

# Carpentaria Shire Council

GENERAL PURPOSE FINANCIAL STATEMENTS  
for the year ended 30 June 2025

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## General Purpose Financial Statements

for the year ended 30 June 2025

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## Statement of Comprehensive Income

for the year ended 30 June 2025

\$ '000	Notes	2025	2024
<b>Income</b>			
<b>Revenue</b>			
<b>Recurrent revenue</b>			
Rates, levies and charges	3a	9,104	8,735
Fees and charges	3b	858	837
Sales revenue	3c	22,926	13,841
Grants, subsidies and donations	3d(i)	60,831	32,468
<b>Total recurrent revenue</b>		<b>93,719</b>	<b>55,881</b>
<b>Other income</b>			
Rental income		608	515
Interest received	4a	2,712	1,555
Other income	4b	547	201
<b>Total other income</b>		<b>3,867</b>	<b>2,271</b>
<b>Total operating revenue</b>		<b>97,586</b>	<b>58,152</b>
<b>Capital income</b>			
Grants, subsidies and donations	3d(ii)	60,583	13,933
Other capital income		–	12
<b>Total capital income</b>		<b>60,583</b>	<b>13,945</b>
<b>Total income</b>		<b>158,169</b>	<b>72,097</b>
<b>Expenses</b>			
<b>Recurrent expenses</b>			
Employee benefits	5	11,811	9,657
Materials and services	6	64,468	51,799
Finance costs		312	320
Depreciation of property, plant and equipment	10	13,004	11,601
<b>Total recurrent expenses</b>		<b>89,595</b>	<b>73,377</b>
<b>Other expenses</b>			
Capital Expenses		39	–
<b>Total other expenses</b>		<b>39</b>	<b>–</b>
<b>Total expenses</b>		<b>89,634</b>	<b>73,377</b>
<b>Net Result</b>		<b>68,535</b>	<b>(1,280)</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to net result</b>			
Increase in asset revaluation surplus	10	19,675	21,381
<b>Total other comprehensive income for the year</b>		<b>19,675</b>	<b>21,381</b>
<b>Total comprehensive income for the year</b>		<b>88,210</b>	<b>20,101</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

\$ '000	Notes	2025	2024
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	7	53,107	38,484
Receivables	8	3,816	11,378
Inventories		862	786
Contract assets	11	14,771	12,344
Other financial assets	9	283	179
		<u>72,839</u>	<u>63,171</u>
Non-current assets held for sale		489	489
<b>Total current assets</b>		<u>73,328</u>	<u>63,660</u>
<b>Non-current assets</b>			
Property, plant and equipment	10	392,718	323,398
<b>Total non-current assets</b>		<u>392,718</u>	<u>323,398</u>
<b>Total Assets</b>		<u>466,046</u>	<u>387,058</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Payables	13	11,468	8,353
Contract liabilities	11	23,167	35,223
Borrowings	14	608	580
Provisions	15	1,297	1,036
<b>Total current liabilities</b>		<u>36,540</u>	<u>45,192</u>
<b>Non-current liabilities</b>			
Borrowings	14	4,724	5,322
Provisions	15	1,056	1,028
<b>Total non-current liabilities</b>		<u>5,780</u>	<u>6,350</u>
<b>Total Liabilities</b>		<u>42,320</u>	<u>51,542</u>
<b>Net community assets</b>		<u>423,726</u>	<u>335,516</u>
<b>Community equity</b>			
Asset revaluation surplus		241,745	222,070
Retained surplus		181,981	113,446
<b>Total community equity</b>		<u>423,726</u>	<u>335,516</u>

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

\$ '000	Notes	Asset revaluation surplus	Retained surplus	Total equity
Balance as at 1 July 2024		222,070	113,446	335,516
<b>Net result</b>		–	68,535	68,535
<b>Other comprehensive income for the year</b>				
- Increase in asset revaluation surplus	10	19,675	–	19,675
<b>Total comprehensive income for the year</b>		<u>19,675</u>	<u>68,535</u>	<u>88,210</u>
<b>Balance as at 30 June 2025</b>		<u>241,745</u>	<u>181,981</u>	<u>423,726</u>
Balance as at 1 July 2023		200,689	114,726	315,415
<b>Net result</b>		–	(1,280)	(1,280)
<b>Other comprehensive income for the year</b>				
- Increase in asset revaluation surplus	10	21,381	–	21,381
<b>Total comprehensive income for the year</b>		<u>21,381</u>	<u>(1,280)</u>	<u>20,101</u>
<b>Balance as at 30 June 2024</b>		<u>222,070</u>	<u>113,446</u>	<u>335,516</u>

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

\$ '000	Notes	2025	2024
<b>Cash flows from operating activities</b>			
Receipts from customers		43,770	21,121
Payments to suppliers and employees		<u>(75,828)</u>	<u>(64,423)</u>
		(32,058)	(43,302)
Rental income		608	515
Interest received		2,712	1,555
Operating grants and contributions		48,455	37,086
Borrowing costs		<u>(312)</u>	<u>(320)</u>
<b>Net cash inflow (outflow) from operating activities</b>	19	<u>19,405</u>	<u>(4,466)</u>
<b>Cash flows from investing activities</b>			
Proceeds from sale of property, plant and equipment		80	771
Grants, subsidies, contributions and donations		58,476	16,912
Payments for property, plant and equipment		<u>(62,768)</u>	<u>(21,608)</u>
<b>Net cash outflow from investing activities</b>		<u>(4,212)</u>	<u>(3,925)</u>
<b>Cash flows from financing activities</b>			
Repayment of borrowings		<u>(570)</u>	<u>(541)</u>
<b>Net cash outflow from financing activities</b>		<u>(570)</u>	<u>(541)</u>
<b>Net increase (decrease) in cash and cash equivalents held</b>		<u>14,623</u>	<u>(8,932)</u>
Cash and cash equivalents at the beginning of the financial year		38,484	47,416
<b>Cash and cash equivalents at end of the financial year</b>	7	<u>53,107</u>	<u>38,484</u>

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

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## Notes to the Financial Statements

for the year ended 30 June 2025

### Note 1. Information about these financial statements

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#### (a) Basis of preparation

Carpentaria Shire 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. They are prepared in accordance with the *Local Government Act 2009* and the *Local Government Regulation 2012*.

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

These financial statements have been prepared under the historical cost convention except for the revaluation of certain classes of property, plant and equipment.

#### (b) 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 2024. None of the standards had a material impact on reported position, performance and cash flows.

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)

#### (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. Where the standard is expected to have a significant impact for Council then further information has been provided in this note.

The following list identifies all the new and amended Australian Accounting Standards, and Interpretations, that were issued but not yet effective at the time of compiling these statements that could be applicable to Council.

##### **Effective for reporting periods beginning on or after 1 January 2026**

- AASB 2024-2 *Amendments to Australian Accounting Standards - Classification and Measurement of Financial Instruments*

##### **Effective for reporting periods beginning on or after 1 January 2028**

- AASB 18 *Presentation and Disclosure in Financial Statements*

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 financial position or performance.

## Notes to the Financial Statements

for the year ended 30 June 2025

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

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#### (d) Estimates and Judgements

Council make 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 10
- Provisions - Note 15
- Contingent liabilities - Note 17

#### (e) Rounding

The financial statements are in Australian dollars and have been rounded to the nearest \$1,000, unless otherwise stated.

#### (f) 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 ATO or payable to the ATO is shown as an asset or liability respectively.

### Note 2. Analysis of results by function

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#### (a) Components of Council functions

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

##### **Governance**

The objective of corporate governance is for Council to be open, accountable, transparent and deliver value for money community outcomes. This function includes strategic and operational planning, risk management, legal and administrative support. The Mayor, Councillors and Chief Executive Officer are included in corporate governance.

##### **Economic**

The objective of this function is to ensure the community is serviced by a high quality and effective road network. The function provides and maintains transport infrastructure, including the maintenance and provision of the drainage network. It also facilitates the shire's growth and prosperity through well planned and quality development. The objective of planning and development is to ensure that Carpentaria Shire is well designed, efficient and facilitates growth yet also preserves the character and natural environment of the Shire. This function includes activities and services related to town, neighbourhood and regional planning, and management of development approval processes.

##### **Environment**

The goals of this program are to protect and support a healthy, safe community through sustainable water services and includes all activities relating to water including flood and waterways management. This program also protects and supports the health of our community by sustainably managing sewerage infrastructure. The program also facilitates waste management to protect and support our community and natural environment by sustainably managing refuse. The function provides refuse collection and disposal services, mosquito and other pest management programs.

##### **Social**

The goal of social is to ensure a healthy, vibrant, contemporary and connected community. The function provides well managed and maintained community facilities, and ensures the effective delivery of cultural, welfare and recreational services.

## Notes to the Financial Statements

for the year ended 30 June 2025

## Note 2. Analysis of results by function (continued)

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

Functions \$ '000	Gross program income				Total income	Gross program expenses		Total expenses	Net result from recurring operations	Net result	Total assets
	Recurring grants	Recurring other	Capital grants	Capital other		Recurring	Capital				
<b>2025</b>											
Governance	13,597	8,041	1,551	–	23,189	(7,086)	(39)	(7,125)	14,552	16,064	61,185
Economic	46,819	27,071	58,597	–	132,487	(74,921)	–	(74,921)	(1,031)	57,566	264,779
Environment	(116)	866	–	–	750	(1,661)	–	(1,661)	(911)	(911)	79,247
Social	531	803	409	–	1,743	(5,927)	–	(5,927)	(4,593)	(4,184)	60,835
<b>Total</b>	<b>60,831</b>	<b>36,781</b>	<b>60,557</b>	<b>–</b>	<b>158,169</b>	<b>(89,595)</b>	<b>(39)</b>	<b>(89,634)</b>	<b>8,017</b>	<b>68,535</b>	<b>466,046</b>
<b>2024</b>											
Governance	195	6,448	773	12	7,428	(6,191)	–	(6,191)	452	1,237	46,255
Economic	31,521	17,656	13,205	–	62,382	(60,527)	–	(60,527)	(11,350)	1,855	207,991
Environment	86	929	–	–	1,015	(1,601)	–	(1,601)	(586)	(586)	76,113
Social	666	652	(46)	–	1,272	(5,058)	–	(5,058)	(3,740)	(3,786)	56,699
<b>Total</b>	<b>32,468</b>	<b>25,685</b>	<b>13,932</b>	<b>12</b>	<b>72,097</b>	<b>(73,377)</b>	<b>–</b>	<b>(73,377)</b>	<b>(15,224)</b>	<b>(1,280)</b>	<b>387,058</b>

## Notes to the Financial Statements

for the year ended 30 June 2025

## Note 3. Revenue

\$ '000	2025	2024
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**(a) Rates, levies and charges**

Rates, levies and 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.

General rates	5,294	5,203
Water access charge	1,246	1,228
Water consumption charge	671	500
Sewerage	1,634	1,550
Waste management	840	779
<b>Total rates and utility charge revenue</b>	<b>9,685</b>	<b>9,260</b>
Less: Discounts	(503)	(474)
Less: Pensioner remissions	(52)	(47)
Less: Rates write-off	(26)	(4)
<b>Total rates, levies and charges</b>	<b>9,104</b>	<b>8,735</b>

**(b) Fees and charges**

Revenues 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 services being provided.

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

\$ '000	2025	2024
Airport landing fees	344	334
Child care	136	100
Barra hatchery tours	127	132
Gym	43	49
Building and development fees	39	39
Halls	37	53
Cemeteries	35	24
Licences and registrations	12	8
Animal control fees	1	3
Libraries	1	1
Other fees and charges	83	94
<b>Total fees and charges</b>	<b>858</b>	<b>837</b>

## Notes to the Financial Statements

for the year ended 30 June 2025

## Note 3. Revenue (continued)

**(c) Sales revenue**

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.

The contract work carried out is not subject to retentions.

\$ '000	2025	2024
<b>Rendering of services</b>		
DTMR recoverable works	19,699	11,099
Road maintenance performance contract (RMPC) works	3,063	2,557
Other works (Barra Hatchery, Boat Ramps, Visitor Information Centre etc)	164	185
<b>Total sales revenue</b>	<b>22,926</b>	<b>13,841</b>

**(d) Grants, subsidies and donations****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 but include events, restoration of road damage, purchase of materials and supplies etc. 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.

**Donations and contributions**

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.

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

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

## Note 3. Revenue (continued)

\$ '000	2025	2024
<b>(i) Operating</b>		
Shire roads flood damage (DRFA)	42,978	31,517
General purpose grants	15,517	391
State government subsidies and grants	2,007	280
Commonwealth government subsidies and grants	325	276
Donations	4	4
<b>Total recurrent grants, subsidies and donations</b>	<b>60,831</b>	<b>32,468</b>

In relation to general purpose grants for the 2023-24 financial year, Council did not receive any advance grant funding for the Commonwealth Financial Assistance ("FA") Grant. However, in 2024-25, the Council received \$10,123,499, which represents 100% of the FA Grant allocation for the 2024-25 financial year and \$5,339,650 which represents 50% of the FA Grant allocation for the 2025-26 financial year. As these grants are considered untied, they were recognised upon receipt in the 2024-25 financial year.

\$ '000	2025	2024
<b>(ii) Capital</b>		
Capital revenue includes grants and subsidies received which are tied to specific projects for the replacement or upgrade of existing non-current assets and/or investment in new assets.		
State government subsidies and grants	59,790	9,797
Commonwealth government subsidies and grants	793	4,136
	<b>60,583</b>	<b>13,933</b>
<b>Total capital grants, subsidies and donations</b>	<b>60,583</b>	<b>13,933</b>

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

\$ '000	Notes	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	3d	12,805	108,056	1,137	44,756
Donations	3d	553	–	508	–
		<b>13,358</b>	<b>108,056</b>	<b>1,645</b>	<b>44,756</b>

## Notes to the Financial Statements

for the year ended 30 June 2025

## Note 4. Interest and other income

\$ '000	2025	2024
<b>(a) Interest received</b>		
Interest from overdue rates and utility charges	94	88
Interest from deposits and investment	2,618	1,467
<b>Total interest received</b>	<b>2,712</b>	<b>1,555</b>
<b>(b) Other income</b>		
Sponsorships, refunds and other miscellaneous income are recognised upon receipt.		
Insurance claim	463	–
Other	84	201
<b>Total other income</b>	<b>547</b>	<b>201</b>

## Note 5. Employee benefits

\$ '000	Notes	2025	2024
Staff wages and salaries		8,410	7,081
Councillors' remuneration		498	468
Annual, sick and long service leave entitlements		1,716	1,110
Superannuation	18	1,031	927
		<b>11,655</b>	<b>9,586</b>
Other employee related expenses		430	271
		<b>12,085</b>	<b>9,857</b>
Less: capitalised employee expenses		(274)	(200)
<b>Total Employee benefits</b>		<b>11,811</b>	<b>9,657</b>

2025 Number	2024 Number
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Councillor remuneration represents salary and other allowances paid in respect of carrying out their duties.

Total Council employees (number) at the reporting date:

Elected members	7	7
Administration staff	39	29
Depot and outdoors staff	45	44
<b>Total full time equivalent employees</b>	<b>91</b>	<b>80</b>

The calculation of total full time equivalent employees for the 2025 financial year is based on the weighted average of employees during the year, whereas the calculation in the 2024 financial year was based on employees as at balance date.

## Notes to the Financial Statements

for the year ended 30 June 2025

## Note 6. Materials and services

\$ '000	2025	2024
Audit of annual financial statements by the Auditor-General of Queensland*	105	88
Airport operations	320	384
Child care centre operations	140	179
Community services	1,485	1,631
Council road works	551	697
Donations paid	153	102
Flood damage maintenance works	38,797	30,828
Pest management	141	136
Public facilities	1,281	1,744
Quarry expenses	12	8
Recoverable Works	17,197	12,282
Sewerage operations	640	666
Tourism	786	611
Waste operations	1,009	957
Water operations	1,349	898
Other materials and services	502	588
<b>Total materials and services</b>	<b>64,468</b>	<b>51,799</b>

\*Total audit fees quoted by the Queensland Audit Office relating to the 2024-25 financial statements are \$100,200 (2024: \$97,500).

## Note 7. Cash and cash equivalents

\$ '000	2025	2024
<b>Cash and cash equivalents</b>		
Cash at bank and on hand	4,071	187
Deposits at call	49,036	38,297
<b>Balance per Statement of Cash Flows</b>	<b>53,107</b>	<b>38,484</b>

**Restricted and internally allocated cash and cash equivalents****Unrestricted cash**

Council is exposed to credit risk through its investments in the QTC Cash Fund. The QTC Cash Fund is an asset management portfolio investing in a wide range of high credit rated counterparties. Deposits with the QTC Cash Fund are capital guaranteed.

Cash and cash equivalents	53,107	38,484
Less: Externally imposed restrictions on cash	(8,396)	(23,874)
<b>Unrestricted cash</b>	<b>44,711</b>	<b>14,610</b>

## Notes to the Financial Statements

for the year ended 30 June 2025

## Note 7. Cash and cash equivalents (continued)

\$ '000	2025	2024
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:		
<b>(i) Externally imposed expenditure restrictions at the reporting date relate to the following cash assets:</b>		
Unspent government grants and subsidies	8,396	23,874
<b>(ii) Internal allocations of cash at the reporting date:</b>		
Internal allocations of cash may be lifted by a Council with a resolution.		
Future capital works	6,689	5,363
Future asset replacement	2,693	2,693
<b>Total unspent restricted cash</b>	<b>17,778</b>	<b>31,930</b>

## Trust Funds

In accordance with the *Local Government Act 2009* and *Local Government Regulation 2012*, a separate trust bank account and separate accounting records are maintained for funds held on behalf of outside parties. Funds held in the trust account include those funds from the sale of land for arrears in rates, deposits for the contracted sale of land, security deposits lodged to guarantee performance and unclaimed monies (e.g. wages). 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.

## Funds held in trust for outside parties

Security deposits	83	98
	<b>83</b>	<b>98</b>

## Note 8. Receivables

Settlement of receivables is required within 30 days after the invoice is issued. Terms for loans and advances are usually a maximum of five years with interest charged at non-commercial rates. Security is not normally obtained. Receivables are measured at amortised cost which approximates fair value at reporting date.

\$ '000	2025	2024
<b>Current</b>		
Rates and charges	536	505
Trade debtors	679	3,189
Loans to community organisations	94	25
ATO - net GST receivable	1,053	1,182
Accrued income	1,484	6,507
<b>Total</b>	<b>3,846</b>	<b>11,408</b>
Less: Loss Allowance	(30)	(30)
<b>Total current receivables</b>	<b>3,816</b>	<b>11,378</b>

## Accounting policies

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.

Council has identified 3 groupings of its receivables: Rates and charges, trade debtors and loans to community organisations and relevant judgements in relation to expected credit loss have been made for each group.

## Notes to the Financial Statements

for the year ended 30 June 2025

## Note 8. Receivables (continued)

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.

Loans to community organisations: Loans were made to various sporting bodies. These loans arise from time to time and are subject to negotiated interest rates which are below market rates. The credit risk on these loans is considered low. The loans in place are at call.

Trade debtors: Council has applied the simplified approach for trade receivables and contract assets and the loss allowance is measured at an amount equal to lifetime expected credit losses. Debtors includes 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 Carpentaria Shire Council determines the level of credit risk exposure to be immaterial and therefore does not record an Expected Credit Loss for these counterparties.

Interest is charged on outstanding rates . No interest is charged on other debtors.

The exposure to credit risk for receivables by type of counterparty was as follows:

\$ '000	2025	2024
Rates, levies and charges	536	505
State and Commonwealth Government	3,103	10,634
Community organisations	96	70
Other debtors	81	169
<b>Total</b>	<b>3,816</b>	<b>11,378</b>

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

Opening balance at 1 July	(30)	(22)
Add: Impairment during the year	–	(8)
<b>Closing Balance at 30 June</b>	<b>(30)</b>	<b>(30)</b>

## Note 9. Other assets

\$ '000	2025	2024
<b>Current</b>		
Water charges not yet levied	283	179
<b>Total current other assets</b>	<b>283</b>	<b>179</b>

Notes to the Financial Statements  
for the year ended 30 June 2025

Note 10. Property, plant and equipment

\$ '000	Capital work in progress	Land and improvements	Buildings	Plant and equipment	Road, drainage and bridge network	Water	Sewerage	Waste infrastructure	Other infrastructure assets	Total
<b>2025</b>										
Measurement basis	Cost	Fair Value	Fair Value	Cost	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	
Fair value category		Level 2 & 3	Level 2 & 3		Level 3	Level 3	Level 3	Level 3	Level 3	
<b>Opening gross balance as at 1 July</b>	11,238	4,625	68,649	14,559	260,077	97,311	30,570	2,241	30,777	520,047
Additions*	62,768	–	–	–	–	–	–	–	–	62,768
Disposals	–	–	–	(201)	–	–	–	–	–	(201)
Revaluation increments to equity (ARS)	–	226	2,336	–	7,766	8,415	4,531	88	1,058	24,420
Transfers between classes	(19,996)	–	422	976	13,540	156	23	(341)	5,220	–
<b>Closing gross value as at 30 June</b>	<b>54,010</b>	<b>4,851</b>	<b>71,407</b>	<b>15,334</b>	<b>281,383</b>	<b>105,882</b>	<b>35,124</b>	<b>1,988</b>	<b>37,055</b>	<b>607,034</b>
<b>Opening accumulated depreciation and impairment as at 1 July</b>	–	–	30,371	7,357	92,335	41,582	12,338	89	12,577	196,649
Depreciation expense	–	–	2,770	1,082	5,700	1,634	527	30	1,260	13,004
Depreciation on disposals	–	–	–	(81)	–	–	–	–	–	(81)
Revaluation increments to equity (ARS)	–	–	1,127	–	(4,382)	5,674	1,867	7	452	4,745
<b>Total accumulated depreciation as at 30 June</b>	<b>–</b>	<b>–</b>	<b>34,268</b>	<b>8,358</b>	<b>93,653</b>	<b>48,890</b>	<b>14,732</b>	<b>126</b>	<b>14,289</b>	<b>214,316</b>
<b>Carrying amount as at 30 June</b>	<b>54,010</b>	<b>4,851</b>	<b>37,139</b>	<b>6,976</b>	<b>187,730</b>	<b>56,992</b>	<b>20,392</b>	<b>1,862</b>	<b>22,766</b>	<b>392,718</b>
<b>Other information</b>										
Range of estimated useful life in years		Land not depreciated	15-150	2-40	10-1000	5-80	5-100	30-40	10-100	
<b>*Asset additions comprise</b>										
Asset renewals	–	–	247	–	1,751	66	221	–	2	2,286
Other additions	–	375	22	1,432	54,927	336	–	–	3,390	60,482
<b>Total asset additions</b>	<b>–</b>	<b>375</b>	<b>269</b>	<b>1,432</b>	<b>56,678</b>	<b>402</b>	<b>221</b>	<b>–</b>	<b>3,392</b>	<b>62,768</b>

Notes to the Financial Statements  
for the year ended 30 June 2025

Note 10. Property, plant and equipment (continued)

\$ '000	Capital work in progress	Land and improvements	Buildings	Plant and equipment	Road, drainage and bridge network		Water	Sewerage	Waste infrastructure	Other infrastructure assets	Total
					Cost	Fair Value					
		Fair Value Level 2 & 3	Fair Value Level 2 & 3		Fair Value Level 3	Fair Value Level 3	Fair Value Level 3	Fair Value Level 3	Fair Value Level 3	Fair Value Level 3	
<b>2024</b>											
Measurement basis	Cost	Fair Value	Fair Value	Cost	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	
Fair value category		Level 2 & 3	Level 2 & 3		Level 3	Level 3	Level 3	Level 3	Level 3	Level 3	
<b>Opening gross balance as at 1 July</b>	4,087	4,469	55,377	13,551	243,631	92,831	29,262	–	31,777	474,985	
Additions*	21,609	–	–	–	–	–	–	–	–	21,609	
Disposals	–	–	(360)	(1,973)	–	–	–	–	–	(2,333)	
Revaluation increments to equity (ARS)	–	156	13,010	–	8,386	3,320	1,290	56	(432)	25,786	
Transfers between classes	(14,458)	–	622	2,981	8,060	1,160	18	2,185	(568)	–	
<b>Closing gross value as at 30 June</b>	<b>11,238</b>	<b>4,625</b>	<b>68,649</b>	<b>14,559</b>	<b>260,077</b>	<b>97,311</b>	<b>30,570</b>	<b>2,241</b>	<b>30,777</b>	<b>520,047</b>	
<b>Opening accumulated depreciation and impairment as at 1 July</b>	–	–	27,041	7,758	84,063	38,657	11,301	–	13,397	182,217	
Depreciation expense	–	–	2,049	1,026	5,213	1,489	491	15	1,318	11,601	
Depreciation on disposals	–	–	(147)	(1,427)	–	–	–	–	–	(1,574)	
Revaluation increments to equity (ARS)	–	–	1,428	–	3,059	1,436	546	20	(2,084)	4,405	
Transfer between classes	–	–	–	–	–	–	–	54	(54)	–	
<b>Total accumulated depreciation as at 30 June</b>	<b>–</b>	<b>–</b>	<b>30,371</b>	<b>7,357</b>	<b>92,335</b>	<b>41,582</b>	<b>12,338</b>	<b>89</b>	<b>12,577</b>	<b>196,649</b>	
<b>Carrying amount as at 30 June</b>	<b>11,238</b>	<b>4,625</b>	<b>38,278</b>	<b>7,202</b>	<b>167,742</b>	<b>55,729</b>	<b>18,232</b>	<b>2,152</b>	<b>18,200</b>	<b>323,398</b>	
<b>Other information</b>											
Range of estimated useful life in years		Land not depreciated	15-150	2-40	10-1000	5-80	5-100	30-40	10-100		
<b>*Asset additions comprise</b>											
Asset renewals	–	–	310	–	660	384	261	10	–	1,625	
Other additions	–	–	299	3,109	12,778	438	51	10	3,299	19,984	
<b>Total asset additions</b>	<b>–</b>	<b>–</b>	<b>609</b>	<b>3,109</b>	<b>13,438</b>	<b>822</b>	<b>312</b>	<b>20</b>	<b>3,299</b>	<b>21,609</b>	

## Notes to the Financial Statements

for the year ended 30 June 2025

### Note 10. Property, plant and equipment (continued)

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#### (a) Recognition

The asset capitalisation thresholds for all asset classes is \$5,000.

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.

#### (b) Measurement

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

#### (c) Depreciation

Land and work in progress are not depreciated.

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

#### Key judgements and estimates:

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical or physical obsolescence that may change the utility of certain infrastructure assets.

#### (d) Impairment

An impairment loss is recognised as an expense in the Statement of Comprehensive Income, unless the asset is carried at a revalued amount. When the asset is measured at a revalued amount, the impairment loss is offset against the asset revaluation surplus of the relevant class to the extent available.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation surplus increase.

## Notes to the Financial Statements

for the year ended 30 June 2025

## Note 10. Property, plant and equipment (continued)

## (e) Valuation

**Key judgements and estimates:**

Some of the Council's assets and liabilities are measured at fair value for financial reporting purposes.

In estimating the fair value of an asset or a liability, the Council uses market-observable data to the extent it is available and other inputs as necessary.

**(i) Valuation**

Council compares the carrying amount of its property, plant and equipment on an annual basis to current fair value and makes adjustments where these are materially different. Council performs a full comprehensive revaluation at least once every 5 years by engaging an external professionally qualified valuer.

In the intervening years, Council undertakes:

- Management valuation using internal engineers and external valuer to assess the condition and cost assumptions associated with all infrastructure assets and an appropriate cost index for the region.
- A "desktop" valuation for land and improvements, buildings and infrastructure assets (road, drainage and bridge network, water, sewerage and other) classes which involves management providing updated information to the valuer regarding additions, deletions and changes in assumptions such as useful life, residual value and condition rating. The valuer then determines suitable indices which are applied to each of these asset classes.

On revaluation, accumulated depreciation is restated proportionately with the change in the carrying amount of the asset and any change in the estimate of remaining useful life.

Fair values are classified into three levels as follows:

Level 1: Fair value based on quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value based on inputs that are directly or indirectly observable, such as prices for similar assets, for the asset or liability.

Level 3: Fair value based on unobservable inputs for the asset and liability.

There were no transfers between levels during the year.

## Notes to the Financial Statements

for the year ended 30 June 2025

## Note 10. Property, plant and equipment (continued)

## (ii) Valuation techniques used to derive fair values

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
Land and Improvements (level 2) - \$2,420,750 (2024: \$2,194,500)	Market value	30/06/2024	AssetVal Pty Ltd Group	0% and 25%	N/A

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

Utilises prices gathered by way of market transaction evidence involving similarly comparable assets. Approaches under this methodology may include Direct Comparison, Summation or Income Capitalisation, all of which are accepted under the Australian Accounting Standards and Australian Property Institute guidelines.

Land and Improvements (level 3) - \$2,430,537 (2024: \$2,430,537)	Market value	30/06/2024	AssetVal Pty Ltd Group	0%	N/A
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**Key assumptions and estimates (related data sources)**

Lack of appropriate comparable sales evidence in certain geographic locations and for properties of certain specific comparable land use and/or area classification. In such cases, regard is given to the closest comparable sales and the subject properties' characteristics in relation to those sales.

For land parcels with significantly compromised shape, size and/ or zoning, a nominal land value has been applied.

Buildings (level 2) - \$4,463,648 (2024: \$4,729,120)	Market value	30/06/2024	AssetVal Pty Ltd Group	3.4%	N/A
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**Key assumptions and estimates (related data sources)**

Sales of similar assets in the locality and standard valuation principles have been considered whereby the direct comparison method for each asset has been utilised.

Due regard has been given to zoning, size, shape, location, topography and exposure characteristics for each asset; as well as overall market conditions as at the date of valuation.

Buildings (level 3) - \$32,675,352 (2024: \$33,545,273)	Current replacement cost	30/06/2024	AssetVal Pty Ltd Group	3.4%	N/A
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**Key assumptions and estimates (related data sources)**

Valuers has utilised data from contemporary cost databases including Rawlinsons Construction Cost Handbook 2025 and AIQS by applying a \$/m2 unit rate to the gross building area (GBA) to determine the current cost of a modern substitute and where necessary adjustments for excess utility and any other obsolescence factors are considered.

Lack of appropriate comparable sales evidence in certain geographic locations and also for properties of certain specific comparable land use and/or area classification. In such cases, regard is given to the closest comparable sales and the subject properties' characteristics in relation to those sales.

Notes to the Financial Statements

for the year ended 30 June 2025

Note 10. 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
Road Drainage and Bridge Network (level 3) - \$187,729,579 (2024: \$167,742,000)	Current replacement cost	30/06/2025	AssetVal Pty Ltd Group	N/A	N/A

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

Where there was no depth of market as determined for the assets, the net current value of an asset was considered as the gross value less accumulated depreciation to reflect the consumed or expired service potential of the asset. Published/available market data for recent projects, and/or published cost guides were utilised to determine the estimated replacement cost (gross value) of the asset, including allowances for preliminaries and professional fees.

While the replacement cost of the assets could be supported by market supplied evidence (level 2), the other unobservable inputs (such as estimates of useful life and asset condition) were also required (level 3).

- Source of raw material, most has been sourced locally from gravel pits for unsealed roads.
- Source of water available at low to moderate cost for rural road works (<15km).
- Contract crushing utilised for road sealing aggregate and aggregation of sealing projects and renewals to reduce low quantity works and increase economies of scale.
- Quality of material utilised in pavement construction and extent of compaction of formation varied based on road type and hierarchy.

Road assets were componentised where required with unit rates applied to the individual components in order to determine the replacement cost.

The unit rates applied were based on recent project costs and include all materials, labour and overheads. The unit rates were estimated in consultation with Council's Technical Services staff using information collated from recent project costs.

Water (level 3) - \$56,992,088 (2024: \$55,729,000)	Current replacement cost	30/06/2025	AssetVal Pty Ltd Group	N/A	N/A
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**Key assumptions and estimates (related data sources)**

Where there was no depth of market as determined for the assets, the net current value of an asset was considered as the gross current value less accumulated depreciation to reflect the consumed or expired service potential of the asset. Published/available market data for recent projects, and/or published cost guides were utilised to determine the estimated replacement cost (gross value) of the asset, including allowances for preliminaries and professional fees.

The method used to value Council's water and sewerage assets utilises a number of inputs that require judgement and are therefore classed as unobservable. While these judgements are made with the greatest care, and based upon years of experience, different judgements could result in a different valuation.

## Notes to the Financial Statements

for the year ended 30 June 2025

## Note 10. 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
Sewerage (level 3) - \$20,391,901 (2024: \$18,232,000)	Current replacement cost	30/06/2025	AssetVal Pty Ltd Group	N/A	N/A

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

Where there was no depth of market as determined for the assets, the net current value of an asset was considered as the gross current value less accumulated depreciation to reflect the consumed or expired service potential of the asset. Published/available market data for recent projects, and/or published cost guides were utilised to determine the estimated replacement cost (gross value) of the asset, including allowances for preliminaries and professional fees.

The method used to value Council's water and sewerage assets utilises a number of inputs that require judgement and are therefore classed as unobservable. While these judgements are made with the greatest care, and based upon years of experience, different judgements could result in a different valuation.

Waste infrastructure (level 3) \$1,862,000 (2024: \$2,152,000)	Current replacement cost	30/06/2019	AssetVal Pty Ltd Group	3.3%	N/A
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**Key assumptions and estimates (related data sources)**

Current Replacement Cost Approach determines the cost to a market participant (buyer) to acquire or construct a substitute asset of comparable utility/service potential, adjusted (depreciated) for obsolescence. Depreciation adjustments to measure the Fair Value of an asset typically take into account Physical Deterioration, Functional and Economic Obsolescence.

The Current Replacement Cost can be determined as the cost per unit of service potential of the most appropriate modern replacement asset (adjusted for any difference in future service potential), or as the cost of reproducing or replicating the future service potential of the asset.

Other Infrastructure Assets (level 3) \$22,766,000 (2024: \$18,200,000)	Current replacement cost	30/06/2024	AssetVal Pty Ltd Group	3.3%	N/A
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**Key assumptions and estimates (related data sources)**

Current Replacement Cost Approach determines the cost to a market participant (buyer) to acquire or construct a substitute asset of comparable utility/service potential, adjusted (depreciated) for obsolescence. Depreciation adjustments to measure the Fair Value of an asset typically take into account Physical Deterioration, Functional and Economic Obsolescence.

The Current Replacement Cost can be determined as the cost per unit of service potential of the most appropriate modern replacement asset (adjusted for any difference in future service potential), or as the cost of reproducing or replicating the future service potential of the asset.

## Notes to the Financial Statements

for the year ended 30 June 2025

## Note 10. Property, plant and equipment (continued)

Where Council is unable to derive fair valuations using quoted market prices of identical assets (ie. level 1 inputs) Council instead utilises a spread of both observable inputs (level 2 inputs) and unobservable inputs (level 3 inputs).

The fair valuation techniques Council has employed while utilising level 2 and level 3 inputs are as follows:

**Roads, Drainage and Bridge Network**

Significant Inputs:

- Economic Useful Life (EUL) Assessment
- Remaining Service Potential (RSP) Assessment
- Optimised Replacement Cost (ORC) Analysis

**Economic Useful Life (EUL) Assessment**

The economic useful life has been assessed based on the aforementioned asset hierarchy, road type segregation and componentisation. These lives were initially measured utilising historical renewal data, regional aggregated data, published failure rates, and supplied data, these inputs were then supplied to Council engineering staff for input and review.

Hierarchy	Component	EUL (Years)
Sealed	Top seal	10
Sealed	Base seal	60
Sealed	Pavement	180
Sealed	Formation	1000
Gravel	Pavement	60
Gravel	Gravel (surface)	20
Gravel	Formation	1000
Formed	Formation	1000

**Remaining Service Potential (RSP) Assessment**

A condition assessment was applied, which is based on factors such as the age of the asset, overall condition as noted by the Valuer during inspection, economic and/or functional obsolescence. The condition assessment directly translates to the level of depreciation applied.

*Accumulated Depreciation***Optimised Replacement Cost (ORC) Analysis**

While the replacement cost of the assets could be supported by market supplied evidence (level 2), the other unobservable inputs (such as estimates of useful life and asset condition) were also required (level 3).

Infrastructure assets were componentised where required with unit rates applied to the individual components in order to determine the replacement cost.

**Water and Sewerage - Calculation of Current Replacement Cost**

Significant Inputs:

- Economic Useful Life (EUL) Assessment
- Remaining Service Potential (RSP) Assessment
- Optimised Replacement Cost (ORC) Analysis

**Economic Useful Life (EUL) Assessment**

The economic useful life has been assessed based on the aforementioned asset hierarchy, water and sewerage type segregation and componentisation. These lives were initially measured utilising historical renewal data, regional aggregated data, published failure rates, and supplied data, these inputs were then supplied to Council engineering staff for input and review.

Hierarchy	Component	EUL (Years)
Reticulation	Main	80
Reticulation	Water Meters	25
Reticulation	Point Assets (Valves, manholes)	20-80
Active Water Assets	Structures, Pumps, Electrical	5-80
Active Sewer Assets	Structures, Pumps, Electrical	10-80

## Notes to the Financial Statements

for the year ended 30 June 2025

### Note 10. Property, plant and equipment (continued)

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#### **Remaining Service Potential (RSP) Assessment**

A condition assessment was applied, which is based on factors such as the age of the asset, overall condition as noted by the Valuer during inspection, economic and/or functional obsolescence. The condition assessment directly translates to the level of depreciation applied.

#### *Accumulated Depreciation*

To calculate the appropriate amount of accumulated depreciation, assets were either subject to a site inspection or an assessment to determine remaining useful life. Where site inspections were conducted (i.e. for sampled visible assets), the assets were allocated a condition assessment, which was used to estimate remaining useful life

#### **Optimised Replacement Cost (ORC) Analysis**

While the replacement cost of the assets could be supported by market supplied evidence (level 2), the other unobservable inputs (such as estimates of useful life and asset condition) were also required (level 3).

The optimised replacement cost has been calculated by the valuer with reference to unit rates for network assets calculated in consultation with the council, and lump sum figures for complex assets. The rates assume an incremental Greenfields approach and exclude Brownfield cost components. The valuers have involved the Council's engineering team as much as possible when developing the unit rates and relied on a combination of sources, cost guides, historical costs, contractor rates, future works and regional information.

Infrastructure assets were componentised where required with unit rates applied to the individual components in order to determine the replacement cost.

The unit rates applied were based on Greenfields project costs and include all materials, labour and overheads. The unit rates were estimated in consultation with Council's Technical Services staff using information collated from recent project costs.

#### **Water and Sewerage - Unobservable Inputs**

The method used to value Council's water and sewerage assets utilises a number of inputs that require judgement and are therefore classed as unobservable. While these judgements are made with the greatest care, and based upon years of experience, different judgements could result in a different valuation.

## Notes to the Financial Statements

for the year ended 30 June 2025

## Note 11. Contract balances

\$ '000	2025	2024
<b>(a) Contract assets</b>		
Contract assets	14,771	12,344
<b>Total current contract assets</b>	<b>14,771</b>	<b>12,344</b>
<b>(b) Contract liabilities</b>		
Funds received upfront to construct Council controlled assets	9,784	9,464
Non-capital performance obligations (including deposit received in advance)	13,383	25,759
<b>Total current contract liabilities</b>	<b>23,167</b>	<b>35,223</b>

Contract liabilities consist of funding received in advance for maintenance and restoration of road, sewerage, building improvements and signages.

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

Funds to construct Council controlled assets	9,100	2,355
Non-capital performance obligations	25,268	10,822
<b>Total revenue included in the contract liability</b>	<b>34,368</b>	<b>13,177</b>

**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 financial year.

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

Significant movements in contract assets and contract liabilities that have occurred during the year were due to the change in the timing of the work and monies received in advance for various projects. As a result of the significant weather events in 2024 and 2025, Council's QRA-approved projects have consistently increased. Contract liabilities at 30 June 2025 decreased due to utilisation of funds received in advance at the end of the financial year including approved projects during the year, while the increase in contract assets was due to the accumulated costs of previously approved projects still awaiting acquittal submission.

## Notes to the Financial Statements

for the year ended 30 June 2025

## Note 12. Leases

## Council as a lessee

## Exceptions to lease accounting

Council has applied the exceptions to lease accounting for short-term leases (i.e. leases with a term of less than or equal to 12 months). Council recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

## Leases at significantly below market value / concessionary leases

Council has a number of leases at significantly below market for Land and Buildings which are used for the following purposes:

- Community halls and
- Sports and recreation

Council does not believe that any of the leases in place are individually material.

## Amounts included in the statement of comprehensive income related to leases

The following amounts have been recognised in the statement of comprehensive income for leases where Council is the lessee.

\$ '000	2025	2024
Expenses relating to short-term leases	3,953	3,523
<b>Total cash outflows for leases</b>	<b>3,953</b>	<b>3,523</b>

## Council as a lessor

## Operating leases

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

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

The minimum lease receipts arising from operating leases are as follows:

	2025 \$'000	2024 \$'000
Not later than one year	71	22
Between one and two years	67	21
Between two and three years	41	17
Between three and four years	39	17
Between four and five years	37	17
Later than five years	337	130
	<b>592</b>	<b>224</b>

## Notes to the Financial Statements

for the year ended 30 June 2025

## Note 13. Payables

Trade creditors are recognised upon receipt of the goods or services ordered and are measured at the agreed purchase / contract price net of applicable discounts other than contingent discounts. Amounts owing are unsecured and are generally settled on 30 day terms. A liability for salaries and wages is recognised and measured as the amount unpaid at the reporting date at current pay rates in respect of employees' services up to that date.

\$ '000	2025	2024
<b>Current</b>		
Creditors and accruals	9,716	6,477
Accrued expenses	1,630	1,778
Prepaid rates	86	76
Other creditors	36	22
<b>Total current payables</b>	<b>11,468</b>	<b>8,353</b>

## Note 14. Borrowings

Interest is expensed as accrued, no interest has been capitalised during the current or comparative reporting period. Expected final repayment dates vary from 15 June 2030 to 15 March 2035.

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

\$ '000	2025	2024
<b>Current</b>		
Loans - QTC	608	580
<b>Total current borrowings</b>	<b>608</b>	<b>580</b>
<b>Non-current</b>		
Loans - QTC	4,724	5,322
<b>Total non-current borrowings</b>	<b>4,724</b>	<b>5,322</b>

## Notes to the Financial Statements

for the year ended 30 June 2025

## Note 14. Borrowings (continued)

\$ '000	2025	2024
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**Reconciliation of Loan Movements for the year****Loans - Queensland Treasury Corporation**

Opening balance at beginning of financial year	5,902	6,443
Principal repayments	(570)	(541)
<b>Book value at end of financial year</b>	<b>5,332</b>	<b>5,902</b>

The QTC loan market value at the reporting date was \$5,376,596. 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.

The following table sets out the Council's liquidity risk of borrowings in a format as it might be provided to management. The amounts disclosed in the maturity analysis represent the contractual undiscounted cashflows at the balance date:

	0 to 1 year \$'000	1 to 5 years \$'000	Over 5 years \$'000	Total contractual cash flows \$'000	Carrying \$'000
2025					
Loans - QTC	842	3,369	2,200	6,411	5,332
2024					
Loans - QTC	842	3,369	3,042	7,253	5,902

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

No assets have been pledged as security by the council for any liabilities, however all loans are guaranteed by the Queensland Government. There have been no defaults or breaches of the loan agreement during the 2025 or 2024 financial years.

Carpentaria Shire Council is exposed to interest rate risk through its borrowings from QTC. 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.

## Notes to the Financial Statements

for the year ended 30 June 2025

## Note 15. Provisions

**Long service leave**

The provision for long service leave represents 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. The estimates are adjusted for the probability of the employee remaining in the Council's employment or other associated employment which would result in the 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 at the reporting date are used to discount the estimated future cash outflows to their present value. The provision is discounted using the Commonwealth Bond yield rates.

**Refuse dump restoration**

A provision is made for the cost of restoring refuse dumps where it is probable the Council will be liable, or required, to incur cost on the cessation of use of these facilities. The provision is measured at the expected cost of the work required, discounted to current day values using the interest rates attaching to Commonwealth Government guaranteed securities with a maturity date corresponding to the anticipated date of restoration. The refuse restoration closing balance of \$930,553 (2024:\$891,955) is the present value of the estimated cost of restoring the refuse disposal sites to a useable state at the end of their useful lives. The projected cost at closing date of 2036 is \$1,382,686 (2024:\$1,147,546)

The provision represents the present value of the anticipated future costs associated with the closure of the dump sites, decontamination and monitoring of historical residues and leaching on these sites. The calculation of this provision requires assumptions such as application of environmental legislation, site closure dates, available technologies and engineering cost estimates. These uncertainties may result in future actual expenditure differing from amounts currently provided. Because of the long-term nature of the liability, the most significant uncertainty in estimating the provision is the costs that will be incurred. The provision recognised for dump sites is reviewed at least annually and updated based on the facts and circumstances available at the time. Management estimates that the remaining operating site will close in 2036 and that the restoration will occur progressively over the subsequent four years.

As refuse dumps are on state reserves which the 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.

\$ '000	2025	2024
<b>Current</b>		
Annual leave	854	643
Long service leave	300	232
Sick leave	27	59
Other employee entitlements	92	79
Refuse restoration	24	23
<b>Total current provisions</b>	<b>1,297</b>	<b>1,036</b>
<b>Non-current</b>		
Long service leave	149	159
Refuse restoration	907	869
<b>Total non-current provisions</b>	<b>1,056</b>	<b>1,028</b>
<b>Refuse restoration</b>		
Balance at beginning of financial year	892	1,029
Increase/(decrease) in provision due to unwinding of discounts and change in estimate	39	(137)
<b>Balance at end of financial year</b>	<b>931</b>	<b>892</b>

## Notes to the Financial Statements

for the year ended 30 June 2025

## Note 16. Commitments for expenditure

\$ '000	2025	2024
<b>(a) Contractual commitments</b>		
<b>Contractual commitments at end of financial year but not recognised in the financial statements are as follows:</b>		
Flood damage works	33,633	217
Other operating expenditures	8,299	4,274
	41,932	4,491
<b>(b) Capital Commitments</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>		
Road, drainage and bridge network	716	119
Water assets	101	69
Plant and equipment	228	960
Others	97	3,423
<b>Total commitments</b>	<b>1,142</b>	<b>4,571</b>
<b>These expenditures are payable as follows:</b>		
Within one year	1,142	4,571
<b>Total payable</b>	<b>1,142</b>	<b>4,571</b>

## Note 17. 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, 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.

**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 \$273,874.

## Notes to the Financial Statements

for the year ended 30 June 2025

## Note 18. Superannuation

Council contributes to LGIAsuper. LGIAsuper is a Multiemployer Plan as defined in Australian Accounting Standard AASB 119 *Employee Benefits*. The scheme has a number of elements including defined benefits funds and an accumulated benefits fund. Council does not have any employees who are members of the defined benefits funds and so is not exposed to the obligations, assets or costs associated with these funds. Council has employees who are members of the accumulated benefits fund. The scheme is managed by the LGIAsuper trustee as trustee for LGIAsuper trading as Brighter Super.

\$ '000	Notes	2025	2024
Other superannuation contributions for employees		1,031	927
<b>Total superannuation contributions paid by Council for employees</b>	5	<b>1,031</b>	<b>927</b>

## Note 19. Reconciliation of net result for the year to net cash inflow (outflow) from operating activities

\$ '000	2025	2024
<b>Net result</b>	<b>68,535</b>	<b>(1,280)</b>
<b>Non-cash items</b>		
Depreciation	13,004	11,601
	<b>13,004</b>	<b>11,601</b>
<b>Investing and development activities (non-cash):</b>		
Net (profit)/loss on disposal of non-current assets	39	(12)
Capital grants and contributions	(60,583)	(13,933)
	<b>(60,544)</b>	<b>(13,945)</b>
<b>Changes in operating assets and liabilities:</b>		
(Increase)/decrease in receivables	7,562	(8,185)
Increase/(decrease) in loss allowance	–	8
(Increase)/decrease in inventories	(76)	(111)
(Increase)/decrease in contract assets	–	(6,729)
(Increase)/decrease in other assets	(104)	484
Increase/(decrease) in payables	3,115	2,956
Increase/(decrease) in contract liabilities	(12,376)	11,347
Increase/(decrease) in employee leave entitlements	250	(375)
Increase/(decrease) in other provisions	39	(137)
Increase/(decrease) in other liabilities	–	(100)
	<b>(1,590)</b>	<b>(842)</b>
<b>Net cash inflow (outflow) from operating activities</b>	<b>19,405</b>	<b>(4,466)</b>

## Notes to the Financial Statements

for the year ended 30 June 2025

## Note 20. Reconciliation of liabilities arising from financing activities

\$ '000	As at 30/06/24			As at 30/06/25
	Opening Balance	Cashflows	Non-cash changes (new leases)	Closing balance
Borrowings	5,902	(570)	–	5,332
	<u>5,902</u>	<u>(570)</u>	<u>–</u>	<u>5,332</u>

\$ '000	As at 30/06/23			As at 30/06/24
	Opening Balance	Cashflows	Non-cash changes (new leases)	Closing balance
Borrowings	6,443	(541)	–	5,902
	<u>6,443</u>	<u>(541)</u>	<u>–</u>	<u>5,902</u>

## Note 21. Events after the reporting period

There has not been any event that occurred after the end of the reporting period that has significantly affected, or may significantly affect, the current or future financial results of the Council.

## Note 22. Transactions with related parties

## (a) Key management personnel (KMP)

KMP are the Mayor, Deputy Mayor, Councillors, Chief Executive Officer, Director of Corporate Services (Chief Operating Officer), Director of Engineering and Executive Manager of Community Development, Tourism & Regional Prosperity.

\$ '000	2025	2024
<b>The compensation paid to key management personnel comprises:</b>		
Short-term employee benefits	955	935
Post-employment benefits	125	173
Long-term benefits	21	12
<b>Total</b>	<u>1,101</u>	<u>1,120</u>

Detailed remuneration disclosures are provided in the annual report.

## Notes to the Financial Statements

for the year ended 30 June 2025

## Note 22. Transactions with related parties (continued)

## (b) 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, child and dependent of a KMP or their spouse.

Details of transactions between council and other related parties are disclosed below:

	Additional information	2025 \$'000	2024 \$'000
Purchase of materials and services from entities controlled by KMP	22(b)(i)	1,082	2,359
Employee expenses for close family members of KMP	22(b)(ii)	96	329
<b>Total</b>		<b>1,178</b>	<b>2,688</b>

(i) Council purchased the following contracting services from entities that are controlled by KMP. All purchases were at arm's length and were in the normal course of Council operations:

	2025 \$'000	2024 \$'000
Contracting services (machinery hire and trade services)	9,890	15,228
Goods/services	-	16
<b>Total</b>	<b>9,890</b>	<b>15,244</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 employed during the year 84 (2024: 98) full-time equivalent employees of which only 4 (2024: 6) are close family members of key management personnel.

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

Council does not make loans to or receive loans from related parties. No guarantees have been provided.

## (d) Commitments to/from other related parties

Council has an existing contract with entities controlled by Councillors as Pre-Qualified Supplier for the Hire of Plant and Equipment for each Construction Season. A tender was conducted on each contract and this is a continual contract with no total contract value available until completion of each season. The contract was the result of a tender process in accordance with the Council's normal procedures and policies. Relevant Councillors were not involved in the decision of awarding the contract. Currently, Council has renewed pre-qualified suppliers of the plant for 2026 construction season.

As of 30 June 2025, Council had outstanding payables to related entities of \$680,751 (2024: \$112,815).

## (e) 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 Carpentaria Shire. Therefore, on a regular basis ordinary citizen transactions occur between Council and its related parties. Some examples include:

- Payment of rates
- Use of the Normanton and Karumba Pools and Gyms
- Borrowing of books from the Council libraries

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 2025

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### Management Certificate

for the year ended 30 June 2025

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 2 to 34, 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.



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Mayor

**Jack Bawden**

Date: 22 / 10 / 2025



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Chief Executive Officer

**Anne Andrews**

Date: 22 / 10 / 2025

## INDEPENDENT AUDITOR'S REPORT

To the councillors of Carpentaria Shire Council

### Report on the audit of the financial report

#### Opinion

I have audited the financial report of Carpentaria Shire 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 Carpentaria Shire 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 unaudited 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 requirements**

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.



Sri Narasimhan  
as delegate of the Auditor-General

27 October 2025

Queensland Audit Office  
Brisbane

# Carpentaria Shire Council

## Current-year Financial Sustainability Statement

Type	Measure	Target (Tier 7)	Actual Current Year	5-Year Average	Council Narrative
<b>Audited ratios</b>					
Liquidity	Unrestricted Cash Expense Cover Ratio	Greater than 4 months	7.03	N/A	Council is above the target ratio.
Operating Performance	Operating Surplus Ratio	0% to 10%	8.2%	-7.8%	Council is within the target ratio.
	Operating Cash Ratio	Greater than 0%	21.8%	8.6%	Council is above the target ratio.
Asset Management	Asset Sustainability Ratio	Greater than 90%	19.2%	25.9%	Council is below the target range. Most of Council renewal on roads were done through DRFA projects which are accounted as operating expenditures as per Council's Essential Assets Policy.
	Asset Consumption Ratio	Greater than 60%	61.3%	63.1%	Council is above the target ratio. Council has achieved the target ratio in the last five years.
Debt Servicing Capacity	Leverage Ratio	0 to 3 times	0.25	0.73	Council is within the target ratio. Council has not drawn down any new debt in the last five years..

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 2025.

## Carpentaria Shire Council

### Certificate of Accuracy (audited ratios)

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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.



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Mayor

**Jack Bawden**

Date: 22 / 10 / 2025



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Chief Executive Officer

**Anne Andrews**

Date: 22 / 10 / 2025

## INDEPENDENT AUDITOR'S REPORT

To the Councillors of Carpentaria Shire Council

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

#### Opinion

I have audited the accompanying current year financial sustainability statement of Carpentaria Shire 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 Carpentaria Shire 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 Carpentaria Shire 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 unaudited long-term financial sustainability statement.

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

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

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

### **Responsibilities of the councillors for the current year financial sustainability statement**

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

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

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

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

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

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

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



Sri Narasimhan  
as delegate of the Auditor-General

27 October 2025

Queensland Audit Office  
Brisbane

## Carpentaria Shire Council

### Current-year Financial Sustainability Statement - Contextual Ratios

Type	Measure	Target (Tier 7)	Actual Current Year	5-Year Average	Council Narrative
<b>Contextual ratios (unaudited)</b>					
Financial Capacity	Council-Controlled Revenue*	N/A	10.2%	13.5%	-
	Population Growth*	N/A	1.8%	1.5%	-

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 2 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.

## Carpentaria Shire Council

### Certificate of Accuracy (contextual ratios - unaudited)

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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.



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Mayor

**Jack Bawden**

Date: 22 / 10 / 2025



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Chief Executive Officer

**Anne Andrews**

Date: 22 / 10 / 2025

Carpentaria Shire Council  
 Unaudited Long-Term Financial Sustainability Statement

Type	Measure	Target (Tier 7)	Actuals as at 30 June 2025	30 June 2026	30 June 2027	30 June 2028	30 June 2029	30 June 2030	30 June 2031	30 June 2032	30 June 2033	30 June 2034	30 June 2035
Financial Capacity	Council-Controlled Revenue	Greater than 60%	10.21%	12.14%	12.00%	12.01%	12.01%	12.02%	12.02%	12.03%	12.03%	12.04%	12.04%
	Population Growth	N/A	1.84%	0.77%	0.13%	0.13%	0.13%	0.13%	0.13%	0.13%	0.13%	0.13%	0.13%
Operating Performance	Operating Surplus Ratio	0% to 10%	8.19%	-11.23%	-9.21%	-8.49%	-5.54%	-8.59%	-8.40%	-8.43%	-8.46%	-8.50%	-8.52%
	Operating Cash Ratio	Greater than 0%	21.83%	4.76%	6.60%	7.34%	7.29%	7.25%	7.21%	7.17%	7.13%	7.09%	7.05%
Liquidity	Unrestricted Cash Expense Cover Ratio	Greater than 4 months	N/A for long-term sustainability statement										
Asset Management	Asset Sustainability Ratio	Greater than 90%	19.17%	142.54%	155.86%	120.63%	109.03%	106.90%	104.80%	102.75%	100.73%	98.76%	96.82%
	Asset Consumption Ratio	Greater than 60%	61.35%	63.23%	63.23%	63.23%	63.23%	63.23%	63.23%	63.23%	63.23%	63.23%	63.23%
Debt Servicing Capacity	Leverage Ratio	0 to 3 times	0.25	1.18	0.72	0.53	0.42	0.30	0.23	0.17	0.11	0.05	-

Council's long term financial management strategy is to 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.

## Carpentaria Shire Council

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

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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.



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Mayor

**Jack Bawden**

Date: 22 / 10 / 2025



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Chief Executive Officer

**Anne Andrews**

Date: 22 / 10 / 2025