
LOCAL GOVERNMENT ASSOCIATION OF QUEENSLAND LTD

ABN 11 010 883 293

**ANNUAL REPORT
FOR THE YEAR ENDED
30 JUNE 2025**

Table of Contents

	Page
Directors' Report	2
Auditor's Independence Declaration	5
Financial Statements	
Statements of Comprehensive Income	6
Statements of Financial Position	7
Statements of Cash Flows	8
Statements of Changes in Equity	9
Notes to and forming part of the Financial Statements	
Note 1 Summary of Material Accounting Policies	10
Note 2 Statement of Comprehensive Income - Disclosures	17
Note 3 Cash and Cash Equivalents	19
Note 4 Trade and Other Receivables and Contract Assets	19
Note 5 Other Assets	19
Note 6 Intangibles	20
Note 7 Property, Plant and Equipment	20
Note 8 Trade and Other Payables	22
Note 9 Borrowings	22
Note 10 Employee Benefits	22
Note 11 Equity	23
Note 12 Statement of Cash Flows - Disclosures	24
Note 13 Financial Instruments	25
Note 14 Unexpended Grant Funds Held by Association	27
Note 15 Key Management Personnel (KMP) Disclosures	27
Note 16 Related Party Disclosures	29
Note 17 Events Occurring After Balance Date	30
Note 18 Commitments	31
Note 19 Contingencies	31
Note 20 Fred Rogers Memorial Trust	31
Note 21 Mt Emerald Trust	31
Directors' Declaration	32
Independent Auditor's Report	33

Directors' Report

The directors submit the following report for the year ended 30 June 2025 made in accordance with a resolution of the Board of directors.

Company Details

The Local Government Association of Queensland Ltd is domiciled in Australia and has its Principal Place of Business and Registered Office at Level 2, 25 Evelyn St Newstead Queensland.

Directors

The names of the directors of Local Government Association of Queensland Ltd ("LGAQ" or the "Association") in office during or since the period 1 July 2024 to 30 June 2025 were:

<u>Director</u>	<u>Appointed</u>	<u>Resigned</u>
Cr Matthew Burnett	26 June 2020	-
Cr Kurt Rehbein	21 June 2024	-
Cr Kelly Vea Vea	21 June 2024	-
Cr Peter Flannery	6 December 2024	-

Directors' Meetings

A total of 10 directors' meetings were held during the year. The number of meetings attended by each director was as follows:

<u>Director</u>	<u>Attended / Eligible</u>	<u>Director</u>	<u>Attended / Eligible</u>
Cr Matthew Burnett	10 / 10	Cr Kelly Vea Vea	10 / 10
Cr Kurt Rehbein	9 / 10	Cr Peter Flannery	5 / 5

Information on Directors

Applicable Qualifications, Experience & Special Responsibilities

Cr M Burnett

Councillor Gladstone Regional Council 25 yrs, Mayor Gladstone Regional Council 9 yrs, Deputy Mayor Gladstone Regional Council 5 yrs, Chair Gladstone Local Disaster Management Group, Board Member and Vice President of the Australian Local Government Association, Director of Central Queensland Regional Organisation of Councils, Chair of Gladstone Technical Services Committee, Chair of Gladstone Infrastructure Services Committee, Chair Gladstone Town Planning Committee, Board of Advice Member of the Gladstone Foundation, Board Member Gladstone Area Promotion and Development Ltd, Former Board Member and Vice President Gladstone Callopie Aerodrome.

Cr K Vea Vea

Councillor Isaac Regional Council 13 yrs, Deputy Mayor Isaac Regional Council 7 yrs, Mayor Isaac Regional Council 18 mths, Local Disaster Management Group Deputy Chair 7 yrs, Local Disaster Management Group Chair 18 mths, Director Greater Whitsunday Council of Mayors, Director Australian Mining Cities Alliance, Director Moranbah Early Learning Centre 8 yrs, Chair Moranbah Early Learning Centre 18 mths, Director Issac Regional Charity Fund 7 yrs, Chair Queensland Beef Corridors, Former Director Isaac Affordable Housing Trust, Graduate of the Australian Institute of Company Directors.

Cr K Rehbein

Councillor Townsville City Council 9 yrs, Chair North Queensland Roads Transport Group, Heritage Advisory Committee Chair, Council representative on RAAF Heritage Committee, Townsville 2032 Legacy Working Group and Townsville Citizens Brass Band Association.

Cr P Flannery

Councillor Caboolture Shire Council 4 years, Councillor Moreton Bay Regional Council 8 years, Mayor Moreton Bay Regional Council / City of Moreton Bay 5 years, Graduate / Member Australian Institute of Company Directors, Board Member and Policy Executive Member Local Government Association of Queensland, Board Member Queensland Local Government Mutual Liability Pool, Management Committee Member Queensland Local Government Workers Compensation Self-Insurance Scheme, Alternate Board Member Australian Local Government Association, Board Member and Deputy Chair of the Executive Committee Council of Mayors (SEQ), Member Council of Mayors (SEQ) Waste Working Group, Leveraging 2032 Working Group and Resilient Rivers Taskforce, Member Animal Management (Cats and Dogs) Act 2008 Taskforce.

Principal Activities

The Association's principal activity is to represent Queensland Local Governments in their dealings with other governments, unions, business and the community.

The Association is incorporated also for pursuing whichever of the following objects it considers appropriate:

- (1) facilitating consultation by and between Members as to their common interests;
- (2) acting as:
 - (a) a body representing the interests of the local government industry generally;
 - (b) an employer organisation under the *Industrial Relations Act 2016*; and
 - (c) a representative body for Members and/or groups of Members, for the purpose of providing effective and professional representation in dealings between local government and other levels of government, industry, the media and the public generally;
- (3) providing professional advice to assist Members in matters of doubt and difficulty;
- (4) providing and facilitating the provision of goods and services to Members;
- (5) promoting the efficient carrying out of local government throughout Queensland;
- (6) generally, undertaking and promoting any activity which the Board determines to be for the benefit and/or interest of local government in Queensland.

Throughout the year, the Association continued to provide strong representation and a diverse range of services to its membership. These activities were consistent with the principal activities and objects of the Association and assisted the Association in achieving its key corporate objectives.

Key Objectives

The Association's three key corporate objectives are as follows:

- (1) Establish a leadership reputation for:
 - (a) Advocacy and Representation
 - (b) Customer Service and Support
 - (c) Innovation (Opportunity Realisation)
 - (d) Integrity (Trusted and Authoritative)
- (2) Grow the scope and depth of its relationship with members
- (3) Financial Sustainability

Internal operating processes and corporate structure have been implemented to assist with meeting the corporate objectives as outlined above. The ongoing development and delivery of new products and services based on the highest value need of the membership will also assist the Association in achieving these objectives.

Performance Measurement

The Association's primary performance measure will be changes in member loyalty. A benchmark member loyalty has been established and annual surveying of members and stakeholders will result in a comprehensive assessment of member and stakeholder perception of loyalty every year.

The financial sustainability of the Association will be based on achieving balanced or surplus budgets that allow the Association to continue to invest strongly in new products and services for its membership.

Membership

The Association's membership consists of the Brisbane City Council and any Local Government constituted under the Local Government Act 2009. The Association keeps a register of its members which records who was a member of the Association for the period the register is kept.

If the Association goes into liquidation, each member must contribute to the Association's assets (while either currently a member or within 12 months of ceasing to be a member) a contribution not exceeding \$20. The Association currently has 77 members limiting total member liability to \$1,540.

Events Occurring After Balance Date

There are no matters or circumstances which have arisen since the end of the financial year that have significantly affected or may significantly affect the operations of the Association, the results of those operations or the state of affairs of the Association in future years.

Insurance

The physical assets and risks held by the Association are insured via a variety of specific insurance policies for which premiums are generally levied on a risk assessment basis. In addition, the Association pays premiums to Work Cover Qld in respect of its obligations for employee protection.

Auditor's Independence Declaration

The auditor's independence declaration for the year ended 30 June 2025 has been received and is attached.

This report is signed in accordance with a resolution of the board of directors:

A handwritten signature in black ink, appearing to read 'M. Burnett', with a stylized flourish at the end.

Mayor M Burnett
President / Director

Dated: 2 October 2025

AUDITOR'S INDEPENDENCE DECLARATION

To the Directors of Local Government Association of Queensland Ltd

This auditor's independence declaration has been provided pursuant to s.307C of the *Corporations Act 2001*.

Independence declaration

As lead auditor for the audit of Local Government Association of Queensland Ltd for the financial year ended 30 June 2025, I declare that, to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.



Sri Narasimhan
as delegate of the Auditor-General

25 September 2025

Queensland Audit Office
Brisbane

Statements of Comprehensive Income for the year ended 30 June 2025

		Consolidated	Consolidated	Parent Entity	Parent Entity
	Notes	2025	2024	2025	2024
		\$	\$	\$	\$
Income					
Fees and Service Charges	2(a)(i)(ii)	47,497,820	44,082,350	20,323,806	19,315,392
Contributions and Grants	2(b)	7,130,665	7,971,515	7,130,665	7,971,515
Dividends and Distributions	2(c)	-	-	5,676,419	5,447,737
Interest		849,738	838,301	627,243	660,616
Gain from Disposal of Non-Current Assets		-	4,917	-	4,917
Total Income		55,478,222	52,897,082	33,758,132	33,400,177
Expenses					
Depreciation and Amortisation		1,015,728	1,271,717	959,196	1,214,677
Employee Benefit Expenses	2(d)	25,331,682	24,249,535	12,309,302	11,535,182
Administration and Management Expenses	2(e)	3,886,266	3,712,494	2,021,480	1,998,114
Property Repairs and Maintenance Expense		668,704	623,434	668,704	623,434
Loss from Disposal of Non-Current Assets		100	6,985	-	-
Grant Expenditure	2(f)	7,275,267	6,270,728	7,515,472	6,270,728
LGAQ Annual Conference		1,220,456	921,117	1,220,456	921,117
Local Government Services		1,649,997	239,388	1,649,997	239,388
ALGA Annual Subscription		564,066	536,860	564,066	536,860
Other Expenses	2(g)	12,137,435	11,024,397	5,276,320	6,271,290
Borrowing Costs		112,126	128,277	112,126	128,277
Total Expenses		53,861,827	48,984,932	32,297,119	29,739,067
Surplus (Deficit) for the year		1,616,395	3,912,151	1,461,013	3,661,110
Attributable to:					
Members of the Association		1,616,395	3,912,151	1,461,013	3,661,110
Surplus (Deficit) for the year		1,616,395	3,912,151	1,461,013	3,661,110
Other Comprehensive Income for the year					
Increase (Decrease) in Asset Revaluation Surplus		1,520,000	200,000	1,520,000	200,000
Total Comprehensive Income for the year		3,136,395	4,112,151	2,981,013	3,861,110
Attributable to:					
Members of the Association		3,136,395	4,112,151	2,981,013	3,861,110

Statements of Financial Position as at 30 June 2025

		Consolidated	Consolidated	Parent Entity	Parent Entity
	Notes	2025	2024	2025	2024
		\$	\$	\$	\$
Assets					
Current Assets					
Cash and Cash Equivalents	3	28,791,242	24,623,658	24,998,769	21,540,518
Trade and Other Receivables	4	9,103,304	11,840,009	7,975,837	10,267,096
Other Assets	5	1,687,219	1,628,731	677,230	512,075
Total Current Assets		39,581,764	38,092,398	33,651,835	32,319,689
Non-Current Assets					
Other Assets	5	-	-	1,000,000	1,000,000
Intangibles	6	13,376	23,501	-	3,451
Property, Plant and Equipment	7	29,573,691	28,499,161	29,467,446	28,401,222
Total Non-Current assets		29,587,067	28,522,662	30,467,446	29,404,673
Total Assets		69,168,832	66,615,060	64,119,282	61,724,362
Liabilities					
Current Liabilities					
Trade and Other Payables	8	4,353,858	4,336,420	2,015,144	2,094,779
Borrowings	9	675,944	659,405	675,944	659,405
Unearned Income		218,191	204,518	135,388	66,136
Accrued Employee Benefits	10(a)	1,660,517	1,676,233	1,172,739	1,179,197
Provision for Employee Benefits	10(b)	1,010,813	995,876	625,862	564,430
Total Current Liabilities		7,919,323	7,872,452	4,625,077	4,563,947
Non-Current Liabilities					
Borrowings	9	3,449,654	4,125,598	3,449,654	4,125,598
Provision for Employee Benefits	10(b)	539,514	493,065	346,336	317,616
Total Non-Current Liabilities		3,989,168	4,618,664	3,795,990	4,443,215
Total Liabilities		11,908,491	12,491,115	8,421,067	9,007,161
Net Assets		57,260,340	54,123,945	55,698,215	52,717,201
Equity					
Asset Revaluation Surplus	11(a)	22,929,100	21,409,100	22,929,100	21,409,100
General Reserve	11(a)	700,259	700,259	700,259	700,259
Retained Surplus	11(b)	33,630,982	32,014,586	32,068,856	30,607,842
Total Equity Attributable to Members of the Association		57,260,341	54,123,945	55,698,215	52,717,201
Total Equity		57,260,341	54,123,945	55,698,215	52,717,201

Statements of Cash Flows for the year ended 30 June 2025

		Consolidated	Consolidated	Parent Entity	Parent Entity
	Notes	2025	2024	2025	2024
		\$	\$	\$	\$
Cash Flows from Operating Activities					
Inflows					
Fees and Service Charges		56,270,163	45,008,939	25,792,178	19,333,000
Contributions and Grants		7,130,665	7,971,515	7,130,665	7,971,515
Dividends and Distributions		-	-	5,447,737	4,644,483
Interest		849,738	838,301	627,243	660,616
GST Refunds Received from the ATO		2,806,094	2,685,245	1,322,387	1,405,274
		67,056,660	56,504,000	40,320,210	34,014,888
Outflows					
Supplier and Employee Payments		(48,260,180)	(42,442,373)	(25,193,808)	(22,588,335)
Grant Expenditure		(7,275,267)	(6,270,728)	(7,515,472)	(6,270,728)
Borrowing Costs		(112,126)	(128,277)	(112,126)	(128,277)
GST Payments Remitted to the ATO		(6,021,865)	(5,324,033)	(2,879,179)	(2,452,830)
		(61,669,438)	(54,165,411)	(35,700,585)	(31,440,170)
Net Cash Inflow (Outflow) from Operating Activities	12(b)	5,387,222	2,338,589	4,619,625	2,574,718
Cash Flows from Investing Activities					
Payments for Property, Plant and Equipment		(561,233)	(320,816)	(501,969)	(271,564)
Proceeds from Sale of Property, Plant and Equipment		1,000	62,364	-	31,455
Net Cash Inflow (Outflow) from Investing Activities		(560,233)	(258,452)	(501,969)	(240,109)
Cash Flows from Financing Activities					
Repayment of Borrowings	12(c)	(659,405)	(643,270)	(659,405)	(643,270)
Net Cash Inflow (Outflow) from Financing Activities		(659,405)	(643,270)	(659,405)	(643,270)
Net Increase (Decrease) in Cash and Cash Equivalents		4,167,584	1,436,867	3,458,251	1,691,339
Cash and Cash Equivalents at Beginning of Financial Year		24,623,658	23,186,791	21,540,518	19,849,179
Cash and Cash Equivalents at End Financial Year	12(a)	28,791,242	24,623,658	24,998,769	21,540,518

Statements of Changes in Equity for the year ended 30 June 2025

	Asset Revaluation \$	General Reserve \$	Retained Surpluses \$	Total \$
Parent Entity	11(a)	11(a)	11(b)	
Balance at 1 July 2023	21,209,100	700,259	26,946,732	48,856,091
Comprehensive Income:				
Surplus for the Year	-	-	3,661,110	3,661,110
Other Comprehensive Income:				
Increase (Decrease) in Asset Revaluation Surplus	200,000	-	-	200,000
Total Comprehensive Income:	200,000	-	3,661,110	3,861,110
Balance at 30 June 2024	21,409,100	700,259	30,607,842	52,717,201
Balance at 1 July 2024	21,409,100	700,259	30,607,842	52,717,201
Comprehensive Income:				
Surplus for the Year	-	-	1,461,013	1,461,013
Other Comprehensive Income:				
Increase (Decrease) in Asset Revaluation Surplus	1,520,000	-	-	1,520,000
Total Comprehensive Income:	1,520,000	-	1,461,013	2,981,013
Balance at 30 June 2025	22,929,100	700,259	32,068,855	55,698,214
Consolidated				
Balance at 1 July 2023	21,209,100	700,259	28,102,436	50,011,795
Comprehensive Income:				
Surplus for the Year	-	-	3,912,151	3,912,151
Other Comprehensive Income:				
Increase (Decrease) in Asset Revaluation Surplus	200,000	-	-	200,000
Total Comprehensive Income:	200,000	-	3,912,151	4,112,151
Balance at 30 June 2024	21,409,100	700,259	32,014,586	54,123,945
Balance at 1 July 2024	21,409,100	700,259	32,014,586	54,123,945
Comprehensive Income:				
Surplus for the Year	-	-	1,616,395	1,616,395
Other Comprehensive Income:				
Increase (Decrease) in Asset Revaluation Surplus	1,520,000	-	-	1,520,000
Total Comprehensive Income:	1,520,000	-	1,616,395	3,136,395
Balance at 30 June 2025	22,929,100	700,259	33,630,982	57,260,341

Notes to and forming part of the Financial Statements for the year ended 30 June 2025

Note 1 Summary of Material Accounting Policies

(a) Basis of Preparation

General

On 1 July 2010, the Association was registered as a company limited by guarantee (Local Government Association of Queensland Ltd) in accordance with the provisions of the Local Government Act 2009.

The consolidated financial statements of the Local Government Association of Queensland Ltd for the year ended 30 June 2025 comprise the Association, its subsidiaries and the Association's interest in its other entities. The Association is considered a not-for-profit entity for the purposes of preparing these statements. The financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards and Interpretations adopted by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. The financial statements have been prepared on an accrual and going concern basis. The financial statements were authorised for issue on the date the Directors' Declaration was signed.

The financial statements have been prepared under the historical cost convention and, except where stated, cost is based on the fair values of the consideration given in exchange for assets.

Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the group. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Association recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the group's share of the net identifiable assets acquired is recorded as goodwill.

Accounting policies

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2025. The accounting policies have been consistently applied unless otherwise stated.

Classification between current and non-current

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be realised or paid. The asset or liability is classified as current if it is expected to be turned over within the next twelve months or if there is no unconditional right to defer settlement for at least 12 months after reporting period.

Critical accounting estimates and judgments

The estimates and judgments incorporated into the financial statements are based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the consolidated entity. Such estimates are reviewed on an ongoing basis and changes to accounting estimates are recognised in the period in which the estimate is revised, and future periods affected. Significant estimates or judgments used in the preparation of these financial statements include:

Tender Arrangement Revenue - For both the current reporting year and the comparative year, statistical returns were received and estimates made in cases of nil returns. See note 1(b).

Notes to and forming part of the Financial Statements for the year ended 30 June 2025

Note 1 Summary of Material Accounting Policies - Continued

(a) Basis of Preparation - Continued

Critical accounting estimates and judgments - Continued

Provision for Employee Benefits - Based on the present value of estimated future cash flows. See note 1(j).

Depreciation and Amortisation - Based on useful lives of property plant and equipment items and intangible items. See note 1(f).

Valuation - Land and buildings are measured at fair value in accordance with AASB 116 *Property, Plant and Equipment* and AASB13 *Fair Value Measurement* and revaluations of land and buildings are determined on the basis of an independent valuation carried out every 2 years. See note 1(d).

Impairment of Other Financial Assets - Based on expected credit loss. See note 1(i).

Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform with the changes in presentation for the current financial year.

Rounding

The financial statements are presented in Australian dollars which is the Association's functional and presentation currency and unless otherwise stated, amounts in the statements have been rounded to the nearest dollar.

(b) Income Recognition

The Association generates revenue primarily from subscriptions, owned entity distributions and government contributions and grants. In addition, revenue is generated from rendering of services and fees associated with Local Buy's tendered arrangements.

Fees and Service Charges

Performance obligations are satisfied over time with payment generally due 30 days after the service has been provided unless separately specified below:

Subscriptions

Fees are billed on an annual basis for the period of the subscription. The performance obligation is satisfied over time and payment is generally due within 30 days of the start of the subscription year.

Seminar and Events including Annual Conference

The performance obligation is satisfied at a point in time and payment generally due within 30 days after the event has been held.

Other Expenses Recovery

The performance obligation is satisfied at a point in time and payment generally due within 30 days upon incurring the expense.

Tender Arrangements

Local Buy has entered into contractual arrangements with a large number of suppliers in relation to the provision of particular types of goods and services to councils. Local Buy earns tender arrangement revenues when councils utilise such contracts to effect purchases from qualified suppliers.

The suppliers providing services to councils submit monthly statistical returns of sales to councils under the contractual arrangement, and are issued an invoice for the contract management fee calculated either on a monthly basis or quarterly basis depending upon the dollar value of sales reported for the prior year. Where a return has not been submitted at the end of the reporting year and may be of a material value, an estimate of the contract management fee value may be performed based upon prior returns submitted.

Notes to and forming part of the Financial Statements for the year ended 30 June 2025

Note 1 Summary of Material Accounting Policies - Continued

(b) Income Recognition - Continued

Tender Arrangements - Continued

The reasons for primary reliance on suppliers' returns have been several. First, Local Buy's contractual arrangements have been entered into directly with suppliers, not with council users of the contracts, and thus all of its enforceable reporting obligations have fallen (only) on suppliers. Second, Local Buy has had no alternative practical way of seeking to establish levels of spending under the contracts. It has been considered desirable to restrict the number of enquiries and inconveniences to councils and any council reporting burden, given that one current advantage for councils of using Local Buy arrangements is the convenience and ease of use of such arrangements. Overall, notwithstanding that this business model entails a risk of either inadvertent or systematic incompleteness of supplier returns, it has been considered by Local Buy up to now to be its most practical and cost-effective option.

Notwithstanding the above, there is reason to believe that revenues from tender arrangements as currently returned by suppliers may be inaccurate and/or incomplete and could thus be materially improved if suppliers were totally accurate with their statistical returns. A process is currently being undertaken in an endeavour to enhance the accuracy and completeness of suppliers' statistical returns in future. Any impact of inaccurate and/or incomplete revenue is not deemed to have a material impact on the consolidated entity.

The performance obligation is satisfied over time and payment generally due within 30 days from the issuance of the invoice.

Government Contributions and Grants

Revenue recognition of government contributions and grants is recognised in consideration of whether the arrangement is enforceable and whether the arrangement is sufficiently specific. Where the arrangement is enforceable and sufficiently specific, revenue will be recognised over time as the performance obligation is satisfied with payment due in accordance with the relevant agreement. Where the arrangement is not enforceable and/or not sufficiently specific, revenue is recognised as operating income on receipt or when an entitlement is established, whichever is the sooner.

Sale of assets

The profit or loss on sale of an asset is determined when control has passed to the buyer. In accounting for the sale of non-current assets, the proceeds from the sale of assets is offset against the carrying value of the asset with any net gain or loss on the sale being recognised in the Statement of Comprehensive Income.

Interest Revenue

Interest revenue is recognised on a time proportionate basis taking into account the interest rates applicable to the financial assets.

Dividends and Distributions

Dividend and distribution revenue from investments is recognised when the consolidated entity and Association's right to receive payment has been established.

Distribution revenue from the Local Buy Trading Trust is recognised in the same year in which the surplus was generated by the Trust.

(c) Borrowing Costs

Borrowing costs comprise interest that has been paid or has become payable on the borrowings of the parent entity during the current reporting period. Borrowing costs are recognised as an expense in the period in which they are incurred and are not capitalised into the cost of qualifying assets.

Notes to and forming part of the Financial Statements for the year ended 30 June 2025

Note 1 Summary of Material Accounting Policies - Continued

(d) Recognition, Measurement and Impairment of Property, Plant and Equipment

Recognition

Property, plant and equipment items with a cost or value in excess of \$1,000 and a useful life of more than one year are recognised as an asset. All other items of property, plant and equipment are expensed on acquisition.

Valuation

Land and buildings are measured at fair value in accordance with AASB 116 *Property, Plant and Equipment* and AASB13 *Fair Value Measurement*. These assets are reported at their revalued amounts, being the fair value at date of valuation, less any subsequent accumulated depreciation. The fair values are reviewed by the Directors at the end of each reporting period to ensure the carrying value of land and buildings is not materially different from their fair values. Revaluations of land and buildings are determined on the basis of an independent valuation every two years and other market based evidence available to the Directors. Office furniture, equipment and motor vehicles are stated at cost less accumulated depreciation and impairment.

An independent valuation was last carried out by Colliers International in June 2025 over freehold land and buildings. The valuation was based on a capitalisation of net income approach using a capitalisation rate of 8.5% as derived from evidence of comparable building sales taken throughout the year. Key inputs and assumptions used in the valuation are the discount rate, terminal yield, capitalisation rate, expected vacancy rates and rental growth rates. This valuation by Colliers International was utilised by the Directors in determining that there had been a change in the value of the Building since June 2024. In accordance with this determination, the Directors authorised an upward revaluation over freehold land and buildings to ensure land and buildings remained at fair value as at 30 June 2025. See Note 7.

Separately identified components of assets are measured on the same basis as the assets to which they relate.

In accordance with AASB 13 *Fair Value Measurement*, fair value measurements are categorised on the following basis:

- (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 either directly or indirectly observable for the asset and liability; and
- (Level 3) Fair value on unobservable inputs for the asset and liability.

The fair values of assets are determined using a valuation technique that maximises observable data where available and minimises estimation. If all the significant inputs required to fair value an asset are observable, the asset will be classified as level 2. The inputs required for the land and buildings valuation are observable and are therefore classified as level 2.

Where the assets are revalued, the revaluation increments are credited directly to the asset revaluation surplus except to the extent that an increment reverses a prior year decrement for that class of asset that had been recognised as an expense, in which case the increment is recognised as revenue up to the amount of the expense. Revaluation decrements are recognised as an expense except where prior increments are included in the asset revaluation surplus for that class of asset, in which case the decrement is taken to the asset revaluation surplus to the extent of the remaining increments. Within the same class of assets, revaluation increments and decrements within the year are offset.

Impairment of assets

At each reporting date, the carrying amounts of property, plant and equipment are reviewed to determine whether there is any indication those assets have suffered an impairment loss.

Notes to and forming part of the Financial Statements for the year ended 30 June 2025

Note 1 Summary of Material Accounting Policies - Continued

(e) Recognition, Measurement and Impairment of Intangible Assets

Recognition and measurement

The development or purchase of any software or technology-based solution with a cost or value in excess of \$1,000 and a useful life of more than one year is recognised as an intangible asset. Costs incurred in the development or acquisition that will contribute to future period financial benefits through revenue generation and/or cost reduction are capitalised. Intangible assets are stated at cost less accumulated amortisation and impairment.

Subsequent costs are capitalised only when they increase the future economic benefits of the intangible asset to which they relate.

Development costs are assessed regularly for capitalisation and where costs cannot be capitalised, these are expensed.

Impairment of Intangibles

At each reporting date the carrying amounts of intangible assets are reviewed to determine whether there is any indication those assets have suffered an impairment loss.

(f) Depreciation and Amortisation

Land is not depreciated as it has an unlimited useful life.

Depreciation on buildings, office furniture and equipment and motor vehicles is calculated on a straight-line basis so as to write-off the net cost or revalued amount of each depreciable asset, less its estimated residual value, progressively over its estimated useful life to the Association.

Where assets have separately identifiable components, these components are assigned useful lives distinct from the asset to which they relate. Any expenditure that increases the originally assessed capacity or service potential of an asset is capitalised and the new asset value is depreciated over the remaining useful life of the asset to the Association.

All intangible assets have finite useful lives and are amortised on a straight line basis.

The estimated useful lives for the current and comparative periods are as follows:

Building	5-50 Years
Office Furniture and Equipment	3-15 Years
Motor Vehicles	7 Years
Intangibles	3-5 Years

Depreciation and amortisation methods, useful lives and residual values are reviewed at each reporting date, with effect of any changes in estimates accounted for on a prospective basis.

(g) Cash and Cash Equivalents

For Statement of Cash Flows and Statement of Financial Position presentation purposes, cash and cash equivalents include all cash and cheques receipted but not banked as at 30 June 2025 as well as deposits at call with financial institutions. It also includes liquid investments with short periods to maturity that are convertible readily to cash on hand at the Association's option and that are subject to a low risk of changes in value.

(h) Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost.

Trade debtors are recognised at the amounts due at the time of sale or service delivery, with settlement being generally required within 30 days from the invoice date.

Collectability of trade debtors is reviewed on an ongoing basis. For trade receivables and contract assets, the consolidated entity applies a simplified approach in calculating expected credit losses. The consolidated entity considers the future economic conditions when calculating the provision value, but no adjustment has been made to reflect this as the resulting amount is immaterial. All debts known to be uncollectable as at 30 June 2025 have been written off.

The units held in Local Buy Trading Trust entitle the Association to a profit distribution equal to 100% of the annual profit declared by the Trust. This distribution is recognised as a receivable and a revenue to the Association in the same year in which the profit was generated by the Trust.

Notes to and forming part of the Financial Statements for the year ended 30 June 2025

Note 1 Summary of Material Accounting Policies - Continued

(i) Other Financial Assets

The loan to Peak Services Holdings Pty Ltd is not currently accruing interest and is fully repayable in ten years.

At each reporting date the loans and other financial assets are reviewed to determine whether there is any indication those assets have suffered an impairment loss.

(j) Employee Benefits

Wages and Salaries

A liability for wages and salaries 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. Workers' compensation insurance is a consequential cost of employing employees, but is not considered part of an employee's total remuneration package and as such is recognised separately as an employee related expense. Employer superannuation contributions, annual leave and long service leave entitlements are regarded as employee benefits.

Annual Leave

Employee benefits in respect of annual leave are accrued on a pro rata basis in respect of services provided by employees up to balance date, having regard to future rates of pay and on-costs. The liability is calculated using the present value of remuneration rates that will be paid when the liability is expected to be settled and includes related on-costs. As the Association does not have the unconditional right to defer settlement of the annual leave beyond twelve months after the reporting date, annual leave is classified as a current liability.

Long Service Leave

Employee benefits in respect of long service leave are measured as the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date. The value of the liability is calculated using current pay rates and projected future increases in those rates and includes related employee on-costs. The estimates are adjusted for the probability of the employee remaining employed by the Association or other associated employment which would result in the Association 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. Where an entitlement to long service leave exists, or prorata payment upon termination exists, at balance date, the value is classified as current. Where no entitlement to long service leave exists at balance date, the conditional right to defer payment arises and the value is classified as non-current.

Superannuation

Employer contributions to employee superannuation plans are charged as expenses as the contributions are paid or become payable. The Association has no liability to or interest in the scheme other than payment of employer contributions.

(k) Taxation

The activities of the Association and its wholly-owned subsidiaries are exempt from Commonwealth income taxation as a non-excluded State or Territory Body under Part 3, Division 1AB of the *Income Tax Assessment Act 1936*. The Association and its wholly-owned subsidiaries are not exempt from Fringe Benefits Tax (FBT) and Goods and Services Tax (GST).

The Association (parent) is exempt from payroll tax. The Association's wholly-owned subsidiaries are not exempt from payroll tax.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Statement of Financial Position.

(l) Trade and Other Payables

Trade and other payables are stated at amortised cost, comprising original debt less principal payments and amortisation.

Trade creditors are recognised upon receipt of goods and services provided and are measured at the agreed purchase price, gross of applicable trade and other discounts. The amounts are unsecured and are generally settled within 30 days of invoice date.

Notes to and forming part of the Financial Statements for the year ended 30 June 2025

Note 1 Summary of Material Accounting Policies - Continued

(m) Leases

The Association currently leases a portion of its business premises to third party tenants. The resulting lease receipts are recorded in the Statement of Comprehensive Income in the periods in which they are earned.

(n) Insurances

The physical assets and risks held by the consolidated entity are insured via a variety of specific insurance policies for which premiums are generally levied on a risk assessment basis. The majority of insurance policies are held in the Local Government Mutual Insurance Scheme with Vero Insurance, ACE Insurance and Chubb Insurance also providing other specific insurance covers. In addition, the consolidated entity pays premiums to Work Cover Qld in respect of its obligations for employee protection.

(o) Principles of Consolidation

The consolidated financial statements have been prepared by combining the financial statements of all entities that comprise the economic entity (the group), being the Association (the parent entity) and its controlled entities. The Association and its controlled entities are referred to in this financial report as the consolidated entity.

Controlled entities (subsidiaries) are entities controlled by the Association. The Association controls an entity when it has a right to the variable returns from its involvement with the entity and has the ability to affect those returns via its power over the entity. A list of controlled entities appears in Note 16 to the financial statements.

Controlled entities are fully consolidated from the date on which control is transferred to the group. They are de-consolidated from the date control ceases. The acquisition method of accounting is used to account for business combinations by the group. Refer also Note 1(a).

Intercompany transactions and balances between the group entities are eliminated (this includes loans, dividends and distributions where applicable). Accounting policies of controlled entities have been changed where necessary to ensure consistency with the policies adopted by the group.

(p) First Year Application of New Accounting Standards or Change in Accounting Policy

(i) New and Revised Accounting Standards Adopted During the Year

No new accounting standards or interpretations that apply for the first time during the year ending 30 June 2025 had any material impact on the financial statements.

(ii) Accounting Standards Early Adopted

New accounting standards and interpretations have been published that are effective for annual periods beginning on or after 1 July 2025, and have not been applied in preparing these financial statements. The Association's assessment of the impact of standards and interpretations on issue but not yet effective is that they are not expected to have any significant impact on the financial statements or the performance of the Association. However, the pronouncements may result in changes to how information is currently disclosed in the financial statements. The Association does not plan to early adopt any of these standards.

Notes to and forming part of the Financial Statements for the year ended 30 June 2025

Statement of Comprehensive Income - Disclosures

	Consolidated	Consolidated	Parent Entity	Parent Entity
	2025	2024	2025	2024
	\$	\$	\$	\$
Note 2 (a) Fees and Service Charges				
(i) Revenue Recognised at a Point in Time				
Seminar and Events	560,247	482,928	581,182	490,651
Annual Conference	1,876,038	1,445,264	1,899,647	1,465,700
Other Expenses Recovery	797,248	846,582	2,073,888	1,865,161
General	153,454	110,936	451,576	400,158
Tender Arrangement Verification/Administration Fees	973,947	873,000	-	-
Procurement Services	2,886,591	1,695,369	-	-
(ii) Revenue Recognised Over Time				
Annual Member Subscriptions	5,682,818	5,464,252	5,682,818	5,464,252
Local Government Services Subscriptions	3,440,443	4,140,116	3,440,443	4,140,116
Tenant Revenue	1,297,664	1,264,870	1,704,321	1,668,163
Financial Services	-	-	439,096	420,878
Local Government Mutual Fee	1,048,088	1,061,397	1,048,088	1,061,397
Local Government Workcare Fee	1,152,627	1,148,403	1,152,627	1,148,403
Local Government Assets Fee	258,366	249,870	258,366	249,870
Subscriptions	43,324	42,912	43,324	42,912
General Consultancy	180,000	180,000	180,000	180,000
Employment Assistance Programs	53,724	173,354	53,724	173,354
Web Services	1,057,860	228,091	1,058,842	249,043
Data & Analytics Services	116,457	175,389	116,457	175,389
Legislative Compliance Service	139,408	119,948	139,408	119,948
Tender Arrangements	13,203,072	12,000,209	-	-
Procurement Services	-	63,933	-	-
Commercial Consulting Services	12,576,445	12,315,530	-	-
	47,497,820	44,082,350	20,323,806	19,315,392
(b) Contributions and Grants				
Contributions and grants are recognised as revenues during the reporting period and are obtained on the condition that they be expended in a manner specified by the contributor. In some cases, corresponding expenditure is recognised in subsequent periods. Refer also to Note 1(b) and 14.				
The four largest grant revenues received during the reporting period, accounting for greater than 80% of the total grant revenue, related to Climate Change Programs \$2,103,318, Queensland Water Regional Alliances Programs \$1,579,983, the Indigenous Capacity Building Program \$1,040,260 and the Rural and Remote Capacity Building Program \$1,049,237.				
Assist Stream	2,278,679	2,085,231	2,278,679	2,085,231
Advocate Stream	4,851,986	5,886,284	4,851,986	5,886,284
	7,130,665	7,971,515	7,130,665	7,971,515
(c) Dividends and Distributions				
Local Buy Trading Trust Profit Distribution	-	-	5,676,419	5,447,737
	-	-	5,676,419	5,447,737

Notes to and forming part of the Financial Statements for the year ended 30 June 2025

Statement of Comprehensive Income - Disclosures

	Consolidated	Consolidated	Parent Entity	Parent Entity
	2025	2024	2025	2024
	\$	\$	\$	\$
(d) Employee Benefit Expenses				
Wages and Salaries	20,022,159	19,480,433	10,358,094	9,757,315
Employer Superannuation Contributions	3,159,462	2,967,429	1,692,317	1,517,125
Payroll Tax Expense	541,957	563,879	-	-
Other Employee Expenses	359,609	392,216	258,891	260,742
Seconded Costs	1,248,495	845,578	-	-
	25,331,682	24,249,535	12,309,302	11,535,182

The Association had 97 full time equivalent employees at 30 June 2025 (91 at 30 June 2024).

The Consolidated entity had 165 full time equivalent employees at 30 June 2025 (168 at 30 June 2024).

(e) Administration and Management Expenses

Travel and Accommodation	531,365	565,574	327,844	391,009
Communication	146,518	113,333	127,044	94,562
Stationery, Printing and Office Supplies	50,843	50,441	49,701	47,973
IT Services and Maintenance	1,992,850	1,940,013	1,245,790	1,180,730
Publication Production	82,808	92,202	82,808	92,202
Subscriptions and Memberships	19,154	15,190	19,154	15,190
Marketing and Promotions	405,273	186,772	50,838	46,525
General Administration Expenses	657,456	748,969	118,302	129,923
	3,886,266	3,712,494	2,021,480	1,998,114

(f) Grant Expenditure

The four largest grant expenditures incurred during the reporting period, accounting for greater than 65% of the total grant expenditure, were Climate Change Programs \$1,722,494, the Indigenous Capacity Building Program \$1,316,128, the Rural and Remote Capacity Building Program \$1,005,032 and the Queensland Water Regional Alliances Program \$1,141,395.

Assist Stream	2,248,162	2,097,873	2,488,367	2,097,873
Advocate Stream	5,027,105	4,172,854	5,027,105	4,172,854
	7,275,267	6,270,728	7,515,472	6,270,728

(g) Other Expenses

Board and Meeting Fees	612,144	598,115	344,544	329,556
Consultants and Legal	3,685,645	3,519,987	1,178,443	1,255,207
Seminar and Events	305,440	261,624	305,440	261,624
Insurances	185,666	184,963	185,666	184,963
Fringe Benefits Tax	188,831	193,291	126,818	99,749
Elected Member Training	226,511	169,366	226,511	169,366
Legislative Compliance Service	57,367	53,400	57,367	53,400
Reference Groups, Engagement and Campaigns	180,604	81,253	180,604	81,253
Member Loyalty Survey	42,800	42,800	42,800	42,800
Local Government Media Campaign	102,400	272,755	102,400	272,755
Local Government Efficiency Project	4,440	10,968	4,440	10,968
Data & Analytics Services	164,345	172,151	164,345	172,151
Procurement Portal Project	-	-	-	1,166,438
Other Expenses - Recovered	689,085	834,475	2,087,522	1,860,254
General Expenses	80,570	194,303	80,570	194,303
Bad and Doubtful Debts	81,724	36,261	54,699	-
External Audit Fees ^	259,550	230,500	134,150	116,500
Tendered Arrangements	5,270,312	4,168,182	-	-
	12,137,435	11,024,397	5,276,320	6,271,290

^ The total audit fee for the audit of the financial statements by the Queensland Audit Office.

Notes to and forming part of the Financial Statements for the year ended 30 June 2025

Statement of Financial Position - Disclosures

	Consolidated	Consolidated	Parent Entity	Parent Entity
	2025	2024	2025	2024
	\$	\$	\$	\$
Note 3 Cash and Cash Equivalents				
Cash on hand	700	700	500	500
Cash at bank	2,316,642	4,834,903	88,090	2,816,851
Deposits at call	26,473,900	19,788,055	24,910,179	18,723,167
	28,791,242	24,623,658	24,998,769	21,540,518
Note 4 Trade and Other Receivables				
<i>Current</i>				
Trade debtors and accruals	9,122,556	11,857,924	2,297,218	4,817,159
Less allowance for expected credit losses	(21,452)	(21,007)	-	-
Dividends and distributions receivable	-	-	5,676,419	5,447,737
Other debtors - travel advances	2,200	2,200	2,200	2,200
GST receivable	-	892	-	-
	9,103,304	11,840,009	7,975,837	10,267,096
Movements in Allowance for Impairment				
Balance at beginning of the year	21,007	14,760	-	-
Amounts written off during the year	(26,580)	(30,014)	-	-
Increase in allowance recognised in Statement of Comprehensive Income	27,025	36,261	-	-
Balance at end of reporting period	21,452	21,007	-	-
Note 5 Other Assets				
<i>Current</i>				
Prepayments	1,687,219	1,628,731	677,230	512,075
	1,687,219	1,628,731	677,230	512,075
<i>Non-Current</i>				
Loan to Owned Entity - Peak Services Holdings Pty Ltd	-	-	1,000,000	1,000,000
	-	-	1,000,000	1,000,000
Total	1,687,219	1,628,731	1,677,230	1,512,075

In June 2020, the Association Board resolved to lend Peak Services Holdings Pty Ltd \$1,000,000 to fund its activities and investments. A Loan agreement was entered into for a period of up to 10 years. The Loan agreement also specified that no interest was to be levied on the loan and no annual repayment terms were set. The Association will not seek the repayment of this loan prior to the expiry of the loan agreement without the agreement of Peak Services Holdings Pty Ltd.

Notes to and forming part of the Financial Statements for the year ended 30 June 2025

Statement of Financial Position - Disclosures

	Consolidated	Consolidated	Parent Entity	Parent Entity
	2025	2024	2025	2024
	\$	\$	\$	\$
Note 6 Intangibles				
<i>Internally Generated Systems and Software</i>				
At Cost	101,520	480,917	-	379,397
Less accumulated amortisation	(88,144)	(457,416)	-	(375,946)
	13,376	23,501	-	3,451
Opening WDV	23,501	166,942	3,451	135,735
Amortisation	10,125	143,441	3,451	132,284
Closing WDV	13,376	23,501	-	3,451
Note 7 Property, Plant and Equipment				
<i>Freehold Land</i>				
At fair value	6,900,000	6,600,000	6,900,000	6,600,000
	6,900,000	6,600,000	6,900,000	6,600,000
<i>Building</i>				
At fair value	31,452,553	29,916,763	31,452,553	29,916,763
Less accumulated depreciation	(9,339,795)	(8,567,112)	(9,339,795)	(8,567,112)
	22,112,758	21,349,651	22,112,758	21,349,651
<i>Office Furniture and Equipment</i>				
At Cost	1,813,183	1,673,031	1,534,652	1,434,617
Less accumulated depreciation	(1,301,615)	(1,182,016)	(1,129,329)	(1,041,541)
	511,568	491,015	405,323	393,076
<i>Motor Vehicles</i>				
At Cost	60,872	60,872	60,872	60,872
Less accumulated depreciation	(11,507)	(2,377)	(11,507)	(2,377)
	49,365	58,495	49,365	58,495
Total	29,573,691	28,499,161	29,467,446	28,401,222

Notes to and forming part of the Financial Statements for the year ended 30 June 2025

Note 7 Property, Plant and Equipment - Continued

Parent Entity Movements During the Year

2025	Opening WDV \$	Revaluation \$	Additions / Transfers \$	Disposals \$	Depreciation \$	Closing WDV \$
Land	6,600,000	300,000	-	-	-	6,900,000
Building	21,349,651	1,220,000	315,790	-	772,683	22,112,758
Office Furniture and Equipment	393,076	-	186,179	-	173,931	405,323
Motor Vehicles	58,496	-	-	-	9,131	49,365
Totals	28,401,222	1,520,000	501,969	-	955,745	29,467,446

Consolidated Entity Movements During the Year

2025	Opening WDV \$	Revaluation \$	Additions / Transfers \$	Disposals \$	Depreciation \$	Closing WDV \$
Land	6,600,000	300,000	-	-	-	6,900,000
Building	21,349,651	1,220,000	315,790	-	772,683	22,112,758
Office Furniture and Equipment	491,015	-	245,443	1,100	223,789	511,568
Motor Vehicles	58,496	-	-	-	9,131	49,365
Totals	28,499,162	1,520,000	561,233	1,100	1,005,603	29,573,691

Parent Entity Movements During the Year

2024	Opening WDV \$	Revaluation \$	Additions / Transfers \$	Disposals \$	Depreciation \$	Closing WDV \$
Land	6,500,000	100,000	-	-	-	6,600,000
Building	22,070,118	100,000	62,987	-	883,454	21,349,651
Office Furniture and Equipment	438,580	-	147,705	50	193,159	393,076
Motor Vehicles	29,891	-	60,872	26,487	5,780	58,496
Totals	29,038,589	200,000	271,564	26,537	1,082,393	28,401,222

Consolidated Entity Movements During the Year

2024	Opening WDV \$	Revaluation \$	Additions / Transfers \$	Disposals \$	Depreciation \$	Closing WDV \$
Land	6,500,000	100,000	-	-	-	6,600,000
Building	22,070,119	100,000	62,987	-	883,454	21,349,651
Office Furniture and Equipment	535,017	-	196,957	2,945	238,014	491,015
Motor Vehicles	65,919	-	60,872	61,487	6,808	58,495
Totals	29,171,055	200,000	320,816	64,432	1,128,276	28,499,161

The Association's building (Local Government House) has been utilised as security against the borrowings outlined in Note 9.

Notes to and forming part of the Financial Statements for the year ended 30 June 2025

	Consolidated	Consolidated	Parent Entity	Parent Entity
	2025	2024	2025	2024
	\$	\$	\$	\$
Note 8 Trade and Other Payables				
Trade Creditors	4,224,438	3,929,510	2,085,423	1,928,675
GST Payable	129,420	406,910	(70,279)	166,104
	4,353,858	4,336,420	2,015,144	2,094,779

Note 9 Borrowings

<i>Current</i>				
QTC Fixed Rate Loan Facility	675,944	659,405	675,944	659,405
	675,944	659,405	675,944	659,405
<i>Non-Current</i>				
QTC Fixed Rate Loan Facility	3,449,654	4,125,598	3,449,654	4,125,598
	3,449,654	4,125,598	3,449,654	4,125,598
Total	4,125,598	4,785,003	4,125,598	4,785,003

All borrowings are carried at amortised cost and interest expensed as it accrues. No interest has been capitalised during the current or comparative reporting period.

In September 2004, a working capital facility with Queensland Treasury Corporation (QTC) was approved which currently has an approved limit of \$1.5 million. This facility remained fully undrawn at 30 June 2025 and is available for use in the next reporting period.

During the 2021 year, LGAQ renegotiated its fixed rate loan facility with QTC and in March 2021 a 10-year loan was entered into for the balance of the previous 8-year loan totalling \$6,818,666. The expected final repayment date of this loan is 17 March 2031.

The QTC loan market value at the reporting date was \$3,856,470 (2024: \$4,313,241). This represents the value of the debt if the Association repaid it in full as at that date. As it is the intention of the Association to hold the debt for its term, no provision is required to be made in these statements.

The Association's building (Local Government House) has been utilised as security against these borrowing facilities. There have been no loan agreement breaches during the current reporting period.

	Consolidated	Consolidated	Parent Entity	Parent Entity
	2025	2024	2025	2024
	\$	\$	\$	\$
Note 10 Employee Benefits				
(a) Accrued Employee Benefits				
<i>Current</i>				
Annual Leave	1,660,517	1,676,233	1,172,739	1,179,197
	1,660,517	1,676,233	1,172,739	1,179,197
(b) Provision for Employee Benefits				
<i>Current</i>				
Long Service Leave	1,010,813	995,876	625,862	564,430
<i>Non-Current</i>				
Long Service Leave	539,514	493,065	346,336	317,616
	1,550,327	1,488,942	972,198	882,047
Movement in Benefits				
Balance at beginning of the year	3,165,175	3,058,410	2,061,244	1,813,049
Additional benefits recognised	2,145,359	2,047,080	1,424,641	1,261,225
Reductions in benefits as a result of payments	(2,099,690)	(1,940,316)	(1,340,948)	(1,013,030)
Balance at end of reporting period	3,210,844	3,165,175	2,144,937	2,061,244

Notes to and forming part of the Financial Statements for the year ended 30 June 2025

	Consolidated	Consolidated	Parent Entity	Parent Entity
	2025	2024	2025	2024
	\$	\$	\$	\$
Note 11 Equity				
(a) Reserves				
<i>Composition of Reserves</i>				
Asset Revaluation Surplus	22,929,100	21,409,100	22,929,100	21,409,100
General Reserve	700,259	700,259	700,259	700,259
	23,629,359	22,109,359	23,629,359	22,109,359
Movements in Reserves				
* Asset Revaluation Surplus				
Balance at beginning of year	21,409,100	21,209,100	21,409,100	21,209,100
Revaluation increment (decrement) of non-current assets	1,520,000	200,000	1,520,000	200,000
Balance at end of year	22,929,100	21,409,100	22,929,100	21,409,100
<i>General Reserve</i>				
Balance at beginning of year	700,259	700,259	700,259	700,259
Balance at end of year	700,259	700,259	700,259	700,259
(b) Retained Surplus				
Balance at beginning of year	32,014,586	28,102,436	30,607,842	26,946,732
Surplus/(Deficit) for the year	1,616,395	3,912,151	1,461,013	3,661,110
Balance at end of year	33,630,982	32,014,586	32,068,856	30,607,842
* Closing Balance of Asset Revaluation Surplus by Class				
<i>Freehold Land</i>				
Opening Balance	4,270,800	4,170,800	4,270,800	4,170,800
Current Year Revaluation Increment	300,000	100,000	300,000	100,000
Balance at end of year	4,570,800	4,270,800	4,570,800	4,270,800
<i>Building</i>				
Opening Balance	17,138,300	17,038,300	17,138,300	17,038,300
Current Year Revaluation Increment (Decrement)	1,220,000	100,000	1,220,000	100,000
Balance at end of year	18,358,300	17,138,300	18,358,300	17,138,300
Total	22,929,100	21,409,100	22,929,100	21,409,100

Notes to and forming part of the Financial Statements for the year ended 30 June 2025

	Consolidated	Consolidated	Parent Entity	Parent Entity
	2025	2024	2025	2024
	\$	\$	\$	\$
Note 12 Statement of Cash Flows - Disclosures				
(a) Cash and Cash Equivalents at the end of the year, as shown in the Statement of Cash Flows				
<i>Cash at hand</i>				
Petty Cash	700	700	500	500
<i>Cash at bank</i>				
National Aust Bank Transaction Account				
- LGAQ Imprest Account	88,090	2,816,851	88,090	2,816,851
- Local Buy Pty Ltd Account	522,194	261,061	-	-
- Peak Services Pty Ltd Account	602,796	376,965	-	-
- Peak Services Holdings Pty Ltd Account	631,694	1,271,799	-	-
- Peak Services Legal Pty Ltd Account	471,868	108,227	-	-
<i>Deposits at call</i>				
QTC Investment Trust				
- QTC Cash Fund LGAQ	24,747,897	18,568,510	24,747,897	18,568,510
- QTC Cash Fund LGAQ Reserve	162,282	154,657	162,282	154,657
- QTC Cash Fund Local Buy Pty Ltd	755,054	622,482	-	-
- QTC Cash Fund Peak Services Pty Ltd	808,667	442,406	-	-
	28,791,242	24,623,658	24,998,769	21,540,518
(b) Reconciliation of Operating Surplus (Deficit) to Net Cash from Operating Activities				
Operating Surplus (Deficit)	1,616,395	3,912,151	1,461,013	3,661,110
<i>Non-cash items</i>				
Loss (Gain) on Disposals of Assets	100	2,068	-	(4,917)
Depreciation and Amortisation	1,015,728	1,271,717	959,196	1,214,677
<i>Change in operating assets and liabilities</i>				
(Increase)/Decrease in Assets				
Prepayments	(58,487)	162,287	(165,154)	124,517
Trade and Other Debtors	2,736,705	(4,333,534)	2,291,259	(3,176,353)
Increase/(Decrease) in Liabilities				
Creditors	17,438	1,288,029	(79,635)	569,610
Employee Entitlements	45,669	106,765	83,693	248,196
Unearned Income	13,673	(70,895)	69,252	(62,123)
Net cash from/(used in) operating activities	5,387,222	2,338,589	4,619,625	2,574,718
(c) Reconciliation of Liabilities arising from Finance Activities				
	Balance at	Cash	Non Cash	Balance at
	1 July 2024	Flows	Adjustments	30 June 2025
	\$	\$	\$	\$
2025				
Loan From QTC - Fixed Rate Loan Facility. See Note 9.	4,785,003	(659,405)	-	4,125,598
Net Cash Inflow (Outflow) from Financing Activities	4,785,003	(659,405)	-	4,125,598
	Balance at	Cash	Non Cash	Balance at
	1 July 2023	Flows	Adjustments	30 June 2024
	\$	\$	\$	\$
2024				
Loan From QTC - Fixed Rate Loan Facility. See Note 9.	5,428,273	(643,270)	-	4,785,003
Net Cash Inflow (Outflow) from Financing Activities	5,428,273	(643,270)	-	4,785,003

Notes to and forming part of the Financial Statements for the year ended 30 June 2025

Note 13 Financial Instruments

(a) Categorisation of Financial Instruments

The consolidated entity and the Association have the following categories of financial assets and financial liabilities:

Financial Assets

Cash and Cash Equivalents
Trade and Other Receivables
Loan to Owned Entities

Financial Liabilities

Trade Payables
QTC Borrowings - Fixed Rate

(b) Financial Risk Management

The consolidated entity and Association's activities expose it to a variety of financial risks - credit risk, liquidity risk and market risk.

Financial risk is primarily managed by the Association's Board, Audit and Compliance Committee and the respective Boards of Directors (and Committees) of its subsidiaries and jointly controlled entities. Credit risk is generally measured using ageing analysis while market risk is measured by undertaking interest rate sensitivity analysis. This policy has not been changed since the prior year.

(c) Credit Risk

Credit risk is the risk of financial loss being incurred if a counterparty to a financial instrument fails to meet their obligations. These obligations principally arise in relation to the Trade and Other Receivables.

The consolidated entity and Association manage credit risk by investing in secure assets and monitoring all funds owed on an ongoing basis. No collateral is held as security on financial assets held by the consolidated entity (or the Association) and no financial assets and financial liabilities have been offset and presented net in the statement of financial position.

The consolidated entity and Association consider financial assets that are over 30 days past the due date to have increased credit risk, and measure the loss allowance for such assets based on lifetime expected credit losses.

Generally, trade receivables are written-off if debt recovery processes have been unsuccessful.

The ageing of the consolidated entity's and Association's trade and other receivables at the reporting date is as follows:

Ageing	Consolidated			Parent Entity		
	Gross	Impairment	Net	Gross	Impairment	Net
2025	\$	\$	\$	\$	\$	\$
Trade Receivables						
Not Past Due (less than 30 days ageing)	6,667,090	-	6,667,090	1,149,931	-	1,149,931
Past Due (30-60 days ageing)	910,712	-	910,712	231,725	-	231,725
Past Due (60-90 days ageing)	316,829	-	316,829	239,845	-	239,845
Past Due (more than 90 days ageing)	1,227,924	(21,452)	1,206,472	675,717	-	675,717
Other Receivables						
Current (less than 1 year ageing)	2,200	-	2,200	5,678,619	-	5,678,619
Non-Current (more than 1 year ageing)	-	-	-	-	-	-
	9,124,756	(21,452)	9,103,304	7,975,837	-	7,975,837

Ageing	Consolidated			Parent Entity		
	Gross	Impairment	Net	Gross	Impairment	Net
2024	\$	\$	\$	\$	\$	\$
Trade Receivables						
Not Past Due (less than 30 days ageing)	8,039,166	-	8,039,166	3,384,100	-	3,384,100
Past Due (30-60 days ageing)	1,937,363	-	1,937,363	240,971	-	240,971
Past Due (60-90 days ageing)	519,141	-	519,141	288,216	-	288,216
Past Due (more than 90 days ageing)	1,363,146	(21,007)	1,342,139	903,872	-	903,872
Other Receivables						
Current (less than 1 year ageing)	2,200	-	2,200	5,449,937	-	5,449,937
Non-Current (more than 1 year ageing)	-	-	-	-	-	-
	11,861,016	(21,007)	11,840,009	10,267,096	-	10,267,096

Notes to and forming part of the Financial Statements for the year ended 30 June 2025

Note 13 Financial Instruments - Continued

The Association is also exposed to risk of financial loss if related party loans to controlled entities are not able to be paid (refer note 5). Credit risk is considered to be low. Performance of controlled entities is monitored on an ongoing basis.

(d) Liquidity Risk

Liquidity risk refers to the situation where the consolidated entity and Association may encounter difficulty in meeting obligations associated with financial liabilities.

The consolidated entity and Association manage liquidity risk by monitoring forecast and actual cash flows and generally matching the maturity profiles of financial assets and liabilities to ensure that adequate liquid funds are maintained.

The following table sets out the liquidity risk in relation to financial instruments held by the consolidated entity and Association. The remaining contractual undiscounted cash flows of financial liabilities at the end of the reporting period are as follows:

Class	Consolidated			Parent Entity		
	< 1 Yr	1 - 5 Yrs	> 5 Yrs	< 1 Yr	1 - 5 Yrs	> 5 Yrs
2025	\$	\$	\$	\$	\$	\$
Financial Liabilities						
Trade Payables	4,353,858	-	-	2,015,144	-	-
QTC Borrowings - Fixed	772,199	3,088,795	579,149	772,199	3,088,795	579,149
	5,126,057	3,088,795	579,149	2,787,343	3,088,795	579,149

Class	Consolidated			Parent Entity		
	< 1 Yr	1 - 5 Yrs	> 5 Yrs	< 1 Yr	1 - 5 Yrs	> 5 Yrs
2024	\$	\$	\$	\$	\$	\$
Financial Liabilities						
Trade Payables	4,336,420	-	-	2,094,779	-	-
QTC Borrowings - Fixed	772,199	3,088,795	1,351,348	772,199	3,088,795	1,351,348
	5,108,618	3,088,795	1,351,348	2,866,977	3,088,795	1,351,348

The contractual undiscounted cash flows of the QTC Borrowings - Fixed in these tables differ from the carrying amounts in Borrowings included in the statements of financial position.

(e) Market Risk

Market risk is the risk that changes in market prices, such as interest rate movements, will affect the consolidated entity or Association's income or the value of its financial instruments.

The consolidated entity and Association do not trade in foreign currency and are not materially exposed to commodity price changes. The consolidated entity is exposed to interest rate risk through its borrowing from QTC and cash deposited in interest bearing accounts. The consolidated entity and Association do not undertake any hedging in relation to interest rate risk.

Interest Rate Sensitivity Analysis (Variable Rate Financial Instruments)

The consolidated entity and Association's exposure to interest rate risk, which is that a financial instrument's value will fluctuate as a result of changes in market interest rate, and the resultant impact of a +/- 1% change in interest rate will have an effect on profit and equity, based on the carrying value of financial assets and liabilities (being cash and cash equivalents and QTC borrowings).

Holding other variables constant, the consolidated entity would have a surplus increase/(decrease) of \$287,912 (2024: \$246,327) and the Association would have a surplus increase/(decrease) of \$249,988 (2024: \$215,405).

(f) Capital Risk Management

The consolidated entity and Association objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can provide returns to the Association and ultimately deliver benefits to the Association membership.

In order to maintain or adjust the capital structure, the consolidated entity and Association may adjust the amount of dividends paid or levels of service provided to maintain or reduce debt.

During the 2025 year, the consolidated entity's strategy was unchanged from the 2024 year with the majority of debt being maintained within the Association.

The Association, consistent with prior years, has provided letters of support to certain controlled entities for a period of at least 14 months from the issue of the entities' financial statements, to ensure these entities are able to fulfil all debt obligations during the period.

Notes to and forming part of the Financial Statements for the year ended 30 June 2025

	Consolidated	Consolidated	Parent Entity	Parent Entity
	2025	2024	2025	2024
	\$	\$	\$	\$

Note 14 Unexpended Grant Funds Held by Association

Opening Balance	13,830,161	12,129,374	13,830,161	12,129,374
Plus current year movement	(384,807)	1,700,787	(384,807)	1,700,787
Balance	13,445,354	13,830,161	13,445,354	13,830,161

These Grant funds are held by the Association and form part of the Association's cash at bank. The Association is not required to maintain separate bank accounts or quarantine these balances under the various grant funding agreements.

Note 15 Key Management Personnel (KMP) Disclosures**Board of Directors**

The Association's Board of Directors is responsible for the operation of the business of the Association in accordance with the Association Constitution and the Corporations Act. The Board of four Directors consists of the President (elected by members at the Annual General Meeting) and three other Directors elected by and from the Policy Executive at large.

The term of the Directors is closely aligned with that of the Policy Executive. The term of the current Directors will expire in June 2028.

The following councillors held office as Directors of the Association during the period 1 July 2024 up to the date the financial statements were authorised for issue:

	<u>Appointed</u>	<u>Resigned</u>
Cr Matthew Burnett (President ^)	26 June 2020	-
Cr Kurt Rehbein	21 June 2024	-
Cr Kelly Vea Vea	21 June 2024	-
Cr Peter Flannery	6 Dec 2024	-

Remuneration is received by the President and Directors of the Association in connection with their roles involving the governance and representation of the Association. The individual remuneration entitlement (being fees and superannuation) paid to the President and Directors ranged between \$179,947 and \$22,744 for the current financial year (2024: \$202,528 and \$38,351). Further information about the Directors can be found in the Directors' Report.

Policy Executive

The Association's Policy Executive is responsible for the determination of the Association's policy on behalf of member councils. In addition, the Policy Executive has the express power to, under the Association Constitution, appoint the Board Directors and the Chief Executive Officer (CEO) in addition to approving the Association Budget. The Policy Executive consists of 15 district representatives, elected in accordance with the Association constitution, and the President.

The term of the Policy Executive is aligned to the Qld Local Government election cycle. The current Policy Executive has a term expiring in June 2028.

In addition to the Directors detailed above, the following councillors held office as Policy Executive Members of the Association during the period 1 July 2024 up to the date the financial statements were authorised for issue:

	<u>Appointed</u>	<u>Ceased</u>
Cr P Tully	26 June 2020	-
Cr W Butcher	26 June 2020	-
Cr A Martin	26 Sept 2022	-
Cr S Huang	21 June 2024	-
Cr J Raven	21 June 2024	-
Cr G Seymour	21 June 2024	-
Cr R Vonhoff	21 June 2024	-
Cr S O'Toole	21 June 2024	-
Cr A Toppin	21 June 2024	-
Cr G Campbell	21 June 2024	-
Cr A Lacey	21 June 2024	-
Cr T Williams	29 Nov 2024	-

^ Cr M Burnett was first elected to the office of President on 23 October 2024.

Notes to and forming part of the Financial Statements for the year ended 30 June 2025

Note 15 Key Management Personnel (KMP) Disclosures - Continued

Remuneration is received by Policy Executive Members in connection with their roles involving the governance and representation of the Association. The remuneration (being fees and superannuation) paid to Policy Executive Members ranged between \$13,248 and \$1,249 for the current financial period (2024: \$4,015 and \$nil).

Executive Management

The Association's CEO is responsible for the overall efficient, effective and lawful operation of the Association. The Executive Management Team, through the delegated powers of the CEO, are also responsible for key elements of the Association's operation including the efficient allocation of financial and human resources.

The current term of the CEO contract is 18 months commencing 1 November 2024.

The terms of the Executive Management Team are open ended with no defined contract expiry dates.

The following Association employees held roles in the Executive Management Team during the period 1 July 2024 up to the date the financial statements were authorised for issue:

	<u>Appointed</u>	<u>Resigned</u>
Ms A Smith (Chief Executive Officer)	1 Nov 2021	-
Mr G Beckett (Head Assist)	4 July 2001	21 July 2025
Mr D Leckenby (Chief Financial Officer and Company Secretary)	15 Jan 2007	-
Ms L Matheson (Head People and Culture)	26 Oct 2020	-
Ms T Whitelaw (Chief Digital Officer)	7 Sep 2020	-
Ms S Vogler (Head Advocate)	12 June 2023	-
Mr B Johnson (Head Assist)	21 July 2025	-

Remuneration

The following disclosures detail the remuneration paid by the Association to the above KMP during the current reporting period. The amounts disclosed are determined on the same basis, and follow the accounting policies, as outlined in the Statement of Comprehensive Income and Note 1.

KMP Category / Position 2025	Short-Term Employee Benefits	Other Long-Term Benefits	Post- Employment Benefits	Total Compensation
President	161,387	-	18,560	179,947
Directors	92,198	-	10,603	102,801
Policy Executive	61,108	-	5,303	66,411
Chief Executive Officer	460,436	10,625	93,423	564,484
Executive Management	1,698,102	35,286	235,388	1,968,776
	2,473,231	45,911	363,277	2,882,419

KMP Category / Position 2024	Short-Term Employee Benefits	Other Long-Term Benefits	Post- Employment Benefits	Total Compensation
President	185,863	-	16,665	202,528
Directors	113,370	-	12,444	125,814
Policy Executive	27,978	-	2,277	30,255
Chief Executive Officer	388,201	10,028	86,077	484,306
Executive Management	1,390,655	31,888	173,708	1,596,251
	2,106,067	41,916	291,171	2,439,154

Short-term employee benefits include wages, annual leave accrued, allowances, one-off termination benefits and fringe benefits received.

Post-employment benefits include superannuation and any other retirement benefits.

Other long-term benefits include long-service leave accrued and any other deferred compensation.

During the financial year, transactions occurred between the Association and KMP which were within the normal employee relationship and were on terms and conditions no more favourable than those available to other employees. On occasion the Association may also fund the meeting fees for KMP of subsidiary companies where they are required to provide services to the Association or the group more generally.

During the financial year, the Board agreed to continue to fund legal expenses associated with a ongoing legal matter of a former KMP. The costs incurred during the reporting period amounted to \$9,044 inc GST (2024: \$4,230 inc GST).

Notes to and forming part of the Financial Statements for the year ended 30 June 2025

Note 16 Related Party Disclosures

Related Entities

	Country of Incorporation	Ownership 2025	Ownership 2024
Parent Entity			
Local Government Association of Queensland Ltd	Australia		
Controlled Entities			
Local Buy Trading Trust - Local Buy Pty Ltd as trustee	Australia	100%	100%
Peak Services Holdings Pty Ltd	Australia	100%	100%
Peak Services Pty Ltd	Australia	100%	100%
Peak Services Legal Pty Ltd	Australia	100%	100%
Other Related Entities			
Queensland Local Government Mutual (Trustee Only)	Australia	N/A	N/A
Queensland Local Government Workers Compensation Self Insurance Scheme (Trustee Only)	Australia	N/A	N/A

The Local Buy Trading Trust is under the trusteeship of Local Buy Pty Ltd as stated above. Local Buy Pty Ltd has not traded in its own right.

Related Persons

Related persons 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, dependent of a KMP or their spouse, or any other family members who may be expected to influence, or be influenced by the KMP.

Related Party Transactions

Value of transactions with controlled entities/associates for the year ended 30 June 2025:

Controlled Entity / Associate	Revenue from Related Party	Expenditure to Related Party	Dividend from Related Party	Distribution from Related Party
Local Buy Trading Trust	150,927	-	-	5,676,419
Peak Services Pty Ltd	1,650,485	540,828	-	-
Peak Services Holdings Pty Ltd	-	-	-	-
Peak Services Legal Pty Ltd	804,740	176,141	-	-
Queensland Local Government Mutual	1,428,927	203,184	-	-
Queensland LG Workers Comp. Self Insurance Scheme	1,273,974	-	-	-
	5,309,053	920,153	-	5,676,419

Controlled Entity / Associate	Trade & Other Receivables	Trade & Other Payables	Loans to Related Party	Loans from Related Party
Local Buy Trading Trust	-	-	-	-
Peak Services Pty Ltd	1,145,329	26,918	-	-
Peak Services Legal Pty Ltd	310,147	23,718	-	-
Peak Services Holdings Pty Ltd	-	-	1,000,000	-
Queensland Local Government Mutual	206,130	-	-	-
Queensland LG Workers Comp. Self Insurance Scheme	126,045	-	-	-
	1,787,651	50,636	1,000,000	-

Notes to and forming part of the Financial Statements for the year ended 30 June 2025

Note 16 Related Party Disclosures - Continued

Related Party Transactions - Continued

Value of transactions with controlled entities/associates for the year ended 30 June 2024:

Controlled Entity / Associate	Revenue from Related Party	Expenditure to Related Party	Dividend from Related Party	Distribution from Related Party
Local Buy Trading Trust	149,113	1,166,438	-	5,447,737
Peak Services Pty Ltd	1,475,552	339,317	-	-
Peak Services Holdings Pty Ltd	-	-	-	-
Peak Services Legal Pty Ltd	674,233	163,879	-	-
Queensland Local Government Mutual	1,386,450	187,435	-	-
Queensland LG Workers Comp. Self Insurance Scheme	1,236,763	-	-	-
	4,922,111	1,857,069	-	5,447,737

Controlled Entity / Associate	Trade & Other Receivables	Trade & Other Payables	Loans to Related Party	Loans from Related Party
Local Buy Trading Trust	-	-	-	-
Peak Services Pty Ltd	1,430,825	50,592	-	-
Peak Services Legal Pty Ltd	509,379	232,519	-	-
Peak Services Holdings Pty Ltd	-	-	1,000,000	-
Queensland Local Government Mutual	4,400	-	-	-
Queensland LG Workers Comp. Self Insurance Scheme	4,400	-	-	-
	1,949,004	283,111	1,000,000	-

Excluded from the above tables are general office, communications and insurance costs which are recovered from entities within the LGAQ group where no service or good has been exchanged. These costs are not considered related party transactions. In addition Telstra Industry Development Fund expenses incurred by the Association from the Local Buy Trading Trust have also been excluded. No good or service has been received by the Association.

The Association has an agreement in place for the provision of office accommodation to Peak Services Pty Ltd. This arrangement is based upon a written agreement requiring either party to provide six months' notice before terminating the arrangement. Peak Services Pty Ltd provides a part of this office space to the Local Buy Trading Trust and Peak Services Legal Pty Ltd. The Association billed \$414,657 (2024: \$403,293) under this agreement during the reporting year.

The transactions between the Association (parent) and its related entities are carried out in the ordinary course of business. As outlined above the Association (parent) provides office accommodation under agreed terms to the Local Buy Trading Trust and Peak Services Pty Ltd. The Association (parent) also provides financial and administration services on a cost recovery basis to Local Buy Trading Trust, Peak Services Pty Ltd and Peak Services Legal Pty Ltd. Financial services provided by the Association (parent) to Peak Services Holdings Pty Ltd for the year ended 30 June 2025 were charged to Peak Services Pty Ltd as part of its financial services fee and this was not ultimately recovered by that entity.

The Association (parent) may also pay expenditure on behalf of subsidiaries. These costs are recovered and disclosed in Note 2 (a) and (g).

During the reporting year, the Association (parent) reimbursed \$Nil (2024: \$1,166,438) to Local Buy for costs incurred associated with the Nex Gen Procurement Portal Project.

The Association (parent) receives IR Helpdesk and general advisory services under agreed terms from Peak Services Pty Ltd.

Related Party Loans

In June 2020, the Association Board resolved to lend Peak Services Holdings Pty Ltd \$1,000,000 to fund its activities and investments. A Loan agreement was entered into for a period of up to 10 years. The Loan agreement also specified that no interest was to be levied on the loan and no annual repayment terms were set. The Association will not seek the repayment of this loan prior to the expiry of the loan agreement without the agreement of Peak Services Holdings Pty Ltd.

Note 17 Events Occurring After Balance Date

There are no matters or circumstances which have arisen since the end of the financial year that have significantly affected or may significantly affect the operations of the Association, the results of those operations or the state of affairs of the Association in future years.

Notes to and forming part of the Financial Statements for the year ended 30 June 2025

Note 18 Commitments

Operating Lease Asset

Commitments for operating lease revenue as at the reporting date are inclusive of GST and are receivable as follows:

	Consolidated 2025 \$	Consolidated 2024 \$	Parent Entity 2025 \$	Parent Entity 2024 \$
Not later than one year	1,152,695	1,123,320	1,152,695	1,123,320
Later than one year and not later than five years	2,555,677	3,708,372	2,555,677	3,708,372
Later than five years	-	-	-	-
Total	3,708,372	4,831,692	3,708,372	4,831,692

The Association entered into a 10 year lease agreement on 19 August 2013 to lease the Building at 27 Evelyn Street to Jardine Lloyd Thompson. A new five year agreement commencing 18 August 2023 and ending 18 August 2028 was entered into with JLT Risk Solutions in 2023. As at 30 June 2025, the estimated remaining financial asset under the lease is \$3,708,372 inc GST (2024: \$4,831,692 inc GST) and is not provided for in the financial statements.

Note 19 Contingencies

Based on advice from Association solicitors, there are ongoing legal proceedings that may result in additional legal costs being incurred, by the Association, to resolve. A reliable estimate of these legal costs is unable to be determined.

The Association is not aware of any Contingencies that existed at 30 June 2025 nor 30 June 2024.

Note 20 The Fred Rogers Memorial Trust

The Association acts as trustee for the Fred Rogers Memorial Trust which was established to fund research projects. As the Association performs only a custodial role in respect of these transactions and balances, they are neither controlled nor administered by it and accordingly, are not recognised in the financial statements however are disclosed in these notes for the information of users.

The trust did not transact during the current period and had net assets of \$530 as at 30 June 2025 (2024:\$471).

Note 21 Mt Emerald Trust

The Association acts as trustee for the Mt Emerald Trust which was established to provide and administer the funds necessary to enable persons to undertake recognised courses of study in matters relevant to Local Government. As the Association performs only a custodial role in respect of these transactions and balances, they are neither controlled nor administered by it and accordingly, are not recognised in the financial statements. They are, however, disclosed in these notes for the information of users.

The trust did not transact during the current period and had net assets of \$147,163 as at 30 June 2025 (2024:\$140,269).

Directors' Declaration

The directors of Local Government Association of Queensland Ltd declare that:

The financial statements and accompanying notes are in accordance with the *Corporations Act 2001*, including:

(a) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and

(b) giving a true and fair view of the financial position of the Company and consolidated entity as at 30 June 2025, and of their performance as represented by the results of their operations, changes in equity and their cash flows for the year ended on that date.

In the directors' opinion there are reasonable grounds to believe that the Company and Consolidated Entity will be able to pay their debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the board of directors and is signed for and on behalf of the directors by:



Mayor M Burnett
President / Director

Dated: 2 October 2025

INDEPENDENT AUDITOR'S REPORT

To the Members of Local Government Association of Queensland Ltd

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of Local Government Association of Queensland Ltd (the parent) and its controlled entities (the group).

The financial report comprises the consolidated and parent statements of financial position as at 30 June 2025, the consolidated and parent statements of comprehensive income, the consolidated and parent statements of changes in equity and the consolidated and parent statements of cash flows for the year then ended, notes to the financial statements including material accounting policy information and the directors' declaration.

In my opinion, the accompanying financial report of the group is in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the parent's and group's financial position as at 30 June 2025, and their financial performance for the year then ended; and
- b) complying with Australian Accounting Standards and the Corporations Regulations 2001 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 parent and group in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General Auditing Standards*. I am also independent of the parent and group in accordance with the auditor independence requirements of the *Corporations Act 2001*, and confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Other information

Those charged with governance are responsible for the other information.

The other information comprises the information contained in the director's report (but does not include the financial report and our auditor's report thereon), which we obtained prior to the date of this auditor's report, and the Annual report.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial report, my responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial report or 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 other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of the Director's for the financial report

The company's directors are responsible for the preparation of the financial report that gives a true and fair view in accordance with the *Corporations Act 2001*, the Corporations Regulations 2001 and Australian Accounting Standards, and for such internal control as the company's directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

The company's directors are also responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

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

A further description of my responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:
https://www.auasb.gov.au/auditors_responsibilities/ar3.pdf

This description forms part of my auditor's report.



Sri Narasimhan
as delegate of the Auditor-General

3 October 2025

Queensland Audit Office
Brisbane