Logan City Council

GENERAL PURPOSE FINANCIAL STATEMENTS

for the year ended 30 June 2026

Logan City Council

General Purpose Financial Statements

for the year ended 30 June 2026

Contents Page

Primary Financial Statements

Statement of Comprehensive Income 2
Statement of Financial Position 3
Statement of Changes in Equity 4
Statement of Cash Flows 5

Notes to the Financial Statements **6**

Management Certificate **51**

Independent Auditor's Report **52**

Current Year Financial Sustainability Statement **53**

Certificate of Accuracy (audited ratios) 55
Independent Auditor's Report - Current Year Financial Sustainability Statement 56
Certificate of Accuracy (contextual ratios - unaudited) 58

Unaudited Long Term Financial Sustainability Statement **59**

Certificate of Accuracy - Long Term Financial Sustainability Statement 62

Logan City Council

Statement of Comprehensive Income

for the year ended 30 June 2026

$ '000	Notes	2026	2025
Income			
Revenue			
Recurrent revenue			
Rates, levies and charges	3a	723,147	632,354
Fees and charges	3b	83,573	78,554
Sales revenue		18,281	16,559
Grants, subsidies and contributions	3c	33,072	37,675
Total recurrent revenue		858,073	765,142
Interest received		28,925	21,857
Other income		12,800	11,346
Total operating revenue		899,798	798,345
Capital income			
Grants, subsidies and contributions	3c	51,974	43,174
Infrastructure charges	9	347,957	272,871
Other capital income	4	30,710	695
Total capital income		430,641	316,740
Total income		1,330,439	1,115,085
Expenses			
Recurrent expenses			
Employee and councillor costs	5	214,817	201,197
Materials and services	6	402,606	392,350
Finance costs	7	31,354	24,665
Other expenses		3,412	3,871
Depreciation of property, plant and equipment	14	161,062	151,403
Amortisation of intangible assets		446	419
Total recurrent expenses		813,697	773,905
Other expenses			
Capital Expenses	8	55,910	187,831
Loss from equity accounted investments	13	386	398
Total other expenses		56,296	188,229
Total expenses		869,993	962,134
Operating result		460,446	152,951
Net result		460,446	152,951
Other comprehensive income			
Amounts which will not be reclassified subsequently to the operating result			
Increase in asset revaluation surplus	14	534,313	491,053
Total other comprehensive income for the year		534,313	491,053
Total comprehensive income for the year		994,759	644,004

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

The above statement excludes transactions and balances of controlled entities. Refer to note 28 for controlled entities that have not been consolidated.

Logan City Council

Statement of Financial Position

as at 30 June 2026

$ '000	Notes	2026	2025
Assets			
Current assets			
Cash and cash equivalents	10	655,577	564,956
Receivables	11	53,190	46,785
Inventories		4,290	2,352
Contract assets	15	3,709	1,174
Other assets	12	60,747	64,638
Total current assets		777,513	679,905
Non-current assets			
Financial assets	10	6,005	3,517
Property, plant and equipment	14	9,269,738	8,268,990
Intangible assets		3,628	4,074
Equity accounted investments	13	21,618	17,003
Total non-current assets		9,300,989	8,293,584
Total assets		10,078,502	8,973,489
Liabilities			
Current liabilities			
Payables	16	121,959	123,439
Contract liabilities	15	14,272	15,225
Borrowings	17	36,071	31,561
Lease liabilities		440	474
Provisions	18	38,592	42,969
Other liabilities	19	37,652	28,838
Total current liabilities		248,986	242,506
Non-current liabilities			
Contract liabilities	15	108,659	109,377
Borrowings	17	633,836	570,902
Lease liabilities		4,853	5,294
Provisions	18	54,542	11,540
Other liabilities	19	9,257	10,260
Total non-current liabilities		811,147	707,373
Total liabilities		1,060,133	949,879
Net community assets		9,018,369	8,023,610
Community equity			
Asset revaluation surplus	20	4,308,447	3,774,134
Retained surplus		4,709,955	4,249,509
Capital		(33)	(33)
Total community equity		9,018,369	8,023,610

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

Logan City Council

Statement of Changes in Equity

for the year ended 30 June 2026

$ '000	Notes	Asset revaluation surplus	Retained surplus	Other reserves	Total equity
Balance as at 1 July 2025		3,774,134	4,249,509	(33)	8,023,610
Net result		–	460,446	–	460,446
Other comprehensive income for the year					
- Increase in asset revaluation surplus	14	534,313	–	–	534,313
Other comprehensive income		534,313	–	–	534,313
Total comprehensive income for the year		534,313	460,446	–	994,759
Balance as at 30 June 2026		4,308,447	4,709,955	(33)	9,018,369
Balance as at 1 July 2024		3,283,081	4,096,558	–	7,379,639
Net result		–	152,951	–	152,951
Other comprehensive income for the year					
- Increase in asset revaluation surplus	14	491,053	–	–	491,053
- Increase/(decrease) in other reserves		–	–	(33)	(33)
Other comprehensive income		491,053	–	(33)	491,020
Total comprehensive income for the year		491,053	152,951	(33)	643,971
Balance as at 30 June 2025		3,774,134	4,249,509	(33)	8,023,610

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

Logan City Council

Statement of Cash Flows

for the year ended 30 June 2026

$ '000	Notes	2026	2025
Cash flows from operating activities			
Receipts from customers		816,311	725,097
Payments to suppliers and employees		(619,256)	(500,600)
		197,055	224,497
Receipts			
Interest received		28,925	21,857
Non capital grants and contributions		33,072	37,675
Other		22,077	12,322
Payments			
Borrowing costs		(30,139)	(24,413)
Other		(3,412)	(3,871)
Net cash inflow from operating activities	24	247,578	268,067
Cash flows from investing activities			
Receipts			
Developer cash infrastructure charges		74,402	64,692
Grants, subsidies, contributions and donations		46,030	158,384
Proceeds from sale of property, plant and equipment		3,412	695
Payments			
Payments for financial assets		(2,488)	(10,536)
Contributions paid to joint ventures and associates		(5,002)	–
Payments for intangible assets		–	(216)
Payments for property, plant and equipment		(340,280)	(452,077)
Other investing activity payments		–	(285)
Net cash outflow from investing activities		(223,926)	(239,343)
Cash flows used in financing activities			
Receipts			
Proceeds from borrowings		95,728	168,692
Payments			
Repayment of borrowings		(28,285)	(23,977)
Repayments made on leases (principal only)		(474)	(433)
Net cash inflow from financing activities		66,969	144,282
Net increase in cash and cash equivalents held		90,621	173,006
Cash and cash equivalents at the beginning of the financial year		564,956	391,950
Cash and cash equivalents at the end of the financial year	10	655,577	564,956

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

Logan City Council

Notes to the Financial Statements

for the year ended 30 June 2026

Contents of the Notes accompanying the General Purpose Financial Statements

Note	Details	Page
1	Information about these financial statements	7
2	Analysis of results by function	9
3	Revenue	11
4	Capital income	13
5	Employee and councillor costs	14
6	Materials and services	14
7	Finance costs	15
8	Capital expenses	16
9	Infrastructure charges	17
10	Cash, cash equivalents and financial assets	18
11	Receivables	19
12	Other assets	20
13	Equity accounted investments	21
14	Property, plant and equipment	23
15	Contract balances	30
16	Payables	32
17	Borrowings	33
18	Provisions	34
19	Other liabilities	37
20	Asset revaluation surplus	38
21	Commitments for expenditure	39
22	Contingent liabilities	40
23	Superannuation – regional defined benefit fund	41
24	Reconciliation of Operating Result	42
25	Events after the reporting period	43
26	Financial instruments and financial risk management	44
27	National competition policy	47
28	Controlled entities that have not been consolidated	48
29	Transactions with related parties	49

Logan City Council

Notes to the Financial Statements

for the year ended 30 June 2026

Note 1. Information about these financial statements

(a) Basis of preparation

Logan City Council is constituted under the Queensland *Local Government Act 2009* and domiciled in Australia.

These general-purpose financial statements cover the period 1 July 2025 to 30 June 2026. They are prepared in accordance with the Local Government Act 2009 and 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) Basis of consolidation

Council did not prepare consolidated financial statements for the year, as its controlled entities were assessed as immaterial to Council's operations. Further details on non-consolidated entities are provided in Note 28.

(c) Rounding and comparatives

Amounts are presented in Australian dollars and rounded to the nearest thousand ($000), unless otherwise stated. Comparative figures have been restated where necessary for consistency.

(d) Taxation

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

(e) Volunteer services

Volunteer contributions are not recognised due to immateriality and would not be purchased if not donated.

(f) New and revised Accounting Standards adopted during the year

There were no relevant new accounting standards mandatorily effective for the year ended 30 June 2026.

(g) Standards issued by the AASB not yet effective

Council has reviewed all new and amended accounting standards issued but not yet effective. Except for AASB 18 *Presentation and Disclosure in Financial Statements* which may impact the presentation and disclosure of financial information from 1 January 2028, Council does not expect the adoption of the remaining standards to have a material impact on its financial statements.

(h) Estimates and judgements

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

- Grant Revenue Recognition: Funding arrangements are evaluated for enforceability and the presence of performance obligations in accordance with AASB 1058 and AASB 15. Revenue is recognised either progressively or at a specific point in time, depending on the nature of the obligation. Management has reviewed all funding arrangements the Council participated in during the financial year and exercised judgement to determine whether each agreement is enforceable and contains specific, measurable performance obligations, or whether the funds are unrestricted. Where enforceable agreements with defined obligations exist, management has assessed whether those obligations are to be fulfilled over time or at a single point in time.

- Receivables Impairment: Council reviews receivables regularly and applies expected credit loss models to distinct categories including Rates & Charges, Statutory Charges, and Other Trade Receivables.

continued on next page ...

Logan City Council

Notes to the Financial Statements

for the year ended 30 June 2026

Note 1. Information about these financial statements (continued)

- Asset Valuation and Depreciation: The useful lives and depreciation rates of assets are reviewed annually to ensure they remain appropriate. Management exercises professional judgement in estimating useful lives, drawing on historical experience and the expected pattern of consumption of each asset's service potential. The measurement basis applied to each asset class is detailed in Note 14, including those measured at fair value, which are identified and disclosed under each Fair Value category. Assets measured at fair value are subject to annual indexation unless a comprehensive revaluation is undertaken.

  Council conducts condition assessments to evaluate the rate at which economic benefits are consumed and to determine the remaining useful life of road surfaces and pavements. These estimates directly influence the annual depreciation expense. Standard depreciation rates are applied across major asset categories unless specific circumstances warrant an alternative rate for individual assets.

- Restoration Provisions: Council estimates the discounted future costs associated with asset removal and the restoration of refuse sites using applicable government bond rates. Management determines the expected scope of removal and restoration activities based on currently known costs, which are adjusted using relevant inflation indices and then discounted to present value. The timing of these activities is estimated based on projected landfill or quarry volumes or planned closure dates. (see Note 18).

- Contingent Assets and Liabilities: Council discloses events with potential future financial impact as contingencies. Management evaluates past events that may give rise to assets or obligations, based on the occurrence or non-occurrence of one or more uncertain future events that are not entirely within Council's control. Where it is probable that such events will result in future assets or liabilities, Council recognises these amounts as contingent assets or contingent liabilities. (see Note 22).

- Unbilled Water Consumption: Council calculates accruals based on both actual and estimated usage up to 30 June. An accrual is recognised for unbilled water consumption, with the portion billed in July determined from actual meter readings. The remaining amount, which will not be invoiced until October, reflects estimated consumption from the last customer meter reading to the end of the reporting period and is based on historical usage patterns.

- Infrastructure Charges and Donated Assets: Council recognises infrastructure assets contributed by developers at fair value. Where assets are placed on maintenance prior to year end but supporting documentation is incomplete, an accrual is recognised based on estimated fair value using available engineering and cost data. Estimation uncertainty exists due to incomplete asset information at reporting date. Council estimates the value of donated land at the reporting date, with a comprehensive revaluation performed the following year.

Logan City Council

Notes to the Financial Statements

for the year ended 30 June 2026

Note 2. Analysis of results by function

(a) Components of Council functions

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

Water and sewerage services
Council's Water and Sewerage Services are designated significant business activities under the Local Government Regulation 2012 for National Competition Policy (NCP) purposes. This commercially focused unit delivers water and sewerage services through three operational areas:

- Asset management, water treatment and quality
- Infrastructure planning, design and construction
- Maintenance, supply and performance monitoring

Its objective is to maximise financial returns and support broader Council operations.

Waste services
Council's Waste Services are designated significant business activities under the Local Government Regulation 2012 for National Competition Policy (NCP) purposes. This unit aims to protect the community and environment through sustainable waste management practices. Responsibilities include household waste collection, kerbside clean-ups, landfill operations, transfer stations, recycling, hazardous waste services, and environmental monitoring of waste facilities.

Corporate revenue
This function includes general rates collection and financial services, including treasury operations such as borrowings and investments.

Transport services
Provides a high-quality and effective road and drainage network. Services include fleet management, road construction and maintenance, and infrastructure planning and delivery.

Community and lifestyle
Supports a healthy, vibrant, and connected community. Functions include city safety, venues and events, sports infrastructure, libraries, creative industries, and parks.

Growth, economy and sustainability
Focuses on supporting a strong and sustainable local economy. Includes health, climate and conservation, development assessment, and economic development and city planning.

Organisational services
Provides internal support services including governance, finance, legal, property, and information services. Also includes strategic functions such as advocacy, data management, business optimisation, and investment planning.

People and engagement
Delivers front-line services and internal support through customer service, communications, and human resources. Focuses on creating a safe, healthy, and dynamic workplace.

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Logan City Council

Notes to the Financial Statements

for the year ended 30 June 2026

Note 2. Analysis of results by function (continued)

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

Functions $ '000	Gross program income					Gross program expenses				
	Recurring grants	Recurring other	Capital grants	Capital other	Total income	Recurring	Capital	Total expenses	Net result	Total assets
2026										
Water and sewerage services	1,761	326,291	10,024	136,764	474,840	(252,073)	(5,819)	(257,892)	216,948	1,882,845
Waste services	–	–	–	–	–	–	–	–	–	126,632
Corporate revenue	18,576	387,011	–	–	405,587	(15,416)	–	(15,416)	390,171	48
Roads infrastructure services	5,731	2,296	19,172	185,360	212,559	(179,088)	(18,022)	(197,110)	15,449	5,200,405
Community and lifestyle	2,919	16,435	22,667	53,392	95,413	(137,709)	(4,584)	(142,293)	(46,880)	1,661,987
Growth economy and sustainability	3,926	130,740	111	3,151	137,928	(113,282)	(26,840)	(140,122)	(2,194)	13,911
Organisational services	–	3,898	–	–	3,898	(92,430)	(626)	(93,056)	(89,158)	1,193,097
People and engagement	159	55	–	–	214	(24,085)	(19)	(24,104)	(23,890)	(423)
Total	33,072	866,726	51,974	378,667	1,330,439	(814,083)	(55,910)	(869,993)	460,446	10,078,502
2025										
Water and sewerage services	1,792	294,065	–	93,245	389,102	(240,064)	(160,272)	(400,336)	(11,234)	1,682,574
Waste services	–	–	–	–	–	–	–	–	–	102,235
Corporate revenue	19,902	343,873	–	–	363,775	(10,061)	–	(10,061)	353,714	51
Roads infrastructure services	8,858	1,915	20,343	147,343	178,459	(162,568)	(25,964)	(188,532)	(10,073)	4,660,277
Community and lifestyle	4,710	15,725	10,605	30,473	61,513	(141,773)	(1,595)	(143,368)	(81,855)	1,493,891
Growth economy and sustainability	5,053	102,197	11,404	2,502	121,156	(98,644)	–	(98,644)	22,512	14,574
Organisational services	–	–	823	–	823	(97,500)	–	(97,500)	(96,677)	1,018,581
People and engagement	251	6	–	–	257	(23,693)	–	(23,693)	(23,436)	1,306
Total	40,566	757,781	43,175	273,563	1,115,085	(774,303)	(187,831)	(962,134)	152,951	8,973,489

Logan City Council

Notes to the Financial Statements

for the year ended 30 June 2026

Note 3. Revenue

$ '000	2026	2025

(a) Rates, levies and charges

Rates revenue is recognised upon issue of the levies within the respective rating period, while revenue for water consumption charges is recognised as revenue when the water is supplied to customers. Prepaid rates are recognised as a financial liability until the beginning of the rating period.

General rates	364,527	259,116
Water access charge	49,250	46,477
Water consumption	112,925	100,776
Sewerage charges	113,829	103,363
Garbage charges	76,338	57,722
Environmental and community charges	23,942	82,364
Total rates and utility charge revenue	740,811	649,818
Less: discounts and pensioner remissions	(17,664)	(17,464)
Total rates, levies and charges	723,147	632,354

A prompt payment discount of $120 per year ($30 per quarter) is offered on certain rates paid by due date provided all arrears rates have also been paid.

(b) Fees and charges

Fees and charges include fees for processing applications, licensing and search fees.

Revenue arising from fees and charges is recognised at the point in time when the performance obligations are completed and the customer has received the benefit of the goods or services being provided. Council records payments received prior to the completion of related performance obligations as contract liabilities and recognises revenue progressively as the related performance obligations are performed.

$ '000	2026	2025
Building, development, town planning and property connection fees	42,572	34,647
Licences, permits and parking fees	3,017	3,198
Refuse fees	27,012	30,406
Animal registration fees	3,357	2,325
Property search fees	2,229	2,209
Property leases and rentals	3,140	3,022
Other fees and charges	2,246	2,747
Total fees and charges	83,573	78,554

(c) Grants, subsidies, contributions 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 obligations is satisfied.

The performance obligations vary in each agreement. 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.

continued on next page ...

Logan City Council

Notes to the Financial Statements

for the year ended 30 June 2026

Note 3. Revenue (continued)

Where control is transferred over time, generally the input methods being either costs or time incurred are deemed to be the most appropriate methods to reflect the transfer of benefit.

Grant income under AASB 1058

Assets arising from grants in the scope of AASB 1058 are recognised at the asset's fair value when the asset is received. Council considers whether there are any related liability or equity items associated with the asset which are recognised in accordance with the relevant accounting standard.

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

Capital grants

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

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

$ '000	2026	2025
(i) Operating		
Operational grants and subsidies	29,061	35,882
Other operational contributions	4,011	1,793
Total recurrent grants, subsidies, contributions and donations	33,072	37,675
(ii) Capital		
Other capital contributions	8,907	–
Capital grants and subsidies	43,067	43,174
Total capital grants, subsidies, contributions and donations	51,974	43,174

continued on next page ...

Logan City Council

Notes to the Financial Statements

for the year ended 30 June 2026

Note 3. Revenue (continued)

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

	2026		2025	
$ '000	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	42,918	29,210	58,219	20,302
Contributions	12,918	–	2,328	–
	55,836	29,210	60,547	20,302

Note 4. Capital income

$ '000	Notes	2026	2025

The revaluation increment for Logan Water was 12%, representing an increase of $29.62 million in the carrying value of water assets. The increase reflects updated valuation assumptions, with higher forecast capital investment more than offsetting the impact of increased operating costs over the 30 year modelling period. The increment has been recognised as a reversal of a net revaluation decrease previously recognised in profit or loss.

(a) Gain / loss on disposal of non-current assets

Proceeds from the disposal of property, plant and equipment		1,090	695
		1,090	695

(b) Revaluations

Revaluation increment of property, plant and equipment reversing previous revaluation decrement	14	29,620	–
		29,620	–
Total capital income		30,710	695

Logan City Council

Notes to the Financial Statements

for the year ended 30 June 2026

Note 5. Employee and councillor costs

$ '000	Notes	2026	2025
Employee benefit expenses are recorded when the service has been provided by the employee.			
Wages and salaries		144,753	136,595
Councillors remuneration		2,173	2,093
Leave entitlements		26,114	26,187
Termination benefits		329	411
Superannuation	23	22,432	20,873
Other employee related expenses		19,016	15,038
Total Employee benefits		214,817	201,197

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

	2026 Number	2025 Number
Additional information:		
Total Council employees at the reporting date:		
Elected members	13	13
Administration staff	1,551	1,431
Depot and outdoors staff	471	422
Total full time equivalent employees	2,035	1,866

Note 6. Materials and services

$ '000	2026	2025
Expenses are recorded on an accruals basis as Council receives the goods or services.		
Maintenance services	33,863	30,336
Utilities and water charges	134,581	123,625
Contracted professional services	113,366	118,432
Solid and green waste collection and disposal	24,117	22,396
Other materials and minor contracts	11,595	13,515
Plant hire and running costs	25,525	22,948
Printing stationery and postage	2,184	2,334
Software licences	19,757	17,535
Property and equipment leases	1,334	720
Operational services	36,284	40,509
Total materials and services	402,606	392,350

Total audit fees quoted by the Queensland Audit Office relating to the 2025-26 financial statements are $300,000 (exclusive of GST). (2025: $320,000).

Logan City Council

Notes to the Financial Statements

for the year ended 30 June 2026

Note 7. Finance costs

Borrowing costs are recognised as an expense in the period in which they are incurred, except where the borrowing costs can be attributed to a specific capital project, the costs are capitalised as part of the qualifying asset during construction.

$ '000	2026	2025
Queensland Treasury Corporation interest	28,155	20,745
Account charges	1,752	1,501
Interest on leases	232	252
Finance costs due to discounting	1,215	2,167
Total finance costs	31,354	24,665

Logan City Council

Notes to the Financial Statements

for the year ended 30 June 2026

Note 8. Capital expenses

$ '000	2026	2025
(a) Loss on impairment		
Impairment of non-current assets:		
Road, drainage and bridge network	–	(10)
Impairment (gain)/losses recognised in the Income Statement	–	(10)

$ '000	Notes	2026	2025
(b) Provision for restoration of land			
Revaluation of landfills		26,803	–
	18	26,803	–

The increase in the landfill rehabilitation liability was recognised in capital expenses, as there was an insufficient asset revaluation surplus balance within the relevant asset class. The increase was the result of the comprehensive revaluation undertaken in the current year.

$ '000	Notes	2026	2025
(c) Revaluation decrement			
Revaluation decrement of property, plant and equipment	14	–	153,757
		–	153,757

Revaluation Decrement
Logan Water recognised a revaluation increment in the current year and this was recognised as Capital Income - refer to note 4 for further details.

$ '000	2026	2025
(d) Other capital expenses		
Decommissioning of infrastructure assets	29,107	34,084
	29,107	34,084

Decommissioning Expense
Capital expenses for the period include costs associated with the write-off and decommissioning of non-current assets. The total amount recognised includes $17.790 million related to Roads and $2.457 million related to Logan Water infrastructure.

Total capital expenses	55,910	187,831

Logan City Council

Notes to the Financial Statements

for the year ended 30 June 2026

Note 9. Infrastructure charges

$ '000	2026	2025

Infrastructure charges

Council receives both cash (financial) and non-cash (non-financial) infrastructure contributions from developers, as outlined in development application contracts (collectively referred to as infrastructure charges). These charges are measured at fair value in accordance with the terms of the development agreements.

For cash contributions, revenue is recognised when Council gains control of the funds, unless the development contract specifies distinct goods or services (performance obligations). In such cases, revenue is recognised progressively as those obligations are fulfilled, typically through the construction of identifiable assets. Progress is measured based on the percentage of completion, determined by expenditure incurred.

Non-cash contributions (donated assets) are recognised as revenue when the development reaches the "on-maintenance" stage (i.e. Council obtains control of the assets and becomes liable for any ongoing maintenance) and there is sufficient data in the form of drawings and plans to determine the specifications and values of such assets.

Given that the time between customer payment and performance may exceed one year, Council periodically adjusts the consideration amount for financing effects, using indexation rates specified in the development contracts.

Infrastructure charges levied through development contracts are allocated to the relevant branch infrastructure categories, based on schedules of works either included in the agreement or determined by Council. Details of contract liabilities and expected revenue recognition timelines are provided in Note 15.

Infrastructure charges - financial assets	74,663	67,195
Infrastructure charges - non-financial assets	273,294	205,676
Infrastructure charges	347,957	272,871

Logan City Council

Notes to the Financial Statements

for the year ended 30 June 2026

Note 10. Cash, cash equivalents and financial assets

$ '000	Notes	2026	2025

Cash and cash equivalents in the statement of cash flows include cash on hand, on-call deposits, and short-term deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value; and bank overdrafts.

Interest is recognised as it accrues over time, reflecting the applicable interest rate on the underlying financial asset.

Deposits with original maturities of greater than three months are classified as financial assets and not included in cash and cash equivalents. Cash and cash equivalents at the end of the reporting period, as shown in the statement of cash flows, can be reconciled to the related items in the statement of financial position as follows:

Cash and cash equivalents			
Cash at bank		36,675	123,651
On-call deposits		646,869	462,030
Less trust funds		(27,967)	(20,725)
Balance per Statement of Financial Position		655,577	564,956
Balance per Statement of Cash Flows		655,577	564,956
Financial assets - non-current			
Unlisted equity securities	13	6,005	3,517
Total non current financial assets		6,005	3,517
Total financial assets		6,005	3,517

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

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

Unspent government grants and subsidies	117,823	121,233
Waste levy received in advance	19,444	21,344
Infrastructure charges	2,834	523
Constrained capital works	214,232	204,060
Total externally imposed restrictions on cash assets	354,333	347,160

Internal allocations of cash at the reporting date:
Internal allocations of cash may be lifted by a Council with a resolution.

Future capital works	54,975	59,942
Future asset replacement	51,643	43,786
Environmental initiatives	12,062	8,320
Future operational commitments	92,191	67,482
Total internally allocated cash	210,871	179,530
Total unspent restricted cash	565,204	526,690
Total unrestricted cash balance	**90,373**	**30,266**

continued on next page ...

Logan City Council

Notes to the Financial Statements

for the year ended 30 June 2026

Note 10. Cash, cash equivalents and financial assets (continued)

$ '000	2026	2025

In accordance with the *Local Government Act 2009* and the *Local Government Regulation 2012*, a separate bank account and separate accounting records are maintained for funds held in a trust account 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 funds, and does not account for them in the financial statements since Council has no control over the assets.

Trust funds held for outside parties		
Monies collected or held on behalf of other entities yet to be paid out to or on behalf of those entities	27,077	19,844
Security deposits	890	881
	27,967	20,725

Note 11. Receivables

Receivables are amounts owed to Council at year end. Accounting for impairment losses is dependent upon the individual group of receivables subject to impairment.

In accordance with the *Planning Act 2016*, s144, developer infrastructure charges are taken to be rates and may be rolled onto property rates notices if unpaid. Rates and utility charges and developer infrastructure receivables are recoverable through sale of the land in accordance with the *Local Government Act 2009*, s95 and s96(c). Additionally, GST is recoverable from the Australian Federal Government and considered unimpaired.

Therefore, Council only raises an impairment allowance for other trade receivables and infrastructure charges levied under the *Integrated Planning Act 1997* and the *Sustainable Planning Act 2009*, as Council is unable to transfer amounts levied under these acts to a rates account.

The impairment allowance for other receivables reflects lifetime expected credit losses and incorporates reasonable and supportable forward-looking information. The allowance is immaterial at 30 June 2026.

All known bad debts are written off during the year. Amounts recovered in subsequent periods are recognised as revenue. Debt write-offs amounted to $8,469 in the current financial year (2025: $3,526,779). Amounts written off during the reporting period are no longer subject to enforcement activity.

$ '000	2026	2025
Current		
Rates and utility charges	35,089	30,029
Infrastructure charges	7,722	5,150
Other trade receivables	10,797	12,024
Total	53,608	47,203
less: Provision for impairment		
Other	(418)	(418)
Total provision for impairment - receivables	(418)	(418)
Total current receivables	53,190	46,785

continued on next page ...

Logan City Council

Notes to the Financial Statements

for the year ended 30 June 2026

Note 11. Receivables (continued)

$ '000	2026	2025
Movement in accumulated impairment losses is as follows:		
Opening balance at 1 July	418	3,468
Less impairments reversed	–	(3,050)
Balance at the end of the year	418	418

2026 **Ageing**	Closing balance $ '000	Historical probability of default %
Other Receivables		
1-30 days	6,403	0.05%
31-60 days	287	0.00%
61-90 days	7,256	0.05%
90+ days	1,043	1.57%
Less loss allowance	–	0%
Total	14,989	

2025 **Ageing**	Closing balance $ '000	Historical probability of default %
Other Receivables		
1-30 days	12,259	0.09%
31-60 days	1,135	0.01%
61-90 days	177	0.00%
90+ days	722	2.02%
Less loss allowance	–	0%
Total	14,293	

Note 12. Other assets

$ '000	2026	2025
Current		
Unbilled water consumption	44,469	39,287
GST recoverable	5,818	8,182
Prepayments	10,460	17,169
Total current other assets	60,747	64,638

Logan City Council

Notes to the Financial Statements

for the year ended 30 June 2026

Note 13. Equity accounted investments

Equity accounted investments

Logan City Council, Ipswich City Council and Redland City Council (the Councils) are parties to a sub-regional waste alliance established to improve the recycling outcomes across South East Queensland. As part of this arrangement, the Councils jointly established Greenovate Pty Ltd in October 2023 as a beneficial enterprise under section 40 of the *Local Government Act 2009 (Qld)* for the purpose of delivering a Materials Recovery Facility (MRF).

Greenovate Pty Ltd is a private company incorporated in Queensland and is owned by the Councils in proportion to their agreed ordinary shareholdings. The company's principal activity is to design, build, operate and maintain a MRF at the Browns Plains Waste and Recycling Facility, which will receive and process recyclable materials collected from household yellow-lid recycling bins across Logan, Ipswich and Redland local government areas.

Greenovate Pty Ltd prepared separate financial statements which are audited by the Queensland Audit Office and are published on the respective Council websites.

As at 30 June 2026, Council interests in Greenovate Pty Ltd are as follows:

Interests	Ownership 2026	Voting rights 2026
Logan City Council	48%	33.33%
Ipswich City Council	35%	33.33%
Redland City Council	17%	33.33%

Council's investment in Greenovate Pty Ltd as per Note 13(b) is accounted for using the equity accounting method and is disclosed as a 1 line entry in both the income statement and statement of financial position.

(a) Subsidiaries (ie. entities and operations controlled by council)

Council is the registered member of shares in Underwood Innovation Lab (Uilab), comprising an overall investment of $3.327m represented by 100 ordinary shares at $22,000 each, 51 ordinary shares at $22,000 each and 4,730 ordinary shares at $1 each. The investment is disclosed in Note 10 Non-Current Financial Assets.

Council holds an equity interest in Logan Country Financial Services Limited, comprising an investment of $10,000 represented by 10,000 ordinary shares at $1 each. The investment is disclosed in Note 10 Non-Current Financial Assets.

Council holds a 12.5% equity interest in SEQ Regional Recreation Facilities Pty Ltd, comprising an investment of $180,000 represented by 180,000 ordinary shares at $1 each. The investment is disclosed in Note 10 Non-Current Financial Assets.

Interests in Subsidiary	Ownership 2026	Ownership 2025	Voting rights 2026	Voting rights 2025
Underwood Innovation Lab Pty Ltd	100%	100%	100%	100%

continued on next page ...

Logan City Council

Notes to the Financial Statements

for the year ended 30 June 2026

Note 13. Equity accounted investments (continued)

(b) Joint ventures and associates

Summarised financial information for joint ventures and associates

$ '000	Greenovate Pty Ltd 2026	2025
Summarised statement of financial position		
Current assets		
Cash and cash equivalents	8,517	22,858
Other current assets	808	13,210
Other Assets	76	8,359
Non-current assets		
Property, plant and equipment	68,071	17,062
Right of use assets	99	103
Total assets	77,571	61,592
Current liabilities		
Trade and other payables	1,698	1,519
Financial liabilities (excl. accounts payable)	2	1
Other current liabilities	127	522
Total Current liabilities	1,827	2,042
Non-current liabilities		
Financial liabilities (excl. accounts payable)	105	106
Other liabilities	30,600	13,600
Total Non-current liabilities	30,705	13,706
Net assets	45,039	45,844
Council's share in %	48.0%	48.0%
Council's share in $	21,618	22,005

Logan City Council

Notes to the Financial Statements

for the year ended 30 June 2026

Note 14. Property, plant and equipment

$ '000	Notes	Land	Buildings	Leased buildings	Plant and equipment	Leased equipment	Roads and drainage	Water and sewerage	W & S facilities	Landfill and quarry	Work in progress	Total
2026												
Measurement basis		Fair Value	Fair Value	Cost	Cost	Cost	Fair Value	Fair Value	Fair Value	Fair Value	Cost	
Fair value category		Level 2	Level 2 & 3				Level 3	Level 3	Level 3	Level 3		
Opening gross balance		1,340,410	773,347	7,563	426,376	447	6,167,114	1,797,961	373,417	49,093	278,622	11,214,350
Additions		62,004	39,806	–	45,163	–	210,875	141,941	38,907	–	74,878	613,574
Disposals		–	–	–	(7,316)	–	–	–	–	–	–	(7,316)
Write-offs / decommissioning		–	(14,283)	–	(11,704)	–	(30,764)	(4,368)	(2,020)	–	–	(63,139)
Revaluation movements to P/L	4	–	–	–	–	–	–	85,214	12,234	–	–	97,448
Revaluations		195,817	55,596	–	–	–	404,171	–	–	53,180	–	708,764
Reclassifications		–	(7,906)	–	(17,203)	–	25,109	–	–	–	–	–
Total gross value of property, plant and equipment		1,598,231	846,560	7,563	435,316	447	6,776,505	2,020,748	422,538	102,273	353,500	12,563,681
Opening accumulated depreciation and impairment		12,504	203,882	2,405	204,740	307	1,743,890	583,770	154,437	39,425	–	2,945,360
Depreciation expense		–	12,681	1,750	27,875	84	87,940	19,041	10,402	1,289	–	161,062
Depreciation on disposals		–	–	–	(4,994)	–	–	–	–	–	–	(4,994)
Write-offs / decommissioning		–	(8,527)	–	(8,502)	–	(12,974)	(2,880)	(1,051)	–	–	(33,934)
Revaluation movements to P/L	4	–	–	–	–	–	–	54,153	13,675	–	–	67,828
Revaluations		–	14,579	–	–	–	100,086	–	–	43,957	–	158,622
Reclassifications		–	(1,289)	–	1,289	–	–	–	–	–	–	–
Total accumulated depreciation and impairment property, plant and equipment		12,504	221,326	4,155	220,408	391	1,918,942	654,084	177,462	84,671	–	3,293,943
Total net book value of property, plant and equipment		1,585,727	625,234	3,408	214,908	56	4,857,563	1,366,664	245,076	17,602	353,500	9,269,738
Range of estimated useful life (years)		Not depreciated	6-143	2-11	2-80	3-4	5-120	12-140	15-70	0.7-10.9% consumed in FY26	Not depreciated	
***Asset additions comprise**												
Additions		16,487	7,507	–	20,767	–	5,771	–	2,773	–	286,975	340,280
Completed projects		–	30,773	–	12,497	–	60,319	72,374	36,134	–	(212,097)	–
Donated assets		45,517	1,526	–	11,899	–	144,785	69,567	–	–	–	273,294
Total asset additions		62,004	39,806	–	45,163	–	210,875	141,941	38,907	–	74,878	613,574

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Notes to the Financial Statements

for the year ended 30 June 2026

Note 14. Property, plant and equipment (continued)

$ '000	Notes	Land	Buildings	Leased buildings	Plant and equipment	Leased equipment	Roads and drainage	Water and sewerage	W & S facilities	Landfill and quarry	Work in progress	Total
2025												
Measurement basis		Fair Value	Fair Value	Cost	Cost	Cost	Fair Value	Fair Value	Fair Value	Fair Value	Cost	
Fair value category		Level 2	Level 2 & 3				Level 3	Level 3	Level 3	Level 3		
Opening gross balance		1,064,460	629,598	7,563	396,781	447	5,552,538	1,763,580	345,797	48,028	436,197	10,244,989
Additions		25,765	72,086	–	52,182	–	411,887	149,725	104,059	(376)	(157,575)	657,753
Disposals		(290)	–	–	(7,850)	–	–	–	–	–	–	(8,140)
Write-offs / decommissioning		–	(1,995)	–	(9,745)	–	(58,205)	(17,403)	(20,091)	–	–	(107,439)
Revaluation movements to P/L	4	–	–	–	–	–	–	(97,941)	(57,619)	–	–	(155,560)
Revaluations		251,836	68,576	–	–	–	260,894	–	–	1,441	–	582,747
Reclassifications		(1,361)	5,082	–	(4,992)	–	–	–	1,271	–	–	–
Total gross value of property, plant and equipment		1,340,410	773,347	7,563	426,376	447	6,167,114	1,797,961	373,417	49,093	278,622	11,214,350
Opening accumulated depreciation and impairment		12,504	168,036	2,062	191,979	224	1,609,608	571,763	141,314	36,992	–	2,734,482
Depreciation expense		–	11,679	343	27,091	83	80,542	20,218	9,789	1,657	–	151,402
Depreciation on disposals		–	–	–	(4,953)	–	–	–	–	–	–	(4,953)
Write-offs / decommissioning		–	(386)	–	(9,445)	–	(12,557)	(1,308)	(1,766)	–	–	(25,462)
Revaluation movements to P/L	4	–	–	–	–	–	–	(6,903)	5,100	–	–	(1,803)
Revaluations		–	24,621	–	–	–	66,297	–	–	776	–	91,694
Reclassifications		–	(68)	–	68	–	–	–	–	–	–	–
Total accumulated depreciation and impairment property, plant and equipment		12,504	203,882	2,405	204,740	307	1,743,890	583,770	154,437	39,425	–	2,945,360
Total net book value of property, plant and equipment		1,327,906	569,465	5,158	221,636	140	4,423,224	1,214,191	218,980	9,668	278,622	8,268,990
Range of estimated useful life (years)		Not depreciated	4-205	2-20	2-100	3-4	5-120	10-140	10-70	1.2-14.5% consumed in FY25	Not depreciated	
***Asset additions comprise**												
Additions		6,545	57,644	–	45,591	–	–	(1)	10,498	–	331,800	452,077
Completed projects		–	14,442	–	647	–	284,659	97,753	92,251	(376)	(489,375)	1
Donated assets		19,220	–	–	5,944	–	127,228	51,973	1,310	–	–	205,675
Total asset additions		25,765	72,086	–	52,182	–	411,887	149,725	104,059	(376)	(157,575)	657,753

continued on next page ...

Logan City Council

Notes to the Financial Statements

for the year ended 30 June 2026

Note 14. Property, plant and equipment (continued)

(a) Recognition

Purchases of property, plant and equipment are recognised as assets unless they fall below the asset recognition threshold or represent maintenance expenditure.

A complex asset comprises significant physical components (e.g. road infrastructure: earthworks, pavement, seal, kerb and channelling, road furniture, footpaths). A network asset is either not separately identifiable or is operationally networked (e.g. computer cabling).

In 2024–25, Council revised its Non-Current Asset Accounting Policy, increasing the minimum capitalisation threshold from $5,000 to $10,000 for all assets except land. The change was applied in the 2025-26 financial year. Comparative information was not restated in accordance with AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors,* as the impact was assessed to be immaterial. The change resulted in asset write-offs of $2,361,479.

	$
Land	1
All other assets	10,000

Land under Roads

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

Additions for Council financial sustainability statement

	Total	2025/26 Renewals	Other	Total	2024/25 Renewals	Other
	$ '000	$ '000	$ '000	$ '000	$ '000	$ '000
Additions analysis	613,574	104,555	509,019	657,753	112,673	545,080

Restrictions on title and property, plant and equipment pledged as security.

Council has the following assets pledged as security for various liabilities:

Logan Central Respite Centre bill of mortgage

Council has pledged the Logan Central Respite Centre as security under a Bill of Mortgage agreement with the Department of Child Safety, Seniors and Disability Services. The $1.21 million grant is secured against the property at 36 Fawkner Street, Slacks Creek. The mortgage is enforceable only upon breach of funding conditions and expires in 2032.

(b) Measurement

Initial Recognition

Assets are initially recognised at cost, comprising purchase price and directly attributable costs, including estimated removal and restoration. Contributed or donated non-monetary assets are recognised at fair value as determined by Council.

Assets under construction are carried at cost less impairment. Depreciation begins when the asset is ready for use.

Subsequent Measurement

All assets classes, excluding plant and equipment, leased buildings and equipment, and work in progress, are subsequently measured on the revaluation basis at fair value. Refer to note 14(e).

continued on next page ...

Logan City Council

Notes to the Financial Statements

for the year ended 30 June 2026

Note 14. Property, plant and equipment (continued)

Fair Value Determination

Where active markets exist (e.g. land, some buildings), a market approach is used. For assets without active markets:

- Water and sewerage: income approach (discounted cash flow).
- Other infrastructure and specialised buildings: current replacement cost (CRC), adjusted for obsolescence.

Fair value measurements are classified under the hierarchy in AASB 13. Refer to Note 14(e) for valuation techniques and classifications.

No residual values are applied to infrastructure assets, as they are not expected to have recoverable value at the end of their useful lives.

(c) Depreciation

Depreciation is applied to all depreciable assets—excluding freehold land, road earthworks, artwork, and work in progress—over their estimated useful lives. All asset classes are depreciated using the straight-line method, except:

- Cars and utility vehicles, which apply the reducing balance method; and
- Landfill and quarry assets, which are depreciated based on airspace consumed.

Useful lives are determined with reference to asset type, durability, usage, technological change, and other relevant factors. Significant components with distinct useful lives are recognised and depreciated separately to support effective asset management.

(d) Impairment

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

(e) Valuation

In accordance with AASB 13 fair value measurements are categorised on the following basis:

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

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

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

Council assets are measured using valuation techniques aligned with the fair value hierarchy - refer to note 14 above for the fair value hierarchy of each asset class.

No transfers occurred between hierarchy levels during the current year.

continued on next page ...

Logan City Council

Notes to the Financial Statements

for the year ended 30 June 2026

Note 14. Property, plant and equipment (continued)

Comprehensive revaluations are undertaken at regular intervals of not more than 5 years. The valuations are performed by independent valuers or suitably qualified internal experts. In intervening years, a suitable cost index is obtained and applied to each class except for Water and Sewerage assets that are revalued on an annual basis.

Asset Class	Valuation approach	Last comprehensive revaluation	Valuer engaged	Cumulative index applied this year
Land	Market value	31 December 2024	Australian Pacific Valuers (APV)	14.74%
Buildings	CRC	31 December 2024	Australian Pacific Valuers (APV)	5.44%
Roads and drainage	CRC	Roads: 30 June 2023 Drainage: 30 June 2025 The following categories were revalued at 30 June 2026: • Pathways • Bridges and Boardwalks • Electrical Switchboards (New) • Electrical Conduits and Pipes (New) • Carparks • Public Lighting	Stantec	Roads 3.0 - 3.2% Drainage 2.1%
Water and Sewerage (W&S)	Discounted cash flow	30 June 2026	Internal	-
W&S facilities	Discounted cash flow	30 June 2026	Internal	-
Landfill and quarry	CRC	30 June 2026	Resource Innovations	-

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

The following valuation techniques were applied to determine fair value in accordance with AASB 13.

Land

Land is valued using a direct sales comparison approach. Where comparable sales were unavailable, alternative methods were applied:

- Hypothetical development approach for specialised land;
- Value to adjoining owner approach for land with no standalone utility;
- Nominal value approach for land with no commercial utility.

Buildings

Residential and commercial buildings are valued using the direct comparison approach where observable inputs are available. Specialised buildings are valued using level 3 inputs.

	2026 $ '000	2025 $ '000
Buildings - Commercial (Level 3)	622,733	568,037
Buildings - Residential (Level 2)	2,501	1,428
	625,234	569,465

continued on next page ...

Logan City Council

Notes to the Financial Statements

for the year ended 30 June 2026

Note 14. Property, plant and equipment (continued)

Roads & Drainage Asset Class

Roads

Roads are categorised into urban and rural, and further into sealed and unsealed segments. Urban roads are segmented up to 500m; rural roads up to 1km. Each segment is componentised into surface, pavement, and earthworks. Earthworks are considered perpetual and are not depreciated.

Comprehensive road condition surveys are conducted every three years, assessing remaining useful life using four Austroads indices:

- Pavement Health Roughness Index
- Pavement Health Index
- Surface Health Cracking Index
- Surface Health Texture Index

Survey results inform fair value and straight-line depreciation, calculated as fair value divided by remaining useful life.
In the intervening years, cost movements are assessed using the Building Price Index, Implicit Price Deflator, and Producer Price Index 3101 (Road and Bridge Construction – QLD).

Drainage (Stormwater)

Comprehensive revaluations are based on physical characteristics (e.g. depth, length, diameter) and unit rates derived from Council's construction data, Cardno databases, Rawlinsons Handbook, and other indices. Assets were componentised to reflect varying useful lives. Where condition data was available, it informed physical obsolescence; otherwise, age-based assumptions were applied.

Water and Sewerage Asset Class

Council’s water and sewerage infrastructure is valued as a single unit of account using a Discounted Cash Flow (DCF) approach, reflecting the present value of future cash flows as at 30 June. These assets are classified as Level 3 due to reliance on unobservable inputs. No changes were made to the valuation technique or hierarchy classification during the reporting period.
The valuation deducts the value of land, buildings, plant, equipment, intangibles, and work-in-progress from the total asset base. Land and buildings are valued independently at market value or CRC; other assets are valued at cost.

Cash flow projections span 30 years, based on Council’s ten-year budget and Maximum Allowable Revenue (MAR) principles. Years 11–30 use growth-based estimates, with a terminal value calculated using both the Gordon Growth Model and a forecast of the deemed regulatory asset base. The average of these two scenarios is adopted. Cash flows are discounted using a post-tax nominal Weighted Average Cost of Capital (WACC).
Key inputs and assumptions used in the DCF valuation are outlined in the relevant asset valuation notes.

continued on next page ...

Logan City Council

Notes to the Financial Statements

for the year ended 30 June 2026

Note 14. Property, plant and equipment (continued)

Unobservable input	Nature and range of input	Relationship of unobservable input to fair value
Revenue forecast	• Revenue is forecasted using a price path based on Maximum Allowable Revenue (MAR) in accordance with a building block regulatory approach.	• Higher (lower) revenue cash flow forecast increases (decreases) the fair value.
Operating and capital expenditure forecast	• Operating and capital expenditure forecasts are based on the corporate plans of Council to year ten of the forecast. • Forecast projections for these cash flows use a mix of estimates and growth rates for future years of the forecast.	• Higher (lower) operating and capital expenditure cash flow forecasts decrease (increase) the fair value.
Terminal value – RAB Projection	• Terminal value is based on Council's forecast of a deemed regulatory asset base (RAB) at the end of the thirty-year forecast. A terminal value multiple of 0.97 (2025: 0.94) is employed for the valuation.	• Higher (lower) RAB value and multiple increases (decreases) the fair value.
Terminal value – Gordon Growth Model	• Cash flows beyond the final year are extrapolated to give a terminal value using a growth rate. The extrapolated cash flows are assumed to continue in perpetuity and have been escalated at a rate of 2.50% (2025: 2.50%).	• Higher (lower) terminal value forecast and growth rate increases (decreases) the fair value.
WACC discount rate	• A post-tax nominal WACC of 5.90% (2025: 5.67%) has been employed in the valuation. The WACC discount rate has been determined in consultation with independent experts based on a long-term view of the market cost of capital.	• Higher (lower) discount rate decreases (increases) the fair value.

Water and Sewerage Valuation Inputs and Process

The forecasted Maximum Allowable Revenue (MAR) for water and sewerage assets is influenced by operating and capital expenditure, and the Weighted Average Cost of Capital (WACC). Changes in these inputs proportionally affect revenue forecasts, but their interdependence helps stabilise the fair value measurement.

Landfills and Quarry

The valuation process involves:

- Estimating the replacement cost using direct costing or trending techniques;
- Assessing physical deterioration based on asset age, reduced lifespan, and remaining units of production;
- Considering functional and economic obsolescence where applicable.

As landfill assets are specialised, non-cash-generating assets held by a not-for-profit entity, CRC was measured using a cost approach on an optimised basis, referencing the cost of a modern equivalent asset adjusted for service capacity.

Logan City Council

Notes to the Financial Statements

for the year ended 30 June 2026

Note 15. Contract balances

Contract assets

When a performance obligation is satisfied by transferring a promised good or service to the customer before the customer pays consideration or before payment is due, Council presents material work in progress amounts as contract assets, unless the rights to that amount of consideration are unconditional, in which case Council recognises a receivable.

Council did not have any material contract asset amounts at the reporting date other than those included in accounts receivable balances. The amounts reported relate to recoverable works in-progress.

Contract liabilities

When an amount of consideration is received from a customer / fund provider prior to Council transferring a good or service to the customer, Council presents the funds, which exceed revenue recognised, as a contract liability.

Contract liabilities arise from Council contracts with customers relating to grants and subsidies, infrastructure charges on development applications and in relation to recoverable works. Council recognises revenue or contract liabilities from contracts with customers based on the percentage completion of associated performance obligations, as disclosed in note 3.

$ '000	2026	2025
(a) Contract assets		
Current		
Contract assets	3,709	1,174
Total current contract assets	3,709	1,174
Contracts with customers	3,709	1,174
(b) Contract liabilities		
Current		
Grants and subsidies	9,164	11,855
Infrastructure Charges	2,834	523
Recoverable works	2,274	2,847
Total current contract liabilities	14,272	15,225

continued on next page ...

Logan City Council

Notes to the Financial Statements

for the year ended 30 June 2026

Note 15. Contract balances (continued)

$ '000	2026	2025
Non-current		
Grants	108,659	109,377
Total grants	108,659	109,377
Total non-current contract liabilities	108,659	109,377
Classified as:		
Current contract liabilities	14,272	15,225
Non-current contract liabilities	108,659	109,377
Total contract liabilities	122,931	124,602

Timing of satisfaction of performance obligations

For grants and subsidies, infrastructure charges, and private works, the timing of the satisfaction of performance obligations will vary from agreement to agreement. The Council raises invoices for amounts when the Council has entitlement to the funds and for private works in advance of commencing work.

The timing of payments of grants and subsidies and infrastructure charges will vary from contract to contract, while private works amounts are prepaid. Revenue recognition is either at a point-in-time or progressively depending on the nature of the contract, as disclosed in note 3.

Logan City Council

Notes to the Financial Statements

for the year ended 30 June 2026

Note 16. Payables

$ '000	2026	2025

Accounts payable are recognised as a liability at the time the amount owed can be measured reliably and when it is probable the amount will have to be paid, when the goods are received or the service is performed. Amounts are unsecured and normally settled within 14 days from date of invoice.

Accrued employee benefits comprise annual leave, vested sick leave, leave in lieu, Christmas leave, and accrued salaries and wages. Annual leave, vested sick leave, leave in lieu and Christmas leave represent the amount which Council has a present obligation to pay resulting from employees' services provided up to balance date. The accrual is based on the present value of remuneration rates that will be paid when the liability is expected to be settled and includes related on-costs.

As Council does not have an unconditional right to defer settlement of the annual leave, vested sick leave, leave in lieu, or Christmas leave beyond twelve months after the reporting date, these leave types are classified as current liabilities.

Current		
Creditors and accruals	99,145	99,153
Accrued employee benefits	22,814	24,286
Total current payables	121,959	123,439

Logan City Council

Notes to the Financial Statements

for the year ended 30 June 2026

Note 17. Borrowings

Borrowings comprise both general and specific purpose loans initially measured at fair value; net of transaction costs charged as an expense against Council's net result; and subsequently at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is charged against Council's net result over the period of the borrowings using the Queensland Treasury Corporation (QTC) book rate methodology.

Borrowings are removed from the Statement of financial position when the obligation specified in the contract is discharged, cancelled or expelled. The difference between the carrying amount of a financial liability that has been extinguished and the consideration paid is recognised as finance cost expenses charged against Council's net result.

In accordance with the *Local Government Regulation 2012*, Council adopts an annual debt policy that sets out Council's planned borrowings for the next nine years. Council's current policy is to only borrow for capital projects and for a term no longer than the expected life of the asset. Council also aims to comply with QTC's borrowing guidelines and ensure that sustainability indicators remain within acceptable levels at all times. All loans payable at the reporting date are with QTC and are measured and disclosed in the statement of financial position at book value of the principal outstanding. The book value of loans represents the current value of the debt to be repaid over its remaining term.

Where borrowing costs can be attributed to a specific capital project, the costs are capitalised as part of the qualifying asset during construction. Otherwise, borrowing costs are expensed as finance costs when they are incurred.

$ '000	2026	2025
Current		
Borrowings	36,071	31,561
Total current borrowings	36,071	31,561
Non-current		
Borrowings	633,836	570,902
Total non-current borrowings	633,836	570,902

Council's liabilities arising from financing activities consist of borrowings and leases. A reconciliation between the opening and closing balances of borrowings is provided below.

Reconciliation of loan movements for the year

Loans - Queensland Treasury Corporation

Opening balance at beginning of financial year	602,464	457,748
Loans raised	95,728	168,693
Principal repayments	(28,285)	(23,977)
Book value at end of financial year	669,907	602,464

Market value represents the value of debt if Council repaid the debt at year-end date. Expected final repayment dates vary from 15 June 2030 to 15 June 2045. There have been no defaults or breaches of loan agreements during the financial reporting period. Principal and interest payments are made quarterly in arrears. The weighted average borrowing rate for QTC borrowings at 30 June 2026 is 4.983% ranging from 1.945% to 5.845% (2025: 4.883%).

Council does not have an approved bank guarantee facility and has provided no guarantees except to the Local Government Workcare (LGW) disclosed in Note 22, has no credit standby facilities or bank overdrafts, and there were no unused financing facilities available to the Council at the reporting date.

Logan City Council

Notes to the Financial Statements

for the year ended 30 June 2026

Note 18. Provisions

Provisions are recognised when Council has a present legal or constructive obligation as a result of a past event, it is probable that Council will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

When a provision is measured using the cash flows estimated to settle the present obligation and the effect of the time value of money is material, its carrying amount is the present value of those cash flows. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value for money and the risks specific to the liability. Any increase in provision due to the passage of time is recognised as a finance cost.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

$ '000	2026	2025
Current		
Employee entitlements	23,243	23,137
Wastewater restoration	10,994	14,565
Other	4,355	5,267
Total current provisions	38,592	42,969
Non-current		
Employee entitlements	5,330	5,197
Landfill and quarry rehabilitation	49,212	6,343
Total non-current provisions	54,542	11,540

continued on next page ...

Logan City Council

Notes to the Financial Statements

for the year ended 30 June 2026

Note 18. Provisions (continued)

$ '000	2026	2025
Details of movements in provisions		
Long service leave		
Balance at beginning of financial year	28,334	26,968
Additional provision	3,992	2,922
Increase/(decrease) in provision due to change in discount rate	(941)	509
Increase in provision due to unwinding of discount	978	1,940
Amounts used	(3,790)	(4,005)
Balance at end of financial year	28,573	28,334
Wastewater restoration		
Balance at beginning of financial year	14,565	1,834
Additional provision	–	14,085
Amounts used	(3,571)	(1,354)
Balance at end of financial year	10,994	14,565
Landfill and quarry rehabilitation		
Balance at beginning of financial year	6,343	6,493
Additional provision	43,693	–
Increase in provision due to unwinding of discount	237	227
Decrease in provision due to change in discount rate	(1,061)	(377)
Balance at end of financial year	49,212	6,343

Restoration provisions

Council has a legal obligation to restore quarry sites used in Council operations and has prepared site management and post closure plans to deal with the filling and future use of quarry sites. The provision is the present value of the estimated cost of restoring the quarry site to a useable state at the end of its useful life.

Council also holds an Environmental Protection Licence to operate a number of landfills. The licence includes a legal obligation to rehabilitate areas affected by landfill operations. Estimates are made for the future costs required to cap and rehabilitate the landfill cells, undertake ongoing environmental monitoring and complete other required post-closure activities. These costs are discounted to present value using Commonwealth Government bond yields over the relevant period.

Council also recognises provisions for dismantling and removing other Council assets, such as wastewater treatment plants.

Landfill restoration

Council engaged independent consultant Resource Innovations to undertake a comprehensive revaluation of the landfill cells and associated restoration obligations. The resulting increase in the provision was primarily attributable to expanded capping, rehabilitation and aftercare scope, refinement to operating assumptions and increased estimated costs reflecting current market pricing. Based on current projections, the Browns Plains landfill cells are expected to be progressively capped between 2038 and 2043.

Quarry restoration

The provision recognised for the quarry is reviewed at least annually and updated based on the facts and circumstances available at the time. The quarry site is expected to close in 2033.

Flagstone wastewater treatment plant

A restoration provision remains for the Beenleigh, Flagstone and Jimboomba wastewater treatment plants and the Smith Road Depot to account for the costs of planning, decommissioning and demolition of the sites, including the treatment of any contamination. Planning and decommissioning activities have largely been completed, with demolition and site remediation works continuing.

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Logan City Council

Notes to the Financial Statements

for the year ended 30 June 2026

Note 18. Provisions (continued)

Employee benefits

Liabilities are recognised for employee benefits such as wages and salaries, annual leave, vested sick leave, and long service leave in respect of services provided by the employees up to the reporting date. Liabilities for employee benefits are assessed at each reporting date.

Liabilities that are expected to be settled within 12 months after the reporting date are measured at the amount expected to be paid when the liabilities are settled and are not discounted to present value. Liabilities that are expected to be settled at least 12 months after the reporting date are measured as the present value of the estimated future cash flows to be made in respect of services provided by employees up to the reporting date. The value of the liability is calculated using current pay rates and projected future increases in those rates and includes related employee on-costs. The estimates are adjusted for the probability of the employee remaining in the Council's employment or other associated employment, which could 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 provision is discounted using the Commonwealth Bond yield rates published on the Department of Housing and Public Works' website.

Salaries and wages

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. This liability represents an accrued expense and is reported in note 16 as a payable.

Leave classifications

As Council does not have an unconditional right to defer leave liabilities beyond 12 months all leave balances, except where there is no current entitlement, are classified as current liabilities. In all cases, amounts expected to be settled within 12 months are calculated on current salary levels including related employee on-costs. Amounts not expected to be settled within 12 months are calculated on projected future salary levels and related on-costs discounted to present value.

Annual and sick leave

Council has an obligation to pay accumulating annual leave and vested sick leave to qualifying employees, and liabilities have been recognised for these obligations. Council does not recognise a liability for non-accumulating sick leave. Annual and sick leave liabilities that represent accrued expenses are reported in note 16 as payables.

Superannuation

Payments to defined contribution and to defined benefit retirement benefit plans are recognised as an expense when employees have rendered services entitling them to the contributions. The superannuation expense for the reporting period is the amount of the contribution the Council makes to the superannuation plan which provides benefits to employees.

The local government superannuation (Brighter Super) scheme is a multi-employer plan. As Brighter Super is unable to account to Council for its proportionate share of any obligation, plan assets or costs associated with the defined benefit plan, the plan is accounted for as if it were a defined contribution plan. Superannuation arrangements are further detailed in note 23.

Logan City Council

Notes to the Financial Statements

for the year ended 30 June 2026

Note 19. Other liabilities

$ '000	2026	2025
Current		
Unearned revenue	9,780	2,006
Monies received in advance	27,537	26,773
Other liabilities	335	59
Total current other liabilities	37,652	28,838
Non-current		
Monies received in advance	9,257	10,260
Total non-current other liabilities	9,257	10,260

Other liabilities comprise amounts received by Council for which the related goods or services have not yet been provided at balance date.

Monies received in advance include rates overpayments, waste levy receipts, and amounts received relating to future events.

Unearned revenue represents amounts received in respect of private works applications and other miscellaneous water-related items, where the associated services had not been delivered at the reporting date.

Logan City Council

Notes to the Financial Statements

for the year ended 30 June 2026

Note 20. Asset revaluation surplus

The asset revaluation surplus comprises adjustments relating to changes in value of property, plant and equipment that do not result from the use of those assets. Net incremental changes in the carrying value of classes of non-current assets since their initial recognition are accumulated in the asset revaluation surplus. Increases and decreases on revaluation are offset within a class of assets.

Where a class of assets is decreased on revaluation, that decrease is offset first against the amount remaining in the asset revaluation surplus in respect of that class. Any excess is treated as an expense. When an asset is disposed of, the amount reported in surplus in respect of that asset is retained in the asset revaluation surplus and not transferred to retained surplus.

Movements in the asset revaluation surplus

	2026 $'000	2025 $'000
Opening revaluation surplus	3,774,134	3,283,081
Net adjustment to non-current assets at end of period to reflect a change in current fair value:		
Land	195,827	251,836
Buildings	41,017	43,956
Roads and drainage infrastructure	304,085	194,596
Landfill and quarry	(6,616)	666
	534,313	491,053
Closing revaluation surplus	4,308,447	3,774,135

Asset revaluation surplus analysis

	2026 $'000	2025 $'000
Closing revaluation surplus by asset class:		
Land	956,722	760,895
Buildings	294,744	253,727
Roads and drainage infrastructure	3,056,981	2,752,896
Landfill and quarry	-	6,616
Closing revaluation surplus	4,308,447	3,774,135

Logan City Council

Notes to the Financial Statements

for the year ended 30 June 2026

Note 21. Commitments for expenditure

$ '000	2026	2025
(a) Contractual commitments		
Contractual commitments at end of financial year but not recognised in the financial statements are as follows:		
Waste contracts		
Waste and recyclables collection	43,135	55,026
Other waste operational	1,832	2,908
Water contracts		
Removal of bio-solids and grit	2,483	3,673
Other water operational	28,874	28,762
Roads contracts		
Minor works	16,911	25,431
Other	880	7,839
Other operational contracts		
Maintenance	66,432	80,672
Cleaning	4,658	4,738
Professional services	13,994	18,176
Other	12,998	–
	192,197	227,225

(b) Capital commitments (exclusive of GST)

As at 30 June 2026, Council has capital commitments of $177.466m (2025: $222.220m). Council's largest commitments are over a term of 2 years.

Logan City Council

Notes to the Financial Statements

for the year ended 30 June 2026

Note 22. Contingent liabilities

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

	2026 $'000	2025 $'000
Infrastructure offsets	36,041	25,973
Local Government Workcare maximum exposure	4,344	3,380
	40,385	**29,353**

Local Government Mutual Liability Self-Insurance Pool

Logan City Council is a member of the local government mutual liability self-insurance pool, Local Government Mutual (LGM) Queensland. LGM provides claims and risk management services, insurance placement, fund management and consulting services to collectively exercise control over and manage the legal liability exposures confronting local government.

In the event of the pool being wound up, or if 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 to the total pool contributions in the year that a deficit arises.

As at 30 June 2026, the financial statements reported an accumulated surplus and it is not anticipated that any liability will arise.

Local Government Workcare

Logan City Council is a member of the Queensland local government worker's compensation (LGW) self-insurance scheme.

Under this scheme, Council has provided an indemnity towards a bank guarantee to cover any bad debts that may remain should the self-insurance license be cancelled and there was insufficient funds available to cover outstanding liabilities. Only LGW may call on any part of the guarantee were the above circumstances to arise. The Council's maximum exposure to the bank guarantee is $4,343,674 (2025: $3,379,917).

Infrastructure Agreements

Council enters into infrastructure agreements with developers where trunk infrastructure is to be contributed to Council in lieu of charging infrastructure charges. Where the value of infrastructure provided exceeds the value of the infrastructure charges required, a refund may arise. Any such refund is contingent on the developer successfully completing the work and will be disclosed as a contingent liability up until the point of Council approval of the development. Once the development has been approved any remaining excess is recognised as a liability.

Liability Claims

Council is a defendant in a number of claims that arise because of the operations of council and its ownership of public assets. All liability claims are subject to review and are only provided for when genuine and not contingent on a future event. Liability and insurance claims not provided for are disclosed as contingent liabilities.

Information in respect of individual claims has not been disclosed on the basis that Council considers such disclosures would seriously prejudice the outcome of these claims.

Logan City Council

Notes to the Financial Statements

for the year ended 30 June 2026

Note 23. Superannuation - regional defined benefit fund

Council contributes superannuation benefits in respect of permanent employees who are members of the Brighter Super Regional Defined Benefits Fund (the scheme) at a rate equivalent to 12.25% of salary. The rate contributed to the scheme is set in accordance with the Brighter Super trust deed and may be varied on the advice of an actuary. The Regional Defined Benefits Fund is a complying superannuation scheme for the purpose of the Commonwealth Superannuation Industry (Supervision) legislation and is also governed by the *Local Government Act 2009*.

The scheme is a defined benefit plan, however Council is not able to account for it as a defined benefit plan in accordance with AASB119 because Brighter Super is unable to account for its proportionate share of the defined benefit obligation, plan assets and costs.

Any amount by which the scheme is over or under funded may affect future benefits and result in a change to the contribution rate, but has not been recognised as an asset or liability of Council.

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

The last completed triennial actuarial assessment of the scheme as required under Superannuation Prudential Standard 160 was undertaken as at 1 July 2024. The actuary indicated that, "At the valuation date of 1 July 2024, the net assets of the scheme exceeded the vested benefits and the scheme was in a satisfactory financial position." Council is not aware of anything that has happened since that time that indicates the assets of the scheme are not sufficient to meet the vested benefits, as at the reporting date.

No changes have been made to prescribed employer contributions, which remain at 12.25% of employee assets, and there are no known requirements to change the rate of contributions.
The next triennial actuarial review is due on 1 July 2027.

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

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

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

$ '000	Notes	2026	2025
Superannuation contributions made to the Regional Defined Benefits Fund		268	283
Other superannuation contributions for employees		23,475	21,494
Capitalised superannuation		(1,310)	(904)
Total superannuation contributions paid by Council for employees	5	22,432	20,873

Logan City Council

Notes to the Financial Statements

for the year ended 30 June 2026

Note 24. Reconciliation of Operating Result

$ '000	2026	2025
Net operating result from income statement	460,446	152,951
Non-cash items		
Depreciation and amortisation	161,508	151,822
Impairment of property, plant and equipment	–	(10)
Loss from equity accounted investments	386	398
Decommissioning of infrastructure assets	29,107	34,084
Donations of assets	(273,294)	(205,676)
Interest accrued on leases	–	252
	(82,293)	(19,130)
Losses/(gains) recognised on fair value re-measurements through the income statement		
Asset revaluation decrement/(increment)	(29,620)	153,757
	(29,620)	153,757
Investing and development activities		
Net loss on disposal of assets	(1,090)	(695)
Capital infrastructure contributions (cash portion)	(74,663)	(67,195)
Capital grants and subsidies	(51,974)	(43,174)
	(127,727)	(111,064)
Changes in operating assets and liabilities:		
(Increase)/decrease in receivables	(3,833)	9,025
Increase/(decrease) in provision for doubtful debts	–	(3,050)
(Increase)/decrease in inventories	(1,938)	(867)
(Increase)/decrease in contract assets	–	148
(Increase)/decrease in other assets	3,891	1,973
Increase/(decrease) in payables	(1,480)	24,803
Increase/(decrease) in contract liabilities	(573)	46,509
Increase/(decrease) in employee leave entitlements	239	1,366
Increase/(decrease) in other provisions	22,655	17,848
Increase/(decrease) in other liabilities	7,811	(6,202)
	26,772	91,553
Net cash provided from operating activities from the statement of cash flows	247,578	268,067

Logan City Council

Notes to the Financial Statements

for the year ended 30 June 2026

Note 25. Events after the reporting period

Events that occur after the reporting date of 30 June 2026, up to and including the date when the financial statements are "authorised for issue" have been taken into account in preparing these statements.

Events that occur after the Reporting Date represent one of two types:

(i) Events that have provided evidence of conditions that existed at the reporting date

These financial statements (and the figures therein) incorporate all "adjusting events" that provided evidence of conditions that existed at 30 June 2026.

(ii) Events that have provided evidence of conditions that arose after the reporting date

These financial statements (and figures therein) do not incorporate any "non adjusting events" that have occurred after 30 June 2026 and which are only indicative of conditions that arose after 30 June 2026.

Logan City Council

Notes to the Financial Statements

for the year ended 30 June 2026

Note 26. Financial instruments and financial risk management

(a) Financial assets and financial liabilities

Financial instruments recognition

Financial assets and financial liabilities are recognised when Council becomes a party to the contractual provisions of the instrument and are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of Comprehensive Income.

Financial assets and financial liabilities are presented separately from each other and offsetting has not been applied. Council has exposure to credit, liquidity, and market risks from financial instruments.

Council is responsible for the establishment and oversight of a risk management framework, together with developing and monitoring risk management policies. Council's risk management policies are established to identify and analyse the risks faced, to set appropriate limits and controls and to monitor these risks and adherence against limits.

Financial instruments classifications

Financial assets and liabilities are classified as "subsequently measured at amortised cost" or "at fair value through profit or loss". The classification depends on the nature and purpose of the financial assets, is established at the time of initial recognition, and determines subsequent measurement practices.

Financial assets and liabilities classified at fair value through profit or loss

On-call deposits are designated as at fair value through profit or loss and are stated at fair value with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates interest earned on the financial asset and is included in the ‘interest received’ line item.

Other financial assets comprise unlisted equity investments in Logan Country Financial Services Limited and SEQ Regional Recreation Facilities Pty Ltd (note 13). These investments are classified as financial assets at fair value through profit or loss. As the shares are not traded in an active market and their fair values cannot be reliably measured, the investments are measured at cost less impairment.

Financial assets and liabilities classified as subsequently measured at amortised cost

Financial assets classified as "subsequently measured at amortised cost" include term deposits held to collect contractual cash flows. The contractual terms of the term deposits give rise to payments of solely principal and interest on specified dates based on the principal amount outstanding.

Other financial assets including loans, and trade and sundry receivables, are measured at amortised cost less a loss allowance (impairment) for any expected credit losses.

Financial liabilities classified as "subsequently measured at amortised cost" include borrowings, and trade and other payables, initially measured at fair value, net of transaction costs, and subsequently at amortised cost. Council borrows from QTC and amortised cost is determined using the QTC book rate methodology, with interest expense recognised on an effective yield basis. Further details are provided in note 17.

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment and expected credit losses at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial asset have been affected.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset’s carrying amount and the present value of estimated future cash flows, discounted at the financial asset’s original effective interest rate.

continued on next page ...

Logan City Council

Notes to the Financial Statements

for the year ended 30 June 2026

Note 26. Financial instruments and financial risk management (continued)

For short-term financial assets that are carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced by an impairment account. When a trade receivable is considered uncollectible, the expected uncollectible amount is adjusted against the impairment account. Subsequent recoveries of amounts are credited against the impairment account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

The collectability of trade receivables and contract assets arising under AASB 15 are reviewed on an ongoing basis. Uncollectible debts are written off by reducing the carrying amount directly. An impairment account is used when there is objective evidence that Council will not be able to collect amounts due according to the original terms of the receivables.

The amount of the impairment loss is recognised as an expense charged against Council's net result within other expenses. When a trade receivable for which an impairment allowance was recognised becomes uncollectible in a subsequent period, it is written off to expense and the impairment allowance is reversed.

Subsequent recoveries of amounts previously written off are credited against other expenses resulting in an increase in Council's net result. As Council is empowered under the provisions of the *Local Government Act 2009* to sell an owner's property to recover outstanding rate debts, Council does not impair any rate receivables.

Financial risk management

Council is responsible for the establishment and oversight of the risk management framework, together with developing and monitoring risk management policies. Council's Governance and Transformation Committee approves policies for overall risk management, as well as specifically for managing credit, liquidity and market risk.

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

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

Credit risk

Credit risk is the risk of financial loss if a counterparty to a financial instrument fails to meet its contractual obligations. These obligations arise principally from Council's investments and receivables from customers. By the nature of Council's operations, there is a geographical concentration of risk in Council's area. As the area is largely residential, there is also a concentration in the residential sector. Exposure to credit risk is managed through regular analysis of credit counterparties abilities to meet payment obligations. The carrying amounts of financial assets at the end of the reporting period represent the maximum exposure to credit risk for Council.

Cash and cash equivalents

The Council may be exposed to credit risk through its investments in the QTC Cash Fund and various term deposits with financial institutions. The QTC Cash Fund is an asset management portfolio that invests with a wide range of high credit rated counterparties.

Unless otherwise noted, on-call deposits are held with a maximum call term of two days. Council has a category 2 investment power under the *Statutory Bodies Financial Arrangements Act 1982*, which restricts the types of institutions, the types of investments, and the minimum financial ratings in which the Council can invest. Therefore, the likelihood of the counterparty having capacity to meet its financial commitments is strong. The credit ratings of the investments are monitored for credit deterioration.

continued on next page ...

Logan City Council

Notes to the Financial Statements

for the year ended 30 June 2026

Note 26. Financial instruments and financial risk management (continued)

On-call deposits include trust fund monies as detailed in note 10. Council bankers are the Commonwealth Bank of Australia, which has a long-term credit rating of Aa2 with a stable outlook by Moody's and at AA- long-term issuer credit rating with a negative outlook by Standard and Poor's.

Receivables

Council has determined there are five material receivables groupings for measuring expected credit losses (ECLs), being rates and utility charges, developer infrastructure charges, grants and subsidies, GST recoverable and other trade receivables. No loss allowance is recognised for rates and utility charges or for infrastructure receivables (other than amounts not transferrable to rates accounts) as these amounts are recoverable as a charge on the land, or for grants and subsidies provided by State or Federal Governments and GST recoverable from the Australian Federal Government (see note 11).

Council uses a provision matrix to measure ECLs for other trade receivables based on the last five years collections experience and calculates loss rates using a roll rate method based on the probability of a receivable progressing through successive stages of delinquency to write-off. Council management exercises discretion to determine an appropriate impairment allowance reviewing indicative loss rates, current economic conditions, and other trade receivables ageing data.

The Council does not require collateral in respect of trade and other receivables nor does the Council have trade receivables for which no loss allowance is recognised because of collateral. Details of Council's receivables by receivable type are provided in note 11.

Other financial assets

Council does not consider the investments in equity instruments that comprise other financial assets to be sufficiently material to warrant a separate credit management strategy.

Liquidity risk

Liquidity risk is the risk that Council will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Council is exposed to liquidity risk through its trading in the normal course of business and borrowings from QTC. Council manages its exposure to liquidity risk by maintaining sufficient cash reserves to cater for unexpected volatility in cash flows and by undertaking maturity analysis. Council draws down on its QTC facility in accordance with budget outcomes and therefore no line of credit is required.

$ '000	0 to 1 year	1 to 5 years	Over 5 years	Total contractual cash flows	Carrying amount
2026					
Trade and other payables	121,959	–	–	121,959	121,959
QTC borrowings	64,516	254,800	673,013	992,329	669,907
	186,475	254,800	673,013	1,114,288	791,866
2025					
Trade and other payables	123,439	–	–	123,439	123,439
QTC borrowings	57,153	234,620	598,364	890,137	602,464
	180,592	234,620	598,364	1,013,576	725,903

Market risk

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

Council implements strategies such as diversification of investments to limit exposure to price fluctuations. Council is exposed to market risk through investments and borrowings with QTC and other financial institutions. Council has access to a mix of variable and fixed rate funding options through QTC so that interest rate risk exposure can be minimised.

continued on next page ...

Logan City Council

Notes to the Financial Statements

for the year ended 30 June 2026

Note 26. Financial instruments and financial risk management (continued)

Council's Treasury function manages cash allocations daily to maximise Council return and minimise risk exposure. Council does not account for any fixed-rate financial assets and financial liabilities at fair value through profit or loss, therefore a change in interest rates at the reporting date would not affect profit or loss.

(b) Fair value

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

The fair value of borrowings with QTC is based on the market value of debt outstanding. The market value of a debt obligation is the discounted value of future cash flows based on prevailing market rates and represents the amount required to be repaid if this was to occur at balance date. QTC applies a book rate approach in the management of debt and interest rate risk, to limit the impact of market value movements to clients' cost of funding. The book value represents the carrying value based on amortised cost using the effective interest method. The fair values of Council's borrowings are disclosed in note 17. Other financial assets and liabilities are either measured at fair value or the carrying amount is a reasonable approximation of fair value.

Note 27. National competition policy

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

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

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

$ '000	Water and sewerage services	Waste services
Revenue for services provided to the Council	5,288	2,078
Revenue for services provided to external clients	445,220	92,478
	450,508	94,556
Less : expenditure	(310,670)	(105,811)
Surplus/(deficit)	139,838	(11,255)

Description of CSO's provided to business activities:

Activities	CSO description	Actual $´000
Waste services - cleansing remissions to eligible pensioners	Cleansing remissions to eligible pensioners	1,255

Logan City Council

Notes to the Financial Statements

for the year ended 30 June 2026

Note 28. Controlled entities that have not been consolidated

Council has a number of controlled entities that are not consolidated because their size and nature means that they are not material to council's operations.

A summary of those entities, their net assets and results for the year ended 30 June 2026 follows:

Controlled entity

$ '000	Details	Ownership interest %	Revenue	Expenses	Profit / (loss)	Assets	Liabilities
2026							
The City of Logan Mayor's Charity Limited (unaudited results)		100%	263	201	62	420	218
Underwood Innovation Lab Pty Ltd		100%	169	1,812	(1,643)	1,610	140
			432	2,013	(1,581)	2,030	358
2025							
The City of Logan Mayor's Charity Limited		100%	150	86	64	146	7
Underwood Innovation Lab Pty Ltd		100%	187	1,791	(1,604)	744	120
			337	1,877	(1,540)	890	127

The City of Logan Mayor's Charity Limited (the Trustee) was registered as a company limited by guarantee on 17 November 2017, The Council is the sole member of the Trustee. The directors of the Trustee act as the responsible persons for the City of Logan Charitable Trust (the Trust) and are collectively a formal decision- making body that has ultimate responsibility for all matters involving the Trust.The Trust is a community appeal fund, established to provide the public with a means by which to make donations for charitable purposes for the Logan community, and is a related party of Council. Relevant related party transactions between the Council and the Trust, and balances and commitments at the reporting date are disclosed in note 29.

Underwood Innovation Lab Pty Ltd (Uilab) was established on 21 September 2023 and commenced trading on 6 November 2023. Uilab was established to undertake economic development activities to benefit Logan City by attracting and retaining start-up and scale-up ventures and high-value jobs in Logan. The ultimate goal is to bolster the profile and reputation of Logan City as an innovation hub to ultimately support achievement of Logan City Council’s community ‘innovation and employment’ vision.

Each entity prepares separate financial statements which are audited by the Queensland Audit Office (QAO) and are available on Council’s website when finalised.

Logan City Council

Notes to the Financial Statements

for the year ended 30 June 2026

Note 29. Transactions with related parties

(a) Subsidiaries (ie. entities and operations controlled by Council)

Details of Council's subsidiaries are included at Note 28.

$ '000	Amount of transactions during year	Outstanding balance	Commitments
2026			
Investment	7,489	–	–
Administration expenses	7	–	–
Sponsorship in kind	138	–	–
Material Recycling Facility	4,113	–	–
	11,747	–	–
2025			
Investment	10,527	3,327	–
Subsidiary loan	464	–	–
Administration expenses	–	–	–
Subsidiary loan write off	3,524	–	–
Asset transfer	5,495	–	–
Sponsorship in kind	71	–	–
Material Recycling Facility	7,959	283	–
	28,040	3,610	–

(b) Key management personnel

Transactions with key management personnel

KMP are those persons having authority for the planning, directing, and controlling the activities of the Council, directly or indirectly, including the Mayor, Councillors, the Chief Executive Officer, directors and any personnel acting in these roles. One close family member of KMP was employed by Council during the year at standard contract arrangements.

In addition to their salaries, Council also provides non-cash benefits to KMP, and contributes to the Local Government Superannuation Scheme (Qld) on their behalf. All employees, excluding Councillors, also accrue leave entitlements in accordance with Council policy. Details of superannuation schemes are disclosed in note 23.

$ '000	2026	2025
The compensation paid to key management personnel comprises:		
Short-term employee benefits	6,066	5,338
Post-employment benefits	515	464
Long-term benefits	75	73
Total	6,656	5,875

Short-term benefits include annual and sick leave accruals and non-monetary fringe benefits provided to KMP.

continued on next page ...

Logan City Council

Notes to the Financial Statements

for the year ended 30 June 2026

Note 29. Transactions with related parties (continued)

(c) Other related parties

Transactions with other related parties

$ '000	Amount of transactions during year	Outstanding balance (incl. commitments)
2026		
Fees and charges charged to entities controlled by KMP	10	–
Employee expenses for close family members of KMP	47	–
Other services payable to KMP related entity	20	–
Rates charged to entities controlled by KMP	508	–
	585	–
2025		
Fees and charges charged to entities controlled by KMP	1	–
Employee expenses for close family members of KMP	48	–
Other services payable to KMP related entity	33	–
Rates charged to entities controlled by KMP	159	15
	241	15

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. Rates and charges levied on properties owned by KMP were on the same basis as the rates and charges adopted by Council and levied to the public.

(d) Loans and guarantees to/from related parties

Council does not make loans to or receive loans from related parties other than its wholly owned subsidiary, as disclosed above. No guarantees have been provided. Council has no outstanding commitments to/ from other related parties other than its wholly owned subsidiary, as disclosed above.

Financial Statements 2026

Logan City Council

General Purpose Financial Statements
for the year ended 30 June 2026

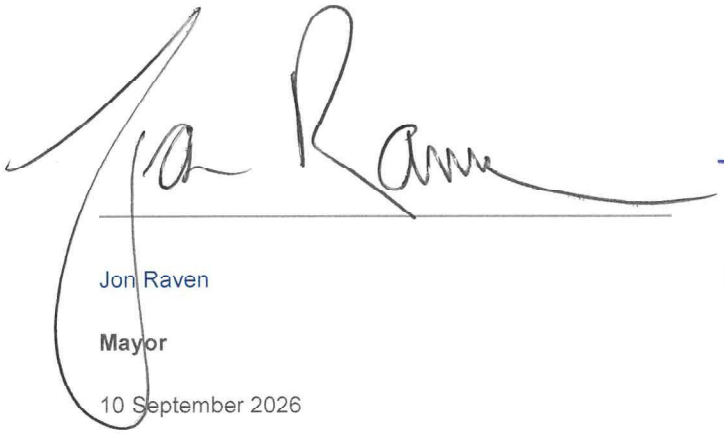
Management Certificate
for the year ended 30 June 2026

These General Purpose Financial Statements have been prepared pursuant to sections 176 and 177 of the Local Government Regulation 2012 (the Regulation) and other prescribed requirements.

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

i. the prescribed requirements of the *Local Government Act 2009* and Local Government Regulation 2012 for the establishment and keeping of accounts have been complied with in all material respects; and

ii. the General Purpose Financial Statements, as set out on pages 1 to 50, 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.



Jon Raven

Mayor

10 September 2026

Darren Scott

Chief Executive Officer

10 September 2026

Page 51 of 62

Queensland Audit Office
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INDEPENDENT AUDITOR'S REPORT

To the Councillors of Logan City Council

Report on the audit of the financial report

Opinion

I have audited the financial report of Logan City Council (the council).

The financial report comprises the statement of financial position as at 30 June 2026, 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 accordance with s. 40 of the *Auditor-General Act 2009*, for the year ended 30 June 2026:

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.

c) In my opinion, the financial report:

i. gives a true and fair view of the council's financial position as at 30 June 2026, and of its financial performance for the year then ended

ii. 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 council is responsible for the other information.

The other information comprises the information included in the council's annual report for the year ended 30 June 2026, but does not include the financial report and my auditor's report thereon.

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At the date of this auditor's report, the available other information in the council's annual report for the year ended 30 June 2026 was the current year financial sustainability statement, current year financial sustainability statement – contextual ratios (unaudited) 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 council for the financial report

The council is responsible for:

- the preparation of the financial report that gives a true and fair view in accordance with the *Local Government Act 2009* and the Local Government Regulation 2012, and other prescribed requirements and Australian Accounting Standards, and such internal control as they determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error
- the establishment and keeping of accounts in accordance with prescribed requirements
- 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. My auditor's report must state whether I have received all the information and explanations required, and whether I consider the prescribed requirements in relation to the establishment and keeping of accounts have been complied with in all material respects.

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:
www.auasb.gov.au/auditors_responsibilities/ar4.pdf

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A further description of my responsibilities under the *Auditor-General Act 2009* and *Auditor-General Auditing Standards* is located at the Queensland Audit Office website at: www.qao.qld.gov.au/audit-program/audit-standards

These descriptions form part of my auditor's report.

mluwinga

14 September 2026

Martin Luwinga
as delegate of the Auditor-General

Queensland Audit Office
Brisbane

Logan City Council

Current Year Financial Sustainability Statement

		Target Tier 2	Actual 2026	5 yr av. 2022-2026

Audited ratios

Council's performance at 30 June 2026 against key financial ratios and targets.

Liquidity

1. Unrestricted cash expense coverage ratio

		Target Tier 2	Actual 2026	5 yr av. 2022-2026
Total cash and equivalents add current investments add available ongoing QTC working capital limit less externally restricted cash / Total operating expenditure less depreciation and amortisation less finance costs	x 12	>2 mths	**5.8 months**	**NA**

The unrestricted cash expense cover ratio is an indicator of the unconstrained liquidity available to a council to meet ongoing and emergent financial demands, which is a key component to solvency. It represents the number of months a council can continue operating based on current monthly expenses. Council's ratio is above the benchmark, indicating sufficient unrestricted cash to meet short-term operating requirements and respond to emerging financial needs.

Operating performance

2. Operating surplus ratio

	Target Tier 2	Actual 2026	5 yr av. 2022-2026
Operating result / Total operating revenue	>0%	**9.57%**	**3.72%**

The operating surplus ratio is an indicator of the extent to which operating revenues generated cover operational expenses. Any operating surplus would be available for capital funding or other purposes. Council's ratio is above the benchmark, indicating that operating revenue is sufficient to cover operating expenses, with the surplus available to support capital investment and long-term sustainability.

3. Operating cash ratio

	Target Tier 2	Actual 2026	5 yr av. 2022-2026
Operating result add depreciation and amortisation add finance costs / Total operating revenue	>0%	**30.65%**	**25.39%**

The operating cash ratio is a measure of council's ability to cover its core operational expenses and generate a cash surplus excluding depreciation, amortisation, and finance costs. Council's ratio indicates strong operating cash generation, supporting its ability to fund ongoing services and contribute towards capital expenditure requirements.

Asset management

4. Asset sustainability ratio

	Target Tier 2	Actual 2026	5 yr av. 2022-2026
Capital expenditure on replacement of infrastructure assets (renewals) / Depreciation expenditure on infrastructure assets	>60%	**78.55%**	**85.26%**

The asset sustainability ratio approximates the extent to which the infrastructure assets managed by a council are being replaced as they reach the end of their useful lives. Council's ratio indicates continued investment in asset renewals to support the condition and service capacity of its infrastructure asset base.

5. Asset consumption ratio

	Target Tier 2	Actual 2026	5 yr av. 2022-2026
Written down replacement cost of depreciable infrastructure assets / Current replacement cost of depreciable infrastructure assets	>60%	**70.41%**	**70.20%**

The asset consumption ratio approximates the extent to which council's infrastructure assets have been consumed compared to what it would cost to build a new asset with the same benefit to the community. Council's ratio is above the benchmark, indicating its infrastructure assets remain broadly aligned with expected consumption over their useful lives.

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Logan City Council

Current Year Financial Sustainability Statement (continued)

	Target Tier 2	Actual 2026	5 yr av. 2022-2026
Debt servicing capacity			
6. Leverage ratio			
Book value of debt / Total operating revenue less total operating expenditure add depreciation and amortisation	0-4 times	**2.4 times**	**2.6 times**

The leverage ratio is an indicator of a council's ability to repay its existing debt. It measures the relative size of the council's debt to its operating performance. Council's ratio remains within the target range, indicating borrowings are manageable, although capacity for additional debt is more limited than for councils with lower leverage.

Note 1 - basis of preparation
The current year financial sustainability statement is prepared in accordance with the requirements of the Local Government Regulation 2012 and the Financial Management (Sustainability) Guideline 2024. The amounts used to calculate the 6 reported measures are prepared on an accrual basis and are drawn from the council's audited general purpose financial statements for the year ended 30 June 2026.

Financial Statements 2026

Logan City Council

Certificate of Accuracy (audited ratios)

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

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

Jon Raven

Mayor

10 September 2026

Darren Scott

Chief Executive Officer

10 September 2026

Page 55 of 62

Queensland Audit Office
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INDEPENDENT AUDITOR'S REPORT

To the Councillors of Logan City Council

Report on the Current-Year Financial Sustainability Statement

Opinion

I have audited the accompanying current year financial sustainability statement of Logan City Council (the council).

The financial sustainability statement for the year ended 30 June 2026, comprises 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 is accurately calculated in accordance with the Financial Management (Sustainability) Guideline 2024.

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 council is responsible for the other information.

The other information comprises the information included in the council's annual report for the year ended 30 June 2026, but does not include the financial sustainability statement and my auditor's report thereon.

At the date of this auditor's report, the available other information in the council's annual report for the year ended 30 June 2026 was the general purpose financial statements, current-year financial sustainability statement – contextual ratios (unaudited), 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 council for the current year financial sustainability statement

The council is responsible for the preparation and fair presentation of the current year financial sustainability statement in accordance with the Financial Management (Sustainability) Guideline 2024 and the Local Government Regulation 2012. The council's responsibility also includes such internal control as the council determines 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.

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Better public services

- obtain an understanding of internal control relevant to the audit 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.

mluwinga

14 September 2026

Martin Luwinga
as delegate of the Auditor-General

Queensland Audit Office
Brisbane

Logan City Council

Current Year Financial Sustainability Statement

		Target Tier x	Actual 2026	5 Yr Av. 2021-25
Contextual ratios (unaudited)				
Financial capacity				
1. Council controlled revenue				
Net rates, levies and charges add fees and charges / Total operating revenue		N/A	**89.66%**	**89.18%**
Council controlled revenue is an indicator of a council's financial flexibility, ability to influence its operating income, and capacity to respond to unexpected financial shocks.				
2. Population growth				
Prior year estimated population / Previous year estimated population	- 1	N/A	**3.86%**	**3.50%**
Population growth is a key driver of a council's operating income, service needs, and infrastructure requirements into the future.				
Asset management				
3. Asset renewal funding ratio				
Total of planned capital expenditure on infrastructure assets renewals over 10 years / Total required capital expenditure on infrastructure asset renewals over 10 years		N/A	**116.00%**	**96.88%**
The asset renewal funding ratio measures the ability of a council to fund its projected infrastructure asset renewal/replacements in the future.				

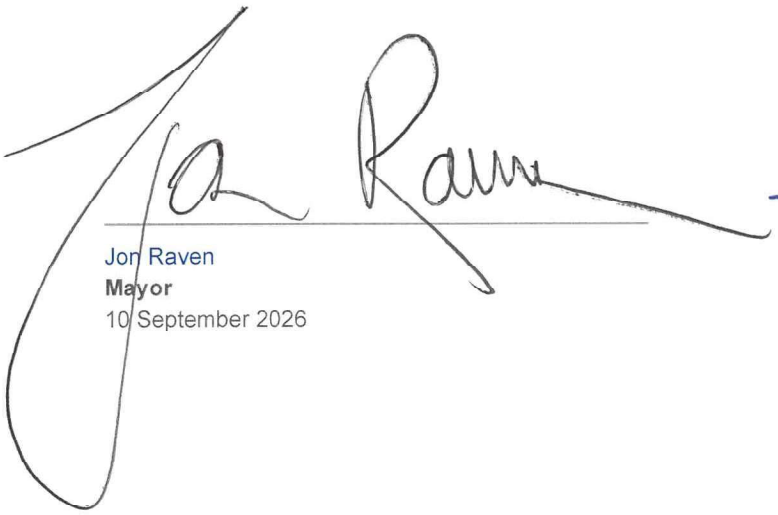
Financial Statements 2026

Logan City Council

Certificate of Accuracy (contextual ratios - unaudited)

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

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



Jon Raven
Mayor
10 September 2026



Darren Scott
Chief Executive Officer
10 September 2026

Page 58 of 62

Logan City Council

Unaudited Long Term Financial Sustainability Statement

	Target 2026	Actual 2026	Forecast 2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Measures of financial sustainability												
Operating performance												
1. Operating surplus ratio												
Operating result / Total operating revenue	Greater than 0%	**9.57%**	3.88%	2.75%	5.36%	7.67%	7.13%	6.43%	5.63%	4.68%	5.15%	5.64%

The operating surplus ratio is an indicator of the extent to which operating revenues generated cover operational expenses. Any operating surplus would be available for capital funding or other purposes. Council achieved an operating surplus ratio of 9.57% in 2026 and is forecast to maintain positive operating surpluses throughout the forecast period, indicating ongoing capacity to fund service delivery and contribute towards capital expenditure requirements.

2. Operating cash ratio												
Operating result add depreciation and amortisation add finance costs / Total operating revenue	Greater than 0%	**30.65%**	27.09%	26.38%	29.67%	32.09%	31.65%	30.89%	30.24%	29.41%	29.97%	30.46%

The operating cash ratio is a measure of council's ability to cover its core operational expenses and generate a cash surplus excluding depreciation, amortisation, and finance costs. Council achieved an operating cash ratio of 31% in 2026 and is forecast to maintain strong positive cash generation throughout the forecast period, supporting its capacity to fund ongoing operations and capital investment.

Asset management												
3. Asset sustainability ratio												
Capital expenditure on replacement of infrastructure assets (renewals) / Depreciation expenditure on infrastructure assets	Greater than 60%	**78.55%**	81.99%	76.67%	70.31%	65.92%	61.48%	56.58%	57.89%	57.43%	59.77%	56.96%

The asset sustainability ratio approximates the extent to which the infrastructure assets managed by a council are being replaced as they reach the end of their useful lives. Council's ratio remains above the benchmark of greater than 60% from 2026 to 2031, reflecting planned investment in infrastructure renewals relative to depreciation. From 2032 onwards, the ratio is forecast to fall below the benchmark, indicating that renewal expenditure may not fully keep pace with the consumption of infrastructure asset over the later years of the forecast period. This trend will be monitored through Council's asset management and long-term financial planning processes.

4. Asset consumption ratio

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	Target 2026	Actual 2026	Forecast 2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Written down replacement cost of depreciable infrastructure assets / Current replacement cost of depreciable infrastructure assets	Greater than 60%	**70.41%**	68.69%	69.02%	69.13%	69.11%	68.89%	68.73%	69.44%	69.22%	68.92%	68.39%

The asset consumption ratio approximates the extent to which council's infrastructure assets have been consumed compared to what it would cost to build a new asset with the same benefit to the community. Council's ratio of 70.41% in 2026 and forecast ratios of approximately 68-70% indicate that infrastructure assets are expected to remain in a satisfactory condition and broadly aligned with anticipated consumption over their useful lives.

Debt servicing capacity

5. Leverage ratio

Book value of debt / Total operating revenue less total operating expenditure add depreciation and amortisation	0-4 times	**2.4 times**	3.2 times	3.8 times	3.3 times	3.2 times	3.1 times	3.0 times	2.9 times	2.8 times	2.6 times	2.4 times

The leverage ratio is an indicator of a council's ability to repay its existing debt. It measures the relative size of Council's debt to its operating performance. Council's ratio remains within the target range throughout the forecast period, increasing from 2.4 times in 2026 to a peak of 3.8 times in 2028 before reducing to 2.4 times by 2036, indicating that debt levels are expected to remain manageable over the long term.

Financial capacity

6. Council controlled revenue

Net rates, levies and charges add fees and charges / Total operating revenue	n/a	**89.66%**	90.16%	90.94%	91.23%	91.38%	91.21%	91.39%	91.52%	91.74%	91.90%	91.90%

Council controlled revenue is an indicator of a council's financial flexibility, ability to influence its operating income, and capacity to respond to unexpected financial shocks. Council's ratio is forecast to increase to more than 90% over the forecast period, demonstrating a high level of control over its revenue base and providing ongoing financial flexibility to support service delivery and manage financial pressures.

7. Population growth

Prior year estimated population / Previous year estimated population	- 1	n/a	**3.86%**	2.85%	2.77%	2.69%	2.62%	2.55%	3.10%	3.01%	2.92%	2.84%	2.76%

Population growth is a key driver of a council's operating income, service needs, and infrastructure requirements into the future. Council growth is forecast to remain strong throughout the forecast period, averaging around 2.5% to 3.1% per annum, supporting continued demand for services, infrastructure investment, and revenue growth.

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Logan City Council Financial Management Strategy

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

Council aims to operate within a set of conservative guide-posts to ensure we are financially sustainable in the short, medium and long term. As part of our financial strategy, we have adopted seven key financial performance indicators to guide our financial health. In addition to the financial indicators, we have the above three sustainability indicators that have been set by the Department of Housing and Public Works to help monitor the long-term sustainability of all councils across Queensland. Throughout the financial year, these indicators are calculated and reported on monthly at Council meetings, as part of a full suite of financial reports. Should there be any deviation outside these parameters, the executive management and Council will be fully informed and may take corrective action as required.

The table above summarises how we performed against set targets for the seven key financial performance indicators established in our financial strategy. In summary, we achieved 5 of the financial targets, performing strongly in our ability to generate cash from day-to-day operations, meeting all financial commitments in the financial year, and keeping debt to conservative and manageable levels. This was achieved while maintaining community services and making ongoing investment in community infrastructure.

Financial Statements 2026

Logan City Council

Certificate of Accuracy - Long Term Financial Sustainability Statement

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

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

Jon Raven
Mayor
10 September 2026

Darren Scott
Chief Executive Officer
10 September 2026

Page 62 of 62