



## **FINANCIAL STATEMENTS**

For the year ended 30 June 2025

Appendix 2



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## Statement of Comprehensive Income For the year ended 30 June 2025

### Statement of Comprehensive Income

	Note	2025	2024
<b>Income</b>			
<b>Recurrent revenue</b>			
Rates, levies and charges	3a	30,739,313	29,379,419
Fees and charges	3b	3,883,094	3,554,867
Sales - contract and recoverable works	3c	5,504,309	4,537,513
Grants, subsidies, contributions and donations	3d(i)	60,158,508	23,514,215
<b>Total Recurrent Revenue</b>		<b>100,285,224</b>	<b>60,986,014</b>
Interest received	3e	3,364,413	3,101,394
Other income		400,899	363,771
<b>Total operating revenue</b>		<b>104,050,536</b>	<b>64,451,179</b>
<b>Capital income</b>			
Grants, subsidies, contributions and donations	3d(ii)	2,738,166	11,109,096
Gain on sale of non-current assets	4	19,746	165,664
<b>Total capital income</b>		<b>2,757,912</b>	<b>11,274,760</b>
<b>Total income</b>		<b>106,808,448</b>	<b>75,725,939</b>
<b>Expenses</b>			
<b>Recurrent expenses</b>			
Employee benefits	5	(22,505,840)	(22,128,905)
Materials and services	6	(60,298,452)	(41,178,518)
Finance costs	7	(48,141)	(67,223)
Depreciation	13	(12,054,150)	(10,861,043)
<b>Total recurrent expenses</b>		<b>(94,906,583)</b>	<b>(74,235,689)</b>
<b>Capital expenses</b>			
Loss on sale of non-current assets	8a	(110,690)	(23,872)
Non-current assets write-offs	8b	(1,776,580)	(1,418,235)
Landfill rehabilitation	8c	(283,721)	(70,400)
<b>Total capital expenses</b>		<b>(2,170,991)</b>	<b>(1,512,507)</b>
<b>Total expenses</b>		<b>(97,077,574)</b>	<b>(75,748,196)</b>
<b>Net result</b>		<b>9,730,874</b>	<b>(22,257)</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to net result</b>			
Increase in asset revaluation surplus	19	38,574,011	48,813,045
<b>Total other comprehensive income for the year</b>		<b>38,574,011</b>	<b>48,813,045</b>
<b>Total comprehensive income for the year</b>		<b>48,304,885</b>	<b>48,790,788</b>

The above statement should be read in conjunction with the accompanying notes and Accounting Policies



## Statement of Financial Position As at 30 June 2025

### Statement of Financial Position

	Note	2025	2024
<b>Current assets</b>			
Cash and cash equivalents	9	70,016,062	49,927,279
Investments	10	-	15,000,000
Receivables	11	8,849,123	8,063,226
Inventories	12	714,190	716,156
Contract assets	14a	13,210,729	9,357,527
<b>Total current assets</b>		<b>92,790,104</b>	<b>83,064,188</b>
<b>Non-current assets</b>			
Property, plant and equipment	13	674,454,101	640,701,742
<b>Total non-current assets</b>		<b>674,454,101</b>	<b>640,701,742</b>
<b>Total assets</b>		<b>767,244,205</b>	<b>723,765,930</b>
<b>Current liabilities</b>			
Contract liabilities	14b	14,189,186	16,720,409
Payables	16a	12,476,846	14,705,993
Borrowings	17	165,157	160,829
Provisions	18	4,139,917	3,966,437
<b>Total current liabilities</b>		<b>30,971,106</b>	<b>35,553,668</b>
<b>Non-current liabilities</b>			
Payables	16b	367,563	756,026
Borrowings	17	169,415	334,192
Provisions	18	2,137,576	1,828,384
<b>Total non-current liabilities</b>		<b>2,674,554</b>	<b>2,918,602</b>
<b>Total liabilities</b>		<b>33,645,660</b>	<b>38,472,270</b>
<b>Net community assets</b>		<b>733,598,545</b>	<b>685,293,660</b>
<b>Community equity</b>			
Asset revaluation surplus	19	267,361,461	228,787,450
Council capital		396,225,822	391,584,330
Retained surplus		70,011,262	64,921,880
<b>Total community equity</b>		<b>733,598,545</b>	<b>685,293,660</b>

The above statement should be read in conjunction with the accompanying notes and Accounting Policies

## Statement of Changes in Equity For the year ended 30 June 2025

### Statement of Changes in Equity

	Note	Retained surplus	Council capital	Asset revaluation surplus	Total
<b>Balance as at 1 July 2024</b>		64,921,880	391,584,330	228,787,450	685,293,660
Net result		9,730,874	-	-	9,730,874
Increase in asset revaluation surplus	13	-	-	38,574,011	38,574,011
<b>Total comprehensive income for the year</b>		9,730,874	-	38,574,011	48,304,885
Transfers to/(from) council capital		(4,641,492)	4,641,492	-	-
<b>Balance as at 30 June 2025</b>		<b>70,011,262</b>	<b>396,225,822</b>	<b>267,361,461</b>	<b>733,598,545</b>
<b>Balance as at 1 July 2023</b>		51,328,602	405,199,865	179,974,405	636,502,872
Net Result		(22,257)	-	-	(22,257)
Increase in asset revaluation surplus	13	-	-	48,813,045	48,813,045
<b>Total comprehensive income for the year</b>		(22,257)	-	48,813,045	48,790,788
Transfers to/(from) council capital		13,615,535	(13,615,535)	-	-
<b>Balance as at 30 June 2024</b>		<b>64,921,880</b>	<b>391,584,330</b>	<b>228,787,450</b>	<b>685,293,660</b>

*The above statement should be read in conjunction with the accompanying notes and Accounting Policies*



## Statement of Cash Flows

### For the year ended 30 June 2025

#### Statement of Cash Flows

	Note	2025	2024
<b>Cash flows from operating activities</b>			
Receipts from customers		37,686,997	37,450,882
Payments to suppliers and employees		(88,770,574)	(44,294,819)
		(51,083,577)	(6,843,937)
Interest received		3,364,413	3,101,394
Non-capital grants and contributions		60,158,508	23,514,215
Borrowing costs		(11,925)	(16,316)
<b>Net cash inflow (outflow) from operating activities</b>	23a	<b>12,427,419</b>	<b>19,755,356</b>
<b>Cash flow from investing activities</b>			
Payments for property, plant and equipment		(15,229,845)	(17,472,594)
Proceeds from sale of assets		329,776	427,376
Capital grants, subsidies, contributions and donations		8,005,603	11,109,096
Landfill rehabilitation		(283,721)	(70,400)
Net transfer from/(to) cash investments	10	15,000,000	(5,000,000)
<b>Net cash inflow (outflow) from investing activities</b>		<b>7,821,813</b>	<b>(11,006,522)</b>
<b>Cash flow from financing activities</b>			
Repayment of loan borrowings		(160,449)	(156,058)
<b>Net cash inflow (outflow) from financing activities</b>		<b>(160,449)</b>	<b>(156,058)</b>
<b>Net increase (decrease) in cash held</b>		<b>20,088,783</b>	<b>8,592,776</b>
<b>Cash and cash equivalents at beginning of the financial year</b>	9	<b>49,927,279</b>	<b>41,334,503</b>
<b>Cash and cash equivalents at end of the financial year</b>	9	<b>70,016,062</b>	<b>49,927,279</b>

*The above statement should be read in conjunction with the accompanying notes and Accounting Policies*

# Notes to the Financial Statements

## For the year ended 30 June 2025

### 1. Information about these financial statements

#### a. Basis of preparation

The Charters Towers Regional 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 2024 to 30 June 2025 and have been prepared in accordance with the requirements of the *Local Government Act 2009* and the *Local Government Regulation 2012*.

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

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

#### b. New and revised Accounting Standards adopted during the year

Charters Towers Regional Council adopted all standards which became mandatorily effective for annual reporting periods beginning on 1 July 2024. The relevant standards for Council were:

AASB 101 *Presentation of Financial Statements* (amended by AASB 2020-1, AASB 2020-6, AASB 2022-6, AASB 2023-3) relating to current/non-current classification of liabilities.

AASB 13 *Fair Value Measurement* (amended by AASB 2022-10)

Neither of these standards had a material impact on reported position, performance and cash flows.

#### c. Standards issued by the AASB not yet effective

The AASB has issued Australian Accounting Standards and Interpretations which are not mandatorily effective at 30 June 2025, these standards have not been adopted by Council and will be included in the financial statements on their effective date.

Council has assessed all the standards/interpretations currently issued which are not yet effective and have determined that there is no expected material impact on the reported position, performance or cash flows.



## Notes to the Financial Statements

### For the year ended 30 June 2025

**d. Estimates and judgements**

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

Revenue recognition – Note 3

Valuation and depreciation of property, plant and equipment – Note 13

Provisions – Note 18

Contingent liabilities – Note 21

Financial instruments – Note 24

**e. Rounding and comparatives**

The financial statements are in Australian dollars and have been rounded to the nearest dollar, unless otherwise stated. Comparative information is generally restated for reclassifications, errors and changes in accounting policies unless permitted otherwise by transition rules in a new Accounting Standard.

**f. Volunteer services**

Council accesses a minor number of volunteer services that if not donated would not be purchased. These services cannot be reliably measured and are therefore not recognised in the Statement of Comprehensive Income.

**g. 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. When applicable, the net amount of GST recoverable from the 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 2025

### 2. Analysis of results by function

#### a. Components of council functions:

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

#### Office of the CEO (OCEO)

OCEO's objective is to set and achieve council wide goals, strategies and operating plans, plus ensure an effective governance structure.

Executive Services - Corporate and Business Planning, Internal Audit, Organisation Performance, Corporate Branding, Communications, Agenda and Minutes, Disaster Management and State Emergency Coordination.

Project Management Office - Facilitates a consistent project management approach across council functions.

Elected Members - Community Consultation, Official Functions, Delegations, Media Relations and Elections.

#### Human Resources (HR)

HR's objective is to hold overall responsibility for recruitment, payroll, industrial relations and staff learning and development.

#### Infrastructure services (IS)

IS's objective is to ensure sustainable management of the regions infrastructure networks by providing services and facilities that are safe, reliant, efficient and customer driven.

Roads - Road Construction and Maintenance, Contract Works, Survey Design and Flood Restorations Works.

Infrastructure Operations - Environmental Services, Waste Management and Land and Pest Management.

Fleet Services Function - Facilitate Council's fleet maintenance and replacement programs.

Water and Sewerage - Supply, Treatment and Reticulation.

Facilities - Saleyard Facilities, Community and Council Facilities Maintenance, Airport Operations and Open Spaces Maintenance.

#### Corporate Services (CS)

CS's objective is to consolidate council-wide activities such as administration, safety and risk management systems, financial decisions and reporting, project management and IT services.

Corporate - Rating, Financial Services, Procurement, Business and Procedures and Information Technology Infrastructure Support.

WHS and Risk - Secure the health and safety of the workforce and enterprise risk management.

#### Community Building (CB)

CB's objective is to benefit and grow the community and region through cultural and tourism activities. Additionally, CB facilitate regulatory processes.

Community Services - Customer Service, Records Management, Library Services, Tourism Promotion, Visitor Information Centre, Youth Related Activities, Galleries and Exhibitions, Theatre Entertainment Services, Events Management, Community Development and Regional Arts Development.

Development and Regulatory Services - Land Use Planning, Heritage Management, Planning Act, Building and Plumbing Compliance, Local Laws and Animal Related Customer Requests.



## Notes to the Financial Statements For the year ended 30 June 2025

2. Analysis of results by function (Cont'd)  
b. Income and expenses defined between recurring, and capital are attributed to the following functions:

Year ended 30 June 2025

FUNCTIONS	Gross program income				Total income	Gross program expenses		Total expenses		Net result from recurring operations 2025	Net result attributable to council within the reporting period 2025	Assets 2025
	Recurring 2025	Other	Grants	Capital 2025		Recurring 2025	Capital 2025	2025	2025			
Office of CEO / Elected Members	37,348	313	(4,991,175)	-	(4,953,514)	4,053,063	-	4,053,063	(4,015,402)	(9,006,577)	5,420	
Roads & Infrastructure Operations	40,066,080	7,595,514	4,797,149	5,000	52,463,743	60,648,028	1,682,557	62,330,585	(12,986,434)	(9,866,842)	492,945,872	
Fleet	-	62,509	-	14,746	77,255	1,418,307	110,690	1,528,997	(1,355,798)	(1,451,742)	10,972,170	
Water	-	8,772,586	1,971,351	-	10,743,937	8,991,401	249,463	9,240,864	(218,815)	1,503,073	91,495,953	
Sewerage	185,023	4,189,480	-	-	4,374,503	2,015,932	12,324	2,028,256	2,358,571	2,346,247	25,364,345	
Facilities	214,170	2,474,291	670,240	-	3,358,701	9,455,000	115,957	9,570,957	(6,766,539)	(6,212,256)	66,927,834	
Development / Regulatory Services	-	436,201	90,053	-	526,254	1,354,473	-	1,354,473	(918,272)	(828,219)	746	
Community Building	186,509	255,146	58,336	-	499,991	4,002,132	-	4,002,132	(3,560,477)	(3,502,141)	1,283	
Organisational Services / WHS	19,330,958	20,107,665	142,212	-	39,580,835	1,517,047	-	1,517,047	37,921,576	38,063,788	79,529,817	
Human Resources	138,420	(1,677)	-	-	136,743	1,451,200	-	1,451,200	(1,314,457)	(1,314,457)	765	
Total Council	60,158,508	43,892,028	2,738,166	19,746	106,808,448	94,906,583	2,170,991	97,077,574	9,143,953	9,730,874	767,244,205	

Year ended 30 June 2024

FUNCTIONS	Gross program income				Total income 2024	Gross program expenses		Total expenses 2024	Net result from recurring operations 2024	Net result attributable to council within the reporting period 2024	Assets 2024
	Recurring 2024		Capital 2024								
	Grants	Other	Grants	Other							
Office of CEO / Elected Members	88,617	38	455,910	-	544,565	3,539,323	-	3,539,323	(3,450,668)	(2,994,758)	3,040
Roads & Infrastructure Operations	22,768,231	6,472,259	5,272,299	9,091	34,521,880	40,791,855	803,325	41,595,180	(11,551,365)	(7,073,300)	469,457,772
Fleet	-	13,170	-	156,574	169,744	1,052,585	24,073	1,076,658	(1,039,415)	(908,914)	10,294,000
Water	-	7,998,435	1,171,077	-	9,169,512	8,353,364	77,995	8,431,359	(354,929)	738,153	80,997,495
Sewerage	-	4,219,817	-	-	4,219,817	1,867,282	-	1,867,282	2,352,535	2,352,535	24,090,292
Facilities	54,004	2,174,512	4,140,655	-	6,369,171	9,552,481	473,742	10,026,223	(7,323,965)	(3,657,052)	65,266,035
Development / Regulatory Services	-	392,077	69,155	-	461,232	2,209,321	-	2,209,321	(1,817,244)	(1,748,089)	596
Community Building	64,830	311,106	-	-	375,936	4,124,126	-	4,124,126	(3,748,190)	(3,748,190)	1,250
Organisational Services /WHS	484,502	19,355,550	-	-	19,840,052	1,346,267	133,373	1,479,640	18,493,785	18,360,412	73,654,685
Human Resources	54,031	-	-	-	54,031	1,399,085	-	1,399,085	(1,345,054)	(1,345,054)	765
<b>Total Council</b>	<b>23,514,215</b>	<b>40,936,964</b>	<b>11,109,096</b>	<b>165,665</b>	<b>75,725,940</b>	<b>74,235,689</b>	<b>1,512,508</b>	<b>75,748,197</b>	<b>(9,764,510)</b>	<b>(22,257)</b>	<b>723,765,930</b>

## Notes to the Financial Statements For the year ended 30 June 2025

### 3. Revenue

#### a. Rates, levies and charges

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.

	2025	2024
General rates	17,932,112	17,161,814
Cleansing / refuse	1,717,478	1,657,017
Water services	8,240,234	7,437,379
Water – excess allocation	548,769	599,283
Sewerage	4,320,070	4,342,809
<b>Total rates, levies and charges revenue</b>	<b>32,758,663</b>	<b>31,198,302</b>
Less: Discounts	(1,641,272)	(1,469,930)
Less: Pensioner remissions	(378,078)	(348,953)
<b>Net rates, levies and charges</b>	<b>30,739,313</b>	<b>29,379,419</b>

#### b. Fees and charges

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

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

	2025	2024
Animal control fees and charges	118,619	107,166
Cemetery fees and charges	106,348	99,564
Landfill fees and charges	625,464	615,212
Regulatory fees and charges	311,577	276,645
Rental/hire fee and charges	123,893	98,728
Reserve rental	37,411	74,788
Saleyards fees and charges	2,325,042	2,005,202
Search fees	110,746	96,513
Water and sewerage services	22,001	35,222
World Theatre fees and charges	47,897	81,089
Other fees and charges	54,096	64,738
<b>Total fees and charges</b>	<b>3,883,094</b>	<b>3,554,867</b>

## Notes to the Financial Statements

### For the year ended 30 June 2025



### 3. Revenue (Cont'd)

#### c. Sales revenue – Contract and recoverable works

Sale of goods revenue is recognised at the point in time that the customer obtains control of the goods, generally at delivery. Revenue from services is recognised when the service is rendered.

Revenue from contracts and recoverable works generally comprises a recoupment of material costs together with an hourly charge for use of equipment and employees. This revenue and the associated costs are recognised by reference to the stage of completion of the contract activity based on costs incurred at the reporting date. Where consideration is received for the service in advance it is included in other liabilities and is recognised as revenue in the period when the service is performed. There are no contracts in progress at the year end. The contract work carried out is not subject to retentions.

<b>Contract and recoverable works</b>	<b>2025</b>	<b>2024</b>
Private works	17,369	186,903
Department of Transport and Main Roads contracts	5,117,281	4,076,768
Sale of goods - water	369,659	273,842
<b>Total sales revenue</b>	<b>5,504,309</b>	<b>4,537,513</b>

#### d. Grants, subsidies and contributions

##### Grant income under AASB 15

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

Performance obligations vary in each agreement and include performance milestones and review and sign off from contract parties. Payment terms vary depending on the terms of the grant, cash is received upfront for some grants and on the achievement of certain payment milestones for others.

Each performance obligation is considered to ensure that the revenue recognition reflects the transfer of control and within grant agreements there may be some performance obligations where control transfers at a point in time and others which have continuous transfer of control over the life of the contract. Where control is transferred over time, 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) are recorded and income then is recognised for any remaining asset value at the time that the asset is received.

##### Capital grants

Where council receives funding under an enforceable contract to acquire or construct a specified item of property, plant and equipment which will be under Council's control on completion, revenue is recognised as and when the obligation to construct or purchase is completed. For construction projects, this is generally as the construction progresses in accordance with costs incurred.

##### Contributions

Physical assets contributed to council by developers in the form of road works, stormwater, water and wastewater infrastructure 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 2025



### 3. Revenue (Cont'd)

#### d. Grants, subsidies and contributions (Cont'd)

##### i) Operating

	2025	2024
General purpose grants	19,229,272	395,750
Government grants, subsidies and contributions	40,929,236	23,118,465
	<b>60,158,508</b>	<b>23,514,215</b>

##### ii) Capital

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

	2025	2024
Government grants and subsidies	2,374,820	10,983,541
Contributed assets	273,293	56,400
Contributions	90,053	69,155
	<b>2,738,166</b>	<b>11,109,096</b>

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

	2025		2024	
	Revenue Recognised at a point in time	Revenue Recognised over time	Revenue Recognised at a point in time	Revenue Recognised over time
Grants and subsidies	19,852,040	42,681,288	2,914,988	31,582,768
Contributed assets	273,293	-	56,400	-
Contributions	90,053	-	69,155	-
	<b>20,215,386</b>	<b>42,681,288</b>	<b>3,040,543</b>	<b>31,582,768</b>

#### e. Interest received

Interest received from QTC investment accounts and bank term deposits is accrued over the term of the investment.

	2025	2024
Interest received from QTC investment accounts	2,749,527	2,171,170
Interest received from bank term deposits	406,765	718,359
Interest received on overdue rates and charges	208,121	211,865
	<b>3,364,413</b>	<b>3,101,394</b>

### 4. Capital income

#### Gain on sale of non-current assets

	2025	2024
Proceeds from sale of assets	50,866	368,712
Less: Carrying value of disposed assets	(31,120)	(203,048)
	<b>19,746</b>	<b>165,664</b>

## Notes to the Financial Statements For the year ended 30 June 2025



### 5. Employee benefits

Employee benefit expenses are recorded when the service has been provided by the employee.

	Note	2025	2024
Staff salaries and wages		15,470,614	15,769,370
Staff leave entitlements		4,027,450	3,790,779
Superannuation	22	2,165,605	2,214,967
Termination benefits		161,081	262,134
Councillors' remuneration		619,399	465,125
		<b>22,444,149</b>	<b>22,502,375</b>
Other employee related expenses		718,349	591,718
		<b>23,162,498</b>	<b>23,094,093</b>
Less: Capitalised employee expenses		(656,658)	(965,188)
		<b>22,505,840</b>	<b>22,128,905</b>

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

Total number of Council employees as the reporting date:

	2025	2024
Elected members	7	7
Permanent staff	208	204
Casual staff	17	23
	<b>232</b>	<b>234</b>

The total full time equivalents (FTE) as at 30 June 2025 is 209 and includes permanent and casual staff and excludes vacancies and Councillors.

### 6. Materials and services

	2025	2024
Administration supplies and consumables	218,064	312,350
Advertising and marketing	95,722	166,656
Auditor-General of Queensland – audit of financial statements *	101,948	86,638
Audit fees – internal	14,667	81,589
Communications and IT	1,357,212	1,044,500
Consultants	663,650	573,477
Contractors	438,948	487,669
Contract personnel	566,825	375,641
Donations paid	13,367	25,937
Legal services	279,004	833,722
Disaster recovery funded materials and services	39,983,877	22,458,325
Repairs and maintenance and other materials	8,543,914	8,260,313
Main Roads Performance Contract materials and services	3,006,579	2,292,140
Sewerage operations and repairs and maintenance	628,463	573,239
Subscriptions and registrations	721,904	733,289
Water operations and repairs and maintenance	3,664,308	2,873,033
	<b>60,298,452</b>	<b>41,178,518</b>

Total audit fees quoted by the Queensland Audit Office relating to the 2024-25 financial statements are \$89,500 (2023-24: \$88,500).

# Notes to the Financial Statements

## For the year ended 30 June 2025



### 7. Finance costs

	2025	2024
Finance costs charged by QTC	11,925	16,316
Finance costs - other	631	1,532
Bank charges	35,585	43,010
Unwinding of discount on provisions	-	6,365
	<b>48,141</b>	<b>67,223</b>

### 8. Capital expenses

#### a. Loss on disposal of non-current assets

	2025	2024
Proceeds from sale of assets	278,910	58,664
Less: Carrying value of assets	(389,600)	(82,536)
	<b>(110,690)</b>	<b>(23,872)</b>

#### b. Non-current assets write-offs

		2025	2024
Gross value of write-offs	13	3,511,071	3,124,829
Less: Accumulated depreciation of write-offs	13	(1,734,491)	(1,706,594)
		<b>1,776,580</b>	<b>1,418,235</b>

#### c. Landfill rehabilitation

		2025	2024
Discount rate adjustments	18	3,417	(83,161)
Materials rate adjustments	18	33,454	(101,748)
Inflation rate adjustments	18	246,850	255,309
Total rate adjustments to landfill rehabilitation provision		<b>283,721</b>	<b>70,400</b>

## Notes to the Financial Statements

### For the year ended 30 June 2025



#### 9. Cash and cash equivalents

Cash and cash equivalents in the statement of cash flows includes cash on hand, all cash and cheques receipted but not banked at the year end and deposits held at call with financial institutions.

	2025	2024
Cash at bank	1,571,753	581,897
Deposits at call	68,439,509	49,339,982
	70,011,262	49,921,879
Working capital floats	4,800	5,400
Balance as per Statement of Cash Flows	<b>70,016,062</b>	<b>49,927,279</b>

Cash at bank is held with the Commonwealth Bank in a normal business account with a short-term credit rating of A-1+ and a long-term rating of AA-. Deposits at call are held with Queensland Treasury Corporation Cash Fund.

Unrestricted cash	Note	2025	2024
Cash & cash equivalents		70,016,062	49,927,279
Less: External imposed restrictions on cash	9b	(14,189,186)	(16,720,409)
		<b>55,826,876</b>	<b>33,206,870</b>

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

#### a. Externally imposed expenditure restrictions at the reporting date relate to the following cash asset:

Unspent government grants and subsidies	2025	2024
Disaster Recovery Funding Arrangements	11,602,569	15,711,517
Local Roads & Community Infrastructure Funding	-	1,008,892
North Queensland Resilience Program	1,376,349	-
Works for Queensland Program	1,053,963	-
Local Government Grants & Subsidies Program	156,305	-
	<b>14,189,186</b>	<b>16,720,409</b>

#### b. Internal allocations of cash at the reporting date:

Internal allocations of cash may be lifted with a Council resolution.

	2025	2024
Water and sewerage infrastructure	30,461,199	27,180,510
Plant	7,786,511	1,403,546
Information technology	321,014	497,658
Infrastructure charges	383,281	293,228
Landfill rehabilitation	1,567,619	1,340,593
Prepaid waste levy	756,026	1,128,633
Long service leave	1,585,292	1,709,826
Committed project funds	2,637,617	4,545,850
	<b>45,498,559</b>	<b>38,099,844</b>



# Notes to the Financial Statements

## For the year ended 30 June 2025



### 9. Cash and cash equivalents (Cont'd)

#### c. Trust funds held for outside parties

	2025	2024
Sundries	13,144	16,070
Animal trap deposits	385	80
Relocation of buildings	49,364	48,564
Subdivision – roadworks	4,302	4,302
Subdivision – water connections	34,286	36,099
Subdivision – sewerage connections	15,000	15,000
Facility hire security deposits	12,442	6,748
Cemetery/monument works	781	928
	<b>129,704</b>	<b>127,791</b>

In accordance with the *Local Government Act 2009* and *Local Government Regulation 2012*, a separate trust bank account and separate accounting records are maintained for funds held on behalf of outside parties. The Council performs only a custodian role in respect of these monies and because the monies cannot be used for Council purposes, they are not considered revenue nor brought to account in the financial statements since Council has no control over the assets.

### 10. Investments

Term deposits of three months or more are reported as investments, with deposits at call and term deposits with a short maturity of three months or less treated as cash equivalents. At 30 June 2025, Council did not hold any term deposits.

	2025	2024
Term deposits	-	15,000,000

### 11. Receivables

Receivables are amounts owed to Council at year end. They are recognised at the amount due at the time of sale or service delivery. Settlement of receivables is required within 30 days from invoice date.

Receivables are measured at amortised cost which approximates fair value at reporting date. Trade debtors are recognised at the amounts due at the time of sale or service delivery i.e. the agreed purchase/contract price.

#### Current

	2025	2024
Rateable revenue and utility charges	2,262,679	2,129,326
Prepayments	1,425,299	1,026,363
Accrued revenue	4,093,740	3,053,483
Other debtors	1,067,405	1,854,054
	<b>8,849,123</b>	<b>8,063,226</b>

## Notes to the Financial Statements For the year ended 30 June 2025



### 11. Receivables (Cont'd)

Debts are regularly assessed for collectability and allowance is made, where appropriate, for impairment. All known bad debts were written-off at 30 June. If an amount is recovered in a subsequent period it is recognised as revenue.

The impairment loss is recognised in finance costs. The amount of the impairment is the difference between the asset's carrying amount and the present value of the estimated cash flows discounted at the effective interest rate.

Interest is charged on outstanding rates at a rate of 12.35% per annum. No interest is charged on other debtors. There is no concentration of credit risk for rates and utility charges and fees.

Council applies normal business credit protection procedures prior to providing goods or services to minimise credit risk. The Council does not require collateral in respect of trade and other receivables.

When Council has no reasonable expectation of recovering an amount owed by a debtor, and has ceased enforcement activity, the debt is written-off by directly reducing the receivable against the loss allowance. If the amount of debt written off exceeds the loss allowance, the excess is recognised as an impairment loss.

Accounting for impairment losses is dependent upon the individual group of receivables subject to impairment. The loss allowance for grouped receivables reflects lifetime expected credit losses and incorporates reasonable and supportable forward-looking information. Economic changes impacting debtors, and relevant industry data form part of the impairment assessment.

Council has identified 2 distinctive groupings of its receivables: Rates & Charges and Other Debtors, and relevant judgements in relation to expected credit loss has been made for each group.

**Rates and Charges:** 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.

**Other Debtors:** Council identifies other debtors as receivables which are not rates and charges. Other debtors includes statutory charges and amounts payable by State and Commonwealth governments and their agencies. A credit enhancement exists as these payments are effectively government guaranteed and both the State and Commonwealth governments have high credit ratings. Accordingly Council determines the level of credit risk is immaterial and no ECL record is required.

### 12. Inventories

Inventories are valued at the lower of cost and net realisable value. Costs are assigned on the basis of weighted average costs.

Inventories held for distribution are:

- Goods to be supplied at nil, or nominal charge, and
- Goods to be used for the provision of services at nil, or nominal, charge.

These goods are valued at cost, adjusted, when applicable, for any loss of service potential.

	2025	2024
<b>Inventories held for sale</b>		
World Theatre candy bar	3,563	7,042
Visitor Information gift shop	27,022	21,514
<b>Inventories held for distribution</b>		
Works depot stores	683,605	687,600
	<b>714,190</b>	<b>716,156</b>

**Notes to the Financial Statements  
For the year ended 30 June 2025**

**13. Property, plant and equipment**

30-Jun-25	Note	Land	Buildings & structures	Plant	Equipment	Road infrastructure	Water infrastructure	Sewerage infrastructure	Sub-total	Work in progress	Total
<b>Opening gross value as at 1-Jul-24</b>		<b>16,187,895</b>	<b>129,700,531</b>	<b>21,568,000</b>	<b>8,267,452</b>	<b>558,999,799</b>	<b>145,222,251</b>	<b>55,894,608</b>	<b>935,840,536</b>	<b>20,084,587</b>	<b>955,925,123</b>
Additions at cost											
• Renewals		-	30,498	2,244,396	-	758,770	1,090,109	-	4,123,773	8,741,027	12,864,800
• Other additions		-	28,400	-	45,550	-	-	-	73,950	2,017,802	2,091,752
• WIP take-ons		-	428,730	-	365,009	7,183,363	2,209,716	-	10,186,818	(10,186,818)	-
WIP transfers to expense		-	-	-	-	-	-	-	-	(5,800,047)	(5,800,047)
Contributed assets at valuation		-	-	-	-	-	421,183	-	421,183	-	421,183
Disposals gross value		-	-	(1,357,353)	(11,218)	-	-	-	(1,368,571)	-	(1,368,571)
Write-offs gross value	8b	-	(346,320)	-	(31,552)	(2,122,622)	(985,864)	(24,713)	(3,511,071)	-	(3,511,071)
Revaluation adjustments to revaluation surplus		487,564	8,794,306	-	-	29,174,908	13,667,172	2,525,807	54,649,757	-	54,649,757
<b>Closing gross value as at 30-Jun-25</b>		<b>16,675,459</b>	<b>138,636,145</b>	<b>22,455,043</b>	<b>8,636,241</b>	<b>593,994,218</b>	<b>161,624,567</b>	<b>58,395,702</b>	<b>1,000,416,375</b>	<b>14,856,551</b>	<b>1,015,272,926</b>
<b>Accumulated depreciation</b>											
<b>Opening balance as at 1-Jul-24</b>		<b>-</b>	<b>66,676,506</b>	<b>11,334,950</b>	<b>4,280,632</b>	<b>132,445,602</b>	<b>68,681,233</b>	<b>31,804,458</b>	<b>315,223,381</b>	<b>-</b>	<b>315,223,381</b>
Contributed assets at valuation		-	-	-	-	-	147,890	-	147,890	-	147,890
Depreciation on disposals		-	-	(936,633)	(11,218)	-	-	-	(947,851)	-	(947,851)
Write-offs accumulated depreciation	8b	-	(230,363)	-	(9,400)	(745,938)	(736,400)	(12,390)	(1,734,491)	-	(1,734,491)
Revaluation adjustments to revaluation surplus		-	4,804,276	-	-	5,834,000	4,969,685	467,785	16,075,746	-	16,075,746
Annual depreciation expense		-	3,038,229	1,216,906	361,353	4,407,152	2,249,449	781,061	12,054,150	-	12,054,150
<b>Accumulated depreciation at 30-Jun-25</b>		<b>-</b>	<b>74,288,648</b>	<b>11,615,223</b>	<b>4,621,367</b>	<b>141,940,816</b>	<b>75,311,857</b>	<b>33,040,914</b>	<b>340,818,825</b>	<b>-</b>	<b>340,818,825</b>
<b>Written down value as at 30-Jun-25</b>		<b>16,675,459</b>	<b>64,347,497</b>	<b>10,839,820</b>	<b>4,013,874</b>	<b>452,053,402</b>	<b>86,312,710</b>	<b>25,354,788</b>	<b>659,597,550</b>	<b>14,856,551</b>	<b>674,454,101</b>
<b>Residual value</b>		<b>-</b>	<b>-</b>	<b>4,394,644</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,394,644</b>	<b>-</b>	<b>4,394,644</b>
Basis of measurement		Fair value	Fair value	Cost	Cost	Fair value	Fair value	Fair value	Cost	Cost	
Fair value category		Level 2 & 3	Level 2 & 3			Level 3	Level 3	Level 3			
Range of estimated useful life in years		Not depreciated	15 to 120	2 to 20	5 to 50	15 to 1000	10 to 150	10 to 140			



**Notes to the Financial Statements  
For the year ended 30 June 2025**

**13. Property, plant and equipment (Cont'd)**

30-Jun-24	Note	Land	Buildings & structures	Plant	Equipment	Road infrastructure	Water infrastructure	Sewerage infrastructure	Sub-total	Work in progress	Total
<b>Opening gross value as at 1-Jul-23</b>		<b>14,060,734</b>	<b>111,228,604</b>	<b>21,544,099</b>	<b>7,955,635</b>	<b>521,593,884</b>	<b>141,188,351</b>	<b>54,521,262</b>	<b>872,092,569</b>	<b>15,910,702</b>	<b>888,003,271</b>
Additions at cost											
• Renewals		-	219,761	1,816,093	60,622	48,920	-	-	2,145,396	8,953,440	11,098,836
• Other additions		1,873,095	1,870,325	-	249,467	108,654	-	-	4,101,541	2,215,815	6,317,356
• WIP take-ons		1,300	3,872,120	96,470	33,077	1,456,860	658,217	-	6,118,044	(6,118,044)	-
WIP transfers to expense		-	-	-	-	-	-	-	-	(877,326)	(877,326)
Contributed assets at valuation		-	103,000	-	-	-	-	-	103,000	-	103,000
Disposals gross value		-	-	(1,838,120)	(5,942)	-	-	-	(1,844,062)	-	(1,844,062)
Write-offs gross value	8b	(124,616)	(1,337,131)	(50,542)	(25,407)	(1,336,361)	(250,772)	-	(3,124,829)	-	(3,124,829)
Revaluation adjustments to revaluation surplus		377,382	13,743,852	-	-	37,127,842	3,626,455	1,373,346	56,248,877	-	56,248,877
<b>Closing gross value as at 30-Jun-24</b>		<b>16,187,895</b>	<b>129,700,531</b>	<b>21,568,000</b>	<b>8,267,452</b>	<b>558,999,799</b>	<b>145,222,251</b>	<b>55,894,608</b>	<b>935,840,536</b>	<b>20,084,587</b>	<b>955,925,123</b>
<b>Accumulated depreciation</b>											
<b>Opening balance as at 1-Jul-23</b>		<b>-</b>	<b>55,985,982</b>	<b>11,827,096</b>	<b>3,953,589</b>	<b>133,064,124</b>	<b>64,993,624</b>	<b>30,320,564</b>	<b>300,144,979</b>	<b>-</b>	<b>300,144,979</b>
Contributed assets at valuation		-	46,600	-	-	-	-	-	46,600	-	46,600
Depreciation on disposals		-	-	(1,552,537)	(5,941)	-	-	-	(1,558,478)	-	(1,558,478)
Write-offs accumulated depreciation	8b	-	(836,860)	(50,342)	(16,650)	(629,966)	(172,776)	-	(1,706,594)	-	(1,706,594)
Revaluation adjustments to revaluation surplus		-	8,548,794	-	-	(3,531,712)	1,696,934	721,815	7,435,831	-	7,435,831
Annual depreciation expense		-	2,931,990	1,110,733	349,634	3,543,156	2,163,451	762,079	10,861,043	-	10,861,043
<b>Accumulated depreciation at 30-Jun-24</b>		<b>-</b>	<b>66,676,506</b>	<b>11,334,950</b>	<b>4,280,632</b>	<b>132,445,602</b>	<b>68,681,233</b>	<b>31,804,458</b>	<b>315,223,381</b>	<b>-</b>	<b>315,223,381</b>
<b>Written down value as at 30-Jun-24</b>		<b>16,187,895</b>	<b>63,024,025</b>	<b>10,233,050</b>	<b>3,986,820</b>	<b>426,554,197</b>	<b>76,541,018</b>	<b>24,090,150</b>	<b>620,617,155</b>	<b>20,084,587</b>	<b>640,701,742</b>
<b>Residual value</b>		<b>-</b>	<b>-</b>	<b>4,458,864</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,458,864</b>	<b>-</b>	<b>4,458,864</b>
Basis of measurement		Fair value	Fair value	Cost	Cost	Fair value	Fair value	Fair value		Cost	
Fair value category		Level 2 & 3	Level 2 & 3	Cost	Cost	Level 3	Level 3	Level 3			
Range of estimated useful life in years		Not depreciated	40 to 100	2 to 20	4 to 50	15 to 300	20 to 60	20 to 40			

**Notes to the Financial Statements  
For the year ended 30 June 2025**

13. Property, plant and equipment (Cont'd)

a. Valuation techniques used to derive fair value

Asset class & fair value hierarchy	Valuation approach	Last comprehensive valuation date	Valuer engaged	Key assumptions and estimates	Index applied
<b>Land</b> (Level 2) 2025: \$14.42m 2024: \$13.03m <b>Land</b> (Level 3) 2025: \$2.26 2024: \$3.16m	Market value	30/06/2025 (Desktop)	APV Valuers & Asset Management	The 30 June 2025 desktop valuation included a reconciliation and update of the land asset register. Level 2 as an active market can be established and there are not unreasonable restrictions to use and/or sale of land. Sale of land in the locality. Direct comparison method for each individual parcel. Adjustment made for differences in key attributes such as property size, zoning, location, topography and exposure characteristics.	3.0%
	Fair value	30/06/2025 (Desktop)	APV Valuers & Asset Management	Level 3 as predominantly specialised nature of local government land. Sale of land in the locality. Direct comparison method for each individual parcel. Adjustment made for differences in key attributes such as property size, zoning, location, topography and exposure characteristics.	
	Market value	30/06/2025 (Desktop)	APV Valuers & Asset Management	The 30 June 2025 desktop valuation included a reconciliation and update of the buildings & other structures asset registers and the distribution of 24/25 capital expenditure to specific assets. Level 2 market value approach was not adopted in the desktop valuation due to external circumstances indicating there was no evidence to support this technique.	
<b>Buildings &amp; structures</b> (Level 2) 2025: \$0 2024: \$2.5m <b>Buildings &amp; structures</b> (Level 3) 2025: \$ 64.3m 2024: \$62.5m	Market value	30/06/2025 (Desktop)	APV Valuers & Asset Management	Level 3 Current Replacement Cost (CRC) as predominantly specialised nature of local government building & structures. Determining replacement cost. Making an assessment on condition, age and remaining life of the asset. Where there is no market, the net current value of an asset is the gross current value less accumulated depreciation to reflect the consumed service potential of an asset. Published cost guides are used to determine the estimated replacement cost (gross value) of the asset, including allowances for preliminaries and professional fees. A condition assessment is applied which is based on factors such as age of the asset, overall condition upon inspection, economic and/or functional obsolescence. The condition assessment directly translates to the level of depreciation applied. In determining the value of accumulated depreciation major assets are disaggregated into significant components that exhibit different patterns of consumption (useful lives). While the current replacement cost of the assets could be supported by the market supplied evidence (level 2), the other observable inputs (such as estimates of useful life and asset condition) were also required (level 3).	5.7%
	Fair value (written down current replacement cost)	30/06/2025 (Desktop)	APV Valuers & Asset Management	The valuation approach estimated the current replacement cost (CRC) for each asset by componentising the assets into significant parts within different useful lives and taking into account a range of factors. CRC was measured by reference to the lowest cost at which 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. While the unit rates based on square metres or similar capacity could be supported from market evidence (level 2) other inputs (such as estimates of useful life, asset condition and pattern of consumption including the split between short-life and long-life parts of each component) required extensive professional judgement and impacted significantly on the final determination of fair value. As such these assets were classified as having been valued using level 3 valuation inputs. During the year there were a number of new projects completed where the actual cost was recorded and the impact of depreciation at year end was negligible. While these could be classified as valued at level 2, given the low proportion of the local portfolio that these represented and the likelihood that in future valuation they would most likely be valued at level 3, a policy was applied that all road assets are deemed to be valued at level 3.	
	Fair value (written down current replacement cost)	30/06/2025 (Desktop)	APV Valuers & Asset Management	The valuations have been undertaken on a cost approach, which is deemed a level 3 input. The approach estimated the replacement cost for each asset by componentising the assets into significant parts with different useful lives, applying reviewed unit rates to individual assets and taking into account factors such as asset condition. The accumulated depreciation of the assets has been calculated by applying the assessed condition of the assets as a remaining useful life.	
<b>Roads infrastructure</b> (Level 3)	Fair value (written down current replacement cost)	30/06/2025 (Desktop)	APV Valuers & Asset Management	While the unit rates based on square metres or similar capacity could be supported from market evidence (level 2) other inputs (such as estimates of useful life, asset condition and pattern of consumption including the split between short-life and long-life parts of each component) required extensive professional judgement and impacted significantly on the final determination of fair value. As such these assets were classified as having been valued using level 3 valuation inputs. During the year there were a number of new projects completed where the actual cost was recorded and the impact of depreciation at year end was negligible. While these could be classified as valued at level 2, given the low proportion of the local portfolio that these represented and the likelihood that in future valuation they would most likely be valued at level 3, a policy was applied that all road assets are deemed to be valued at level 3.	Roads 6.8%; Stormwater 0.03%
<b>Water &amp; Sewerage infrastructure</b> (Level 3)	Fair value (written down current replacement cost)	30/06/2025 (Comprehensive)	APV Valuers & Asset Management	The valuations have been undertaken on a cost approach, which is deemed a level 3 input. The approach estimated the replacement cost for each asset by componentising the assets into significant parts with different useful lives, applying reviewed unit rates to individual assets and taking into account factors such as asset condition. The accumulated depreciation of the assets has been calculated by applying the assessed condition of the assets as a remaining useful life.	Water 6.7%; Sewerage 5.4%

## Notes to the Financial Statements

### For the year ended 30 June 2025



#### 14. Contract balances

Contract assets represents the excess of costs incurred in relation to a contract with the customer or construction of an asset over the amounts that Council has invoiced the customer or grantor. Where Council has invoiced the customer or the grantor amounts in excess of what it has incurred in relation to a contract or in constructing an asset, this gives rise to a contract liability.

##### a. Contract assets

	2025	2024
Contract assets	13,210,729	9,357,527

##### b. Contract liabilities

	2025	2024
Funds received upfront to construct Council controlled assets	14,189,186	16,720,409

Contract liabilities relate to funds received from the Queensland Reconstruction Authority (QRA) under the North Queensland Resilience Program (NQRP) and Disaster Recovery Funding Arrangements (DRFA), and from the Department of Local Government, Water and Volunteers under the Works for Queensland Program.

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

	2025	2024
Funds received upfront to construct Council controlled assets	16,280,122	1,090,540

##### Satisfaction of contract liabilities

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

##### c. Significant Changes in Contract Balances

The significant changes in the contract assets balance that has increased by \$3.9 million include:

- Timing of road infrastructure emergent and restoration works completed under multiple DRFA events and the funds owed by the QRA.

The significant change in the contract liabilities balance that has decreased by \$2.5 million include:

- Road infrastructure restoration works undertaken during 2024-2025 sees the unwinding of funds received for the DRFA 2023 event in advance.

#### 15. Leases

##### Council as a lessee

Council does not have any leases in place.

##### Council as lessor

When Council is a lessor, the lease is classified as either an operating or finance lease at inception date, based on whether substantially all of the risks and rewards incidental to ownership of the asset have been transferred to the lessee. If the risks and rewards have been transferred then the lease is classified as a finance lease, otherwise it is an operating lease.

If the lease contains lease and non-lease components, then the non-lease components are accounted for in accordance with AASB 15 Revenue from Contracts with Customers.

# Notes to the Financial Statements

## For the year ended 30 June 2025



### 16. Payables

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

#### a. Current

	2025	2024
Creditors, including contract retentions	10,043,447	12,498,077
Prepaid waste levy	388,463	372,607
Prepaid rates	2,044,936	1,835,309
	<b>12,476,846</b>	<b>14,705,993</b>

#### b. Non-Current

	2025	2024
Prepaid waste levy	367,563	756,026

### 17. Borrowings

Borrowings are initially recognised at fair value plus any directly attributable transaction costs. Thereafter, they are measured at amortised cost. Principal and interest repayments are made quarterly in arrears.

All borrowings are in \$A denominated amounts and interest is expensed as it is accrued. No interest has been capitalised during the current or comparative reporting period. Expected final repayment date is 15 June 2027.

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

	2025	2024
<b>Current</b>		
Loans - QTC	165,157	160,829
	<b>165,157</b>	<b>160,829</b>
<b>Non-current</b>		
Loans - QTC	169,415	334,192
	<b>169,415</b>	<b>334,192</b>

The QTC loan market value at the reporting date was \$331,670. This represents the value of the debt if the 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 loan borrowings are entirely represented by loans from QTC.

## Notes to the Financial Statements

### For the year ended 30 June 2025



#### 18. Provisions

Liabilities are recognised for employee benefits such as annual and long service leave in respect of services provided by the employees up to the reporting date. Short-term benefits which are expected to be wholly settled within 12 months are calculated on wage and salary levels which are expected to be paid and includes related employee on-costs. Amounts not expected to be wholly settled within 12 months are calculated on projected future wage and salary levels and related employee on-costs and are discounted to present values.

##### a. Employee benefits provisions

The employee benefits provisions include annual leave, time in lieu and long service leave. These provisions represent the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date. The liability is calculated using current pay rates and projected future increases in those rates and includes related employee on-costs.

##### Annual leave and time in lieu

The provision for annual leave and time in lieu is recognised as a current liability as Council does not have an unconditional right to defer this liability beyond 12 months.

##### Long service leave

The long service leave estimates are adjusted for the probability of the employee remaining in Council's employment or other associated employment which would result in Council being required to meet the liability. Adjustments are then made to allow for the proportion of the benefit earned to date, and the result is discounted to present value. The provision is discounted using the Commonwealth Bond yield rates.

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

##### b. Landfill rehabilitation

A provision is made for the cost of restoring Council's landfill site where it is probable council will be liable to do this when the use of the site is complete.

The provision represents the present value of the anticipated future costs associated with the closure and rehabilitation of the landfill site including decontamination and monitoring of historical residues and leaching on these sites. The calculation of this provision requires assumptions such as environmental legislation, site closure dates, available technologies and engineering cost estimates. These uncertainties may result in future actual expenditure differing from amounts currently provided. The provisions are reviewed at least annually and updated based on the facts and circumstances available at the time.

As refuse dumps are on state reserves which Council does not control, the provision for restoration is treated as an expense in the year the provision is first recognised. Changes in the provision are treated as an expense or income.

	Current		Non-current	
	2025	2024	2025	2024
Annual leave	2,528,282	2,210,516	-	-
Time in lieu	26,343	46,095	-	-
Long-service leave	1,585,292	1,709,826	569,957	487,791
Landfill rehabilitation	-	-	1,567,619	1,340,593
	<b>4,139,917</b>	<b>3,966,437</b>	<b>2,137,576</b>	<b>1,828,384</b>



# Notes to the Financial Statements

## For the year ended 30 June 2025



### 18. Provisions (Cont'd)

#### b. Landfill rehabilitation (Cont'd)

##### Movement in non-employee benefit provisions

Landfill rehabilitation	Note	2025	2024
Balance at beginning of financial year		1,340,593	1,263,828
Increase/(Decrease) due to unwinding of discount		(56,695)	6,365
Increase/(Decrease) due to change in discount rate	8c	3,417	(83,161)
Increase/(Decrease) due to revised estimate	8c	33,454	(101,748)
Increase due to change in inflation	8c	246,850	255,309
Balance at end of financial year		<b>1,567,619</b>	<b>1,340,593</b>

The estimated cost of restoring the landfill site is expected to be incurred in four stages between June 2027 and June 2038.

### 19. Asset revaluation surplus

The asset revaluation surplus comprises revaluation movements on property, plant and equipment.

Increases and decreases on the revaluation are offset within a class of assets.

Asset revaluation surplus	2025	2024
Water infrastructure	48,961,147	40,263,660
Sewerage infrastructure	18,448,672	16,390,650
Road infrastructure	184,957,061	161,616,153
Buildings & structures	12,135,339	8,145,309
Land	2,859,242	2,371,678
	<b>267,361,461</b>	<b>228,787,450</b>

### 20. Commitments for expenditure

Capital commitments	2025	2024
Commitments for construction of the assets contracted for at reporting date but not recognised as liabilities:		
Buildings & structures	90,499	125,768
Plant	4,393,170	591,890
Roads	715,905	1,046,462
Sewerage infrastructure	440,804	-
Water infrastructure	2,080,425	842,835
	<b>7,720,803</b>	<b>2,606,955</b>

These expenditures are payable within one year.

### 21. Contingent liabilities

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

#### Local Government Mutual

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

As at 30 June 2025, the LGM financial statements reported an accumulated surplus and it is not anticipated any liability will arise.

## Notes to the Financial Statements

### For the year ended 30 June 2025



#### 21. Contingent liabilities (Cont'd)

##### Local Government Workcare

Council is a member of the Queensland local government worker's compensation self-insurance scheme, Local Government Workcare. Under this scheme Council has provided an indemnity towards a bank guarantee to cover any bad debts which may remain should the self-insurance licence be cancelled, or insufficient funds be available to cover outstanding liabilities. Only the Queensland Government's workers compensation authority may call on any part of the guarantee should the above circumstances arise. Council's maximum exposure to the bank guarantee is \$781,962 (2024: \$841,403).

#### 22. Superannuation – Regional defined benefit fund

Council contributes to the Brighter Super Regional Defined Benefits Fund (the scheme), at the rate of 12% for each permanent employee who is a defined benefit member. This rate is set in accordance with the 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 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 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 actuarial assessment of the scheme as required under Superannuation Prudential Standard 160 was undertaken as at 1 July 2024. The actuary indicated that "At the valuation date of 1 July 2024, the net assets of the scheme exceeded the vested benefits, and the scheme was in a satisfactory financial position." The measure of vested benefits represents the value of benefit entitlements should all participating employees voluntarily exit the scheme. Council is not aware of anything that has happened since that time that indicates the assets of the scheme are not sufficient to meet the vested benefits, as at the reporting date.

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

The next triennial actuarial review is not due until 1 July 2027.

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.

	Note	2025	2024
Superannuation contributions made to the Regional Defined Benefits Fund		26,377	46,763
Other superannuation contributions for employees		2,139,228	2,168,204
<b>Total superannuation contributions paid by Council for employees</b>	<b>5</b>	<b>2,165,605</b>	<b>2,214,967</b>

# Notes to the Financial Statements

## For the year ended 30 June 2025



### 23. Reconciliations

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

	2025	2024
Net result	9,730,874	(22,257)
Non-cash items:		
Depreciation	12,054,150	10,861,043
Non-current assets write-offs	1,776,580	1,418,235
WIP transfers to expense	5,800,047	877,326
	19,630,777	13,156,604
Investing and development activities:		
Net (profit) loss on disposal of non-current assets	90,944	(141,792)
Capital grants, subsidies, contributions and donations	(8,005,603)	(11,109,096)
Landfill rehabilitation	283,721	70,400
	(7,630,938)	(11,180,488)
Changes in operating assets and liabilities:		
(Increase) decrease in receivables	(785,897)	(467,024)
(Increase) decrease in inventories	1,966	39,338
(Increase) decrease in contract assets	(3,853,202)	(2,896,464)
Increase (decrease) in payables	(2,617,611)	5,759,855
Increase (decrease) in contract liabilities	(2,531,223)	15,189,582
Increase (decrease) in provisions	482,672	176,210
	(9,303,295)	17,801,497
<b>Net cash inflow (outflows) from operating activities</b>	<b>12,427,418</b>	<b>19,755,356</b>

#### b. Reconciliation of liabilities arising from finance activities

2025	As at 30 June 2024	Cash flows	Non-cash changes	As at 30 June 2025
Borrowings	495,021	(160,449)	-	334,572
2024	As at 30 June 2023	Cash flows	Non-cash changes	As at 30 June 2024
Borrowings	651,079	(156,058)	-	495,021

## Notes to the Financial Statements

### For the year ended 30 June 2025



#### 24. Financial instruments and financial risk management

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

- credit risk
- liquidity risk
- market risk

##### Risk management framework

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

Council's Audit and Risk Committee (ARC) approves policies for overall risk management as well as specifically for managing credit, liquidity and market risk.

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. Council aims to manage volatility to minimise potential adverse effects on the financial performance of Council.

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

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 Council's investments and receivables.

Exposure to credit risk is managed through regular analysis of credit counterparty ability to meet payment obligations.

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

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

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

# Notes to the Financial Statements

## For the year ended 30 June 2025



### 24. Financial instruments and financial risk management (Cont'd)

#### Liquidity risk

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

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 Council's reputation.

#### Exposure to liquidity risk

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

Council manages its exposure to liquidity risk by maintaining sufficient cash deposits, both short and long term, to cater for unexpected volatility in cash flows. These facilities are disclosed in notes 9 and 17.

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

Financial liabilities	0 to 1 year	1 to 5 Years	Over 5 Years	Total contractual cash flows	Carrying amount
<b>2025</b>					
Payables	12,476,846	367,563	-	12,844,409	12,844,409
Loans – QTC	172,374	172,374	-	344,748	334,572
	<u>12,649,220</u>	<u>539,937</u>	<u>-</u>	<u>13,189,157</u>	<u>13,178,981</u>
<b>2024</b>					
Payables	14,705,993	756,026	-	15,462,019	15,462,019
Loans – QTC	172,374	344,748	-	517,122	495,021
	<u>14,878,367</u>	<u>1,100,774</u>	<u>-</u>	<u>15,979,141</u>	<u>15,957,040</u>

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

## Notes to the Financial Statements

### For the year ended 30 June 2025



#### 24. Financial instruments and financial risk management (Cont'd)

##### Market risk

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

##### *Interest rate risk*

Council is exposed to interest rate risk through investments held with QTC.

##### *Sensitivity*

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

##### *Interest rate sensitivity analysis*

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

	Net carrying amount	Effect on net result		Effect on equity	
		1% increase	1% decrease	1% increase	1% decrease
<b>2025</b>					
Financial assets	70,016,062	700,161	(700,161)	700,161	(700,161)
	70,016,062	700,161	(700,161)	700,161	(700,161)
<b>2024</b>					
Financial assets	64,927,279	649,273	(649,273)	649,273	(649,273)
<b>Net total</b>	64,927,279	649,273	(649,273)	649,273	(649,273)

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

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

# Notes to the Financial Statements

## For the year ended 30 June 2025



### 25. Transactions with related parties

#### a. Transactions with Key Management Personnel (KMP)

KMP include the Mayor, Councillors, Council's Chief Executive Officer and executive management. The compensation paid to KMP comprises:

	2025	2024
Short-term employee benefits	1,315,106	1,351,421
Post-employment benefits	164,983	169,951
Long-term benefits	53,799	54,225
Termination benefits	-	55,446
	<b>1,533,888</b>	<b>1,631,043</b>

Detailed remuneration disclosures are provided in the annual report.

#### b. Transactions with other related parties

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

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

	Note	2025	2024
Fees and charges charged to entities controlled by KMP	25b(i)	4,975	27,573
Employee expenses for close family members of KMP	25b(ii)	433,465	535,305
Purchase of materials and services from entities controlled by KMP	25b(iii)	10,113	24,819
		<b>448,553</b>	<b>587,697</b>

- i) The fees and charges charged to entities controlled by KMP were on an arm's length basis in accordance with the schedule of fees and charges adopted by Council. The total disclosed includes the following:

Fees and charges charged to entities controlled by KMP	Details of related party	Amount
Regulatory business charges	Various other related parties	110
Building applications	Various other related parties	1,580
Refuse charges	Various other related parties	1,417
Other fees & Charges	Various other related parties	1,868
Total		<b>4,975</b>

- ii) All close family members of KMP were employed through an arm's length process. They are paid in accordance with the Award for the job they perform.

Council employs 208 permanent and 17 casual staff of which only 5 are close family members of key management personnel at the end of the reporting period. Of these, 4 were employed before KMP were employed.

- iii) There were \$10,113 purchases of materials and services from entities that are controlled by members of KMP during the reporting period (2024: \$24,819). Purchases were on an arm's length basis.

## Notes to the Financial Statements For the year ended 30 June 2025



### 25. Transactions with related parties (Cont'd)

#### c. Outstanding balances

There is \$664 outstanding balances to Council at the end of the reporting period in relation to transactions with related parties (2024: \$404).

#### d. 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 Charters Towers region. Therefore, on a regular basis ordinary citizen transactions occur between Council and its related parties. Some examples include:

- Payment of rates
- Use of the Kennedy Regiment Memorial Pool
- A patron at the World Theatre
- Animal registration
- Borrowing books from council library

Council has not included these types of transactions in its disclosure, where they are made under the same circumstances available to any other ordinary citizen.

### 26. Events after the reporting period

There were no material adjusting events after the balance date.



## Management Certificate For the year ended 30 June 2025



### For the General Purpose Financial Statements

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 present a true and fair view, in accordance with Australian Accounting Standards, of the Council's transactions for the financial year and financial position at the end of the year.

  
\_\_\_\_\_  
Mayor  
Elizabeth Schmidt

7/10/2025  
\_\_\_\_\_  
Date:

  
\_\_\_\_\_  
Chief Executive Officer  
Karina Ewer

7/10/2025  
\_\_\_\_\_  
Date:

## INDEPENDENT AUDITOR'S REPORT

To the councillors of Charters Towers Regional Council

### Report on the audit of the financial report

#### Opinion

I have audited the financial report of Charters Towers Regional Council.

The financial report comprises the statement of financial position as at 30 June 2025, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including material accounting policy information and the certificate given by the Mayor and Chief Executive Officer.

In my opinion, the financial report:

- a) gives a true and fair view of the council's financial position as at 30 June 2025, and of its financial performance for the year then ended; and
- b) complies with the *Local Government Act 2009*, the Local Government Regulation 2012 and Australian Accounting Standards.

#### Basis for opinion

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

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

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

#### Other information

The councillors are responsible for the other information.

The other information comprises the information included in the entity's annual report for the year ended 30 June 2025, 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 Charters Towers Regional Council's annual report for the year ended 30 June 2025 was the current year financial sustainability statement, current year financial sustainability statement - contextual ratios and the long term financial sustainability statement.

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

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

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

### **Responsibilities of the councillors for the financial report**

The councillors are responsible for the preparation of the financial report that gives a true and fair view in accordance with 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**

In accordance with s. 40 of the *Auditor-General Act 2009*, for the year ended 30 June 2025:

- 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 blue ink, appearing to read "Sri Narasimhan".

Sri Narasimhan  
as delegate of the Auditor-General

9 October 2025

Queensland Audit Office  
Brisbane

## Current Year Financial Sustainability Statement For the year ended 30 June 2025



### Current Year Financial Sustainability Statement

Type	Measure	Target (Tier 5)	2025	5 Year Average	Council Narrative
<b>Audited ratios</b>					
Operating Performance	Operating Surplus Ratio	Greater than (2%)	8.8%	(0.6%)	Current year ratios favourably impacted by the 50 percent bring forward payment of the Financial Assistance Grant in June 2025.
	Operating Cash Ratio	Greater than 0%	20.4%	12.8%	
Liquidity	Unrestricted Cash Expense Ratio	Greater than 4 months	8.1 months	N/A	Expenditure on business as usual activities are maintained at a sustainable level to ensure funds are available to meet present and future years demands.
Asset Management	Asset Sustainability Ratio	Greater than 90%	99.4%	80.9%	Current year ratio can be attributed to the FY25 capital works program largely being made up of roads and water infrastructure renewals. 5 year average ratio is reflective of councils capital works program on new assets in FY22 and FY23.
	Asset Consumption Ratio	Greater than 60%	65.9%	65.3%	Councils infrastructure assets are being broadly consumed in line with their estimated useful lives.
Debt Servicing Capacity	Leverage Ratio	0 - 3 times	0 times	0 times	Reflects Councils minimal debt balance held with QTC.

### 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 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 2025.



## **Certificate of Accuracy - Audited ratios For the year ended 30 June 2025**

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.

A handwritten signature in black ink, appearing to read "Elizabeth Schmidt", written over a horizontal line.

Mayor

Elizabeth Schmidt

Date: 7/10/25

A handwritten signature in black ink, appearing to read "K. Ewer", written over a horizontal line.

Chief Executive Officer

Karina Ewer

Date: 7/10/25

## INDEPENDENT AUDITOR'S REPORT

To the Councillors of Charters Towers Regional Council

### Report on the Current-Year Financial Sustainability Statement

#### Opinion

I have audited the accompanying current year financial sustainability statement of Charters Towers Regional Council for the year ended 30 June 2025, 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 Charters Towers Regional Council for the year ended 30 June 2025 has been accurately calculated.

#### Basis of opinion

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

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

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

#### Emphasis of matter – basis of accounting

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

#### Other Information

The councillors are responsible for the other information.

The other information comprises the information included in the entity's annual report for the year ended 30 June 2025, 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 Charters Towers Regional Council's annual report for the year ended 30 June 2025 was the general purpose financial statements, current year financial sustainability statement - contextual ratios, and the long term financial sustainability statement - unaudited.



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.



Sri Narasimhan  
as delegate of the Auditor-General

9 October 2025

Queensland Audit Office  
Brisbane



Current Year Financial Sustainability Statement  
For the year ended 30 June 2025

Current Year Financial Sustainability Statement - Contextual Ratios

Type	Measure	Target (Tier 5)	2025	5 Year Average	Council Narrative
Contextual ratios (unaudited)					
Financial Capacity	Council Controlled Revenue Ratio	n/a	33.3%	41.8%	Ratio is significantly influenced by disaster recovery funding.
	Population Growth Ratio	n/a	0.3%	0.1%	Positive growth is one of the measurements of success in Council's Community Plan


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 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 2025.

Certificate of Accuracy - Unaudited 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 - contextual ratios has been accurately calculated.

  
Mayor  
Elizabeth Schmidt  
Date: 7/10/25

  
Chief Executive Officer  
Karina Ewer  
Date: 7/10/25

# Long Term Financial Sustainability Statement - Unaudited For the year ended 30 June 2025



## Unaudited Long Term Financial Sustainability Statement

Prepared as at 30 June 2025

Type	Measure	Target (Tier 5)	Actuals at 30 June 2025	30-Jun-26	30-Jun-27	30-Jun-28	30-Jun-29	30-Jun-30	30-Jun-31	30-Jun-32	30-Jun-33	30-Jun-34
Financial Capacity	Council Controlled Revenue Ratio	n/a	33.3%	30.5%	64.4%	64.8%	63.4%	63.6%	64.6%	64.5%	64.3%	64.2%
	Population Growth Ratio	n/a	0.3%	(0.1%)	(0.1%)	(0.1%)	(0.1%)	(0.1%)	(0.1%)	(0.1%)	(0.1%)	(0.1%)
	Operating Surplus Ratio	Greater than (2%)	8.8%	(0.4%)	(2.1%)	(2.5%)	(0.5%)	(1.3%)	(4.6%)	(3.9%)	(3.5%)	(3.8%)
Operating Performance	Operating Cash Ratio	Greater than 0%	20.4%	9.9%	19.6%	20.1%	21.9%	21.5%	20.4%	20.5%	20.7%	20.8%
	Unrestricted Cash Expense Ratio	Greater than 4 months	8.1 months				n/a for long term sustainability statement					
Asset Management	Asset Sustainability Ratio	Greater than 90%	99.4%	137.0%	238.4%	109.0%	91.7%	94.2%	86.7%	86.4%	80.0%	79.0%
	Asset Consumption Ratio	Greater than 60%	65.9%	62.7%	65.8%	65.2%	62.6%	64.3%	67.1%	66.5%	65.9%	65.9%
Debt Servicing Capacity	Leverage Ratio	0 - 3 times	0 times	0 times	0 times	0 times	0 times	0 times	0 times	0 times	0 times	0 times

## Charters Towers Regional Council Financial Management Strategy

Council's vision, as expressed in its Community Plan 2025-2035, is a commitment to the continuous improvement and sustainable future of our region and our communities. Council's Financial Strategy supports this vision by maintaining its financial and infrastructure capital over the long-term. This is underpinned by four key pillars:

- Maintaining operating result above the State benchmark;
- Renewing and maintaining assets at a sustainable level;
- Maintaining a strong cash position; and
- Safeguarding the financial legacy for future generations.

**Certificate of Accuracy**  
**Long-Term Financial Sustainability Statement**  
**- Unaudited**  
**For the year ended 30 June 2025**



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.

A handwritten signature in black ink, appearing to read "Elizabeth Schmidt", written over a horizontal line.

Mayer

Elizabeth Schmidt

Date: 7/10/25

A handwritten signature in black ink, appearing to read "K. Ewer", written over a horizontal line.

Chief Executive Officer

Karina Ewer

Date: 7/10/25

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