

# FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

Ipswich City Council Annual Report for 2023-2024

 [ipswich.qld.gov.au/about\\_council/media/corporate\\_publications](https://ipswich.qld.gov.au/about_council/media/corporate_publications)



## General Purpose Financial Statements

for the year ended 30 June 2024

Contents		Page
<b>Primary Financial Statements</b>		
	Statement of Comprehensive Income	3
	Statement of Financial Position	4
	Statement of Changes in Equity	5
	Statement of Cash Flows	6
<b>Notes to the Financial Statements</b>		
1	Information about these financial statements	7
2	Analysis of results by function	9
3	Revenue	11
4	Interest and other income	13
5	Capital income	14
6	Employee benefits	14
7	Materials and services	15
8	Finance costs	15
9	Capital expenses	16
10	Grant expense	16
11	Cash and cash equivalents	17
12	Receivables	18
13	Interest in other entities	20
14	Investment property	22
15	Property, plant and equipment	23
16	Intangible assets	29
17	Contract balances	30
18	Leases	30
19	Payables	33
20	Borrowings	33
21	Provisions	34
22	Other liabilities	35
23	Commitments for expenditure	36
24	Contingent liabilities	36
25	Superannuation – regional defined benefit fund	37
26	Reconciliation of net result for the year to net cash inflow/(outflow) from operating activities	38
27	Reconciliation of liabilities arising from finance activities	38
28	Events after the reporting period	39
29	Financial instruments and financial risk management	39
30	National competition policy	42
31	Controlled entities that have not been consolidated	43
32	Transactions with related parties	44
	<b>Management Certificate</b>	<b>47</b>
	<b>Independent Auditor's Report</b>	<b>48</b>

## General Purpose Financial Statements

for the year ended 30 June 2024

---

Contents	Page
<b>Current Year Financial Sustainability Statement</b>	<b>51</b>
Certificate of Accuracy (audited ratios)	53
Independent Auditor's Report - Current Year Financial Sustainability Statement	54
Certificate of Accuracy (contextual ratios - unaudited)	58
<b>Unaudited Long-Term Financial Sustainability Statement</b>	<b>59</b>
Certificate of Accuracy for Long-Term Financial Sustainability Statement	62

## Statement of Comprehensive Income

for the year ended 30 June 2024

	Notes	2024 \$ '000	2023 \$ '000
<b>Income</b>			
<b>Revenue</b>			
<b>Recurrent revenue</b>			
Rates, levies and charges	3a	259,403	239,023
Fees and charges	3b	39,426	38,319
Sales revenue		4,262	4,152
Grants, subsidies and contributions	3c(i)	6,852	18,958
<b>Total recurrent revenue</b>		<b>309,943</b>	<b>300,452</b>
<b>Capital revenue</b>			
Grants, subsidies and contributions	3c(ii)	180,810	184,727
<b>Total capital revenue</b>		<b>180,810</b>	<b>184,727</b>
<b>Other income</b>			
Interest received	4a	12,083	9,498
Profit from equity accounted investments	13	32,498	24,988
Other income	4b	20,810	19,151
Capital income	5	2,817	746
<b>Total other income</b>		<b>68,208</b>	<b>54,383</b>
<b>Total income</b>		<b>558,961</b>	<b>539,562</b>
<b>Expenses</b>			
<b>Recurrent expenses</b>			
Employee benefits	6	137,718	127,541
Materials and services	7	126,468	118,536
Finance costs	8	13,353	11,525
Depreciation and amortisation:			
Depreciation of property, plant and equipment	15	97,424	80,758
- Intangible assets	16	2,890	3,516
- Right-of-use assets	18	735	727
<b>Total recurrent expenses</b>		<b>378,588</b>	<b>342,603</b>
<b>Other expenses</b>			
Capital expenses	9	36,931	37,897
Grant expense	10	5,035	6,115
<b>Total other expenses</b>		<b>41,966</b>	<b>44,012</b>
<b>Total expenses</b>		<b>420,554</b>	<b>386,615</b>
<b>Net Result</b>		<b>138,407</b>	<b>152,947</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to net result</b>			
Increase/(decrease) in asset revaluation surplus	15	90,359	240,399
Share of comprehensive income of associates	13	(24)	4
Share of other prior period adjustment of associates	13	—	(3,900)
<b>Total other comprehensive income for the year</b>		<b>90,335</b>	<b>236,503</b>
<b>Total comprehensive income for the year</b>		<b>228,742</b>	<b>389,450</b>

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

The above statement excludes transactions and balances of controlled entities. Refer to note 31 for controlled entities that have not been consolidated.



## Statement of Financial Position

as at 30 June 2024

	Notes	2024 \$ '000	2023 \$ '000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	11	126,826	98,990
Investments	11	56,000	119,000
Receivables	12	29,595	29,032
Inventories		2,100	2,244
Contract assets	17	2,305	1,872
Prepayments		3,871	8,292
<b>Total current assets</b>		<b>220,697</b>	<b>259,430</b>
<b>Non-current assets</b>			
Interest in other entities	13	472,406	454,598
Right-of-use asset	18	3,588	4,263
Investment property	14	45,150	32,633
Property, plant and equipment	15	3,797,553	3,532,109
Intangible assets	16	8,198	10,098
<b>Total non-current assets</b>		<b>4,326,895</b>	<b>4,033,701</b>
<b>Total assets</b>		<b>4,547,592</b>	<b>4,293,131</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Payables	19	61,466	46,125
Contract liabilities	17	8,541	11,062
Borrowings	20	46,686	42,172
Lease liabilities	18	747	600
Provisions	21	28,899	26,697
Other liabilities	22	15,633	15,595
<b>Total current liabilities</b>		<b>161,972</b>	<b>142,251</b>
<b>Non-current liabilities</b>			
Borrowings	20	355,990	341,180
Lease liabilities	18	2,689	3,513
Provisions	21	3,095	2,848
Other liabilities	22	14,859	23,094
<b>Total non-current liabilities</b>		<b>376,633</b>	<b>370,635</b>
<b>Total liabilities</b>		<b>538,605</b>	<b>512,886</b>
<b>Net community assets</b>		<b>4,008,987</b>	<b>3,780,245</b>
<b>Community equity</b>			
Asset revaluation surplus		997,664	907,305
Retained surplus		3,011,323	2,872,940
<b>Total community equity</b>		<b>4,008,987</b>	<b>3,780,245</b>

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

## Statement of Changes in Equity

for the year ended 30 June 2024

	Notes	Asset revaluation surplus \$ '000	Retained surplus \$ '000	Total equity \$ '000
<b>Opening balance</b>		907,305	2,872,940	3,780,245
<b>Net result</b>		–	138,407	138,407
<b>Other comprehensive income</b>				
- Increase/(decrease) in asset revaluation surplus	15	90,359	–	90,359
- Share of comprehensive income of associates	13	–	(24)	(24)
<b>Other comprehensive income</b>		90,359	(24)	90,335
<b>Total comprehensive income</b>		90,359	138,383	228,742
<b>Balance as at 30 June 2024</b>		997,664	3,011,323	4,008,987
<b>Opening balance</b>		666,906	2,723,889	3,390,795
<b>Net result</b>		–	152,947	152,947
<b>Other comprehensive income</b>				
- Increase/(decrease) in asset revaluation surplus	15	240,399	–	240,399
- Share of comprehensive income of associates	13	–	4	4
- Share of other prior period adjustment of associates	13	–	(3,900)	(3,900)
<b>Other comprehensive income</b>		240,399	(3,896)	236,503
<b>Total comprehensive income</b>		240,399	149,051	389,450
<b>Balance as at 30 June 2023</b>		907,305	2,872,940	3,780,245

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

## Statement of Cash Flows

for the year ended 30 June 2024

	Notes	2024 \$ '000	2023 \$ '000
<b>Cash flows from operating activities</b>			
Receipts from customers		330,856	316,307
Payments to suppliers and employees		(275,470)	(249,508)
		<u>55,386</u>	<u>66,799</u>
<b>Receipts</b>			
Urban Utilities tax equivalents		11,657	10,573
Interest received		13,015	7,440
Non capital grants and contributions		6,852	18,958
<b>Payments</b>			
Borrowing costs		(13,358)	(11,464)
Grant expense		(5,035)	(6,115)
<b>Net cash inflow/(outflow) from operating activities</b>	26	<u>68,517</u>	<u>86,191</u>
<b>Cash flows from investing activities</b>			
<b>Receipts</b>			
Proceeds from financial assets		63,000	–
Proceeds from sale of property, plant and equipment		626	1,415
Capital grants, subsidies, contributions and donations		98,270	80,098
Distributions received from associates		14,666	15,889
<b>Payments</b>			
Payments for financial assets		–	(103,000)
Payments for investment property		(41,049)	(20,740)
Payments for property, plant and equipment		(193,494)	(178,040)
Payments for intangible assets		(1,287)	(1)
<b>Net cash inflow/(outflow) from investing activities</b>		<u>(59,268)</u>	<u>(204,379)</u>
<b>Cash flows from financing activities</b>			
<b>Receipts</b>			
Proceeds from borrowings		61,000	83,400
<b>Payments</b>			
Repayment of borrowings		(41,676)	(81,699)
Repayments made on leases (principal only)		(737)	(600)
<b>Net cash inflow/(outflow) from financing activities</b>		<u>18,587</u>	<u>1,101</u>
<b>Net increase/(decrease) in cash and cash equivalents held</b>		<u>27,836</u>	<u>(117,087)</u>
plus: cash and cash equivalents - beginning		98,990	216,077
<b>Cash and cash equivalents at the end of the financial year</b>	11	<u>126,826</u>	<u>98,990</u>

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

## Notes to the Financial Statements

for the year ended 30 June 2024

### Note 1. Information about these financial statements

---

#### (a) Basis of preparation

The Ipswich City Council 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 and have been prepared in accordance with the requirements of the *Local Government Act 2009*, *Local Government Regulation 2012*, Australian Accounting Standards, Australian Accounting Interpretations and other pronouncements issued by the Australian Accounting Standards Board.

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

These financial statements have been prepared under the historical cost convention, except as stated.

#### (b) Controlled entities

The council and its controlled entities together form the economic entity. Controlled entities have not been consolidated because they are not considered material. All of council's controlled entities are audited by the Auditor-General of Queensland. Refer to note 31.

#### (c) New and revised Accounting Standards adopted during the year

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 revision to *AASB 101 Presentation of Financial Statements* resulted in disclosure of material accounting policy information only, rather than all 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 related to an area for which a council is required to make significant judgements or assumptions in applying an accounting policy, and council discloses these judgements or assumptions in the financial statements.
- e) the accounting required for them is complex and users of these council's financial statements would otherwise not understand those material transactions, other events or conditions.

#### (d) Standards issued by the AASB not yet effective

The AASB has issued Australian Accounting Standards and Interpretations which are not effective at 30 June 2024. These standards have not been adopted by council and will be included in the financial statements on their effective date.

Council has considered all standards issued not yet effective and determined that they will not have a material impact on the future reported financial position or performance.

#### (e) Estimates and judgements

The financial statements are subject to the use of estimates and judgements. The estimates and judgements that have a significant effect or risk of causing an adjustment to the carrying amounts of assets and liabilities relate to:

- Revenue recognition - note 3
- Valuation of investment property - note 14
- Valuation and depreciation of property, plant & equipment - note 15
- Provisions - note 21
- Contingent liabilities - note 24

## Notes to the Financial Statements

for the year ended 30 June 2024

### Note 1. Information about these financial statements (continued)

---

#### (f) Rounding and comparatives

Comparative information is generally restated for reclassifications, errors and changes in accounting policies unless permitted otherwise by transition rules in a new accounting standard.

The financial statements are in Australian dollars and have been rounded to the nearest \$1,000 or, where the amount is \$500 or less, to zero, unless otherwise stated.

The council uses the Australian Dollar as its functional currency and its presentation currency.

#### (g) Volunteer services

Council considers volunteer services as community or value add services for the Ipswich area. However, council does not recognise revenue from volunteer services, as council would not have purchased the services if not donated and it is not considered material.

#### (h) Taxation

Council is exempt from income tax, however council is subject to Fringe Benefits Tax, Goods and Services Tax (GST) and Payroll Tax on certain activities. The net amount of GST recoverable from the 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

### Note 2. Analysis of results by function

---

#### (a) Components of council functions

Details relating to the council's functions / activities as reported in Note 2(b) are as follows:

##### **Executive Department**

This department works across council leading, advising, coordinating and monitoring the delivery of council's objectives for the community. This is performed in the branch areas of performance (program management, corporate planning and external grants); and executive services to our elected representatives.

##### **Corporate Services Department**

This department assists council across a wide range of areas to ensure its outcomes are met, particularly in relation to expenditure and financial management. The department also manages the rules, relationships, policies, people and culture, information technology, systems and processes within council, ensuring compliance is exercised and maintained.

##### **Community, Cultural and Economic Development Department**

This department's primary objective is to strengthen and contribute to the sense of community, engagement with the community through media and corporate communications, and to enhance the lives of the city's residents and visitors through implementation and development of innovative programs and services.

##### **Asset and Infrastructure Services Department**

This department manages council's roads, traffic systems, buildings, parks, drains and natural areas. This department is focused on planning, designing, delivering and maintaining key infrastructure to cater for Ipswich's current and ever-growing population. Our capital works program reflects our community vision and priorities, ensuring we deliver a safe, inclusive and connected community that keeps our city growing and protects the environment we all value.

##### **Environment and Sustainability Department**

This department is responsible for the strategic planning and management of natural resources, resource recovery (Waste operations and transfer stations), emergency management and sustainability within Ipswich. This department plays the lead role in ensuring that the city's natural environment is protected and enhanced, the city and council operates sustainably, the community is prepared and resilient to climate change and natural disasters, and that council provides complete waste and resource recovery services to residents and business.

##### **Planning and Regulatory Services Department**

This department's objective is to manage growth and development in a socially, ecologically and economically sustainable way to meet the needs of the community. Also, the department's objective is to ensure the health, environment and safety of the city is protected and enhanced through the utilisation of reasonable and appropriate compliance approaches.

##### **Ipswich Waste Services**

Ipswich Waste Services is a commercialised waste services business activity within council. Primarily funded from the waste management utility charge, the overall objective is to provide commercially focused waste services to the community in accordance with the Charter and Establishment Agreement, the Customer Charter and the Annual Operating Agreement.

Notes to the Financial Statements

for the year ended 30 June 2024

Note 2. Analysis of results by function (continued)

(b) Income, expenses and assets attributed to Council functions

Functions	Gross program income			Gross program expenses			Net result from operations			Total assets \$ '000	
	Recurring grants \$ '000	Recurring other \$ '000	Capital grants \$ '000	Capital other \$ '000	Total income \$ '000	Recurring \$ '000	Capital \$ '000	Total expenses \$ '000	Net result \$ '000		
<b>2024</b>											
Executive Department*	470	2,478	-	3,258	6,206	(23,005)	(31,790)	(54,795)	(20,057)	(48,588)	262,777
Corporate Services Department	484	277,239	-	-	277,723	(68,336)	(226)	(68,562)	209,387	209,161	26,487
Community, Cultural and Economic Development Department	3,227	4,114	-	1,826	9,167	(49,269)	(74)	(49,343)	(41,928)	(40,176)	21,936
Asset and Infrastructure Services Department*	1,324	29,116	80,379	98,178	208,997	(183,701)	(7,480)	(191,181)	(153,261)	17,816	3,512,915
Environment and Sustainability Department*	396	7,141	2	-	7,539	(9,360)	(2,386)	(11,746)	(1,823)	(4,207)	10,357
Planning and Regulatory Services Department	593	22,025	-	-	22,618	(27,541)	-	(27,541)	(4,923)	(4,923)	5,608
Ipswich Waste Services	260	60,217	-	(16)	60,461	(51,126)	(10)	(51,136)	9,351	9,325	17,345
Eliminations and Unallocated Assets	-	(33,750)	-	-	(33,750)	33,750	-	33,750	-	-	690,167
<b>Total *</b>	<b>6,754</b>	<b>368,580</b>	<b>80,381</b>	<b>103,246</b>	<b>558,961</b>	<b>(378,588)</b>	<b>(41,966)</b>	<b>(420,554)</b>	<b>(3,254)</b>	<b>138,407</b>	<b>4,547,592</b>
<b>2023</b>											
Coordination and Performance Department*	-	-	-	-	-	(5,979)	(3)	(5,982)	(5,979)	(5,982)	262
Corporate Services Department	7,877	251,094	-	289	259,260	(75,742)	(19,524)	(95,266)	183,229	163,994	192,595
Community, Cultural and Economic Development Department	3,056	4,025	-	2,533	9,614	(41,850)	(131)	(41,981)	(34,769)	(32,367)	11,874
Infrastructure and Environment Department*	7,542	32,265	44,760	137,885	222,452	(176,289)	(24,056)	(200,345)	(136,482)	22,107	3,295,579
Planning and Regulatory Services Department	166	21,737	-	-	21,903	(25,985)	(277)	(26,262)	(4,082)	(4,359)	1,760
Ipswich Waste Services	101	55,462	-	6	55,569	(45,994)	(21)	(46,015)	9,569	9,554	22,784
Eliminations and Unallocated Assets	-	(29,236)	-	-	(29,236)	29,236	-	29,236	-	-	768,277
<b>Total *</b>	<b>18,742</b>	<b>335,347</b>	<b>44,760</b>	<b>140,713</b>	<b>539,562</b>	<b>(342,603)</b>	<b>(44,012)</b>	<b>(386,615)</b>	<b>11,486</b>	<b>152,947</b>	<b>4,293,131</b>

(\*) Council adopted a new organisational structure in May 2023 which resulted in the establishment of the Executive, Asset and Infrastructure Services and Environment and Sustainability Departments and the disbandment of the Coordination and Performance and Infrastructure and Environment Departments. Whilst the organisational reporting structure became effective from May 2023, the financial reporting structure became effective from July 2023.

## Notes to the Financial Statements

for the year ended 30 June 2024

## Note 3. Revenue

	2024	2023
	\$ '000	\$ '000
<b>(a) Rates, levies and charges</b>		
General rates and charges	226,090	208,957
Garbage charges	40,482	37,220
Property related charges	5,389	5,114
<b>Total rates and utility charge revenue</b>	<b>271,961</b>	<b>251,291</b>
Less: discounts	(10,065)	(9,871)
Less: pensioner remissions	(2,493)	(2,397)
<b>Total rates, levies and charges</b>	<b>259,403</b>	<b>239,023</b>

Rates and annual charges are recognised as revenue at 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.

**(b) Fees and charges**

	2024	2023
	\$ '000	\$ '000
Town planning and development charges	17,130	16,673
Traffic regulation fees and charges	3,730	3,210
Refuse fees	12,823	12,680
Health regulation and animal control	2,405	2,641
Other administrative charges	2,255	2,045
Other fees and charges	1,083	1,070
<b>Total fees and charges</b>	<b>39,426</b>	<b>38,319</b>

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 or 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, upon lodgement of the relevant application or documents. 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.

Revenue from infringements is recognised on issue of infringement notice after applying the expected credit loss model relating to impairment of receivables for initial recognition of statutory receivables.

**(c) Grants, subsidies, contributions and donations**

	2024	2023
	\$ '000	\$ '000
<b>(i) Operating</b>		
General purpose grants	383	9,882
State government subsidies and grants	4,445	7,108
Commonwealth government subsidies and grants	1,926	1,752
Contributions	98	216
<b>Total recurrent grants, subsidies, contributions and donations</b>	<b>6,852</b>	<b>18,958</b>

## Notes to the Financial Statements

for the year ended 30 June 2024

## Note 3. Revenue (continued)

	2024 \$ '000	2023 \$ '000
<b>(ii) Capital</b>		
State government subsidies and grants	73,912	39,476
Commonwealth government subsidies and grants	6,469	5,284
Developer contributions - for capital purposes	17,889	35,338
Contributions of physical assets	82,540	104,629
<b>Total capital grants, subsidies, contributions and donations</b>	<b>180,810</b>	<b>184,727</b>

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

	2024		2023	
	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	7,614	79,521	19,583	43,919
Contributions	17,987	-	35,554	-
Contributions of physical assets	82,540	-	104,629	-
	<b>108,141</b>	<b>79,521</b>	<b>159,766</b>	<b>43,919</b>

**General purpose grants**

In the 2023 financial year council received an advance payment of the Financial Assistance Grant of \$8.2m, which is used for general purposes. In 2024 council did not receive an advance payment of the grant.

**Grant income under AASB 15**

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

The performance obligations vary in each agreement but include completion of deliverables or services. Payment terms vary depending on the terms of the grant, cash is received upfront for some grants and on the achievement of certain payment milestones for others.

Each performance obligation is considered to ensure that the revenue recognition reflects the transfer of control. 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, related liability (or equity items) is recorded, and income is recognised for any remaining asset value at the time that the asset is received.

**Donations and contributions**

Donations and contributions are generally recognised on receipt of the asset since there are no enforceable performance obligations.

Assets arising from grants in the scope of AASB 1058 are recognised at the assets fair value when the asset is received. Physical assets contributed to council by developers in the form of land, road works, stormwater and park equipment are recognised as revenue when council obtains control of the asset and there is sufficient data in the form of drawings and plans to determine the approximate specifications and values of such assets. Non-cash contributions with a value in excess of the recognition thresholds are recognised as non-current assets. Those below the thresholds are recorded as expenses.

## Notes to the Financial Statements

for the year ended 30 June 2024

## Note 3. Revenue (continued)

Council considers whether there are any related liability or equity items associated with the asset which are recognised in accordance with the relevant accounting standard.

Once the assets and liabilities have been recognised then income is recognised for any remaining asset value at the time that the asset is received.

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

**Capital grants**

Capital grants received to enable council to acquire or construct an item of property, plant and equipment to identified specifications, which will be under council's control, and which is enforceable are recognised as revenue as and when the obligation to construct or purchase is completed. For construction projects, this is generally as the construction progresses in accordance with costs incurred since this is deemed to be the most appropriate measure of the completeness of the construction project as there is no profit margin.

## Note 4. Interest and other income

	2024 \$ '000	2023 \$ '000
<b>(a) Interest received</b>		
Interest received from investments	10,659	9,012
Interest from overdue rates and utility charges	1,424	486
<b>Total interest received</b>	<b>12,083</b>	<b>9,498</b>
<b>(b) Other income</b>		
Dividend	—	247
Other sundry receipts	5,857	6,211
Rental of facilities	3,296	2,120
Urban Utilities tax equivalents revenue	11,657	10,573
<b>Total other income</b>	<b>20,810</b>	<b>19,151</b>



## Notes to the Financial Statements

for the year ended 30 June 2024

## Note 5. Capital income

	Notes	2024 \$ '000	2023 \$ '000
<b>(a) Gain / loss on disposal of non-current assets</b>			
Proceeds from the disposal of property, plant and equipment		626	1,402
Less: carrying value of disposed property, plant and equipment	15	(1,066)	(945)
		<b>(440)</b>	<b>457</b>
Proceeds from the disposal of artworks		–	13
Less: carrying value of disposed artworks	15	–	(13)
		<b>–</b>	<b>–</b>
<b>(b) Revaluations</b>			
Revaluation increment relating to investment property	14	3,257	289
		<b>3,257</b>	<b>289</b>
<b>Total capital income</b>		<b>2,817</b>	<b>746</b>

## Note 6. Employee benefits

	Notes	2024 \$ '000	2023 \$ '000
Wages and salaries		120,722	112,147
Councillors remuneration		1,286	1,248
Annual, sick and long service leave entitlements		14,863	14,123
Superannuation	25	15,519	13,993
Workers compensation insurance		1,837	1,200
Fringe benefits tax (FBT)		94	83
Termination benefits		588	293
		<b>154,909</b>	<b>143,087</b>
Less: capitalised employee expenses		(17,191)	(15,546)
<b>Total employee benefits</b>		<b>137,718</b>	<b>127,541</b>

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

Further compensation details are disclosed in Note 32(c) for key management personnel.

## Notes to the Financial Statements

for the year ended 30 June 2024

## Note 7. Materials and services

	2024	2023
	\$ '000	\$ '000
Advertising, marketing and promotion	1,841	2,021
Audit fees	398	335
Communications	1,326	1,356
Consultants	5,734	7,313
Service contracts	44,445	38,953
Contractors	6,298	5,453
Donations paid	1,571	1,496
Repairs and maintenance	11,992	10,262
Insurance	2,084	2,114
Goods and services	26,157	28,329
Legal	1,973	1,887
Materials	5,475	5,548
Utilities	11,170	10,336
Rentals	2,201	2,866
General expenses	5,230	3,080
Bad debts written off	590	156
Less: capitalised expenses	(2,017)	(2,969)
<b>Total materials and services</b>	<b>126,468</b>	<b>118,536</b>

Total audit fees quoted by the Queensland Audit Office relating to the 2023-24 financial statements are \$360,000. While in 2023, total audit fees were \$319,000.

## Note 8. Finance costs

	2024	2023
	\$ '000	\$ '000
Finance costs charged by the Queensland Treasury Corporation	12,643	10,912
Bank charges	667	563
Interest on leases	43	50
<b>Total finance costs</b>	<b>13,353</b>	<b>11,525</b>

## Notes to the Financial Statements

for the year ended 30 June 2024

## Note 9. Capital expenses

**(a) Provision for restoration costs**

Restoration of landfill sites		2,386	(669)
		<u>2,386</u>	<u>(669)</u>

**(b) Revaluation decrement**

Downwards revaluation of investment property	14	31,789	19,461
		<u>31,789</u>	<u>19,461</u>

**(c) Other capital expenses**

Loss on write-off of assets		2,756	19,105
		<u>2,756</u>	<u>19,105</u>

Total capital expenses		<u>36,931</u>	<u>37,897</u>
------------------------	--	---------------	---------------

## Note 10. Grant expense

	2024	2023
	\$ '000	\$ '000
<b>Grant expense</b>		
Grant expense - for capital purposes	5,035	6,115
<b>Total grant expense</b>	<u>5,035</u>	<u>6,115</u>

The Voluntary Home Buy Back funding was used to acquire flood affected properties. A grant expense is recognised for the difference between the acquisition price and the post-flood valuation.

## Notes to the Financial Statements

for the year ended 30 June 2024

## Note 11. Cash and cash equivalents

	2024	2023
	\$ '000	\$ '000
<b>Cash and cash equivalents</b>		
Cash at bank and on hand	4,910	11,690
Deposits at call	121,916	87,300
<b>Total cash and cash equivalents</b>	<b>126,826</b>	<b>98,990</b>
<b>Investments</b>		
Term deposits	56,000	119,000
<b>Total investments</b>	<b>56,000</b>	<b>119,000</b>
Cash and investments available for council	182,826	217,990
Less: externally and internally imposed restrictions on cash	(29,302)	(37,624)
<b>Unrestricted cash</b>	<b>153,524</b>	<b>180,366</b>

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

These include:

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

Unspent government grants and subsidies	204	487
Waste levy received in advance	23,415	31,825
<b>Total externally imposed restrictions on cash assets</b>	<b>23,619</b>	<b>32,312</b>

**Internal allocations of cash at the reporting date:**

Future recurrent expenditure	5,683	5,312
<b>Total internally allocated cash</b>	<b>5,683</b>	<b>5,312</b>
<b>Total restricted cash</b>	<b>29,302</b>	<b>37,624</b>

Cash, deposits at call and investments are held with financial institutions with a credit rating AA+ to AA-.

Investments in the form of fixed term deposits are carried at amortised cost as they meet the test of solely payments of principal and interest (SPPI). All term deposits are held to maturity.

Investments intended to be held longer than 12 months are non-current. Council policy limits the total amount of investments permitted to be lodged with any one financial institution to not more than 25% (except in the case of the Queensland Treasury Corporation (QTC) cash fund which shall not be limited) of total investments with authorised financial institutions. This policy is part of council's overall strategy to minimise exposure to interest rate and credit risk whilst pursuing higher investment returns.

Investments in financial instruments are invested with QTC or similar State/Commonwealth financial institutions in Australia.

## Notes to the Financial Statements

for the year ended 30 June 2024

## Note 11. Cash and cash equivalents (continued)

	2024	2023
	\$ '000	\$ '000
<b>Trust funds</b>		
<b>Trust funds held for outside parties</b>		
Monies collected or held on behalf of other entities	27,861	29,278
Water and sewerage contributions held on behalf of Urban Utilities	8,392	12,846
Security deposits	812	790
	<b>37,065</b>	<b>42,914</b>

In accordance with the *Local Government Act 2009* and *Local Government Regulation 2012*, a separate bank account and separate accounting records are maintained for funds held on behalf of outside parties.

External trust fund monies include security and bond deposits lodged to guarantee performance, contract and tender deposits, unclaimed monies resulting from un-presented cheques, and water and sewerage contributions to be forwarded to Urban Utilities at month end.

Council performs only a custodial role in respect of these monies. As these funds cannot be used by the council, they are not brought to account in these financial statements.

## Note 12. Receivables

	2024	2023
	\$ '000	\$ '000
<b>Current</b>		
Trade and accrued debtors	13,041	13,327
Rates and charges	11,126	9,136
Lease receivable	439	241
GST recoverable	3,428	3,831
- Interest on debts	1,265	679
- Interest on investments	1,259	2,191
Loss allowance - Trade debtors	(963)	(373)
<b>Total current receivables</b>	<b>29,595</b>	<b>29,032</b>

**Movement in accumulated impairment losses is as follows:**

Opening balance at 1 July	373	238
Add		
Additional impairments recognised	1,381	391
Less		
Impairment debts written off during the year	-	2
Impairments reversed	(791)	(258)
<b>Balance at the end of the year</b>	<b>963</b>	<b>373</b>



## Notes to the Financial Statements

for the year ended 30 June 2024

## Note 12. Receivables (continued)

Receivables are amounts owed to council at year end. They are recognised at the amounts due at the time of sale or service delivery. Settlement is generally within 30 days from the invoice date. The collectability of receivables is assessed periodically for impairment. All known bad debts were written-off at 30 June. Refer also to Note 29 for further information about credit risk.

Council is empowered under the provisions of the *Local Government Act 2009* to sell an owner's property to recover outstanding rate debts 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.

Interest is charged on outstanding rates (11.64% per annum from 1 July 2023, previously 8.17% per annum). No interest is charged on other debtors. There is no concentration of credit risk for rates and utility charges, fees and other debtors receivable.

*Expected credit loss assessment*

The council uses an allowance matrix to measure the expected credit losses of trade receivables from individual customers, which comprise a very large number of small balances. Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off.

Loss rates are based on actual credit loss experience over the past ten years. These rates are multiplied by factors which reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the council's view of economic conditions over the expected lives of the receivables.

The following table provides information about the exposure to credit risk and expected losses for trade receivables from individual customers as at the 30 June 2024.

2024	Closing balance	Historical probability of default	Loss given default	Lifetime expected credit loss
Ageing	\$ '000	%	%	\$ '000
<b>Trade receivables</b>				
Current	1,213	5.06%	100%	61
1-30 days overdue	387	5.06%	100%	20
31-60 days overdue	149	22.01%	100%	33
61-90 days overdue	36	100.00%	100%	36
90+ days overdue	813	100.00%	100%	813
<b>Total</b>	<b>2,598</b>			<b>963</b>

2023	Closing balance	Historical probability of default	Loss given default	Lifetime expected credit loss
Ageing	\$ '000	%	%	\$ '000
<b>Trade receivables</b>				
Current	1,305	4.44%	100%	58
1-30 days overdue	379	4.44%	100%	17
31-60 days overdue	67	19.82%	100%	13
61-90 days overdue	100	100.00%	100%	100
90+ days overdue	185	100.00%	100%	185
<b>Total</b>	<b>2,036</b>			<b>373</b>

## Notes to the Financial Statements

for the year ended 30 June 2024

## Note 13. Interest in other entities

Council has incorporated the following associates into its financial statements.

**Net carrying amounts – council's share**

	Nature of relationship	Measurement method	2024 \$ '000	2023 \$ '000
Urban Utilities	Associate	Equity	472,306	454,498
SEQ Regional Recreational Facilities Pty Ltd	Investment	Equity	100	100
<b>Total carrying amounts</b>			<b>472,406</b>	<b>454,598</b>

Entity	Trading Name	Nature of relationship	Measurement method	Place of business	Interest in ownership
Central SEQ Distributor - Retailer Authority	Urban Utilities	Associate	Equity	Brisbane	12.222%
SEQ Regional Recreational Facilities Pty Ltd	SEQ Regional Recreational Facilities Pty Ltd	Investment	Equity	Brisbane	12.5%
Greenovate Pty Ltd	Greenovate Pty Ltd	Associate	Equity	Brisbane	35%

**Greenovate Pty Ltd (Material Recovery Facility)**

Ipswich City Council, Logan City Council and Redland City Council are in a sub-regional alliance to establish a new Material Recovery Facility (MRF) to receive, sort and process the contents of the yellow lid recycling bins. On 20 June 2019 the Australian Competition and Consumer Commission (ACCC) authorised the sub-regional alliance to collectively tender for waste processing services. Joint funding applications have been made for South East Queensland City Deals funding and for funding through the Queensland Recycling Modernisation Fund.

In October 2023, the Logan, Ipswich and Redland City Councils (the Councils) each resolved to establish Greenovate Pty Ltd as a beneficial enterprise pursuant to Section 40 of the *Local Government Act 2009* as the special purpose vehicle through which the Councils would enter into a design, build, operate and maintain (DBOM) contract for a Material Recovery Facility (MRF) - subject to the execution of an acceptable funding agreement from the State Government.

Greenovate Pty Ltd has been legally established and as at 30 June 2024 the Councils have the following ownership (ordinary shares) and voting rights:

Interests	Ownership as per agreement	Voting rights
Logan City Council	48%	33.33%
Ipswich City Council	35%	33.33%
Redland City Council	17%	33.33%

Greenovate Pty Ltd has prepared separate financial statements which have been audited by the Queensland Audit Office and are published for viewing on each respective council's website.

Greenovate's assets and liabilities have not been included as council's holding is only \$1 (Refer to Note 28).

**Urban Utilities**

Council holds participation rights of 12.222% in Urban Utilities which is a minority interest. Council is considered to have a significant influence over Urban Utilities and as such these assets are considered to be an investment in an associate. In applying the equity method the investment in Urban Utilities is initially recognised at cost and adjusted thereafter to recognise council's share of the net profit and other comprehensive income of Urban Utilities. Developer contributions for water and sewerage are held in trust and forwarded to Urban Utilities at month end.

## Notes to the Financial Statements

for the year ended 30 June 2024

## Note 13. Interest in other entities (continued)

	2024 \$ '000	2023 \$ '000
<b>Reconciliation of the carrying amount</b>		
Opening net assets (1 July)	454,498	449,295
Prior period adjustment	—	(3,900)
Profit/(loss) for the period	32,498	24,988
Participation return paid	(14,666)	(15,889)
Share of other comprehensive income	(24)	4
<b>Closing net assets</b>	<b>472,306</b>	<b>454,498</b>
<b>Extract from the associate's statement of financial position</b>		
Current assets	443,939	368,278
Non-current assets	7,006,787	6,761,164
Current liabilities	345,023	337,833
Non-current liabilities	3,241,321	3,072,934
<b>Net assets</b>	<b>3,864,382</b>	<b>3,718,675</b>
<b>Extract from the associate's statement of comprehensive income</b>		
Revenue	1,648,209	1,508,048
Net Profit	265,903	204,446
Other comprehensive income	(198)	36
<b>Total comprehensive income</b>	<b>265,705</b>	<b>204,482</b>
<b>Transactions with associate</b>		
Amounts paid or payable by council to Urban Utilities	4,112	2,962
Tax received and receivable (Urban Utilities operates under a tax equivalent regime)	11,657	10,573
Participation return received and accrued	14,666	15,889
Water and sewerage contributions held in trust and forwarded to Urban Utilities at month end	8,392	12,846
All amounts are exclusive of GST.		

## Notes to the Financial Statements

for the year ended 30 June 2024

## Note 14. Investment property

	2024	2023
	\$ '000	\$ '000
Fair value at beginning of financial year	32,633	31,065
Revaluation adjustment to the income account	(28,532)	(19,172)
Additions	41,049	20,740
<b>Total investment property</b>	<b>45,150</b>	<b>32,633</b>

Investment properties are located at 2 Bell Street Ipswich, 18-24 Nicholas Street, 19-25 Nicholas Street, 163 Brisbane Street and 5 Union Place Ipswich. Council's intention is to earn income from these properties.

Investment property is initially recognised at cost (including transaction costs) and subsequently at fair value. Investment property is revalued each financial year.

All investment properties were independently valued by Australis Asset Advisory Group on 30 June 2024. They were valued using the income approach. The income approach measures the fair value based on income/cash flows with reference to market expectations about those future amounts of income. The income approach factored in assumptions of terminal yield, contingencies, outgoings, market analysed rental yield and discount rates.

The previous valuer used the sales comparison approach based on sales prices of comparable land sales in close proximity adjusted for differences in key attributes. This approach was applied due to the investment properties still being constructed or nearing the completion of construction.

Investment buildings under construction are included within the investment property category of nil (2023: Nil). Investment buildings under construction are measured at fair value, unless fair value cannot be reliably determined for an individual property (in which case, the property is measured at cost until fair value can be reliably determined). Impairment of investment buildings under construction has been recorded when the estimated carrying amount exceeds the estimated recoverable amount. The impairment loss is recognised as an expense in the Statement of Comprehensive Income.

Notes to the Financial Statements  
for the year ended 30 June 2024

Note 15. Property, plant and equipment

2024 Measurement basis Fair value category	Notes							Total \$ '000
	Capital work in progress \$ '000	Land \$ '000	Buildings and structures \$ '000	Plant and equipment \$ '000	Roads, bridges and footpaths \$ '000	Flooding and drainage \$ '000	Artworks \$ '000	
<b>Opening gross balance</b>								
Additions	143,532	422,955	1,013,699	155,682	1,910,471	1,190,952	6,497	4,843,788
Contributed assets	-	35,217	25,938	22,954	68,363	11,250	75	163,797
Disposals	-	14,608	9,374	932	33,649	23,528	449	82,540
Write-offs	-	-	-	(4,394)	-	-	-	(4,394)
Asset not previously recognised to equity (ARS)	-	-	(3,850)	(3,328)	(1,982)	(269)	-	(9,429)
Revaluation adjustment to equity (ARS)	-	67,963	18,601	-	435	-	-	18,601
Transfers between classes	-	-	(64,770)	-	-	-	-	3,628
Capital expenditure during the year	-	-	11	(5)	-	-	(6)	-
Transfer from capital expenditure to additions and contributed assets	193,429	-	-	-	-	-	-	193,429
	(163,797)	-	-	-	-	-	-	(163,797)
<b>Total gross value of property, plant and equipment</b>	<b>173,164</b>	<b>540,743</b>	<b>999,003</b>	<b>171,841</b>	<b>2,010,936</b>	<b>1,225,461</b>	<b>7,015</b>	<b>5,128,163</b>
<b>Opening accumulated depreciation and impairment</b>								
Depreciation expense	-	-	358,883	85,046	582,432	285,318	-	1,311,679
Depreciation on disposals	-	-	29,060	17,948	38,275	12,141	-	97,424
Depreciation on write-offs	-	-	-	(3,328)	-	-	-	(3,328)
Asset not previously recognised to equity (ARS)	-	-	(3,083)	(2,904)	(946)	(102)	-	(7,035)
Revaluation increments to equity (ARS)	-	-	10,846	-	-	-	-	10,846
Transfers between asset classes	-	-	(79,437)	-	461	-	-	(78,976)
	-	-	10	(10)	-	-	-	-
<b>Total accumulated depreciation and impairment property, plant and equipment</b>			<b>316,279</b>	<b>96,752</b>	<b>620,222</b>	<b>297,357</b>		<b>1,330,610</b>
<b>Total net book value of property, plant and equipment</b>	<b>173,164</b>	<b>540,743</b>	<b>682,724</b>	<b>75,089</b>	<b>1,390,714</b>	<b>928,104</b>	<b>7,015</b>	<b>3,797,553</b>
<b>Other information</b>								
Range of estimated useful life (years)	Not depreciated	Not depreciated	1-100 years	1-45 years	1.5-100 years	15-100 years	Not depreciated	
<b>Asset additions comprise</b>								
Asset renewals	-	-	3,111	-	43,086	3,811	-	50,008
Other additions	-	49,825	32,201	23,886	58,926	30,967	524	196,329
<b>Total asset additions</b>	-	<b>49,825</b>	<b>35,312</b>	<b>23,886</b>	<b>102,012</b>	<b>34,778</b>	<b>524</b>	<b>246,337</b>



Notes to the Financial Statements  
for the year ended 30 June 2024

Note 15. Property, plant and equipment (continued)

Measurement basis Fair value category	Notes										Total \$ '000	
	Capital work in progress \$ '000	Land improvements \$ '000	Land \$ '000	Buildings and structures \$ '000	Plant and equipment \$ '000	Roads, bridges and footpaths \$ '000	Flooding and drainage \$ '000	Artworks \$ '000	Fair Value Level 2	Fair Value Level 3		
<b>2023</b>	Cost	Fair Value Level 2	Cost	Fair Value Level 3	Cost	Fair Value Level 3	Fair Value Level 3	Fair Value Level 2	Fair Value Level 3	Fair Value Level 2	Fair Value Level 3	
<b>Opening gross balance</b>	109,934	351,839	51,596	844,191	139,478	1,647,623	1,090,668	5,418	1,090,668	5,418	1,090,668	4,240,747
Additions		8,095		55,381	18,139	52,251	8,296	26	8,296	26	8,296	142,188
Contributed assets		8,983		45,189	3,703	27,394	18,967	393	18,967	393	18,967	104,629
Disposals					(3,366)			(13)		(13)		(3,379)
Write-offs	(439)	(570)	(15,392)	(1,491)	(2,595)	(2,795)	(548)	(52)	(548)	(52)	(548)	(23,882)
Revaluation adjustment to equity (ARS)		2,972		90,940		180,909	73,569	725	73,569	725	73,569	349,115
Transfers from/(to) intangible assets					333							333
Transfers between classes					(10)							
Capital expenditure during the year	286,240	51,636	(36,204)	(20,511)	(10)	5,089						286,240
Transfer from capital expenditure to additions and contributed assets	(245,665)											(245,665)
Capital expenditure written off to expense	(6,518)											(6,518)
<b>Total gross value of property, plant and equipment</b>	<b>143,532</b>	<b>422,955</b>		<b>1,013,699</b>	<b>155,682</b>	<b>1,910,471</b>	<b>1,190,952</b>	<b>6,497</b>	<b>1,190,952</b>	<b>6,497</b>	<b>1,190,952</b>	<b>4,843,788</b>
<b>Opening accumulated depreciation and impairment</b>			9	301,238	76,900	494,712	256,515		256,515		256,515	1,129,374
Depreciation expense				24,465	12,769	32,480	11,044		11,044		11,044	80,758
Depreciation on disposals					(2,421)							(2,421)
Depreciation on write-offs				(839)	(2,192)	(1,488)	(220)		(220)		(220)	(4,748)
Revaluation increments to equity (ARS)				34,009		56,728	17,979		17,979		17,979	108,716
Transfers between asset classes				10	(10)							
<b>Total accumulated depreciation and impairment property, plant and equipment</b>				<b>358,883</b>	<b>85,046</b>	<b>582,432</b>	<b>285,318</b>		<b>285,318</b>		<b>285,318</b>	<b>1,311,679</b>
<b>Total net book value of property, plant and equipment</b>	<b>143,532</b>	<b>422,955</b>		<b>654,816</b>	<b>70,636</b>	<b>1,328,039</b>	<b>905,634</b>	<b>6,497</b>	<b>905,634</b>	<b>6,497</b>	<b>905,634</b>	<b>3,532,109</b>
<b>Other information</b>	Not depreciated	Not depreciated	Not depreciated	1-100 years	1-45 years	1.5-100 years	15-100 years	Not depreciated	15-100 years	Not depreciated	15-100 years	Not depreciated
Range of estimated useful life (years)												
<b>Asset additions comprise</b>												
Asset renewals				2,457		53,016	3,625		3,625		3,625	59,098
Other additions		17,078		98,113	21,842	26,629	23,638	419	23,638	419	23,638	187,719
<b>Total asset additions</b>		<b>17,078</b>		<b>100,570</b>	<b>21,842</b>	<b>79,645</b>	<b>27,263</b>	<b>419</b>	<b>27,263</b>	<b>419</b>	<b>27,263</b>	<b>246,817</b>

continued on next page ...

## Notes to the Financial Statements

for the year ended 30 June 2024

### Note 15. Property, plant and equipment (continued)

---

#### (a) Recognition

Council has adopted an asset recognition threshold of \$1 for land assets, \$1,000 for all non-infrastructure assets other than land and \$10,000 for all infrastructure assets. Capital additions below these thresholds are accordingly treated as an expense in the year of acquisition.

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

Council's approach to acquiring flood-affected properties (land and buildings) via the Voluntary Home Buy Back program was to obtain a pre-flood and post-flood valuation. The land asset was recognised at post-flood value, while buildings were deemed to be demolished so had nil value.

#### (b) Measurement

Acquisitions of 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.

#### (c) Depreciation

Land, artworks, work in progress, road formations and formation work associated with the construction of detention basins are not depreciated as they have an unlimited useful life. Depreciation on other property, plant and equipment is calculated on a straight-line basis so as to write-off the new cost or revalued amount of each depreciable asset, less its estimated residual value, progressively over its estimated useful life to the council. Management believe the straight-line method appropriately reflects the pattern of consumption of all council assets.

Depreciation methods, estimated useful lives and residual values of property, plant and equipment assets are reviewed at the end of each reporting period and adjusted where necessary to reflect any changes in the pattern of consumption, physical wear and tear, technical or commercial obsolescence, or management intentions. The condition assessments performed as part of the annual valuation process for assets measured at written down current replacement cost are used to estimate the remaining useful lives of these assets at each reporting date.

#### (d) Impairment

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

#### (e) Valuation

Land, buildings and structures, artworks and infrastructure assets are measured on the revaluation basis, at fair value. Plant and equipment and work in progress are measured at cost.

Non-current physical assets measured at fair value are revalued where required so that the carrying amount of each class of asset does not materially differ from its fair value at the reporting date. This is achieved by engaging independent, professionally qualified valuers to determine the fair value for each class of property, plant and equipment assets at least once every five years. The valuer physically sights a representative sample of council assets across all asset classes. The asset's condition assessment can be determined by either council engineers or by the valuer depending on the asset being valued. The remaining useful life is based on the condition, or by assigning the actual remaining useful life based on replacement dates. In the intervening years, a desktop valuation is performed which involves council providing updated information to the valuer regarding any additions and disposals. The valuer then determines suitable indices to apply to each of the assets and where this results in a material movement for the asset class the indexation is taken up in the accounts.

Fair values are classified into three levels as follows:

**Level 1:** Quoted prices (unadjusted) in active markets for identical assets or liabilities,

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

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

## Notes to the Financial Statements

for the year ended 30 June 2024

### Note 15. Property, plant and equipment (continued)

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

There were no transfers between levels 1 and 2 during the year, nor between levels 2 and 3.

#### Land (level 2)

An indexation valuation was performed by independent valuers, Australis Asset Advisory Group for year ended 30 June 2024 and the index applied to the asset class. For year ended 30 June 2023 a comprehensive valuation of land was undertaken by Stantec Australia Pty Ltd (Stantec) and the valuer used the market value approach.

#### Buildings and structures (level 3)

A comprehensive valuation was undertaken by Australis effective 30 June 2024. Buildings and structures were valued using the current replacement cost method.

In determining the level of accumulated depreciation the asset has been disaggregated into significant components which exhibit different useful lives. Allowance has been made for the typical asset life cycle and renewal treatments of each component and the condition of the asset.

#### Infrastructure assets (level 3)

Infrastructure assets acquired in the current financial year are recognised at cost as council believes this reflects the fair value of the assets at reporting date. All other infrastructure assets are recognised at fair value.

Roads, bridges and footpaths and flooding and drainage assets are valued using current replacement cost (CRC). This is determined by council calculating the gross cost of replacing the full service potential of the asset, and then adjusting this amount to take account of the expired service potential of the asset.

CRC was measured by reference to the lowest cost at which the gross future economic benefits of the asset could currently be obtained in the normal course of business. Where existing assets were over designed, had excess capacity, or were redundant an adjustment was made so that the resulting valuation reflected the cost of replacing the existing economic benefits based on an efficient set of modern equivalent assets to achieve the required level of service output within the council's planning horizon.

#### Roads, bridges and footpaths and drainage network - calculation of current replacement cost

##### Roads and footpaths

An indexation valuation for roads and footpaths was considered by independent valuers, Australis as at 30 June 2024 and the index was not applied to the asset class as it was not material. A full valuation of roads and footpath assets was undertaken by Stantec, effective 30 June 2021. Valuations have been undertaken for different categories based on road type such as sealed and unsealed.

In determining the level of accumulated depreciation roads were disaggregated into significant components which exhibited different useful lives, remaining useful lives were calculated based on either condition or by assigning the actual remaining useful life based on replacement dates provided by council.

##### Bridges

An indexation valuation for bridges was considered by independent valuers, Australis as at 30 June 2024 and the index was not applied to the asset class as it was not material. A full valuation of bridge assets was undertaken by Stantec, effective 30 June 2021. In valuing bridges Stantec has adopted the condition assessments as provided by both council engineers and consultants.

In determining the level of accumulated depreciation, remaining useful lives were determined based on condition assessments.

##### Flooding and drainage

An indexation valuation for flooding and drainage assets was considered by independent valuers, Australis as at 30 June 2024 and the index was not applied to the asset class as it was not material. A full valuation of flooding and drainage assets was undertaken by Stantec effective 30 June 2022. Where drainage assets are located underground and physical inspection is not possible, the age, size, depth and type of construction material, together with current and planned maintenance records are used to determine the fair value at reporting date.

## Notes to the Financial Statements

for the year ended 30 June 2024

## Note 15. Property, plant and equipment (continued)

In determining the level of accumulated depreciation, drainage assets were disaggregated into significant components which exhibited different useful lives. Estimates of expired service potential and remaining useful lives were determined on a straight line basis based on industry standard practices and past experience, supported by maintenance programs.

**Artworks (level 2)**

An indexation valuation for artwork assets was performed by independent valuers, All Art Services as at 30 June 2024 and the index was not applied. A comprehensive valuation of artworks was undertaken by All Art Services effective 30 June 2023 and the valuer used the market value approach.

**Valuation techniques used to derive level 2 and level 3 fair values**

<b>Asset class and fair value hierarchy</b>	<b>Valuation approach</b>	<b>Last comprehensive valuation date</b>	<b>Valuer engaged</b>	<b>Index applied (change in index recognised this year)</b>	<b>Other interim revaluation adjustment</b>
Land (Level 2)	Market value	2023	Stantec Australia Pty Ltd	Index applied 2024: 16.28% 2023: Not applicable	Nil

**Key assumptions and estimates (related data sources)**

- Stantec physically inspected approximately 63% of land assets.
- Current zoning.
- Sales evidence of comparable land sites in close proximity and adjusted for differences in key attributes.
- Valuation based on price per square metre.
- Impacts from historical flood data.

Buildings and other structures (Level 3)	Current replacement cost	2024	Australis Asset Advisory Group	2024: Not applicable 2023: 8.03% to 13.66%.	Nil
--	--------------------------	------	--------------------------------	--	-----

**Key assumptions and estimates (related data sources)**

- Australis physically inspected and assessed the condition of 21% of buildings and 7% of other structures.
- Unit rates derived from Australis databases, Rawlinson's rates for building and construction, building price index tables, recent contract and tender data. Unit rates are based on square metre.
- Useful life, pattern of consumption and asset condition that are used to calculate accumulated depreciation comprise unobservable inputs. Where these other inputs are significant to the valuation the overall valuation has been classified as level 3.
- Australis assessed the remaining useful life of buildings and structures with calculations based on recent condition data collected by Australis. Condition was assessed taking into account both physical characteristics as well as holistic factors such as functionality, capability, utilisation and obsolescence.

Roads and footpaths (Level 3)	Current replacement cost	2021	Stantec Australia Pty Ltd	Index applied 2024: Nil. 2023: 10.97%	Nil
-------------------------------	--------------------------	------	---------------------------	---	-----

**Key assumptions and estimates (related data sources)**

- The valuer physically inspected 1% of the road network.
- Unit rates are derived from Stantec databases, Rawlinson's rates, recent contract and tender data.
- Greenfield assumption applied to CRC meaning full cost of replacement with a new asset.
- Road segment is designed and constructed to the same standard and uses a consistent amount labour and materials.
- Council assumes environmental factors such as soil type, climate and topography are consistent across each segment.
- The valuer adopted the road condition assessments provided by council engineers. Council engineers use the SMEC Pavement Condition Index (SMEC PCI) to describe the overall condition of a sealed road segment. SMEC PCI has a ranking of 10 for a road without defects and deducts points from this ranking depending on the annual average daily traffic and the level and type of distresses present. Types of distress includes National Association of Australian State Road (NAASRA) roughness count, percentages on seals (eg. cracked, wide cracks, area potholed and area ravelled) and mean rut depth in millimetre.

## Notes to the Financial Statements

for the year ended 30 June 2024

## Note 15. Property, plant and equipment (continued)

Asset class and fair value hierarchy	Valuation approach	Last comprehensive valuation date	Valuer engaged	Index applied (change in index recognised this year)	Other interim revaluation adjustment
Bridges (Level 3)	Current replacement cost	2021	Stantec Australia Pty Ltd	Index applied 2024: Nil. 2023: 10.97%	Nil

**Key assumptions and estimates (related data sources)**

- The valuer physically inspected 82% of pedestrian bridges and all vehicle bridges.
- Unit rates are derived from Stantec databases, Rawlinson's rates, recent contract and tender data.
- Greenfield assumption applied to CRC meaning full cost of replacement with a new asset.
- Condition assessments are based on council engineers and consultants data.
- Each bridge is assessed individually, with the valuation varying according to the material type used for construction, the deck area, condition and modern equivalent asset.

Flooding and drainage (Level 3)	Current replacement cost	2022	Stantec Australia Pty Ltd	Index applied 2024: Nil. 2023: 7.14%	Nil
---------------------------------	--------------------------	------	---------------------------	--	-----

**Key assumptions and estimates (related data sources)**

- The valuer physically inspected 50% of open drains and open drain inverts during the 2022 comprehensive valuation.
- Unit rates derived from Stantec databases, Rawlinson's rates for building and construction, building price index tables, scheduled rates for construction of asset or similar assets and recent contract and tender data.
- Greenfield assumption applied to CRC meaning full cost of replacement with a new asset.
- Council assumes that environmental factors such as soil type, climate and topography are consistent across each segment and that a segment is designed and constructed to the same standard and uses a consistent amount of labour and materials.
- Construction estimates were determined on a similar basis to roads.
- Condition assessments were based on physical inspection of half the open drains network and assessing council's condition assessment of drainage pipes. This resulted in the reassessment of useful lives for drainage mains, open drains and open drain inverts. The sample of drainage pipes assessed that the age base was supported by the condition assessment data.

Artworks (Level 2)	Market value	2023	All Art Services	2024: Nil. 2023: Not applicable	Nil
--------------------	--------------	------	------------------	------------------------------------	-----

**Key assumptions and estimates (related data sources)**

- The valuer inspected the majority of artwork assets during the 2023 comprehensive valuation.
- Observable market prices for similar assets or using comparable inputs of a similar class of asset were used for marketable cultural/heritage assets.
- The valuer used the market approach based on sales evidence over the past 12 months of movement in auction results and retail gallery sales.

## Notes to the Financial Statements

for the year ended 30 June 2024

## Note 16. Intangible assets

	2024 \$ '000	2023 \$ '000
<b>Opening gross carrying value</b>	31,454	32,287
Additions	1,287	1
Transfers from/(to) property, plant and equipment	–	(333)
Gross book value written off	(11,077)	(501)
<b>Closing gross carrying value</b>	<b>21,664</b>	<b>31,454</b>
<b>Opening accumulated amortisation and impairment</b>	<b>(25,243)</b>	<b>(22,201)</b>
Amortisation charges	(2,890)	(3,516)
Accumulated amortisation charges written off	10,988	474
<b>Closing accumulated amortisation and impairment</b>	<b>(17,145)</b>	<b>(25,243)</b>
<b>WIP intangible assets</b>		
<b>Opening gross carrying value</b>	3,887	2,016
WIP expenditure	1,079	1,839
Transfer to additions	(1,287)	(1)
Transfers from/(to) property, plant and equipment	–	33
<b>Closing gross carrying value</b>	<b>3,679</b>	<b>3,887</b>
<b>Total intangible assets - net book value</b>	<b>8,198</b>	<b>10,098</b>

Software assets are amortised on a straight line basis over an estimated life of 5 to 10 years.

Intangible assets primarily includes software systems developed for the operational use of council.



## Notes to the Financial Statements

for the year ended 30 June 2024

## Note 17. Contract balances

	2024 \$ '000	2023 \$ '000
<b>(a) Contract assets</b>		
Contract assets	2,305	1,872
<b>Total current contract assets</b>	<b>2,305</b>	<b>1,872</b>
<b>(b) Contract liabilities</b>		
Funds received upfront to construct council controlled assets	8,515	10,861
Non-capital performance obligations not yet satisfied	26	201
<b>Total current contract liabilities</b>	<b>8,541</b>	<b>11,062</b>
<b>Revenue recognised that was included in the contract liability balance at the beginning of the year</b>		
Funds to construct council controlled assets	8,207	2,338
Non-capital performance obligations (including deposits received in advance)	175	-
<b>Total revenue included in the contract liability</b>	<b>8,382</b>	<b>2,338</b>

**(c) Significant changes in contract balances**

Council's contract liabilities balance for 2024 includes \$5.3 million (2023: \$6.9 million) from the Queensland Reconstruction Authority (QRA) related to the significant flood event that occurred in 2021-22. \$4 million relates to funding received for specific projects to rehabilitate council's flood affected assets. This balance also includes \$1.3 million for the Voluntary Home Buy Back Program which is used to buy back eligible homes in the Ipswich local government area that have been assessed as being at a high risk of flood inundation and that have been approved by the QRA.

## Note 18. Leases

**Council as a lessee**

Council has leases in place over land, buildings and car parks. Council has applied the exception to lease accounting for leases of low-value assets and short-term leases.

The right-of-use asset is measured using the cost model and is depreciated over the lease term on a straight-line basis and assessed for impairment in accordance with the impairment of asset accounting policy.

**Leases at significantly below market value / concessionary leases**

Council has eleven peppercorn leases for land. The use of the land under these leases include sports fields, playground, access strips, pedestrian subway, bikeway and CBD precinct. Council has applied the exemption from *AASB 16 Leases* for peppercorn leases.

## Notes to the Financial Statements

for the year ended 30 June 2024

## Note 18. Leases (continued)

	Land \$ '000	Buildings \$ '000	Car parks (including street ramp) \$ '000	Total \$ '000
<b>Right-of-use assets</b>				
<b>2024</b>				
Opening balance	550	2,671	1,042	4,263
Additions to right-of-use assets	—	60	—	60
Depreciation charge	(55)	(569)	(111)	(735)
<b>Balance at 30 June</b>	<b>495</b>	<b>2,162</b>	<b>931</b>	<b>3,588</b>
<b>2023</b>				
Opening balance	605	3,258	968	4,831
Additions to right-of-use assets	—	2	157	159
Depreciation charge	(55)	(589)	(83)	(727)
<b>Balance at 30 June</b>	<b>550</b>	<b>2,671</b>	<b>1,042</b>	<b>4,263</b>
			<b>2024</b>	<b>2023</b>
			<b>\$ '000</b>	<b>\$ '000</b>

## Lease liabilities

## Classified as:

Current lease liability	747	600
Non-current lease liability	2,689	3,513
<b>Total lease liabilities</b>	<b>3,436</b>	<b>4,113</b>

The table below shows the maturity analysis of the lease liabilities based on contractual cash flows and therefore the amounts will not be the same as the recognised lease liability in the statement of financial position.

	< 1 year \$ '000	1 – 5 years \$ '000	> 5 years \$ '000	Total \$ '000	Total per statement of financial position \$ '000
<b>2024</b>					
Lease liabilities	834	2,378	865	4,077	3,436
	<b>834</b>	<b>2,378</b>	<b>865</b>	<b>4,077</b>	<b>3,436</b>
<b>2023</b>					
Lease liabilities	812	3,021	975	4,808	4,113
	<b>812</b>	<b>3,021</b>	<b>975</b>	<b>4,808</b>	<b>4,113</b>



## Notes to the Financial Statements

for the year ended 30 June 2024

## Note 18. Leases (continued)

## Council as a lessor

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

Council does not have any finance leases.

	2024	2023
	\$ '000	\$ '000

## Operating leases

Where council retains the risks and rewards relating to a lease, the lease is classified as an operating leases.

## The minimum lease receipts are as follows:

Not later than one year	2,853	1,279
Between one and two years	3,260	2,367
Between two and three years	3,340	2,317
Between three and four years	3,186	2,218
Between four and five years	2,675	2,247
Later than five years	14,930	15,045
<b>Total lease receipts</b>	<b>30,244</b>	<b>25,473</b>

## Assets classified as investment property

The assets are included in the statement of financial position as:

- Investment property - where the asset is held predominantly for rental or capital growth purposes (refer note 14) or
- Property, plant and equipment - where the rental is incidental or the asset is held to meet council's service delivery objectives (refer note 15).

The council has entered into commercial property leases on its investment properties.

Rent from investment and other property is recognised as income on a periodic straight line basis over the lease term.

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

There are no restrictions on the realisability of investment property or remittance of income and proceeds of disposal. The council does not have any contractual obligations to purchase, construct or develop investment property.

## Notes to the Financial Statements

for the year ended 30 June 2024

## Note 19. Payables

	2024	2023
	\$ '000	\$ '000
<b>Current</b>		
Creditors	18,467	20,466
Accrued interest expense	485	490
Accrued wages and salaries	1,958	2,070
Accrued expenses	38,713	21,973
Other creditors	1,843	1,126
<b>Total current payables</b>	<b>61,466</b>	<b>46,125</b>

Creditors are trade creditors, while other creditors are payables owed to other entities. 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.

## Note 20. Borrowings

	2024	2023
	\$ '000	\$ '000
<b>Current</b>		
Loans - Queensland Treasury Corporation	46,686	42,172
<b>Total current borrowings</b>	<b>46,686</b>	<b>42,172</b>
<b>Non-current</b>		
Loans - Queensland Treasury Corporation	355,990	341,180
<b>Total non-current borrowings</b>	<b>355,990</b>	<b>341,180</b>

## Reconciliation of loan movements for the year

## Loans - Queensland Treasury Corporation

Opening balance at beginning of financial year	383,352	381,651
Loans raised	61,000	83,400
Principal repayments	(41,676)	(81,699)
<b>Book value at end of financial year</b>	<b>402,676</b>	<b>383,352</b>

The Queensland Treasury Corporation (QTC) loan market value at the reporting date was \$375,655,131. This represents the value of the debt if council repaid it at that date. As it is the intention of council to hold the debt for its term, no provision is required to be made in these accounts.

Council's debt policy for planned borrowings over the next nine years is to only borrow for capital projects and for a term no longer than the expected life of the asset. Council aims to comply with QTC's borrowing guidelines and ensure that sustainability indicators remain within acceptable levels at all times.

No interest has been capitalised during the current or comparative reporting period. Expected final repayment dates vary from 15 June 2026 to 15 June 2041. Principal and interest repayments are made quarterly in arrears.

There have been no defaults or breaches of the loan agreement during the period.

## Notes to the Financial Statements

for the year ended 30 June 2024

## Note 21. Provisions

	2024	2023
	\$ '000	\$ '000
<b>Current</b>		
Annual leave	10,818	10,136
Long service leave	18,008	16,501
Provision for restoration costs	73	60
<b>Total current provisions</b>	<b>28,899</b>	<b>26,697</b>
<b>Non-current</b>		
Long service leave	2,545	2,287
Provision for restoration costs	240	285
Provision for perpetual care fund	310	276
<b>Total non-current provisions</b>	<b>3,095</b>	<b>2,848</b>

A liability for annual leave is recognised. Amounts expected to be settled within 12 months are calculated on current wage and salary levels and includes related employee on-costs.

The provision for long service leave is measured as the present value of the estimated future leave payments for which council had an obligation to pay in respect of services provided by employees up to 30 June. The value of the liability is calculated using current pay rates and projected future increase in those rates and includes related employee on-costs. The estimates are adjusted for the probability of the employee remaining in the council's employment or other associated employment which would result in council being required to meet the liability. Adjustments are then made to allow for the proportion of the benefit earned to date and the result is discounted to present value. The interest rates attaching to Commonwealth Government guaranteed securities as at 30 June are used to discount the estimated future cash outflows to their present value.

Where employees have met the prerequisite length of service and council does not have an unconditional right to defer the liability beyond 12 months, long service leave is classified as a current liability, regardless of when the actual settlement is expected to occur. Based on past experience, council does not expect all employees to take the full amount of accrued long service leave within the next twelve months. Otherwise it is classified as non-current.

The provision for restoration costs is the present value of the estimated cost of restoring refuse disposal sites to *Environmental Protection Act 1994* standards. The calculation of the provisions use assumptions including application of environmental legislation, site closure dates, available technologies and engineering cost estimates. These uncertainties may result in future actual expenditure differing from the provision amounts currently recognised.

The provision recognised for restoring refuse disposal sites is reviewed at least annually and updated based on the facts and circumstances available at the time and if material, restated in present values.

## Notes to the Financial Statements

for the year ended 30 June 2024

## Note 22. Other liabilities

	2024	2023
	\$ '000	\$ '000
<b>Current</b>		
Unearned rates revenue	5,623	5,446
Unearned revenue	1,242	1,216
Refunds	212	202
Waste levy refund received in advance	8,556	8,731
<b>Total current other liabilities</b>	<b>15,633</b>	<b>15,595</b>
<b>Non-current</b>		
Waste levy refund received in advance	14,859	23,094
<b>Total non-current other liabilities</b>	<b>14,859</b>	<b>23,094</b>

Council is required to pay a waste levy to the State Government based on the amount of waste disposed to a landfill under the *Waste Reduction and Recycling (Waste Levy) Amendment Regulation 2019*. To mitigate any direct impacts of the waste levy on households, the State Government made advance payments to council reflecting five years of annual payments (2022-23 - 2026-27) as prescribed by the *Waste Reduction and Recycling Regulation 2011*. The advance payment essentially refunds the council for the portion of the levy that relates to households. Council is liable to the State for payment of the levy on most forms of commercial and household waste delivered to its disposal sites from 1 July 2022. Council will fund the portion of the levy that relates to commercial waste through charges to commercial users of disposal sites from 1 July 2022. The advance payment from State Government is recognised as a liability and drawn down annually to offset the waste levy expense incurred. One year of revenue has been drawn down in 2023-24.

## Notes to the Financial Statements

for the year ended 30 June 2024

## Note 23. Commitments for expenditure

	2024	2023
	\$ '000	\$ '000
<b>Capital commitments (exclusive of GST)</b>		
<b>Commitment for the construction of the following assets contracted for at the reporting date but not recognised as liabilities:</b>		
<b>Property, plant and equipment</b>		
Asset and Infrastructure - Infrastructure	32,578	18,592
Corporate Services - IT infrastructure	1,533	1,180
Community, Cultural and Economic Development - Infrastructure	1,288	500
Planning and Regulatory Services - Infrastructure	-	74
<b>Total commitments</b>	<b>35,399</b>	<b>20,346</b>
<b>These expenditures are payable as follows:</b>		
Within the next year	29,894	18,020
Later than one year and not later than 5 years	5,505	2,326
<b>Total payable</b>	<b>35,399</b>	<b>20,346</b>

## Note 24. Contingent liabilities

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

**Local Government Mutual**

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

The LGM financial statements as at 30 June 2023 (being latest) reported an accumulated surplus and it is not anticipated any liability will arise.

**Local Government Workcare**

The council is a member of the Queensland local government worker's compensation self-insurance scheme, Local Government Workcare. Under this scheme the 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 was 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. The council's maximum exposure to the bank guarantee is \$2,839,028 (2023: \$2,335,814).

**Legal claims**

The council is a defendant in a number of claims that arise as a result of the operations of the council and its ownership of public assets.

The council is of the opinion that the claims can be successfully defended. Information in respect of individual claims has not been disclosed on the basis that council considers such disclosures would seriously prejudice the outcome of the claim. As at the 30 June 2024 council had nil exposure for legal claims (2023: Nil).

With the above exception, there were no other known outstanding contingencies as at year end.

## Notes to the Financial Statements

for the year ended 30 June 2024

**Note 25. Superannuation - regional defined benefit fund**

Council contributes to the Brighter Super Regional Defined Benefits Fund (the scheme), at the rate of 12.5% for each standard permanent employee who is a defined benefit member. This rate is set in accordance with the Brighter Super 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 Brighter Super trustee.

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.

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

The last completed triennial actuarial assessment of the scheme 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 12.5% of employee salary or wages and there are no known requirements to change the rate of contributions.

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

The most significant risks that may result in Brighter Super 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.

	Notes	2024 \$ '000	2023 \$ '000
Superannuation contributions made to the Regional Defined Benefits Fund		426	471
Other superannuation contributions for employees		15,093	13,522
<b>Total superannuation contributions paid by Council for employees</b>	6	<b>15,519</b>	<b>13,993</b>

## Notes to the Financial Statements

for the year ended 30 June 2024

## Note 26. Reconciliation of net result for the year to net cash inflow/(outflow) from operating activities

	2024 \$ '000	2023 \$ '000
<b>Net result</b>	138,407	152,947
<b>Non-cash items</b>		
Depreciation and amortisation	101,049	85,001
Non-cash capital grants and contributions	(82,540)	(104,629)
	18,509	(19,628)
<b>Losses/(gains) recognised on fair value re-measurements through the income statement</b>		
Investment properties	28,532	19,172
Provision for restoration costs	2,386	(669)
	30,918	18,503
<b>Investing and development activities</b>		
Net (profit)/loss on disposal of assets	440	(457)
Loss on write-off of assets	2,756	19,105
Share of net (profits)/losses of associates	(32,498)	(24,988)
Cash capital grants and contributions	(98,270)	(80,098)
	(127,572)	(86,438)
<b>Changes in operating assets and liabilities:</b>		
(Increase)/decrease in receivables	(1,153)	(3,722)
Increase/(decrease) in provision for doubtful debts	590	135
(Increase)/decrease in inventories	144	(973)
(Increase)/decrease in contract assets	(433)	133
(Increase)/decrease in other assets	4,421	(1,428)
Increase/(decrease) in payables	443	12,979
Increase/(decrease) in contract liabilities	(2,521)	8,119
Increase/(decrease) in other provisions	(2,384)	2,037
Increase/(decrease) in other liabilities	9,148	3,527
	8,255	20,807
<b>Net cash provided from/(used in) operating activities from the statement of cash flows</b>	68,517	86,191

## Note 27. Reconciliation of liabilities arising from finance activities

	As at 30/06/23			As at 30/06/24	
	Opening Balance \$ '000	Cashflows \$ '000	Non-cash changes (new leases) \$ '000	Closing balance \$ '000	
Borrowings	383,352	19,324	-	402,676	
Lease liabilities	4,113	(737)	60	3,436	
	387,465	18,587	60	406,112	

## Notes to the Financial Statements

for the year ended 30 June 2024

## Note 27. Reconciliation of liabilities arising from finance activities (continued)

	As at 30/06/22			As at 30/06/23	
	Opening Balance \$ '000	Cashflows \$ '000	Non-cash changes (new leases) \$ '000	Closing balance \$ '000	
Borrowings	381,651	1,701	—	383,352	
Lease liabilities	4,554	(600)	159	4,113	
	<b>386,205</b>	<b>1,101</b>	<b>159</b>	<b>387,465</b>	

## Note 28. Events after the reporting period

Council has a 35% ownership in a materials recovery facility, Greenovate Pty Ltd, which is a joint venture with Logan City Council and Redland City Council, refer to Note 13. Council's equity investment in Greenovate Pty Ltd will be \$16,335,447. In July 2024 council paid the first instalment of \$5,827,500 for shares to Greenovate Pty Ltd with the subsequent second instalment of \$6,860,888 and third instalment of \$3,647,059 to be paid in July 2025 and January 2026.

## Note 29. Financial instruments and financial risk management

## (a) Financial assets and financial liabilities

Council has exposure to the following risks arising from financial instruments; (i) credit risk, (ii) liquidity risk, and (iii) 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. Council's policy and administration board approves policies for overall risk management, as well as specifically for managing credit, liquidity and market risk. The council's risk management policies are established to identify and analyse the risks faced, to set appropriate limits and controls and to monitor these risks and adherence against limits. The council aims to manage volatility to minimise potential adverse effects on the financial performance of the council.

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

## Receivables

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



## Notes to the Financial Statements

for the year ended 30 June 2024

## Note 29. Financial instruments and financial risk management (continued)

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

	2024 \$ '000	2023 \$ '000
Rates and utility charges	11,126	9,136
Community organisations and receivables	269	273
GST recoverable	3,428	3,831
Other receivables	14,772	15,792
<b>Total</b>	<b>29,595</b>	<b>29,032</b>

Refer to Note 12 for further details.

## Liquidity risk

Liquidity risk refers to the situation where the council may encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The council is exposed to liquidity risk through its trading in the normal course of business and borrowings from the Queensland Treasury Corporation (QTC).

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 manages its exposure to liquidity risk by maintaining sufficient cash deposits and undrawn facilities, both short and long term, to cater for unexpected volatility in cash flows. These facilities are disclosed in Note 11.

The following table sets out the liquidity risk in relation to financial liabilities (excluding lease liabilities, refer to Note 18) 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:

	0 to 1 year \$ '000	1 to 5 years \$ '000	Over 5 years \$ '000	Total contractual cash flows \$ '000	Carrying amount \$ '000
<b>2024</b>					
Payables	61,466	-	-	61,466	61,466
Loans - QTC	60,082	212,808	208,043	480,933	402,676
	<b>121,548</b>	<b>212,808</b>	<b>208,043</b>	<b>542,399</b>	<b>464,142</b>
<b>2023</b>					
Payables	46,125	-	-	46,125	46,125
Loans - QTC	54,214	218,571	174,379	447,164	383,352
	<b>100,339</b>	<b>218,571</b>	<b>174,379</b>	<b>493,289</b>	<b>429,477</b>

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.

## 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.

## Notes to the Financial Statements

for the year ended 30 June 2024

### Note 29. Financial instruments and financial risk management (continued)

---

#### *Interest rate risk*

The council is exposed to interest rate risk through investments and borrowings with QTC and/or 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.

QTC fixed rate loan financial instruments with fixed interest rates which are carried at amortised cost are not subject to interest rate 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.

Interest rate sensitivity analysis evaluates what effect a reasonably possible change in interest rates (assumed to be 1%) would have on the profit based on the carrying values of financial assets at the end of the reporting period. If the change in interest rates was held constant over the period this would increase / decrease profit by \$1,643,000 (2023: \$1,411,000).

## Notes to the Financial Statements

for the year ended 30 June 2024

## Note 30. National competition policy

**Business activities to which the code of competitive conduct is applied**

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

- Planning and development services
- Roads and drainage
- Waste and resources management

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 CSO value is determined by council, and represents an activities cost(s) which would not be incurred if the primary objective of the activities 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 CSO's by the council.

**Significant business activities**

The expenditure threshold amounts for identifying a "significant business activity" for the 2023-24 financial year is \$9.7 million.

Waste and resources management was a significant business activity and applied the competitive neutrality principle via full cost pricing. There were no new significant business activities.

**Activities to which the code of competitive conduct is applied**

Council has resolved to apply a code of competitive conduct to the following business activities.

- Planning and development services
- Roads and drainage

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

	Planning and development services 2024 \$'000	Planning and development services 2023 \$'000	Roads and drainage 2024 \$'000	Roads and drainage 2023 \$'000	Waste management 2024 \$'000	Waste management 2023 \$'000
Revenue for services provided to the council	-	-	-	-	5,472	4,783
Revenue for services provided to external clients	85	108	4,247	4,280	52,246	50,305
Community service obligations	80	80	-	-	95	75
	165	188	4,247	4,280	57,813	55,163
Less: expenditure	(358)	(248)	(2,450)	(3,450)	(43,196)	(37,946)
<b>Surplus / (deficit)</b>	<b>(193)</b>	<b>(60)</b>	<b>1,797</b>	<b>830</b>	<b>14,617</b>	<b>17,217</b>

**Description of CSO's provided to business activities:**

Activities	CSO description	Actual \$'000
Planning and Development Services	Concession for planning and development services for approved community groups.	80
Waste Management	Subsidised waste services for community event, recycling and refuse collection services for local schools and community organisations, and free general waste services for dialysis patients requiring additional volume for kerbside waste disposal.	95

## Notes to the Financial Statements

for the year ended 30 June 2024

## Note 31. Controlled entities that have not been consolidated

Council had four controlled entities that are not consolidated because their size and nature means that they are not material to council's operations.

A summary of those entities, their net assets and results for the year ended 30 June is as follows:

**Controlled entities - unaudited financial results:****Controlled entity**

	Ownership interest %	Revenue \$ '000	Expenses \$ '000	Profit / (loss) \$ '000	Assets \$ '000	Liabilities \$ '000
<b>2024</b>						
Ipswich Arts Foundation Trust	100%	161	134	27	895	17
IA Foundation Limited (dormant)	100%	-	-	-	-	-
		<u>161</u>	<u>134</u>	<u>27</u>	<u>895</u>	<u>17</u>
<b>2023</b>						
Ipswich City Enterprises Pty Ltd	100%	1	11	(10)	-	-
Ipswich City Enterprises Investment Pty Ltd	100%	5	11	(6)	-	-
Ipswich Arts Foundation Trust	100%	277	195	82	861	9
IA Foundation Limited (dormant)	100%	-	-	-	-	-
		<u>283</u>	<u>217</u>	<u>66</u>	<u>861</u>	<u>9</u>

**Ipswich City Enterprises Pty Ltd** was established to provide a business vehicle to support the commercial activities of the council to generate revenue additional to the traditional rates, fees and charges revenue. Ipswich City Enterprises Pty Ltd was parent entity of Ipswich City Enterprises Investments Pty Ltd. During 2022-23, council wound up Ipswich City Enterprises Pty Ltd by way of a members voluntary liquidation, which concluded on 31 March 2023. On 2 July 2023 the entity was deregistered by Australian Securities and Investments Commission.

**Ipswich City Enterprises Investments Pty Ltd** was established to provide a business vehicle to support the commercial activities of the council to generate revenue additional to the traditional rates, fees and charges revenue. During 2022-23, council wound up Ipswich City Enterprises Investments Pty Ltd by way of a members voluntary liquidation, which concluded on 31 March 2023. On 2 July 2023 the entity was deregistered by Australian Securities and Investments Commission.

**Ipswich Arts Foundation Trust** was established for public charitable purposes and maintained solely for the purpose of providing money, property or benefits. Donations to the trust are deductible under Item 2 of the table in subsection 30.15(1) of the Income Tax Assessment Act 1997.

**IA Foundation Limited** was established to be the trustee of the Ipswich Arts Foundation Trust. The principal activities of the company during the financial year were to act as the Trustee for the Ipswich Arts Foundation Trust. The company has no assets or liabilities and no revenues or expenses for the financial year.

**Entities no longer controlled**

**Cherish the Environment Foundation Limited** (Cherish) was established to protect and enhance the natural environment and provide information or education or carrying on research about the natural environment. Council entered into a deed of separation with Cherish dated 30 June 2022 which ceased council's involvement as a founding member and relinquished council's right to appoint directors. The council appointed directors resigned from Cherish effective 30 June 2022. Cherish is no longer considered a controlled entity of council.

## Notes to the Financial Statements

for the year ended 30 June 2024

## Note 32. Transactions with related parties

## (a) Subsidiaries

## Transactions with subsidiaries

	2024	2023
	\$'000	\$'000
<b>Amounts received or receivable by council from subsidiaries</b>		
Administration and other services provided	2	3
Dividends received from subsidiaries	-	247
<b>Total</b>	<b>2</b>	<b>250</b>

## Amounts paid or payable by council to subsidiaries

Contribution, donation and other services	85	80
Donated artworks from the Ipswich Arts Foundation Trust	110	20
<b>Total</b>	<b>195</b>	<b>100</b>

All funding support given to subsidiaries was agreed to by the council.

## (b) Associates

For details refer to Note 13 Interest in other entities.

## (c) Key management personnel

## Transactions with key management personnel

Key management personnel consists of mayor, councillors, chief executive officer and general managers.

	2024	2023
	\$ '000	\$ '000
<b>The compensation paid to key management personnel comprises:</b>		
Short-term employee benefits	3,546	3,371
Post-employment benefits	323	312
Long-term benefits	47	46
Termination benefits	-	159
<b>Total</b>	<b>3,916</b>	<b>3,888</b>

Short-term employee benefits include wages, salaries, allowances, annual leave, sick leave, fringe benefits and councillor expense claims (eg. mobile phone charges). Post-employment benefits include superannuation. Long-term benefits include long service leave accrued. Termination benefits include employment termination payments.

## Notes to the Financial Statements

for the year ended 30 June 2024

## Note 32. Transactions with related parties (continued)

## (d) Other related parties

## Transactions with other related parties

Transactions between council and other related parties were on an arm's length basis.

	2024 \$'000	2023 \$'000
<b>Amounts received or receivable by council to other related parties</b>		
Administration and other services provided	1	4
	<u>1</u>	<u>4</u>
<b>Amounts paid or payable by council to other related parties</b>		
Administration and other services provided	3	1
Contributions, sponsorship and donations	322	300
Employee expenses for close family members of key management personnel	132	19
	<u>457</u>	<u>320</u>

Contributions and sponsorships paid to related entities were on an arm's length basis in accordance with sponsorship and donation policies adopted by council.

All close family members of key management personnel were employed through an arm's length process. They are paid in accordance with the Award for the job they perform. Council employs 1,495 staff of which there is only 1 close family member of key management personnel.

## (e) Outstanding balances

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

Receivables	Related entity	2024	2023
		Receivables \$'000	Receivables \$'000
Past due 31-90 days	Cherish the Environment Foundation Limited	-	1
<b>Total</b>		<u>-</u>	<u>1</u>

## (f) Loans and guarantees to/from related parties

Council does not make loans to, or receive loans from related parties. Two guarantees have been provided to third parties on behalf of Cherish the Environment Foundation Limited (Cherish) in 2015 and 2017 respectively. As part of council's separation from Cherish as outlined in Note 31, Cherish provided council with two deeds of indemnity in relation to its continuing obligations associated with those guarantees.

## (g) Transactions with related parties that have not been disclosed

Most of the entities and people that are related parties of council live and operate within the Ipswich area. Therefore, on a regular basis ordinary citizen transactions occur between council and its related parties.

Some examples include:

- Payment of rates

continued on next page ...

## Notes to the Financial Statements

for the year ended 30 June 2024

### Note 32. Transactions with related parties (continued)

---

- Use of council's civic, sporting and recreational facilities
- Dog registration
- Borrowing books from a council library
- Parking fees and infringements

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.

## General Purpose Financial Statements

for the year ended 30 June 2024

---

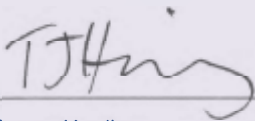
### Management Certificate

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.

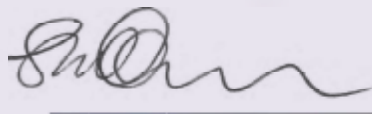
In accordance with Section 212(5) of the Regulation, we certify that:

- 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 46, 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.



Teresa Harding  
Mayor

Date: 17 Oct 24



Sonia Cooper  
Chief Executive Officer

Date: 17 Oct 24



## INDEPENDENT AUDITOR'S REPORT

To councillors of Ipswich City Council

### Report on the audit of the financial report

#### Opinion

I have audited the financial report of Ipswich City Council.

In my opinion, the financial report:

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

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

#### Basis for opinion

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

I am independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (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 Ipswich City Council's annual report for the year ended 30 June 2024 was the current year financial sustainability statement (audited ratios), current year financial sustainability statement (contextual ratios – unaudited), unaudited long-term financial sustainability statement and annual report.

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 (audited ratios).

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 the *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 council's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless it is intended to abolish the council or to otherwise cease operations of the council.

### **Auditor's responsibilities for the audit of the financial report**

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. 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/ar4.pdf](https://www.auasb.gov.au/auditors_responsibilities/ar4.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*, and the Local Government Regulation 2012. The applicable requirements include those for keeping financial records that correctly record and explain the council's transactions and account balances to enable the preparation of a true and fair financial report.

A handwritten signature in black ink, appearing to read "Sri Narsimhan", with a horizontal line extending to the right.

Sri Narsimhan  
as delegate of the Auditor-General

18 October 2024

Queensland Audit Office  
Brisbane

## Current Year Financial Sustainability Statement

	Target Tier	Actual 2024	5 Yr Av. 2020-24
--	-------------	-------------	------------------

## Audited ratios

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

## Liquidity

## 1. Unrestricted cash expense coverage ratio

Total cash and equivalents add current investments add available ongoing QTC working capital limit less externally restricted cash

Total operating expenditure less depreciation and amortisation less finance costs	x 12	> 2 months	7.2 months	N/A
---	------	------------	------------	-----

The unrestricted cash expense cover ratio is an indicator of the unconstrained liquidity available to a council to meet ongoing and emergent financial demands, which is a key component to solvency. It represents the number of months a council can continue operating based on current monthly expenses.

## Operating Performance

## 2. Operating surplus ratio

Operating result				
Total operating revenue		> 0%	(0.66)%	1.80%

The operating surplus ratio is an indicator of the extent to which operating revenues generated cover operational expenses. Any operating surplus would be available for capital funding or other purposes.

## 3. Operating cash ratio

Operating result add depreciation and amortisation add finance costs				
Total operating revenue		> 0%	29.44%	30.30%

The operating cash ratio is a measure of council's ability to cover its core operational expenses and generate a cash surplus excluding depreciation, amortisation, and finance costs.

## Asset management

## 4. Asset sustainability ratio

Capital expenditure on replacement of infrastructure assets (renewals)				
Depreciation expenditure on infrastructure assets		> 60%	62.92%	69.21%

The asset sustainability ratio approximates the extent to which the infrastructure assets managed by a council are being replaced as they reach the end of their useful lives.

## 5. Asset consumption ratio

Written down replacement cost of depreciable infrastructure assets				
Current replacement cost of depreciable infrastructure assets		> 60%	70.87%	70.51%

The asset consumption ratio approximates the extent to which council's infrastructure assets have been consumed compared to what it would cost to build a new asset with the same benefit to the community.

## Current Year Financial Sustainability Statement (continued)

	Target Tier	Actual 2024	5 Yr Av. 2020-24
<b>Debt servicing capacity</b>			
<b>6. Leverage ratio</b>			
Book value of debt			
Total operating revenue less total operating expenditure add depreciation and amortisation	0 - 4 times	<b>3.7 times</b>	<b>3.8 times</b>

The leverage ratio is an indicator of a council's ability to repay its existing debt. It measures the relative size of the council's debt to its operating performance.

**Note 1 - basis of preparation**

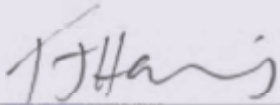
The current year financial sustainability statement is prepared in accordance with the requirements of the Local Government Regulation 2012 and the Financial Management (Sustainability) Guideline 2024. The amounts used to calculate the 6 reported measures are prepared on an accrual basis and are drawn from the council's audited general purpose financial statements for the year ended 30 June 2024.

**Certificate of Accuracy (audited ratios)**

---

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.



---

**Teresa Harding**  
**Mayor**

Date: 17 Oct 24



---

**Sonia Cooper**  
**Chief Executive Officer**

Date: 17 Oct 24

## INDEPENDENT AUDITOR'S REPORT

To the councillors of Ipswich City Council

### Report on the Current-Year Financial Sustainability Statement (audited ratios)

#### Opinion

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

In accordance with s.212 of the Local Government Regulation 2012, in my opinion, in all material respects, the current year financial sustainability statement of Ipswich 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* (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 Ipswich 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 - unaudited), and the unaudited long-term financial sustainability statement and annual report.

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.

A handwritten signature in blue ink, appearing to read "Sri Narsimhan".

18 October 2024

Sri Narsimhan  
as delegate of the Auditor-General

Queensland Audit Office  
Brisbane

## Current Year Financial Sustainability Statement

	Target Tier	Actual 2024	5 Yr Av. 2020-24
--	-------------	-------------	------------------

## Contextual ratios (unaudited)

## Financial Capacity

## 1. Council controlled revenue

Net rates, levies and charges add fees and charges			
<u>Total operating revenue</u>	n/a	79.62%	78.77%

Council controlled revenue is an indicator of a council's financial flexibility, ability to influence its operating income, and capacity to respond to unexpected financial shocks.

## 2. Population growth

Prior year estimated population			
<u>Previous year estimated population</u>	-1	n/a	2.72%
			3.84%

Population growth is a key driver of a council's operating income, service needs, and infrastructure requirements into the future.

## Asset management

## 3. Asset renewal funding ratio

Total of planned capital expenditure on infrastructure assets renewals over 10 years			
<u>Total required capital expenditure on infrastructure asset renewals over 10 years</u>	n/a	64.81%	N/A

The asset renewal funding ratio measures the ability of a council to fund its projected infrastructure asset renewal/replacements in the future.

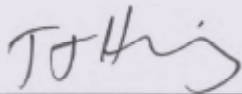
## Note 1 - basis of preparation

The current year financial sustainability statement - Contextual Ratios is prepared in accordance with the requirements of the Local Government Regulation 2012 and the Financial Management (Sustainability) Guideline 2024. The amounts used to calculate the 3 reported measures are prepared on an accrual basis and are drawn from the council's audited general purpose financial statements for the year ended 30 June 2024.

Certificate of Accuracy (contextual ratios - unaudited)

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.



Teresa Harding  
Mayor

Date: 17 Oct 24



Sonia Cooper  
Chief Executive Officer

Date: 17 Oct 24

Unaudited Long-Term Financial Sustainability Statement

	Target	Actual	Forecast									
	2024	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034

Measures of financial sustainability

Liquidity

**1. Unrestricted cash expense coverage ratio**

Total cash and equivalents add current investments add available ongoing QTC working capital limit less externally restricted cash

> 2 months  
7.2 months

Total operating expenditure less depreciation and amortisation less finance costs

N/A for long-term sustainability statement

The unrestricted cash expense cover ratio is an indicator of the unconstrained liquidity available to a council to meet ongoing and emergent financial demands, which is a key component to solvency. It represents the number of months a council can continue operating based on current monthly expenses. Data from 2025 onwards is not available.

Operating Performance

**2. Operating surplus ratio**

Operating result

Total operating revenue

> 0% (0.66)% 0.76% 7.87% 2.08% 2.25% 3.02% 2.86% 3.05% 2.73% 2.72% 2.71%

The operating surplus ratio is an indicator of the extent to which operating revenues generated cover operational expenses. Any operating surplus would be available for capital funding or other purposes.

**3. Operating cash ratio**

Operating result add depreciation and amortisation add finance costs

Total operating revenue

> 0% 29.44% 29.28% 36.23% 30.17% 30.26% 30.69% 30.71% 30.74% 30.31% 30.36% 30.26%

The operating cash ratio is a measure of council's ability to cover its core operational expenses and generate a cash surplus excluding depreciation, amortisation, and finance costs.

Unaudited Long-Term Financial Sustainability Statement (continued)

	Target 2024	Actual 2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
			Forecast									

**Asset Management**

**4. Asset sustainability ratio**

Capital expenditure on replacement of infrastructure assets (renewals)

> 60%    **62.92%**    107.33%    59.32%    57.94%    96.88%    75.40%    75.14%    66.54%    66.51%    68.69%    67.05%

Depreciation expenditure on infrastructure assets

The asset sustainability ratio approximates the extent to which the infrastructure assets managed by a council are being replaced as they reach the end of their useful lives.

**5. Asset consumption ratio**

Written down replacement cost of depreciable infrastructure assets

> 60%    **70.87%**    70.22%    63.39%    69.08%    68.60%    68.13%    67.62%    67.02%    66.61%    66.26%    65.91%

Current replacement cost of depreciable infrastructure assets

The asset consumption ratio approximates the extent to which council's infrastructure assets have been consumed compared to what it would cost to build a new asset with the same benefit to the community.

**6. Asset renewal funding ratio**

Total of planned capital expenditure on infrastructure assets renewals over 10 years

n/a    **64.81%**

N/A for long-term sustainability statement

Total required capital expenditure on infrastructure asset renewals over 10 years

The asset renewal funding ratio measures the ability of a council to fund its projected infrastructure asset renewal/replacements in the future. Data from 2025 onwards is not available.

**Debt servicing capacity**

**7. Leverage ratio**

Book value of debt

0 - 4 times    **3.7 times**

2.2 times

2.2 times

2.1 times

2.3 times

2.5 times

2.3 times

2.3 times

2.3 times

2.2 times

2.2 times

2.2 times

The leverage ratio is an indicator of a council's ability to repay its existing debt. It measures the relative size of the council's debt to its operating performance.

Unaudited Long-Term Financial Sustainability Statement (continued)

	Target 2024	Actual 2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
			Forecast									

**Financial Capacity**

**8. Council controlled revenue**

Net rates, levies and charges add fees and charges  
 Total operating revenue

n/a	<b>79.62%</b>	84.19%	84.37%	85.32%	85.46%	85.49%	85.70%	85.91%	86.15%	86.30%	86.40%
-----	---------------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------

Council controlled revenue is an indicator of a council's financial flexibility, ability to influence its operating income, and capacity to respond to unexpected financial shocks.

**9. Population growth**

Prior year estimated population  
 Previous year estimated population

-1	<b>2.72%</b>	3.03%	3.47%	3.86%	3.82%	3.77%	3.72%	3.68%	3.63%	3.59%	3.54%
----	--------------	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------

Population growth is a key driver of a council's operating income, service needs, and infrastructure requirements into the future.

**Ipswich City Council Financial Management Strategy**

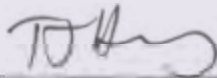
Council measures revenue and expenditure trends over time as a guide to future requirements and to make decisions about the efficient allocation of resources to ensure the most effective provision of services. Council ensures that its financial management strategy is prudent and that its long-term financial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

### Certificate of Accuracy for Long-Term Financial Sustainability Statement

---

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.



Teresa Harding  
Mayor

Date: 17 Oct 24



Sonia Cooper  
Chief Executive Officer

Date: 17 Oct 24

As part of council's commitment to sustainability, we encourage you to download a digital copy of this document. For more information or to receive a printed copy of this document, please contact:



City of  
**Ipswich**

Ipswich City Council  
PO Box 191, Ipswich QLD 4305, Australia

Phone (07) 3810 6666  
council@ipswich.qld.gov.au  
ipswich.qld.gov.au

---

**Join us online:**

 /ipswichCityCouncil

 /IpswichCouncil

 /ipswich-city-council

 /IpswichCityCouncilTV