adjustment to equity on the recognition of assets		4,192	-	4,192
Total comprehensive income for the year		195,761	(52,744)	143,017
Balance at 30 June 2024		6,930,156	2,260,589	9,190,745
Balance as at 1 July 2022 (Restated)		6,520,406	1,679,222	8,199,628 *
Net result		211,351	-	211,351 *
Other comprehensive income for the year				
Increase in asset revaluation surplus		-	634,111	634,111
Adjustment to equity on the recognition of assets		2,638	-	2,638
Total comprehensive income for the year		213,989	634,111	848,100 *
Balance at 30 June 2023 (Restated)		6,734,395	2,313,333	9,047,728 *

The accompanying notes form part of these financial statements.

* Comparative figures have been restated. Refer to Note 26 for details.



STATEMENT OF CASH FLOWS
For the year ended 30 June 2024

		Consolidated		Council	
	Note	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Cash flows from operating activities					
Receipts from customers		625,256	600,263	625,051	600,070
Payments to suppliers and employees		(525,485)	(457,751)	(524,102)	(457,475)
Interest received		43,446	38,506	43,381	38,409
Tax equivalent received		12,420	26,336	12,420	26,336
Borrowing costs		(12,049)	(14,327)	(12,049)	(14,327)
Net cash inflow from operating activities	CF-1	143,588	193,027	144,701	193,013
Cash flows from investing activities					
Payments for property, plant and equipment		(259,366)	(263,426)	(259,366)	(263,426)
Proceeds from sale of property, plant and equipment		3,286	2,644	3,286	2,644
Net movement in loans to community organisations		(4)	(89)	(4)	(89)
Term deposits entered into		(245,000)	(160,110)	(245,000)	(160,110)
Term deposits matured		350,055	155,055	350,055	155,055
Dividends received from associate		35,898	27,706	35,898	27,706
Net cash outflow from investing activities		(115,131)	(238,220)	(115,131)	(238,220)
Cash flows from financing activities					
Principal repayments of borrowings		(40,104)	(41,859)	(40,104)	(41,859)
Principal repayments made on leases	CF-2	(357)	(333)	(357)	(333)
Net cash outflow from financing activities		(40,461)	(42,192)	(40,461)	(42,192)
Net (decrease) in cash and cash equivalent held		(12,004)	(87,385)	(10,891)	(87,399)
Cash and cash equivalents at the beginning of the financial year		107,089	194,474	104,975	192,374
Cash and cash equivalents at the end of the financial year	5	95,085	107,089	94,084	104,975

The accompanying notes form part of these financial statements



STATEMENT OF CASH FLOWS
For the year ended 30 June 2024

Notes to the statement of cash flows

CF-1 Reconciliation of net result for the year to net cash inflow from operating activities

	Consolidated		Council	
	2024	Restated 2023	2024	Restated 2023
	\$'000	\$'000	\$'000	\$'000
Net result	190,388	211,589 *	191,569	211,351 *
Non-cash items:				
Depreciation and amortisation	156,507	135,218 *	156,507	135,218 *
Revaluation adjustments	(650)	(22,087)	(650)	(22,087)
Change in future rehabilitation and restoration costs	1,823	1,159	1,823	1,159
Change in infrastructure offsets and credits	10,597	214	10,597	214
Contributed assets	(83,536)	(67,010) *	(83,536)	(67,010) *
Share of profit of associate	(96,564)	(80,096)	(96,564)	(80,096)
	(11,823)	(32,602)	(11,823)	(32,602)
Investing and development activities:				
Net loss on disposal of non-current assets	19,921	13,766	19,921	13,766
(Increase) in distribution from investments	(7,541)	(1,392)	(7,541)	(1,392)
(Increase) in financial assets at fair value through profit and loss	(7,208)	(8,823)	(7,208)	(8,823)
	5,172	3,551	5,172	3,551
Changes in operating assets and liabilities:				
(Increase)/Decrease in receivables	(16,351)	16,040	(16,352)	15,848
(Increase) in other operating assets	(327)	(626)	(327)	(626)
(Decrease)/Increase in payables	(12,775)	816	(12,845)	1,229
Increase/(Decrease) in contract liabilities	14,777	(4,344)	14,777	(4,344)
(Decrease)/Increase in provisions	(8,701)	648	(8,698)	651
Increase in other liabilities	(16,772)	(2,045)	(16,772)	(2,045)
	(40,149)	10,489	(40,217)	10,713
Net cash inflow from operating activities	143,588	193,027	144,701	193,013

* Comparative figures have been restated. Refer to Note 26 for details.



STATEMENT OF CASH FLOWS
For the year ended 30 June 2024

Notes to the statement of cash flows (continued)

CF-2 Reconciliation of liabilities arising from financing activities

Consolidated

	Opening balance as at 1 July \$'000	Cashflows \$'000	Non-cash changes \$'000	Closing Balance as at 30 June \$'000
2024				
Loans	269,972	(40,104)	-	229,868
Lease liability	1,712	(357)	90	1,445
	<u>271,684</u>	<u>(40,461)</u>	<u>90</u>	<u>231,313</u>
2023				
Loans	311,831	(41,859)	-	269,972
Lease liability	1,696	(333)	349	1,712
	<u>313,527</u>	<u>(42,192)</u>	<u>349</u>	<u>271,684</u>

Council

	Opening balance as at 1 July \$'000	Cashflows \$'000	Non-cash changes \$'000	Closing Balance as at 30 June \$'000
2024				
Loans	269,972	(40,104)	-	229,868
Lease liability	1,712	(357)	90	1,445
	<u>271,684</u>	<u>(40,461)</u>	<u>90</u>	<u>231,313</u>
2023				
Loans	311,831	(41,859)	-	269,972
Lease liability	1,696	(333)	349	1,712
	<u>313,527</u>	<u>(42,192)</u>	<u>349</u>	<u>271,684</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2024

1 Information about these financial statements

1(a) Basis of preparation

Moreton Bay City Council trading as City of Moreton Bay is constituted under the Queensland *Local Government Act 2009* and is domiciled in Australia.

These general purpose financial statements are for the period 1 July 2023 to 30 June 2024. They are prepared in accordance with the *Local Government Act 2009* and the *Local Government Regulation 2012*.

Council is a not-for-profit entity for financial reporting purposes and these financial statements comply with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) as applicable to not-for-profit entities.

These financial statements have been prepared under the historical cost convention except for the revaluation of certain classes of property, plant and equipment, investment property and the financial investment held with Queensland Investment Corporation (QIC).

1(b) Basis of consolidation

Council and its controlled entity (Millovate Pty Ltd) together form the consolidated entity. The financial statements of Millovate Pty Ltd are included in Council's consolidated financial statements.

Council has a 100% controlling interest in Millovate Pty Ltd. Council controlled Millovate Pty Ltd for the entirety of 2023/24.

Transactions between Council and Millovate Pty Ltd have been eliminated when preparing consolidated accounts. In addition, accounting policies of this controlled entity have been adjusted on consolidation where necessary, to ensure the financial statements of the consolidated entity are prepared using accounting policies that are consistent with those of the Council. Additional information on the controlled entity has been included in Note 23.

1(c) New and revised Accounting Standards

Council adopted all standards which became mandatorily effective for annual reporting periods beginning on 1 July 2023. None of the standards had a material impact on reported position, performance and cash flows. The adoption of the revisions to AASB 101 *Presentation of Financial Statements* resulted in disclosure of material accounting policy information only rather than significant accounting policies. This means that accounting policy information is disclosed only if it relates to material transactions, other events or conditions and:

a) Council has changed accounting policy during the reporting period and this change resulted in a material change to the information in the financial statements.

b) Council chose (or was mandated to use) the accounting policy from one or more options permitted by Australian Accounting Standards.

c) the accounting policy was developed in accordance with AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* in the absence of an Australian Accounting Standard that specifically applies.

d) the accounting policy relates to an area for which a Council is required to make significant judgements or assumptions in applying an accounting policy, and the Council discloses those judgements or assumptions in the financial statements.

e) the accounting required for them is complex and users of the entity's financial statements would otherwise not understand those material transactions, other events or conditions.

Council generally applies standards and interpretations in accordance with their respective commencement dates. No Australian Accounting Standards have been early adopted for 2023/24.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2024

1 Information about these financial statements (continued)

1(d) Estimates and judgements

Council makes a number of judgements, estimates and assumptions in preparing these financial statements. These are based on the best information available to Council at the time, however due to the passage of time, these assumptions may change and therefore the recorded balances may not reflect the final outcomes. The significant judgements, estimates and assumptions relate to the following items and specific information is provided in the relevant note:

Revenue recognition (Note 3)

Valuation of investment property (Note 9)

Valuation and depreciation of property, plant and equipment (Note 11)

Impairment of non-current assets (Note 11(d))

Provisions (Note 15)

Financial instruments and financial liabilities (Note 18)

Contingent liabilities (Note 20)

1(e) Rounding and comparatives

Amounts included in the financial statements have been rounded to the nearest \$1,000, unless otherwise stated.

Comparative information is generally restated for reclassifications, errors and changes in accounting policies unless permitted otherwise by transition rules in a new Accounting Standard / Comparative information is prepared on the same basis as prior year.

1(f) Taxation

Council is exempt from income tax, however Council is subject to Fringe Benefits Tax (FBT) and Goods and Services Tax (GST). The net amount of GST recoverable from the Australian Taxation Office (ATO) or payable to the ATO is shown as an asset or liability respectively.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2024

2 Analysis of results by function

2(a) Components of Council functions

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

Projects & Asset Services

Projects and Asset Services is responsible for the maintenance of Council infrastructure and public facilities, project management and construction of new infrastructure, coordination of disaster management response activities, the provision of sustainable waste management services and developing, implementing and reviewing long term asset management planning.

Infrastructure Planning

Infrastructure Planning is responsible for the strategic functions and responsibilities associated with planning new infrastructure which includes, integrated transport networks, parks and recreational facilities, drainage, waterways and coastal networks and building and facilities.

Community & Environmental Services

Community and Environmental Services is responsible for providing well managed and maintained community facilities, ensuring compliance with local laws, protection and management of the natural environment.

Office of the Chief Executive Officer

The role of the Office of the Chief Executive Officer is to ensure open and accountable governance of the region and comprises the mayor, councillors, chief executive officer, legal services, internal audit, external relations, economic development and meeting support.

Planning

The role of Planning is to maintain a strategic plan of Council's longer term functions and responsibilities in relation to land use planning, planning scheme development, growth management, development assessment, engineering, building and development compliance and environmental planning.

Finance & Corporate Services

Finance and Corporate Services provides professional corporate and financial services to the organisation in the areas of people, culture and safety, financial management, information and communication technology, procurement, community engagement and other related support functions.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2024

2 Analysis of Results by Function (continued)

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

Year ended 30 June 2024	Gross program income				Elimination of inter-function transactions	Total income	Gross program expenses		Elimination of inter-function transactions	Total expenses	Net result	Assets
Function	Operating		Capital				Operating	Capital				
	Grants	Other	Grants	Other								
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Project & Asset Services	2,061	94,048	28,311	147	(17,676)	106,891	(249,479)	(10)	15,971	(233,518)	(126,627)	-
Infrastructure Planning	416	9,582	699	-	-	10,697	(25,539)	-	301	(25,238)	(14,541)	7,105,799
Community & Environmental Services	2,799	16,013	12,259	1,410	(160)	32,321	(78,910)	-	496	(78,414)	(46,093)	604
Office of the Chief Executive Officer	309	37	12	-	(27)	331	(21,761)	-	74	(21,687)	(21,356)	155
Planning	55	23,062	22,591	143	-	45,851	(26,781)	-	652	(26,129)	19,722	28
Finance & Corporate Services	798	520,886	550	130,001	970	653,205	(241,632)	(30,508)	(601)	(272,741)	380,464	2,527,228
Total Council	6,438	663,628	64,422	131,701	(16,893)	849,296	(644,102)	(30,518)	16,893	(657,727)	191,569	9,633,814
Controlled entities net of elimination	-	269	-	-	-	269	(1,450)	-	-	(1,450)	(1,181)	1,028
Total Consolidated	6,438	663,897	64,422	131,701	(16,893)	849,565	(645,552)	(30,518)	16,893	(659,177)	190,388	9,634,842

Year ended 30 June 2023	Gross program income				Elimination of inter-function transactions	Total income	Gross program expenses		Elimination of inter-function transactions	Total expenses	Net result	Assets
Function	Operating		Capital				Operating	Capital				
	Grants	Other	Grants	Other								
	\$'000	\$'000	\$'000	\$'000								
Projects & Asset Services	6,061	88,162	13,338	1,235	(21,074)	87,722	(230,181)	(125)	15,161	(215,145)	(127,423)	-
Infrastructure Planning	42	11,648	27	50	(2,310)	9,457	(25,788)	-	712	(25,076)	(15,619)	6,995,577 *
Community & Environmental Services	3,063	14,469	5,853	16	(155)	23,246	(70,805)	-	3,136	(67,669)	(44,423)	707
Office of the Chief Executive Officer	-	35	-	-	(35)	-	(22,086)	-	80	(22,006)	(22,006)	85
Planning	547	18,035	27,700	-	(45)	46,237	(23,652)	-	4,129	(19,523)	26,714	13
Finance & Corporate Services	20,171	463,872	259	135,750 *	7,618	627,670	(211,812) *	(14,533)	(7,217)	(233,562) *	394,108 *	2,558,204
Total Council	29,884	596,221	47,177	137,051 *	(16,001)	794,332	(584,324) *	(14,658)	16,001	(582,981) *	211,351 *	9,554,586 *
Controlled entities net of elimination	-	98	-	-	-	98	140	-	-	140	238	2,142
Total Consolidated	29,884	596,319	47,177	137,051 *	(16,001)	794,430	(584,184) *	(14,658)	16,001	(582,841) *	211,589 *	9,556,728 *

Comparative information has been restated to be consistent with disclosures in the current reporting period.

* Comparative figures have been restated. Refer to Note 26 for details.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2024

3 Revenue

3(a) Rates and utility charges

Rates and utility charges are recognised as revenue when the Council obtains control over the assets comprising these receipts which is the beginning of the rating period to which they relate. Prepaid rates are recognised as a financial liability until the beginning of the rating period.

	Consolidated		Council	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
General rates	325,763	306,409	325,763	306,409
Cleansing charges	58,382	51,959	58,382	51,959
Other special levies, rates and charges	24,838	22,220	24,838	22,220
	408,983	380,588	408,983	380,588
Less: Pensioner and other rebates	(6,160)	(5,854)	(6,160)	(5,854)
	402,823	374,734	402,823	374,734

3(b) Fees and charges

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

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

Licences granted by Council are all either short-term or low value and all revenue from licences is recognised at the time that the licence is granted rather than the term of the licence.

	Consolidated		Council	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Administration	5,632	5,173	5,632	5,173
Community facilities	5,408	5,053	5,408	5,053
Development services	23,013	17,702	23,013	17,702
Waste management	9,958	7,357	9,958	7,357
Animal control	4,874	5,015	4,874	5,015
Other fees	94	59	94	59
	48,979	40,359	48,979	40,359

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2024

3 Revenue (continued)

3(c) Grants, subsidies and contributions

Grant income under AASB 15

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

The performance obligations are varied based on the agreement. Payment terms vary depending on the terms of the grants, cash is received upfront for some grants and on the achievement of certain payment milestones for others.

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

Where control is transferred over time, revenue is recognised using either costs or time incurred.

Grant income under AASB 1058

Where Council receives an asset for significantly below fair value, the asset is recognised at fair value, a related liability (or equity items) recorded and income then recognised for any remaining asset value at the time that the asset is received. Council did not recognise any asset during the 2023/24 financial year that met the conditions of grant income under AASB 1058. Council also receives funding from certain grant programs where income is recognised when received as there are no identifiable performance obligations under the related agreements.

Capital grants

Where Council receives funding under an enforceable contract to acquire or construct a specified item of property, plant and equipment which will be under Council's control on completion, revenue is recognised as and when the obligation to construct or purchase is completed.

For construction projects, this is generally as the construction progresses in accordance with costs incurred.

Physical assets contributed to Council by developers in the form of infrastructure are recognised as revenue when the development becomes "on maintenance" (i.e. Council obtains control of the assets) and there is sufficient data in the form of drawings and plans to determine the approximate specifications and values of such assets. All non-cash contributions are recognised at the fair value of the contribution on the date of acquisition. Non-cash contributions with a value in excess of the non-current asset recognition thresholds are recognised as revenue and as non-current assets. Non-cash contributions below the thresholds are recorded as revenue and expenses.

Capital revenue includes grants and subsidies received which are tied to specific projects for the replacement or upgrade of existing non-current assets and/or investment in new assets. It also includes non-cash contributions which are usually infrastructure assets received from developers.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2024

3 Revenue (continued)

3(c) Grants, subsidies and contributions (continued)

	Consolidated		Council	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
(i) Operating				
Government grants and subsidies	6,642	29,883	6,438	29,883
Other grants, subsidies, contributions	875	1,169	875	1,169
	<u>7,517</u>	<u>31,052</u>	<u>7,313</u>	<u>31,052</u>
(ii) Capital				
Government grants and subsidies	64,422	47,177	64,422	47,177
Infrastructure cash contributions	45,795	47,045	45,795	47,045
Contributed assets	83,536	67,010 *	83,536	67,010 *
Other capital income	1,573	66	1,573	66
	<u>195,326</u>	<u>161,298</u>	<u>195,326</u>	<u>161,298</u>

* Comparative figures have been restated. Refer to Note 26 for details.

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

Consolidated		2024		2023	
	Note	Revenue recognised at a point in time \$'000	Revenue recognised over time \$'000	Revenue recognised at a point in time \$'000	Revenue recognised over time \$'000
Grants and subsidies	3(c)	6,642	64,422	29,883	47,177
Contributions	3(c)	2,448	-	1,235	-
		<u>9,090</u>	<u>64,422</u>	<u>31,118</u>	<u>47,177</u>

Council		2024		2023	
	Note	Revenue recognised at a point in time \$'000	Revenue recognised over time \$'000	Revenue recognised at a point in time \$'000	Revenue recognised over time \$'000
Grants and subsidies	3(c)	6,438	64,422	29,883	47,177
Contributions	3(c)	2,448	-	1,235	-
		<u>8,886</u>	<u>64,422</u>	<u>31,118</u>	<u>47,177</u>



NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2024

3 Revenue (continued)

3(d) Interest revenue

	Note	Consolidated		Council	
		2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Interest from financial institutions		12,445	10,197	12,380	10,099
Interest from Unitywater		30,534	27,149	30,534	27,149
Interest from overdue rates and utility charges		1,313	1,008	1,313	1,008
		<u>44,292</u>	<u>38,354</u>	<u>44,227</u>	<u>38,256</u>

3(e) Other revenue

Fair value gain on other financial assets		7,208	8,823	7,208	8,823
Tax equivalent	25	19,171	16,330	19,171	16,330
Other income		17,034	10,766	17,034	10,766
		<u>43,413</u>	<u>35,919</u>	<u>43,413</u>	<u>35,919</u>

3(f) Capital income

Revaluation up of investment property	9	650	-	650	-
Revaluation up of property, plant and equipment	11(g)	-	22,647	-	22,647
Adjustment to landfill and Bio-solids composting sites		147	283	147	283
		<u>797</u>	<u>22,930</u>	<u>797</u>	<u>22,930</u>

4 Expenses

4(a) Employee benefits

	Note	Consolidated		Council	
		2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Staff wages and salaries		201,321	184,820	200,675	183,565
Superannuation	21	22,545	20,693	22,475	20,570
		<u>223,866</u>	<u>205,513</u>	<u>223,150</u>	<u>204,135</u>
Other employee related expenses		5,691	5,143	5,689	5,113
		<u>229,557</u>	<u>210,656</u>	<u>228,839</u>	<u>209,248</u>
Less: Capitalised employee expenses		(13,545)	(12,650)	(13,545)	(12,650)
		<u>216,012</u>	<u>198,006</u>	<u>215,294</u>	<u>196,598</u>

Total full time equivalent employees at 30 June 2024 were 2,135 (2023: 1,939).

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2024

4 Expenses (continued)

4(b) Materials and services

	Consolidated		Council	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Contractors	134,339	121,700	133,759	121,532
Total waste levy payment	23,002	19,210	23,002	19,210
Waste levy refund*	(20,016)	(17,091)	(20,016)	(17,091)
Utilities	21,489	19,408	21,489	19,408
Materials	14,199	11,806	14,199	11,806
Other materials and services	12,569	11,870	12,251	11,566
Information technology hardware/software	9,564	9,278	9,549	9,278
Fuel	5,010	5,070	5,010	5,070
Insurance premiums	4,697	4,486	4,697	4,486
Expensed capital material and services	4,695	2,211	4,695	2,211
Consultants	5,452	3,912	4,667	2,671
Labour hire services	4,254	5,931	4,254	5,931
Commissions and contributions	3,806	3,608	3,806	3,608
Legal costs	3,752	3,360	3,746	3,360
Donations and grants	3,440	3,644	3,440	3,644
Cleaning	2,916	2,396	2,916	2,396
Security	2,875	2,347	2,875	2,347
Printing, postage and stationery	2,393	2,554	2,393	2,554
Councillors' remuneration	2,317	2,253	2,317	2,253
Payment to controlled entity	-	-	1,000	3,300
Audit of annual financial statements by the Auditor-General of Queensland**	319	307	291	268
	<u>241,072</u>	<u>218,260</u>	<u>240,340</u>	<u>219,808</u>

Councillor remuneration represents regular payments and other allowances paid in respect of carrying out their duties.

* The State government rebated \$16,883,748 (2023: \$17,625,982) of the state waste levy to mitigate the direct impacts on households.

** Total consolidated audit fees quoted by the Queensland Audit Office relating to the 2023/24 financial statements are \$318,880 (2023: \$306,850).

4(c) Finance costs

	Note	Consolidated		Council	
		2024	2023	2024	2023
		\$'000	\$'000	\$'000	\$'000
Finance cost on loans		12,026	14,303	12,026	14,303
Other		3,042	2,396	3,042	2,396
		<u>15,068</u>	<u>16,699</u>	<u>15,068</u>	<u>16,699</u>

4(d) Capital expenses

Book value of property, plant and equipment disposed of		23,207	16,410	23,207	16,410
Less: Proceeds from the sale of property, plant and equipment		(3,286)	(2,644)	(3,286)	(2,644)
Adjustment to landfill and Bio-solids sites		-	118	-	118
Revaluation decrement of investment property	9	-	560	-	560
Infrastructure credits recognised	15	10,858	214	10,858	214
Infrastructure credits extinguished	15	(261)	-	(261)	-
		<u>30,518</u>	<u>14,658</u>	<u>30,518</u>	<u>14,658</u>



NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2024

5 Cash and cash equivalents

	Consolidated		Council	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Cash at bank and on hand	29,368	33,551	28,367	31,437
Deposits at call	65,717	73,538	65,717	73,538
	<u>95,085</u>	<u>107,089</u>	<u>94,084</u>	<u>104,975</u>

Restricted cash and cash equivalents

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

Externally imposed expenditure restrictions at the reporting date relate to the following cash assets:

	Consolidated		Council	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Unspent government grants and subsidies	21,054	9,440	21,054	9,440
Waste levy refund received in advance	45,223	65,127	45,223	65,127
Unspent financial contributions	3,162	-	3,162	-
	<u>69,439</u>	<u>74,567</u>	<u>69,439</u>	<u>74,567</u>

Trust funds held for outside parties

In accordance with the *Local Government Act 2009* and *Local Government Regulation 2012*, a separate trust bank account and separate accounting records are maintained for funds held on behalf of outside parties. Funds held in the trust account on behalf of outside parties include those funds from the sale of land for arrears in rates, deposits for the contracted sale of land, security deposits lodged to guarantee performance and unclaimed monies paid into the trust account by Council. Council performs only a custodial role in respect of these monies and because the monies cannot be used for Council purposes, they are not considered revenue nor brought to account in the financial statements since Council has no control over the assets. Council holds \$17.051 million in trust monies at 30 June 2024 (2023: \$14.622 million).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2024

6 Trade and other receivables

Settlement is required within 30 days after the invoice is issued.

Debts are regularly assessed for collectability and allowance is made, where appropriate, for impairment. All known bad debts were written-off at 30 June. If an amount is recovered in a subsequent period it is recognised as revenue. Refer to Note 18 for further information on exposure to credit risk for trade receivables.

Council is empowered under the provisions of the *Local Government Act 2009* to sell an owner's property to recover outstanding rate debts, Council does not impair any rate receivables and therefore the expected credit loss is immaterial. Impairment of rates and charges will occur only if arrears are deemed to be greater than the proceeds Council would receive from the sale of the respective property.

Loans and advances are made to community organisations, and are recognised in the same way as other receivables. Security is not normally obtained.

The subordinated debt receivable from Unitywater is an interest only loan with the interest rate to be set by Queensland Treasury Corporation (QTC) annually.

	Consolidated		Council	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Current				
Rates and utility charges	18,559	18,496	18,559	18,496
Loans to community organisations	130	131	130	131
Accrued receivable from Unitywater	25,930	29,103	25,930	29,103
Other debtors	26,804	18,778	26,804	18,778
GST recoverable	5,867	5,137	5,840	5,109
Prepayments	6,326	5,948	6,326	5,948
	<u>83,616</u>	<u>77,593</u>	<u>83,589</u>	<u>77,565</u>
Non-current				
Loans to community organisations	453	448	453	448
Subordinated debt receivable from Unitywater	677,025	677,025	677,025	677,025
	<u>677,478</u>	<u>677,473</u>	<u>677,478</u>	<u>677,473</u>

7 Other non-current financial assets

Investments with Queensland Investment Corporation (QIC) are recognised as financial assets and carried at fair value, which is the net market value of the investments as advised by QIC.

	Consolidated		Council	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Financial assets at fair value through profit and loss	138,866	124,175	138,866	124,175
	<u>138,866</u>	<u>124,175</u>	<u>138,866</u>	<u>124,175</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2024

8 Investments

Council holds shares in Redcliffe Peninsula Financial Services Ltd, the shares are valued at cost because they are not quoted in an active market and their fair value cannot be reliably measured.

	Consolidated		Council	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Current				
Term deposits	50,000	155,055	50,000	155,055
	<u>50,000</u>	<u>155,055</u>	<u>50,000</u>	<u>155,055</u>
Non-current				
Shares in Redcliffe Peninsula Financial Services Ltd	15	15	15	15
	<u>15</u>	<u>15</u>	<u>15</u>	<u>15</u>

9 Investment property

Investment property is property held for the primary purpose of earning rentals and/or capital appreciation but does not include residential properties or other property held to provide a social service.

Investment property is measured using the fair value model. This means all investment property is initially recognised at cost (including transaction costs) and then subsequently revalued annually at the reporting date by a registered valuer. Where investment property is acquired for significantly below fair value it is recorded at fair value on initial recognition.

Property that is being constructed or developed for future use as investment property is classified as investment property. Investment property under construction is measured at fair value, unless fair value cannot be reliably determined for an individual property (in which case the property concerned is measured at cost until fair value can be reliably determined).

	Note	Consolidated		Council	
		2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Owned investment property					
Fair value at beginning of financial year		22,750	23,310	22,750	23,310
Net gain/(loss) from fair value adjustments	3(f),4(d)	650	(560)	650	(560)
Fair value at end of financial year		<u>23,400</u>	<u>22,750</u>	<u>23,400</u>	<u>22,750</u>

Investment property fair values were determined by independent valuer Australis Asset Advisory Group as at 30 June 2024.

For investment property classified as level 2 amounting to \$23.400 million (2023: \$22.750 million), fair value has been determined using a market approach using the income capitalisation method.

The income capitalisation method of valuation involves capitalising the estimated net income of the property at an appropriate capitalisation rate (net yield) that has been determined through the analysis of market based sales evidence for properties of similar nature and specification.

The market approach utilises inputs such as capital value and price per square metre, which is derived by assessing market based sales evidence of comparable properties.

Specialised buildings have significant unobservable inputs (level 3 in the fair value hierarchy) and are valued using the current replacement cost approach. As at 30 June 2024, Council did not hold any building assets that were classified as level 3.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2024

10 Investment in associate

Council holds 58.2382% of participation rights in Unitywater, a water distribution and retail business established in accordance with the *South-East Queensland Water (Distribution and Retail Restructuring) Act 2009*, to deliver water and waste water services to customers within the local government areas of Moreton Bay City Council, Sunshine Coast Regional Council and Noosa Shire Council. The participation rights effectively represent an investment in an associate by Moreton Bay City Council.

Associates are entities over which Moreton Bay City Council exerts significant influence. Significant influence is the power to participate in the financial and operating policy decisions but is not control or joint control. Accordingly, as Council has no control over Unitywater, AASB 10 *Consolidated Financial Statements* is not applied.

Investments in associates are accounted for in the financial statements using the equity method and are carried at the lower of cost and recoverable amount. Under this method, the entity's share of post-acquisition profits or losses of associates is recognised in the Statement of Comprehensive Income and the interest in the equity of the associate is recognised in the Statement of Financial Position. The cumulative post-acquisition movements, being the share of profits less dividends received and accrued, are adjusted against the cost of the investment.

Summarised financial information in respect of the associate is set out below.

	Consolidated		Council	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Total assets	4,930,284	4,474,102	4,930,284	4,474,102
Total liabilities	(2,403,970)	(2,058,861)	(2,403,970)	(2,058,861)
Net assets	<u>2,526,314</u>	<u>2,415,241</u>	<u>2,526,314</u>	<u>2,415,241</u>
Share of net assets of associate	<u>1,471,280</u>	<u>1,406,593</u>	<u>1,471,280</u>	<u>1,406,593</u>
Total revenue	<u>887,447</u>	759,809	<u>887,447</u>	759,809
Total profit for the year	<u>165,810</u>	137,533	<u>165,810</u>	137,533
Share of profit of associate	<u>96,564</u>	80,096	<u>96,564</u>	80,096
Council investment in the associate comprises:				
Participation rights	<u>1,485,599</u>	<u>1,420,914</u>	<u>1,485,599</u>	<u>1,420,914</u>
Details of movements in participation rights:				
Opening Balance	1,420,914	1,378,918	1,420,914	1,378,918
Share of profit of associate	96,564	80,096	96,564	80,096
Less share of dividends received and accrued	<u>(31,879)</u>	<u>(38,100)</u>	<u>(31,879)</u>	<u>(38,100)</u>
Closing balance at end of year	<u>1,485,599</u>	<u>1,420,914</u>	<u>1,485,599</u>	<u>1,420,914</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2024

11 Property, plant and equipment

11(a) Recognition

The asset capitalisation threshold for Council is:

Land	\$1
Land Improvements	\$5,000
Buildings	\$5,000
Park Equipment	\$1
Plant and Equipment	\$5,000
Transport Infrastructure	\$1
Stormwater Infrastructure	\$1
Intangibles	\$5,000
Cultural and Heritage	\$5,000
Waterways and Canals	\$5,000
Investment Property	\$1

Land under roads and reserve land under the *Land Act 1994* or *Land Title Act 1994* are controlled by Queensland State Government and not recognised in the Council financial statements.

11(b) Measurement

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

11(c) Depreciation

Land, work in progress, canals, cultural and heritage, and road formation assets are not depreciated.

Depreciation, where applicable, is calculated on a straight-line basis. Management believe that the straight-line basis appropriately reflects the pattern of consumption of all Council assets.

11(d) Impairment of non-current assets

Property, plant and equipment held at cost is assessed for indicators of impairment annually. If an indicator of possible impairment exists, the asset's recoverable amount is determined. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

11(e) Valuation

Council considers the carrying amount of its property, plant and equipment on an annual basis compared to fair value and makes adjustment where these are materially different. Approximately every three years, Council performs a full comprehensive revaluation by engaging an external professionally qualified valuer.

In the intervening years, Council uses a suitable index to assess whether a desktop valuation is required based on materiality. A desktop revaluation involves the application of suitable indexes undertaken at the reporting date when there has been a material movement in value for an asset class subsequent to the last comprehensive revaluation.

On revaluation, accumulated depreciation is adjusted proportionately with the change in the carrying amount of the asset and any change in the estimate of remaining useful life. Separately identified components of assets are measured on the same basis as the assets to which they relate. Details of valuers and methods of valuations are disclosed in Note 11(f).

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2024

11 Property, plant and equipment (continued)

11(f) Fair value measurements

Fair values are classified into three levels as follows:

Level 1 - the fair value is based on quoted prices (unadjusted) in active markets for identical assets.

Level 2 - the fair value is estimated using inputs that are directly or indirectly observable for the assets, such as prices for similar assets.

Level 3 - the fair value is estimated using unobservable inputs for the asset.

All fair value measurements are recurrent and categorised as either level 2 or level 3 in the fair value hierarchy. None of Council's valuations of assets are eligible for categorisation into level 1 of the fair value hierarchy.

The following table represents Council's assets as at 30 June 2024 as either level 2 or level 3 in accordance with AASB 13.

	Level 2		Level 3		Total	
	2024	2023	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Buildings	5,933	2,587	484,272	463,458	490,205	466,045
Land	272,377	219,037	723,663	718,582 *	996,040	937,619 *
Stormwater Infrastructure	-	-	2,379,292	2,345,389 *	2,379,292	2,345,389 *
Transport Infrastructure	-	-	2,263,146	2,306,687 *	2,263,146	2,306,687 *
Waterways and Canals	-	-	275,265	281,929	275,265	281,929
	278,310	221,624	6,125,638	6,116,045 *	6,403,948	6,337,669 *

* Comparative figures have been restated. Refer to Note 26 for details.

Land and buildings inputs are reviewed annually. Council recognises transfers between level 2 and 3 in the fair value hierarchy. It is Council's policy to recognise such transfers at the end of the reporting period. Details of the valuation movement are shown in Note 11(g), where the below table reflects the additional detail of hierarchy movement.

	Level 3	
	Land	Buildings
	2024	2024
	\$'000	\$'000
Opening balance as at 1 July 2023	718,582	463,458
Additions	33,331	52,338
Disposals	(5,735)	(1,892)
Depreciation	-	(33,031)
Internal transfer	-	1,718
Transfer between levels	(22,515)	1,681
Closing Balance as at 30 June 2024	723,663	484,272

For stormwater Infrastructure, transport infrastructure and waterways and canals asset classes which are categorised under level 3 of fair value hierarchy, refer to Note 11(g) for the level 3 fair value measurement reconciliation.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2024

11 Property, plant and equipment (continued)**11(f) Fair value measurements (continued)**

For the below asset classes, management has performed an analysis of suitable indices for the intervening period being the period since valuation by an independent valuer to 30 June 2024. This analysis identified that the movement in indices was not material, therefore no indexation has been applied to any asset class.

Stormwater Infrastructure (Level 3)

The fair value of stormwater infrastructure was determined by independent valuers AssetVal Pty Ltd as at 31 December 2021 and indexed with the Australian Bureau of Statistics road and bridge construction Queensland index as at 31 December 2022.

Due to the specialised nature of Council's stormwater infrastructure there is no active market for the assets. As such, fair value has been determined using the current replacement cost method of valuation and is deemed to be a Level 3 input. Fair value has been determined by utilising unit rates provided by a suitably qualified valuation specialist and compared to Council's actual construction costs.

Transport Infrastructure (Level 3)

The fair value of transport infrastructure was determined by independent valuers AssetVal Pty Ltd as at 31 December 2023.

Due to the specialised nature of Council's transport infrastructure there is no active market for the assets. As such, fair value has been determined using the current replacement cost method of valuation and is deemed to be a Level 3 input. Fair value has been determined by utilising unit rates provided by a suitably qualified valuation specialist and compared to Council's actual construction costs.

Waterways and Canals (Level 3)

The fair value of waterways and canals assets was determined by independent valuer AssetVal Pty Ltd as at 31 December 2023.

Due to the specialised nature of Council's waterway and canal infrastructure, the valuations have been determined using the current replacement cost method of valuation and is deemed to be a Level 3 input. Fair value has been determined by utilising unit rates provided by a suitably qualified valuation specialist and compared to Council's actual construction costs.

Buildings (Level 2 and 3)

The fair values of buildings (including pools) were determined by independent valuer AssetVal Pty Ltd as at 31 January 2023.

For buildings classified as level 2, fair value has been derived by utilising inputs such as market based sales evidence of comparable properties within the relevant geographic location.

For buildings and pools classified as level 3, no active market exists and fair value has been determined using the current replacement cost method valuation.

Land (Level 2 and 3)

The fair value of land was determined by independent valuer AssetVal Pty Ltd as at 31 December 2023.

For land classified as level 2, fair value has been derived by utilising inputs such as price per square metre, which is derived by assessing market based sales evidence of land in the relevant geographic location and of a comparable land use and/or zoning.

For land classified at level 3 no active market exists and fair value has been measured utilising a discounted price per square metre. The price per square metre is based upon market based sales evidence and is discounted because the land has specific characteristics or particular restrictions.



NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2024

11 Property, plant and equipment (continued)

11(g) Movements

Council

30 June 2024

Note

Land	Buildings	Transport Infrastructure	Stormwater Infrastructure	Waterways and Canals	Land Improvements	Park Equipment	Plant and Equipment	Cultural and Heritage	Work in Progress	Total
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
996,040	815,260	3,292,491	3,214,529	387,489	270,357	235,255	173,650	2,953	257,604	9,645,628
-	(325,055)	(1,029,345)	(835,237)	(112,224)	(89,481)	(102,511)	(74,679)	-	-	(2,568,532)
996,040	490,205	2,263,146	2,379,292	275,265	180,876	132,744	98,971	2,953	257,604	7,077,096

For the year ended 30 June 2024

Gross value / cost

Less accumulated depreciation

Book value as at 30 June 2024

Basis of measurement

Opening net value as at 1 July 2023 (Restated)

Plus capital expenses

Transfers between asset classes

Plus contributed assets

Plus assets not previously recognised

Less restoration assets adjustment

Less disposals

Less depreciation provided in the period

Revaluation adjustment to asset revaluation surplus

Transfers from WIP to other non PP&E assets or expense

Transfers from work in progress

Book value as at 30 June 2024

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Land	Buildings	Transport Infrastructure	Stormwater Infrastructure	Waterways and Canals	Land Improvements	Park Equipment	Plant and Equipment	Cultural and Heritage	Work in Progress	Total
Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Cost	Cost	Cost	Cost	Cost	
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
937,619	466,045	2,306,687	2,345,389	281,929	187,970	127,760	92,333	2,689	219,239	6,967,660
-	-	-	-	-	-	-	-	-	264,061	264,061
-	1,718	(14,685)	11,638	(2)	2,529	(2,080)	882	-	-	-
7,076	72	29,735	43,416	-	167	2,834	-	236	-	83,536
-	(91)	252	4,475	-	(244)	(248)	48	-	-	4,192
-	-	-	-	-	(5,556)	-	-	-	-	(5,556)
(5,735)	(1,892)	(9,541)	(1,718)	-	(60)	(375)	(3,886)	-	-	(23,207)
-	(33,365)	(55,551)	(32,672)	(2,523)	(9,460)	(11,032)	(11,548)	-	-	(156,151)
18,475	-	(67,080)	-	(4,139)	-	-	-	-	-	(52,744)
-	-	-	-	-	-	-	-	-	(4,695)	(4,695)
38,605	57,718	73,329	8,764	-	5,530	15,885	21,142	28	(221,001)	-
996,040	490,205	2,263,146	2,379,292	275,265	180,876	132,744	98,971	2,953	257,604	7,077,096

Range of estimated useful life in years

unlimited	2 - 145	3 - unlimited	4 - 157	9 - unlimited	7 - 100	5 - 104	1 - 110	unlimited	-	
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NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2024

11 Property, plant and equipment (continued)

11(g) Movements (continued)

Council

30 June 2023 (Restated)

Note

Land	Buildings	Transport Infrastructure	Stormwater Infrastructure	Waterways and Canals	Land Improvements	Park Equipment	Plant and Equipment	Cultural and Heritage	Work in Progress	Total
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
937,619	762,665	3,286,099	3,146,320	397,297	268,010	224,307	162,028	2,689	219,239	9,406,273
-	(296,620)	(979,412)	(800,931)	(115,368)	(80,040)	(96,547)	(69,695)	-	-	(2,438,613)
937,619	466,045	2,306,687	2,345,389	281,929	187,970	127,760	92,333	2,689	219,239	6,967,660

For the year ended 30 June 2023

Gross value / cost

Less accumulated depreciation

Book value as at 30 June 2023

Basis of measurement

Opening net value as at 1 July 2022

Opening net value as at 1 July 2022 not previously recognised *

Plus capital expenses

Transfers between asset classes

Plus contributed assets

Plus contributed assets not previously recognised *

Plus assets not previously recognised

Add restoration assets adjustment

Less disposals

Less depreciation provided in the period

Less depreciation provided in period not previously recognised *

Revaluation adjustment to asset revaluation surplus

Revaluation adjustment to capital income

Transfers from WIP to other non PP&E assets or expense

Transfers from work in progress

Book value as at 30 June 2023

Land	Buildings	Transport Infrastructure	Stormwater Infrastructure	Waterways and Canals	Land Improvements	Park Equipment	Plant and Equipment	Cultural and Heritage	Work in Progress	Total
Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Cost	Cost	Cost	Cost	Cost	
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
906,268	409,359	1,909,487	2,072,099	245,542	171,810	111,900	85,872	2,635	203,315	6,118,287
1	-	870	749	-	-	-	-	-	-	1,620
-	-	-	-	-	-	-	-	-	265,637	265,637
(729)	(1,060)	(336)	630	-	645	135	715	-	-	-
4,330	148	18,118	25,655	-	209	1,925	-	47	-	50,432
5,086	-	3,444	7,691	-	-	357	-	-	-	16,578
-	-	370	1,093	-	1,042	(34)	167	-	-	2,638
-	-	-	-	-	9,219	-	-	-	-	9,219
(1,005)	(3,358)	(6,601)	(1,243)	-	(91)	(652)	(3,460)	-	-	(16,410)
-	(23,285)	(50,476)	(29,812)	(2,362)	(8,656)	(10,073)	(10,164)	-	-	(134,828)
-	-	(30)	(25)	-	-	(5)	-	-	-	(60)
-	58,685	277,712	259,102	38,612	-	-	-	-	-	634,111
-	-	22,647	-	-	-	-	-	-	-	22,647
-	-	-	-	-	-	-	-	-	(2,211)	(2,211)
23,688	25,556	131,482	9,450	137	13,792	24,207	19,203	7	(247,502)	-
937,619	466,045	2,306,687	2,345,389	281,929	187,970	127,760	92,333	2,689	219,239	6,967,660

Range of estimated useful life in years

unlimited	2 - 145	3 - unlimited	4 - 157	9 - unlimited	7 - 100	5 - 104	1 - 110	unlimited	-	
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* Not previously recognised adjustments as disclosed in Note 26 Restated balances.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2024

12 Trade and other payables

Creditors are recognised when goods or services are received, at the amount owed. Amounts owing are unsecured and are generally settled on 30 day terms.

	Consolidated		Council	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Current				
Trade creditors and accruals	42,940	62,468	42,743	62,332
	<u>42,940</u>	<u>62,468</u>	<u>42,743</u>	<u>62,332</u>

13 Contract liabilities

	Consolidated		Council	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Current				
Funds received upfront to construct Council controlled assets	6,054	9,440	6,054	9,440
	<u>6,054</u>	<u>9,440</u>	<u>6,054</u>	<u>9,440</u>
Non-Current				
Funds received upfront to construct Council Controlled assets	18,162	-	18,162	-
	<u>18,162</u>	<u>-</u>	<u>18,162</u>	<u>-</u>

Revenue recognised that was included in the contract liability balance at the beginning of the year:

	Consolidated	Council
	2024	2024
	\$'000	\$'000
Funds to construct Council controlled assets	8,479	8,479
	<u>8,479</u>	<u>8,479</u>

Satisfaction of contract liabilities:

The contract liabilities in relation to capital grants relate to funding received prior to the work being performed since revenue is recognised as Council constructs the assets. Council expects to recognise the contract liability as income in the next year.



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2024

14 Borrowings

In accordance with the *Local Government Regulation 2012*, Council adopts an annual debt policy that sets out Council's planned borrowings for the next nine years. Council's current policy is to only borrow for capital projects and for a term no longer than the expected life of the asset. Council also aims to comply with the Queensland Treasury Corporation's borrowing guidelines and ensure that sustainability indicators remain within acceptable levels at all times.

Borrowing costs, which include interest calculated using the effective interest method and administration fees, are expensed in the period in which they arise. Costs that are not settled in the period in which they arise are added to the carrying amount of the borrowing. Borrowing costs are treated as an expense, as assets constructed by Council are generally completed within one year and therefore are not considered to be qualifying assets.

	Consolidated		Council	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Current				
Loans - Queensland Treasury Corporation	<u>42,728</u>	<u>40,541</u>	<u>42,728</u>	<u>40,541</u>
Non-current				
Loans - Queensland Treasury Corporation	<u>187,139</u>	<u>229,431</u>	<u>187,139</u>	<u>229,431</u>

The QTC loan market value at the reporting date was \$223,472,331. This represents the value of the debt if Council repaid it as at 30 June 2024.

No assets have been pledged as security by the Council for any liabilities.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2024

15 Provisions

As Council does not have an unconditional right to defer settlement of annual leave beyond twelve months after the reporting date, all annual leave is classified as current.

Council has an obligation to pay sick leave on termination to certain employees and therefore a liability has been recognised for this obligation.

Long service leave

A liability for long service leave is measured as the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date. The value of the liability is calculated using current pay rates and projected future increases in those rates and includes related employee on-costs. The estimates are adjusted for the probability of the employee remaining in Council's employment or other associated employment which would result in Council being required to meet the liability. Adjustments are then made to allow for the proportion of the benefit earned to date, and the result is discounted to present value using the Commonwealth Bond yield rates published on the Reserve Bank of Australia (RBA) website. Long service leave is treated as current where Council does not have an unconditional right to defer settlement beyond twelve months. All other long service leave is treated as non-current.

Restoration and rehabilitation

The provision is made for the cost of restoration in respect of refuse landfill sites and bio-solids composting sites where it is probable Council will be liable, or required, to incur such a cost on the cessation of use of these facilities. The provision is measured at the expected cost of the work required discounted to current day values using an appropriate rate.

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

Infrastructure offsets and credits

Infrastructure offsets occur when infrastructure has been contributed to Council by a developer in lieu of paying infrastructure charges. Terms and conditions surrounding the delivery of the contributed infrastructure and the realisation of the offset are set out in "Infrastructure Agreements" that the Council and the developer(s) enter into. When the value of the contributed infrastructure is greater than what the developer would have paid in infrastructure charges to Council an infrastructure credit results. The credit is recognised when the contributed asset is accepted as "on maintenance" (when Council accepts ownership of the asset) by Council. Once the credit is created the developer is entitled to be refunded that amount in cash or can use it to offset any infrastructure charges for future developments that the developer may undertake.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2024

15 Provisions (continued)

	Consolidated		Council	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Current				
Annual leave	16,971	16,724	16,942	16,704
Long service leave	15,406	14,584	15,406	14,584
Sick leave	647	683	647	683
Other entitlements	1,417	1,315	1,417	1,315
Bio-solids composting site rehabilitation	66	69	66	69
Refuse land fill sites restoration	833	144	833	144
	35,340	33,519	35,311	33,499
Non-current				
Long service leave	6,529	5,381	6,529	5,378
Bio-solids composting site rehabilitation	513	600	513	600
Refuse land fill sites restoration	42,289	46,725	42,289	46,725
Infrastructure credits	418	690	418	690
	49,749	53,396	49,749	53,393

Movements in non-employee benefit provisions:

	Consolidated 2024	Council 2024
	Infrastructure credits \$'000	Infrastructure credits \$'000
Balance at beginning of financial year	690	690
Provisions arising	10,858	10,858
Provisions extinguished	(261)	(261)
Provisions reversed	(2)	(2)
Provisions paid	(10,867)	(10,867)
Balance at end of financial year	418	418

	Consolidated 2024	Council 2024	Consolidated 2024	Council 2024
	Bio-solids composting site rehabilitation \$'000	Bio-solids composting site rehabilitation \$'000	Refuse landfill sites restoration \$'000	Refuse landfill sites restoration \$'000
Balance at beginning of financial year	669	669	46,869	46,869
Amounts used	(19)	(19)	(85)	(85)
Increase due to unwinding of discount	24	24	1,946	1,946
Decrease due to change in estimate	(35)	(35)	-	-
Decrease due to change in discount rate	(10)	(10)	(5,549)	(5,549)
Reversal of unused amounts	(50)	(50)	(59)	(59)
Balance at end of financial year	579	579	43,122	43,122

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2024

15 Provisions (continued)

Site	Expected site closure year	Post closure monitoring cost completion year
Bunya landfill site	2048	2062
Dakabin landfill site	2036	2050
Caboolture landfill site	2044	2058
Ningi landfill site	closed	2032
Woodford landfill site	closed	2032
Bio-solid composting site	closed	2032

16 Other liabilities

	Consolidated		Council	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Current				
Revenue received in advance	1,784	1,013	1,784	1,013
Waste levy refund received in advance	16,703	20,174	16,703	20,174
Prepaid rates	12,730	10,370	12,730	10,370
	<u>31,217</u>	<u>31,557</u>	<u>31,217</u>	<u>31,557</u>
Non-current				
Waste levy refund received in advance	28,520	44,953	28,520	44,953
	<u>28,520</u>	<u>44,953</u>	<u>28,520</u>	<u>44,953</u>

During 2021/22 and 2022/23 the State Government made advance payments of the waste levy refund which represents funding to be used by Council over the period 2023/24 to 2026/27 to ensure the waste levy has no direct impact on households in the region.

Based on the waste levy payable in prior years, the portion of the waste levy refund not applied to the waste levy payment is reported as a liability as at 30 June 2024 and is disclosed as a current and non-current liability.

17 Asset revaluation surplus

The asset revaluation surplus comprises revaluation movements on property, plant and equipment. Movements in the asset revaluation surplus by asset class are disclosed in Note 11(g). The closing balance of the asset revaluation surplus comprised the following asset classes:

	Consolidated		Council	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Land	422,963	404,487	422,963	404,487
Buildings	198,383	198,383	198,383	198,383
Transport infrastructure	210,632	277,712	210,632	277,712
Stormwater infrastructure	1,315,566	1,315,566	1,315,566	1,315,566
Waterways and canals	113,045	117,185	113,045	117,185
	<u>2,260,589</u>	<u>2,313,333</u>	<u>2,260,589</u>	<u>2,313,333</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2024

18 Financial instruments

Council has exposure to the following risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk

Financial risk management

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

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

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

Council does not enter into derivatives.

Credit risk

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

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

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

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

Cash and cash equivalents

The Council may be exposed to credit risk through its investments in the QTC Cash Fund. The QTC Cash Fund is an asset management portfolio that invests with a wide range of high credit rated counterparties. Deposits with the QTC Cash Fund are capital guaranteed. Other investments are held with highly rated/regulated banks and financial institutions and whilst not capital guaranteed, the likelihood of a credit failure is assessed as remote.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2024

18 Financial instruments (continued)

Other non-current financial assets

Other non-current financial assets are held with Queensland Investment Corporation (QIC), which is highly rated and regulated, and whilst not capital guaranteed, the likelihood of a credit failure is considered remote.

Trade and other receivables

In the case of rate receivables, interest is charged on outstanding debts at a rate of 8.00% per annum and Council has the power to sell the property to recover any defaulted amounts and therefore generally for rates debtors the credit risk is low.

In other cases, the Council assesses the credit risk before providing goods or services and applies normal business credit protection procedures to minimise the risk.

By the nature of the Council's operations, there is a geographical concentration of risk in the Council's area. However, the region has a wide variety of industries, reducing the geographical risk.

The Council does not require collateral in respect of trade and other receivables. The Council does not have trade receivables for which no loss allowance is recognised because of collateral.

At 30 June 2024, the exposure to credit risk for trade receivables by type of counterparty was as follows:

	Consolidated		Council	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Rates and utility charges	18,559	18,496	18,559	18,496
GST recoverable	5,867	5,137	5,840	5,109
Associates	702,955	706,128	702,955	706,128
Community organisations	583	579	583	579
Other	26,804	18,778	26,804	18,778
	754,768	749,118	754,741	749,090

A summary of the Council's exposure to credit risk for trade receivables is as follows:

	Consolidated		Council	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Not past due	60,579	67,955	60,552	67,927
Past due 31-60 days	75	3,102	75	3,102
Past due 61-90 days	16,532	4	16,532	4
More than 90 days	557	1,032	557	1,032
Total gross carrying amount	77,743	72,093	77,716	72,065

The above analysis does not include the non-current receivable of \$677.025 million (2023: \$677.025 million), which represents a fixed rate of 4.51% on loans to Unitywater. The credit risk on these loans is considered low. Refer to Note 6 for further information.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2024

18 Financial instruments (continued)

Liquidity risk

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

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

Council is exposed to liquidity risk through its normal course of business and through its borrowings with QTC.

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

Consolidated	0 to 1 year	1 to 5 years	Over 5 years	Total contractual cash flows	Carrying Amount
	\$'000	\$'000	\$'000	\$'000	\$'000
2024					
Trade and other payables	42,939	-	-	42,939	42,940
Loans - QTC	52,131	148,091	60,060	260,282	229,867
	95,070	148,091	60,060	303,221	272,807
2023					
Trade and other payables	62,401	-	-	62,401	62,401
Loans - QTC	52,131	178,748	81,534	312,413	269,972
	114,532	178,748	81,534	374,814	332,373

Council	0 to 1 year	1 to 5 years	Over 5 years	Total contractual cash flows	Carrying Amount
	\$'000	\$'000	\$'000	\$'000	\$'000
2024					
Trade and other payables	42,742	-	-	42,742	42,742
Loans - QTC	52,131	148,091	60,060	260,282	229,868
	94,873	148,091	60,060	303,024	272,610
2023					
Trade and other payables	62,332	-	-	62,332	62,332
Loans - QTC	52,131	178,748	81,534	312,413	269,972
	114,463	178,748	81,534	374,745	332,304

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

Council does not have access to a fixed overdraft facility.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2024

18 Financial instruments (continued)

Market risk

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

Interest rate risk

Council is exposed to interest rate risk through borrowings with QTC and investments through QTC and other financial institutions.

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

Sensitivity

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

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

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

Consolidated	Net carrying amount \$'000	Effect on Net Result		Effect on Equity	
		1% increase \$'000	1% decrease \$'000	1% increase \$'000	1% decrease \$'000
2024					
Cash at bank	29,368	294	(294)	294	(294)
QTC cash fund	65,717	657	(657)	657	(657)
Other investments	188,866	1,889	(1,889)	1,889	(1,889)
Net total	283,951	2,840	(2,840)	2,840	(2,840)
2023					
Cash at bank	33,534	335	(335)	335	(335)
QTC cash fund	58,161	582	(582)	582	(582)
Other investments	294,608	2,946	(2,946)	2,946	(2,946)
Net total	386,303	3,863	(3,863)	3,863	(3,863)

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2024

18 Financial instruments (continued)

Council	Net carrying amount \$'000	Effect on Net Result		Effect on Equity	
		1% increase \$'000	1% decrease \$'000	1% increase \$'000	1% decrease \$'000
2024					
Cash at bank	28,367	284	(284)	284	(284)
QTC cash fund	65,717	657	(657)	657	(657)
Other investments	188,866	1,889	(1,889)	1,889	(1,889)
Net total	282,950	2,830	(2,830)	2,830	(2,830)
2023					
Cash at bank	31,420	314	(314)	314	(314)
QTC cash fund	58,161	582	(582)	582	(582)
Other investments	294,608	2,946	(2,946)	2,946	(2,946)
Net total	384,189	3,842	(3,842)	3,842	(3,842)

In relation to the QTC loans held by the Council, the following has been applied:

QTC Fixed Rate Loan - financial instruments with fixed interest rates which are carried at amortised cost are not subject to interest rate sensitivity.

Fair value

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

The fair value of borrowings with QTC is based on the market value of debt outstanding. The market value of a debt obligation is the discounted value of future cash flows based on prevailing market rates and represents the amount required to be repaid if this was to occur at balance date. The market value of debt is provided by QTC and is disclosed in Note 14.

QTC applies a book rate approach in the management of debt and interest rate risk, to limit the impact of market value movements to clients' cost of funding. The book value represents the carrying value based on amortised cost using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2024

19 Commitments

Contractual commitments for capital expenditure

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

	Consolidated		Council	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Property, plant and equipment	75,667	101,730	75,667	101,730
These expenditures are due for payment:				
Not later than one year	69,755	69,400	69,755	69,400
One to five years	5,912	32,330	5,912	32,330
	75,667	101,730	75,667	101,730

Contractual commitments for operating expenditure

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

	Consolidated		Council	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Waste and maintenance services	218,825	209,971	218,825	209,971
These expenditures are due for payment:				
Not later than one year	61,204	66,298	61,204	66,298
One to five years	114,230	93,363	114,230	93,363
More than five years	43,391	50,310	43,391	50,310
	218,825	209,971	218,825	209,971

Leases as lessor

The following table sets out a maturity analysis of future undiscounted lease payments receivable under the Council's operating leases.

	Consolidated		Council	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Not later than one year	2,619	2,509	2,619	2,509
1 to 2 years	1,425	1,614	1,425	1,614
2 to 3 years	1,174	1,169	1,174	1,169
3 to 4 years	1,120	946	1,120	946
4 to 5 years	975	905	975	905
Later than five years	6,154	6,602	6,154	6,602
Total	13,467	13,745	13,467	13,745



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2024

20 Contingencies

Contingent liabilities

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

Legal claims

Council is subject to a number of compensation claims with regards to the compulsory acquisition of land and contract disputes. Information in respect of individual claims has not been disclosed in accordance with AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* on the basis that Council considers such disclosures would seriously prejudice the outcome of the claims. In total the claims amount to approximately \$9 million (2023: approximately \$11 million).

Local Government Mutual

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

As at 30 June 2023 the financial statements of LGM Queensland reported a members' equity balance of \$71,860,112.

Local Government Workcare

Council is a member of the Queensland local government worker's compensation self-insurance scheme, Local Government Workcare. Under this scheme Council has provided an indemnity towards a bank guarantee to cover bad debts which may remain should the self insurance licence be cancelled and there be insufficient funds available to cover outstanding liabilities. Only the Queensland Government's workers compensation authority may call on any part of the guarantee should the above circumstances arise. Council's maximum exposure to the bank guarantee is \$5,422,537.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2024

21 Superannuation - Regional Defined Benefits Fund

Council contributes to the LGIASuper Regional Defined Benefits Fund (the scheme), at the rate of 12% for each permanent employee who is a defined benefit member. This rate is set in accordance with the LGIASuper trust deed and may be varied on the advice of an actuary. The Regional Defined Benefits Fund is a complying superannuation scheme for the purpose of the Commonwealth Superannuation Industry (Supervision) legislation and is also governed by the *Local Government Act 2009*. The scheme is managed by the LGIASuper trustee as trustee for LGIASuper trading as Brighter Super.

The scheme is a pooled defined benefit plan and it is not in accordance with the deed to allocate obligations, plan assets and costs at the council level.

Any amount by which the scheme is over or under funded may affect future contribution rate obligations, but has not been recognised as an asset or liability of the Council.

Moreton Bay City Council may be liable to the scheme for a portion of another local government's obligations should that local government be unable to meet them. However the risk of this occurring is extremely low and in accordance with the LGIASuper trust deed changes to council's obligations will only be made on the advice of an actuary.

The last completed actuarial assessment of the scheme as required under Superannuation Prudential Standard 160 was undertaken as at 1 July 2021. The actuary indicated that "At the valuation date of 1 July 2021, the net assets of the scheme exceeded the vested benefits and the scheme was in a satisfactory financial position as at the valuation date." The measure of vested benefits represents the value of benefit entitlements should all participating employees voluntarily exit the scheme. The Council is not aware of anything that has happened since that time that indicates the assets of the scheme are not sufficient to meet the vested benefits, as at the reporting date.

No changes have been made to prescribed employer contributions which remain at 12% of employee salary or wages and there are no known requirements to change the rate of contributions.

The next triennial review is not due until 1 July 2024.

The most significant risks that may result in LGIASuper increasing the contribution rate, on the advice of the actuary, are:

Investment risk - The risk that the scheme's investment returns will be lower than assumed and additional contributions are needed to fund the shortfall.

Salary growth risk - The risk that wages or salaries will rise more rapidly than assumed, increasing vested benefits to be funded.

Note	Consolidated		Council	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Superannuation contributions made to the Regional Defined Benefits Fund	533	527	533	527
Other superannuation contributions for employees	22,012	20,166	21,942	20,043
Total superannuation contributions paid by Council for employees:	4(a) 22,545	20,693	22,475	20,570

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2024

22 National competition policy

Business activity to which the code of competitive conduct is applied

Council applies the competitive code of conduct to the following activity:

Waste Function

This requires the application of full cost pricing, identifying the cost of community service obligations (CSO) and eliminating the advantages and disadvantages of public ownership within that activity.

The following activity statements are for activities subject to the competitive code of conduct:

	Waste Function
	2024
Revenue	\$'000
Revenue for services provided to Council	3,367
Revenue for services provided to external clients	74,068
Community service obligations	282
	77,717
Expenditure	71,863
Surplus/(deficiency)	5,854

Community Service Obligations:

The CSO value is determined by Council and represents an activity's cost(s) which would not be incurred if the activity's primary objective was to make a profit. Council provides funding from general revenue to the business activity to cover the cost of providing non-commercial community services or costs deemed to be CSOs by Council.

Activities and CSO Description	2024 \$'000
Waste	
Litter Management	250
Clean Up Australia	32

23 Controlled entity

Council has a 100% controlling interest in Millova Pty Ltd which oversees the strategic direction and investment associated with the Priority Development Area (PDA) at "The Mill" at Petrie. During the upcoming financial year of 2024/25 Council will transition the operational activities of Millova Pty Ltd to Council. Millova Pty Ltd as an entity will cease all operational activities on 27 September 2024.

The following table shows revenue and expenses before consolidating eliminations:

Millova Pty Ltd

	2024 \$'000	2023 \$'000
Revenue	1,269	3,398
Expenses	(2,450)	(3,159)
(Deficit)/surplus	(1,181)	239

24 Events subsequent to balance date

On 27 September 2024, the Council's controlled entity Millova Pty Ltd ceased operations. One employee transitioned to Council employment, while two employees have accepted a voluntary redundancy.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2024

25 Related party transactions

(a) Subsidiary

Council has 100% controlling interest in Millovate Pty Ltd.

Transactions with Millovate Pty Ltd

	2024 \$'000	2023 \$'000
Expenses		
Payment to fund operations	1,000	3,300
	<u>1,000</u>	<u>3,300</u>

Council provides free rental accommodation and administration services to Millovate Pty Ltd, which is financially dependent on Council. All funding support given to Millovate Pty Ltd was agreed to by the Council for the 2023/24 financial year as part of the annual budget process. No Millovate employees are related parties of Council.

(b) Associate

Council has a participating interest in the Northern SEQ Distributor-Retailer Authority (trading as Unitywater) governed by a Participation Agreement.

Transactions with Unitywater

The details of transactions and balances with Unitywater are as follows:

	2024 \$'000	2023 \$'000
Revenue		
Interest on loans	30,534	27,149
Taxation equivalents	19,171	16,330
Dividends	31,879	38,100
Other revenue	202	219
	<u>81,786</u>	<u>81,798</u>
Expenses		
Material and services	12,984	7,589
	<u>12,984</u>	<u>7,589</u>
Amounts receivable		
Interest	7,633	6,787
Dividends	18,297	22,316
Other	28	-
	<u>25,958</u>	<u>29,103</u>
Loans		
Loans	677,025	677,025
	<u>677,025</u>	<u>677,025</u>
Amounts payable		
Material and services	1,705	1,206
Taxation equivalents	176	6,927
	<u>1,881</u>	<u>8,133</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2024

25 Related party transactions (continued)

(b) Associate (continued)

Unitywater operates under an income tax equivalent regime; with all tax paid being distributed to the participating Councils on a pro-rata basis to their participation rights. Income tax equivalent payments from Unitywater are recognised as revenue when the significant risks and rewards related to the corresponding assets have been transferred to Council.

Dividends received by Council from Unitywater are recorded as a reduction in the carrying value of the non-current asset.

Participant loans provide for a fixed interest rate with quarterly interest only payments.

Further detail regarding Unitywater is contained in Note 10 Investment in associate.

(c) Key management personnel

(i) Details of compensation

Key Management Personnel (KMP) are those persons having authority and responsibility for planning, directing and controlling the activities of Council directly or indirectly. The Mayor, Councillors, CEO and the Executive Leadership Team are the KMP of Council for 2023/24 year.

Total compensation for key management personnel of Council is set out below:

	2024 \$'000	2023 \$'000
Short-term benefits	5,434	5,082
Post-employment benefits	520	539
Other long-term benefits	79	73
Termination benefits	138	-
	<u>6,171</u>	<u>5,694</u>

(ii) Transactions with other related parties - KMP's close family members and organisations in which the KMP and/or their close family members have controlling interests (individually or jointly)

Details of transactions between Council and KMP are disclosed below:

	2024 \$'000	2023 \$'000
Expense		
Employee expenses for close family members of KMP ¹	126	114

¹All close family members of key management personnel were employed through an arm's length process. They are paid in accordance with the relevant award for the job they perform. Council employs 2135 staff of which only 1 is a close family member of KMP.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2024

25 Related party transactions (continued)**(d) Outstanding balances**

There were no balances outstanding at the end of reporting period in relation to transactions with related parties.

No expenses has been recognised in the current year or prior year for bad or doubtful debts in respect of amounts owed by related parties.

(e) Loans and guarantees to/from related parties

Apart from its associate (Unitywater) Council does not make loans to or receive loans from related parties. No guarantees have been provided.

(f) Commitments to/from related parties

There were no commitments outstanding at the end of reporting period in relation to transactions with related parties.

(g) Transaction with related parties not disclosed

On a regular basis ordinary citizen transactions occur between Council and its related parties. Examples include rates, use of Council pools, payment of animal registration and library borrowings. Council has not included these types of transactions in its disclosure where they are made on the same terms and conditions available to the general public.

(h) Brighter Super

Information about superannuation is included in Note 21.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2024

26 Restated balances

Contributed assets not previously recognised

During 2023/24, Council identified a prior period error that related to contributed assets that had commission dates prior to 1 July 2023. As a result, for 2022/23 Council had understated its contributed revenue and property, plant and equipment by \$16,578 million and applicable depreciation of \$0.060 million. Prior to 1 July 2022, contributed revenue and property, plant and equipment had been understated by \$1.684 million and applicable depreciation of \$0.064 million.

Consequently to correctly reflect the impacts of the prior period error, Council has retrospectively restated the 2022/23 financial year.

Details of the adjustments impacting financial statement line items are provided below:

Council

30 June 2023 Comparative year

Financial statement line item / balance affected	Note	Actual 2023 \$'000	Adjustments 2023 \$'000	Restated Actual 2023 \$'000
Statement of Comprehensive Income (Extract)				
Capital Revenue				
Grants, subsidies and contributions	3(c)(ii)	144,720	16,578	161,298
Total Income		777,754	16,578	794,332
Recurring Expenses				
Depreciation and amortisation				
Property, plant and equipment	11	(134,828)	(60)	(134,888)
Total Expenses		(582,921)	(60)	(582,981)
NET RESULT		194,833	16,518	211,351
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		828,944	16,518	845,462
Statement of Financial Position (Extract)				
Non-Current Assets				
Property, plant and equipment	11	6,949,522	18,138	6,967,660
Total Non-Current Assets		9,196,426	18,138	9,214,564
Total Assets		9,536,448	18,138	9,554,586
NET COMMUNITY ASSETS		9,029,590	18,138	9,047,728
Community Equity				
Retained surplus		6,716,257	18,138	6,734,395
TOTAL COMMUNITY EQUITY		9,029,590	18,138	9,047,728

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2024

26 Restated balances (continued)

	Note	Actual 2023 \$'000	Adjustments 2023 \$'000	Restated Actual 2023 \$'000
Council				
<i>Statement of Changes in Equity (Extract)</i>				
Retained Surplus				
Balance at 1 July 2022		6,518,786	1,620	6,520,406
Net result		194,833	16,518	211,351
Total comprehensive income for the year		197,471	16,518	213,989
Balance at 30 June 2023		6,716,257	18,138	6,734,395
Consolidated				
30 June 2023 Comparative year				
<i>Statement of Comprehensive Income (Extract)</i>				
Capital Revenue				
Grants, subsidies and contributions	3(c)(ii)	144,720	16,578	161,298
Total Income		777,852	16,578	794,430
Recurring Expenses				
Depreciation and amortisation				
Property, plant and equipment	11	(134,828)	(60)	(134,888)
Total Expenses		(582,781)	(60)	(582,841)
NET RESULT		195,071	16,518	211,589
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		829,182	16,518	845,700
<i>Statement of Financial Position (Extract)</i>				
Non-Current Assets				
Property, plant and equipment	11	6,949,522	18,138	6,967,660
Total Non-Current Assets		9,196,426	18,138	9,214,564
Total Assets		9,538,590	18,138	9,556,728
NET COMMUNITY ASSETS		9,031,573	18,138	9,049,711
Community Equity				
Retained surplus		6,718,240	18,138	6,736,378
TOTAL COMMUNITY EQUITY		9,031,573	18,138	9,049,711
<i>Statement of Changes in Equity (Extract)</i>				
Retained Surplus				
Balance at 1 July 2022		6,520,531	1,620	6,522,151
Net result		195,071	16,518	211,589
Total comprehensive income for the year		197,709	16,518	214,227
Balance at 30 June 2023		6,718,240	18,138	6,736,378



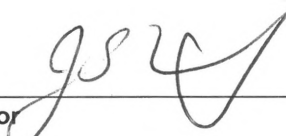
MANAGEMENT CERTIFICATE

For the year ended 30 June 2024

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


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

- (i) the prescribed requirements of the *Local Government Act 2009* and *Local Government Regulation 2012* for the establishment and keeping of accounts have been complied with in all material respects; and
- (ii) the general purpose financial statements, as set out on pages 1 to 45, present a true and fair view, in accordance with Australian Accounting Standards, of the Council's transactions for the financial year and financial position at the end of the year.



Acting Mayor
Jodie Shipway

Date: 8 October 2024



Chief Executive Officer
Scott Waters

Date: 8 October 2024

INDEPENDENT AUDITOR'S REPORT

To the councillors of Moreton Bay City Council

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of Moreton Bay City Council (the council) and its controlled entities (the group).

The financial report comprises the statements of financial position as at 30 June 2024, the statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, notes to the financial statements including material accounting policy information and the certificate given by the Acting Mayor and Chief Executive Officer.

In my opinion, the financial report:

- a) gives a true and fair view of the council's and group's financial position as at 30 June 2024, and of their financial performance for the year then ended; and
- b) complies with the *Local Government Act 2009*, the Local Government Regulation 2012 and Australian Accounting Standards.

Basis for opinion

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

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

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

Other information

The councillors are responsible for the other information.

The other information comprises the information included in the entity's annual report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon.

At the date of this auditor's report, the available other information in Moreton Bay City Council's annual report for the year ended 30 June 2024 was the current year financial sustainability statement, current year financial sustainability statement - contextual ratios and long-term financial sustainability statement.

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

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

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

Responsibilities of the councillors for the financial report

The councillors are responsible for the preparation of the financial report that gives a true and fair view in accordance with *Local Government Act 2009*, the Local Government Regulation 2012 and Australian Accounting Standards, and for such internal control as the councillors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

The councillors are also responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless it is intended to abolish the council or to otherwise cease operations of the group.

Auditor's responsibilities for the audit of the financial report

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

A further description of my responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

https://www.auasb.gov.au/auditors_responsibilities/ar3.pdf

This description forms part of my auditor's report.

Report on other legal and regulatory requirements

In accordance with s. 40 of the *Auditor-General Act 2009*, for the year ended 30 June 2024:

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

Prescribed requirements scope

The prescribed requirements for the establishment and keeping of accounts are contained in the *Local Government Act 2009*, any other Act and the Local Government Regulation 2012.

The applicable requirements include those for keeping financial records that correctly record and explain the council's and the group's transactions and account balances to enable the preparation of a true and fair financial report.



David Adams
as delegate of the Auditor-General

11 October 2024

Queensland Audit Office
Brisbane



CURRENT-YEAR FINANCIAL SUSTAINABILITY STATEMENT
For the year ended 30 June 2024

Measures of Financial Sustainability

Council's performance at 30 June 2024 against key financial ratios and targets:

Type	Measure	Target (Tier 2)	Actual Current Year	5-year Average	Actual Current Year	5-year Average
			Consolidated		Council	
<u>Contextual ratios - Unaudited</u>						
Financial capacity	Council-controlled revenue	N/A	69.1%	67.1%	69.2%	67.1%
	Population Growth	N/A	2.6%	2.1%	2.6%	2.1%
Asset management	Asset renewal funding ratio	N/A	81.4%	N/A	81.4%	N/A
<u>Audited ratios</u>						
Operating performance	Operating surplus ratio	Greater than 0%	3.9%	10.2%	4.0%	10.1%
	Operating cash ratio	Greater than 0%	29.6%	33.6%	29.8%	33.6%
Liquidity	Unrestricted cash expense cover ratio	Greater than 2 months	1.97 months	N/A	1.95 months	N/A
Asset management	Asset sustainability ratio	Greater than 60%	71.0%	66.0%	71.0%	66.0%
	Asset consumption ratio	Greater than 60%	69.7%	71.1%	69.7%	71.1%
Debt servicing capacity	Leverage ratio	0 - 4 times	1.2 times	1.5 times	1.2 times	1.5 times

Note 1 - Basis of Preparation

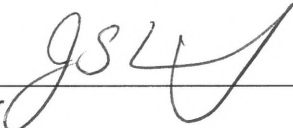
The current year financial sustainability statement is a special purpose statement prepared in accordance with the requirements of the *Local Government Regulation 2012* and the Financial Management (Sustainability) Guideline 2024.



CERTIFICATE OF ACCURACY
For the year ended 30 June 2024


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

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



Acting Mayor
Jodie Shipway

Date: 8 October 2024



Chief Executive Officer
Scott Waters

Date: 8 October 2024

INDEPENDENT AUDITOR'S REPORT

To the Councillors of Moreton Bay City Council

Report on the Current-Year Financial Sustainability Statement

Opinion

I have audited the accompanying current year financial sustainability statement of Moreton Bay City Council for the year ended 30 June 2024, comprising the statement, explanatory notes, and the certificate of accuracy given by the Acting Mayor and the Chief Executive Officer.

In accordance with s.212 of the Local Government Regulation 2012, in my opinion, in all material respects, the current year financial sustainability statement of Moreton Bay City Council for the year ended 30 June 2024 has been accurately calculated.

Basis of opinion

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

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

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

Emphasis of matter – basis of accounting

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

Other Information

The councillors are responsible for the other information.

The other information comprises the information included in the entity's annual report for the year ended 30 June 2024 but does not include the financial sustainability statement and our auditor's report thereon.

At the date of this auditor's report, the available other information in Moreton Bay City Council's annual report for the year ended 30 June 2024 was the general-purpose financial statements, current-year financial sustainability statement - contextual ratios, and the long-term financial sustainability statement.

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

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

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

Responsibilities of the councillors for the current year financial sustainability statement

The councillors are responsible for the preparation and fair presentation of the current year financial sustainability statement in accordance with the Local Government Regulation 2012. The councillors responsibility also includes such internal control as the councillors determine is necessary to enable the preparation and fair presentation of the statement that is accurately calculated and is free from material misstatement, whether due to fraud or error.

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

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

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

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

- Identify and assess the risks of material misstatement of the statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- 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 council's internal control.
- Evaluate the appropriateness of material accounting policy information used and the reasonableness of accounting estimates and related disclosures made by the council.

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



11 October 2024

David Adams
as delegate of the Auditor-General

Queensland Audit Office
Brisbane



LONG-TERM FINANCIAL SUSTAINABILITY STATEMENT
Prepared as at 30 June 2024

Measures of Financial Sustainability

			Actual	Projected for the years ended								
Type	Measure	Target	30 June 2024	30 June 2025	30 June 2026	30 June 2027	30 June 2028	30 June 2029	30 June 2030	30 June 2031	30 June 2032	30 June 2033
Contextual ratios - Unaudited												
Financial capacity	Council-controlled revenue	N/A	69.2%	70.3%	73.5%	75.0%	76.0%	77.2%	78.4%	79.5%	80.6%	81.6%
	Population Growth	N/A	2.6%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%
Asset management	Asset renewal funding ratio	N/A	81.4%	N/A for long-term sustainability statement								
Audited ratios												
Operating performance	Operating surplus ratio	Greater than 0%	4.0%	0.2%	1.1%	1.9%	2.9%	5.2%	5.8%	7.2%	9.0%	11.3%
	Operating cash ratio	Greater than 0%	29.8%	24.7%	25.9%	26.7%	27.5%	29.3%	29.7%	30.4%	31.6%	32.8%
Liquidity	Unrestricted cash expense cover ratio	N/A	1.95 months	N/A for long-term sustainability statement								
Asset management	Asset sustainability ratio	Greater than 60%	71.0%	61.9%	63.1%	66.2%	66.3%	60.5%	68.3%	68.4%	66.8%	63.4%
	Asset consumption ratio	Greater than 60%	69.7%	70.2%	69.8%	69.3%	68.8%	68.4%	68.0%	67.6%	67.2%	66.8%
Debt servicing capacity	Leverage ratio	0 - 4 times	1.2 times	1.5	1.7	2.1	2.3	2.4	2.5	2.3	2.1	1.9

Council's Financial Management Strategy

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

Every financial year the Council must prepare a long term financial forecast in accordance with section 171 of the *Local Government Regulation 2012*. This high level planning document sets the financial sustainability framework in which the Council should operate within the next ten financial years. One of the key outcomes from this planning process is to ensure that the nine relevant measures of financial sustainability that are disclosed (above) are within the target ranges (where applicable) as set by the Department of Housing, Local Government, Planning and Public Works in accordance with the Financial Management (Sustainability) Guideline 2024.

The financial sustainability framework of the long term financial forecast forms the basis for the preparation of the Council's annual budget. The targets set during the long term financial forecast process must be adhered to during the budget process to ensure consistency between the long term forecast planning horizon and the short term annual commitments of the budget. This will place the Council on the path for ensuring future viability and financial sustainability for the region.

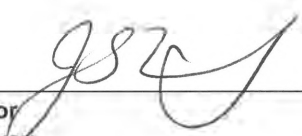


CERTIFICATE OF ACCURACY

For the long-term financial sustainability statement prepared as at 30 June 2024


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

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



Acting Mayor
Jodie Shipway

Date: 8 October 2024



Chief Executive Officer
Scott Waters

Date: 8 October 2024