2023-2024 REPORT TO MEMBERS

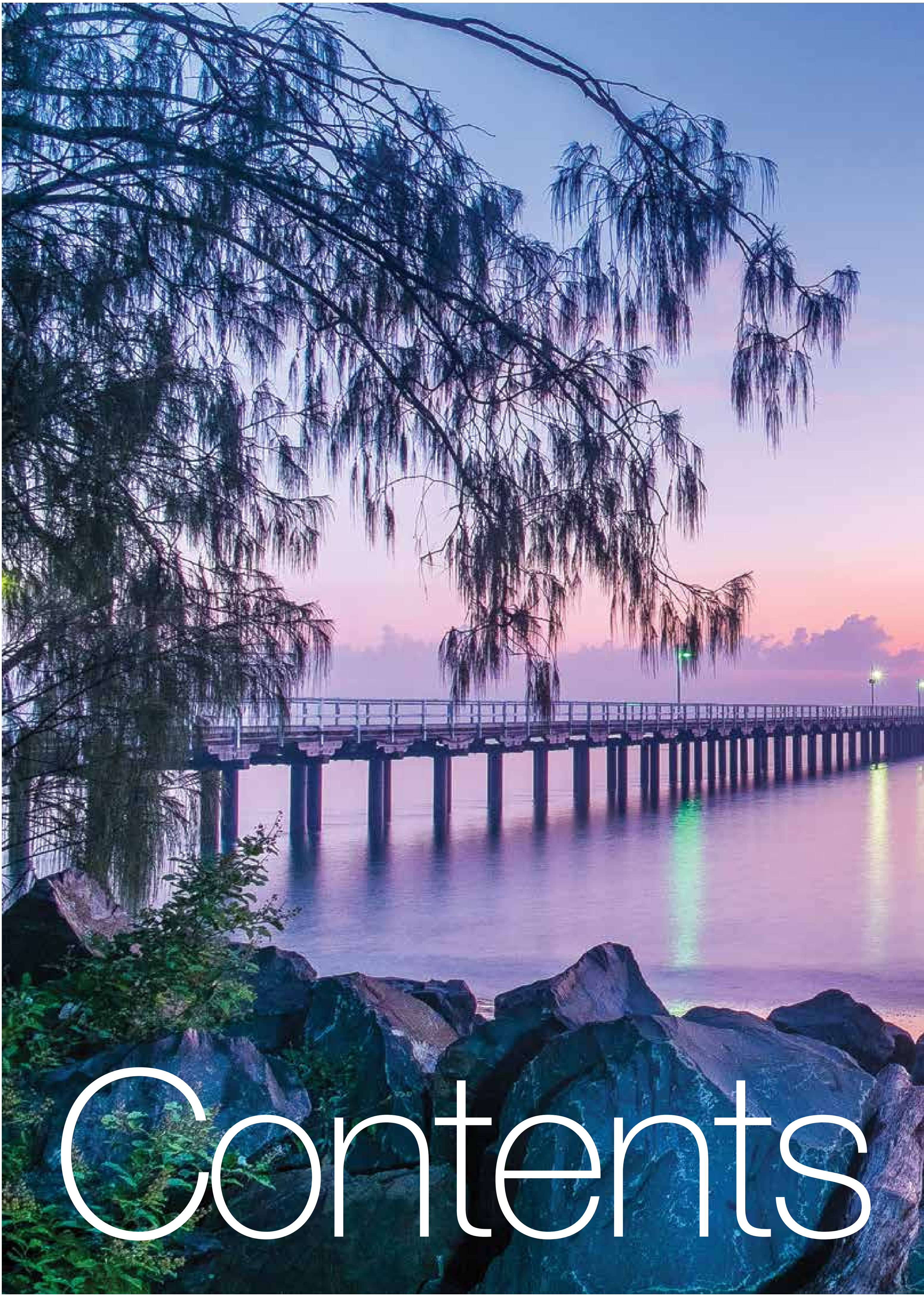
QUEENSLAND LOCAL GOVERNMENT MUTUAL

QUEENSLAND LOCAL GOVERNMENT WORKERS COMPENSATION SELF-INSURANCE SCHEME

Chinaman Creek Dam, Cloncurry by Cloncurry Shire Council

LGM LIABILITY | LGM ASSETS | LGW WORKCARE | LGMS LOCAL GOVERNMENT MUTUAL SERVICES

RISK SPECIALISTS | UNRIVALLED VALUE | OWNED BY MEMBERS



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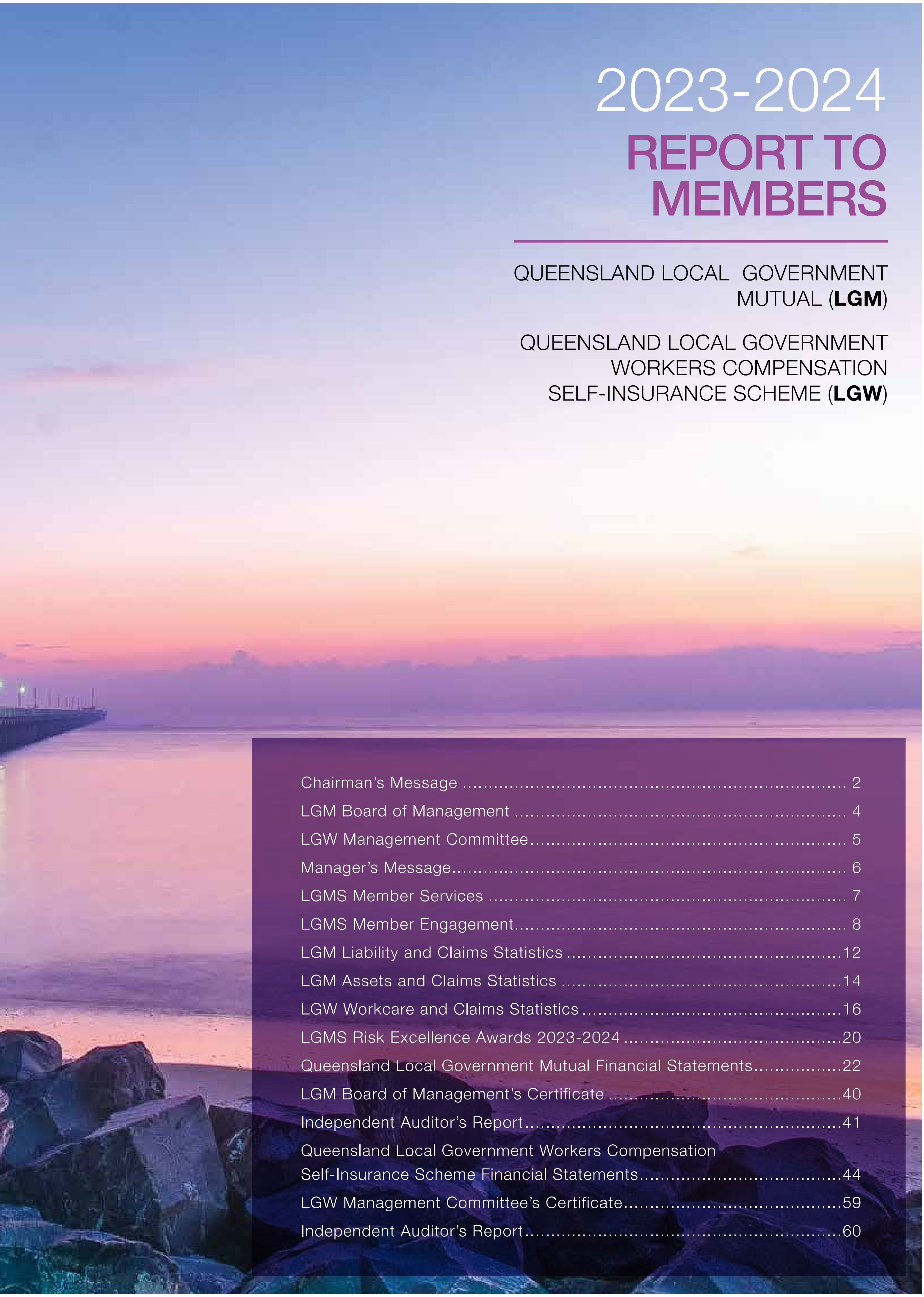


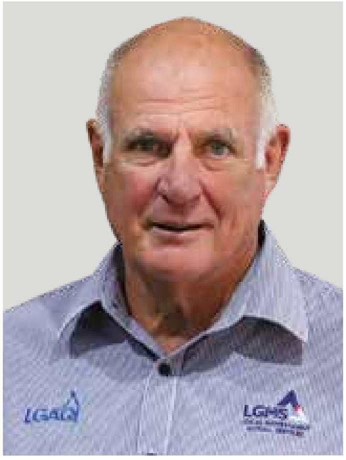
2023-2024

REPORT TO MEMBERS

QUEENSLAND LOCAL GOVERNMENT MUTUAL (**LGM**)

QUEENSLAND LOCAL GOVERNMENT WORKERS COMPENSATION SELF-INSURANCE SCHEME (**LGW**)

Chairman's message



IAN LECKENBY

Chair, LGM Board of Management
Chair, LGW Management Committee

> *It is the sole purpose of the LGMS mutual schemes to provide its members with the covers they need at a sustainable cost and on a long-term basis. The LGMS mutual schemes remain committed to providing our member Councils with comprehensive and tailored covers for their insurable risks, not otherwise available in the commercial insurance market.*

The performance and achievements of Local Government Mutual Services (LGMS) schemes throughout the 2023-2024 financial year improved greatly over the previous year despite a number of ongoing challenges.

This year we commend our members on their continued focus to improve risk management practices in local government which is critical for us to ensure our schemes are held in good stead and provides comfort to the insurance markets so we can provide products to mitigate insurable risks to benefit all our scheme members and achieve stable and sustainable contributions.

The LGMS mutual schemes were established by the Local Government Association of Queensland (LGAQ) over 30 years ago to enable Queensland Local Governments to exercise control over and manage their liability, workers' compensation and asset-based risk exposures. No one knows Queensland council risks like Queensland councils, and this is why our member Councils should have comfort that the mutual schemes are continuing to deliver stability and sustainability in these uncertain times, despite increasing costs and pressures on the commercial insurance markets due to external market factors.

Councils were asking for less volatility and more certainty in pricing of their covers for people, assets and public liability which is why the collective bargaining power of the member owned mutuals on a national and state level has been critical for our member Councils to achieve the objectives of the scheme. This has also helped our members to better withstand claim cost and market cycles which are for the sole benefit of the Local Government in Queensland. A key component to the mutual's success is our long-term relationships, and it is this strategy and our commitment that continues to enable the mutuals to provide sustainable contributions for our members not only now, but in years to come.

LGMS is always looking for opportunities to further enhance the products and services that the mutual schemes provide to its members to make sure they are best supported to achieve their required outcomes. It's our LGMS members who own the mutual, which is why we encourage regular feedback and survey

members on a regular basis. It is these valuable insights in terms of member satisfaction, quality of products, service and support levels that are critical to ensure continuous improvement and that we can deliver what local government needs to support their council and communities.

Over the past year LGMS has continued to see increasing premiums, claim costs and inflationary pressures that impact on the schemes. These market conditions are primarily a result of hard market conditions in recent years and the uncertainty of global events. Despite these challenges the LGM Liability scheme was able to keep contributions relatively stable for members this year and was also able to return a $4.45M distribution directly to scheme members.

The LGM Assets mutual scheme continued to see pressures on both cost and capacity in the market, which reflects recent global climate related catastrophes on the insurance/reinsurance markets, as well as the broader macro-economic environment. Despite this, LGM Assets has continued to deliver good outcomes for its members and continues to provide them with comprehensive covers which are tailored for local government and their asset-based risk exposures at a sustainable cost.

LGM Assets members have been subjected to a number of weather events during the year, but it is their continuous improvement in risk management practices by scheme members that further reinforces the benefits of the mutual model and has enabled a modest surplus to be recorded for the scheme this year.

LGW has continued to closely monitor its financial position which has been a challenge again this year. The LGW Management Committee remains committed to monitoring increasing claim costs and working with its actuary to regularly analyse claims data and emerging trends. It is as a result of this ongoing commitment by LGW to its members, to ensure financial stability, that has led to an increase in setting member contributions for the 2024-2025 year.

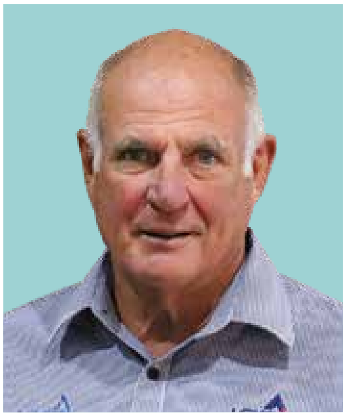
LGW will continue to monitor increasing costs and any emerging trends which may impact the scheme's performance and financial position, however you can be assured that if this leads to an improved financial performance, it's ultimately members who will benefit from any surpluses. We will also be working with the scheme's actuary again this coming year to ensure that LGW remains a viable mutual that delivers unrivalled value for its members, and this is why LGW did not provide a distribution to scheme members this year.

I would also like to acknowledge the retirement of Craig Hinchliffe, General Manager of JLT Public Sector in Queensland and that it is his stewardship, and that of his team not only this year, but over the past 30 years that has held the LGMS mutual schemes in such good stead.

It is the sole purpose of the LGMS mutual schemes to provide its members with the covers they need at a sustainable cost and on a long-term basis. The LGMS mutual schemes remain committed to providing our member Councils with comprehensive and tailored covers for their insurable risks, not otherwise available in the commercial insurance market. The mutual schemes also provide year-round support, education, and training to ensure that any risks for Queensland Councils are well-managed. This can only be achieved by local government collectively working together to achieve these positive outcomes and ensuring members remain committed to each other.

I appreciate our members ongoing support of the mutual schemes. ■

LGM Board of Management



MR IAN LECKENBY
Chair

MS ANNE LENZ
*Divisional Manager,
Organisational Services
Brisbane City Council*

MS KAREN WILLIAMS
Former Mayor Redland City Council

MS ALISON SMITH
*Chief Executive Officer,
LGAQ*

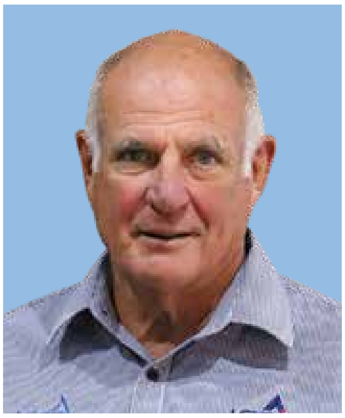
MR DARREN LECKENBY
*Chief Financial Officer and
Company Secretary LGAQ is
delegate for Chief Executive
Officer, LGAQ*

MAYOR SAMANTHA O'TOOLE
Balonne Shire Council

MR TERRY BRENNAN
*Former Chief Executive Officer
LGMA representative*

MR JOHN SHARMAN
Legal Consultant

MAYOR PETER FLANNERY
Moreton Bay City Council



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Former Chief Executive Officer

MS ALISON SMITH
Chief Executive Officer, LGAQ

MAYOR PETER FLANNERY
Moreton Bay City Council

MR DARREN LECKENBY
Chief Financial Officer and Company Secretary of the LGAQ is delegate for the Chief Executive Officer, LGAQ

Manager's message

NATHAN TURNER

General Manager Queensland & NT
JLT Public Sector

> *Now in their 30th year of operation, the LGMS schemes continue to uphold the core principle of mutuality, focussing on the needs of their members and promoting a collaborative environment that strengthens risk management and community support.*

In a world where unexpected crises, volatility and an accelerated pace of change have increasingly become the norm, the LGMS mutual schemes stand out as a beacon of resilience and adaptability.

Reflecting on the last 12 months, it is clear that the strength of the LGMS schemes lie in the collective commitment of members to one another. The sharing of risk and resources continues to enhance the ability of the schemes and their members to withstand and recover from the unforeseen and seemingly constant challenges that characterise the environment we operate in today.

2023-2024 was reflective of that, with the LGMS mutuals having to navigate an array of complex challenges ranging from the ongoing impacts of inflation on claim costs, increasing psychological injury claims amid changing societal expectations regarding mental health and wellbeing in the workplace and growing cyber and liability exposures in the context of many Councils embracing digital transformation as a means of enhancing their services and operations.

It is through the owner members' commitment to substantive risk improvement, considered claims management and collective and insightful engagement with global financial and insurance markets that the LGMS schemes have been able to continue to access tailored and comprehensive cover and otherwise respond positively and proactively to the evolving risk landscape for the benefit of members' organisations and the communities they serve.

Now in their 30th year of operation, the LGMS schemes continue to uphold the core principle of mutuality, focussing on the needs of their members and promoting a collaborative environment that strengthens risk management and community support. By working together, the LGMS mutuals empower their members to effectively address emerging risks such as climate change and cyber threats, ensuring that they are not only protected but also prepared for the challenges ahead.

JLT Public Sector is dedicated to supporting the mutual model by providing regulatory accreditation, industry expertise, capacity, and commercial influence, all of which deliver sustainable benefits to local governments in Queensland. Our diverse and skilled team appreciates the ongoing opportunities to contribute. We extend our thanks to the LGM Board of Management, the LGW Management Committee, and the LGAQ for the continued support and also extend our gratitude to all representatives from Queensland member councils, both elected officials and staff, for their goodwill and active engagement in our efforts on behalf of their councils and other local government bodies.■

At LGMS, we pride ourselves on being more than just a provider of tailored coverage for Queensland councils—we are a dedicated partner in risk management, education and support. Since our establishment in 1994, councils across the state have relied on LGMS to reduce volatility, provide certainty in pricing and deliver solutions that reflect their unique needs.

Access to LGMS is a key benefit of LGAQ membership, providing councils with access to collective buying power, offering coverage and value unmatched in the commercial insurance market. As the mutual schemes are owned by councils, any profits are reinvested into initiatives that strengthen local government or returned to members, ensuring the value of membership continues to grow.

This year, we've supported councils across Queensland with claims management and practical advice through the LGM Assets, LGM Liability, and LGW Workcare schemes. Our claims consultants worked closely with councils to scope and quantify damage, streamline claim submissions, and explore alternative funding sources. For Wujal Wujal Aboriginal Shire Council, this included facilitating site assessments to secure disaster recovery funding.

Resilience-building has remained a core focus for us. We provided risk engineering advice during the planning and construction phases of critical projects like new recycling facilities, helping councils minimise future risks. Tailored resources, developed in collaboration with industry experts Marsh Advisory, addressed emerging challenges and claims drivers identified during risk engineering visits.

We also expanded our services to include comprehensive crime cover under LGM Assets, addressing evolving risks in areas like aged care, dams and waste sites. Councils gained insights into the financial impacts of natural disasters through the Climate Resilience Project, equipping them with tools to prepare for extreme weather events.

Cybersecurity became a key area of support this year. LGMS provided members with detailed guidance, Key Cyber Controls Reports, and access to the CI-ISAC program to bolster information security and incident response capabilities.

Our Regional Risk Coordinators and Workplace Health and Safety teams have strengthened collaboration with councils, providing on-the-ground support to address local challenges, meet safety obligations, and enhance enterprise risk management (ERM). Councils also benefited from risk maturity assessments, improvement plans, and tailored self-assessment reports to guide their progress.

Communication and education have been central to our approach. The Risk Aware podcast brought fresh perspectives from governance officers, mayors, and CEOs on managing risks. Regular LGMS eNews updates shared practical insights, while events like the Regional Risk Focus Groups and WHS forums provided opportunities for councils to connect and learn from each other.

As we celebrate 30 years of partnership with Queensland councils, we're proud of the collective strength we've built together and remain committed to supporting your success for years to come. ■

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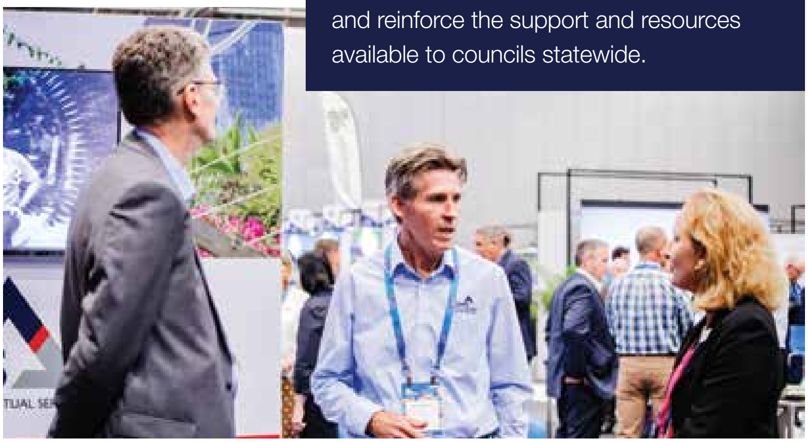
LGMS Member Engagement

LGAQ ANNUAL CONFERENCE 2024 (BRISBANE)

In 2023-2024, LGMS continued actively engaging with member councils across Queensland through in-person events, forums, and key workshops, strengthening transparency and support for councils. This year, LGMS hosted multiple Local Government Risk Management Focus Group (LGRMFG) meetings, facilitated due diligence training sessions and sponsored significant events such as the LGAQ Annual Conference, LGFP Conference, Civic Leaders Forum and the Coastal Leaders Forum. These engagements allowed LGMS to showcase members' achievements and reinforce the support and resources available to councils statewide.



LGAQ Annual Conference, 2024. Left to right: Rachael Lindsay (Manager, Insurance Services, LGMS), Isabel Singh (Corporate Marketing Advisor, LGAQ), Paul Bright (Regional Risk Coordinator, LGMS), Ian Leckenby (Chair, LGM Board of Management & LGW Management Commitee), Lesley Harpeng (WHS Manager, LGW), Ian Barton (Regional Risk Coordinator, LGMS), Dean Campbell (Divisional Manager, Workers Compensation, LGW).

LGAQ Indigenous Leaders Forum (ILF)

3 x LGM Local Government Risk Management Focus Group (LGRMFG) Sessions

4 x LGMS Council Leader

LGW First Nations People and Safety Forum

3 x LGMS member webinars

LGAQ Annual Conference

LGMA Annual Conference

LGFP Annual Conference

Western Queensland Alliance of Councils (WQAC) Assembly

6 x LGMS eNews Editions

LGMS CEO Inductions

LGW FIRST NATIONS PEOPLE AND SAFETY FORUM 2024 - CAIRNS

LGW's first, First Nations People and Safety Forum held in Cairns

LOCAL GOVERNMENT RISK MANAGEMENT FOCUS GROUPS 2024

Local Government Risk Management Focus Group, Redland City Council

Local Government Focus Group, Mackay Regional Council, Paul Bright, Regional Risk Coordinator

Local Government Risk Management Focus Group, Sunshine Coast Regional Council

LGMS Member Engagement

SOUTH EAST QUEENSLAND WORKPLACE HEALTH AND SAFETY FORUM (LOGAN)

South East Queensland Workplace Health and Safety Forum in Logan.

LGAQ CIVIC LEADERS FORUM 2024 (GOLD COAST)

LGAQ Civic Leaders Summit 2024

WESTERN QUEENSLAND ALLIANCE OF COUNCILS ASSEMBLY 2024 (MOUNT ISA)

Western Queensland Alliance of Councils, 2024. Left to right: David Royston- Jennings (LGMS Regional Risk Coordinator), Ian Barton (LGMS Regional Risk Coordinator), Ian Leckenby (Chair, LGM Board of Management & LGW Management Commitee).

LGMS Step Your Way to $10k competition winners, Croydon Shire Council

Former Croydon Shire Councillor Kim Gaynor's win at the LGMS Step Your Way to $10k competition during the LGAQ's Annual Conference in 2023 has left a lasting impact on men's health and wellbeing in Croydon. The $10,000 prize was dedicated to an initiative aimed at fostering both physical health and mental wellbeing among men in the Croydon community.

At the heart of this initiative was a fishing charter trip for the men of Croydon. The objective? To create a space where men could come together, share their stories and dismantle the stigma surrounding men's health while enjoying a day out on the water.

Before they prepared to cast off, each member of the fishing charter had to have a routine health care check at the local health centre. A significant step towards self-care, this proactive approach highlighted the importance of men's physical health and mental wellbeing.

Under the banner of "Healthy Men, Strong Families", a group of 19 men made their way from Croydon to Karumba, ready to start their weekend-long fishing adventure. As the sun set on their first day in Karumba, the group gathered for dinner overlooking the beach, eager to get a good night's sleep before their early start the next morning.

The next morning the group boarded two fishing charter boats after donning their custom-made fishing shirts and mental health kits for a day filled with fishing, camaraderie and relaxation. Despite the grey skies and rough seas, spirits remained high as the men enjoyed each other's company and reeled in their catches, including a few sea snakes and sharks.

As the fishing trip drew to a close, the group gathered for a final sunset dinner, sharing their experiences. Laughter echoed as they swapped stories, forging new friendships and rekindling old ones, highlighting the significance of breaking down barriers surrounding men's mental health.

Ultimately, it wasn't just about the fishing trip—it was about a community coming together, supporting each other and recognising the importance of men's mental health. By fostering discussions about men's mental health through initiatives like these, communities can pave the way for open dialogue and provide essential support.

Through initiatives like the 'Healthy Men, Strong Families' fishing charter, LGMS continues to demonstrate its commitment to supporting member councils in fostering thriving and resilient councils and communities. ■

Fishing Trip

Day 1- 31st May

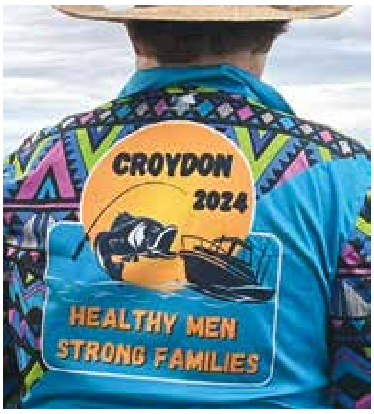
Everyone loaded onto the Croydon Council bus to travel to Karumba.

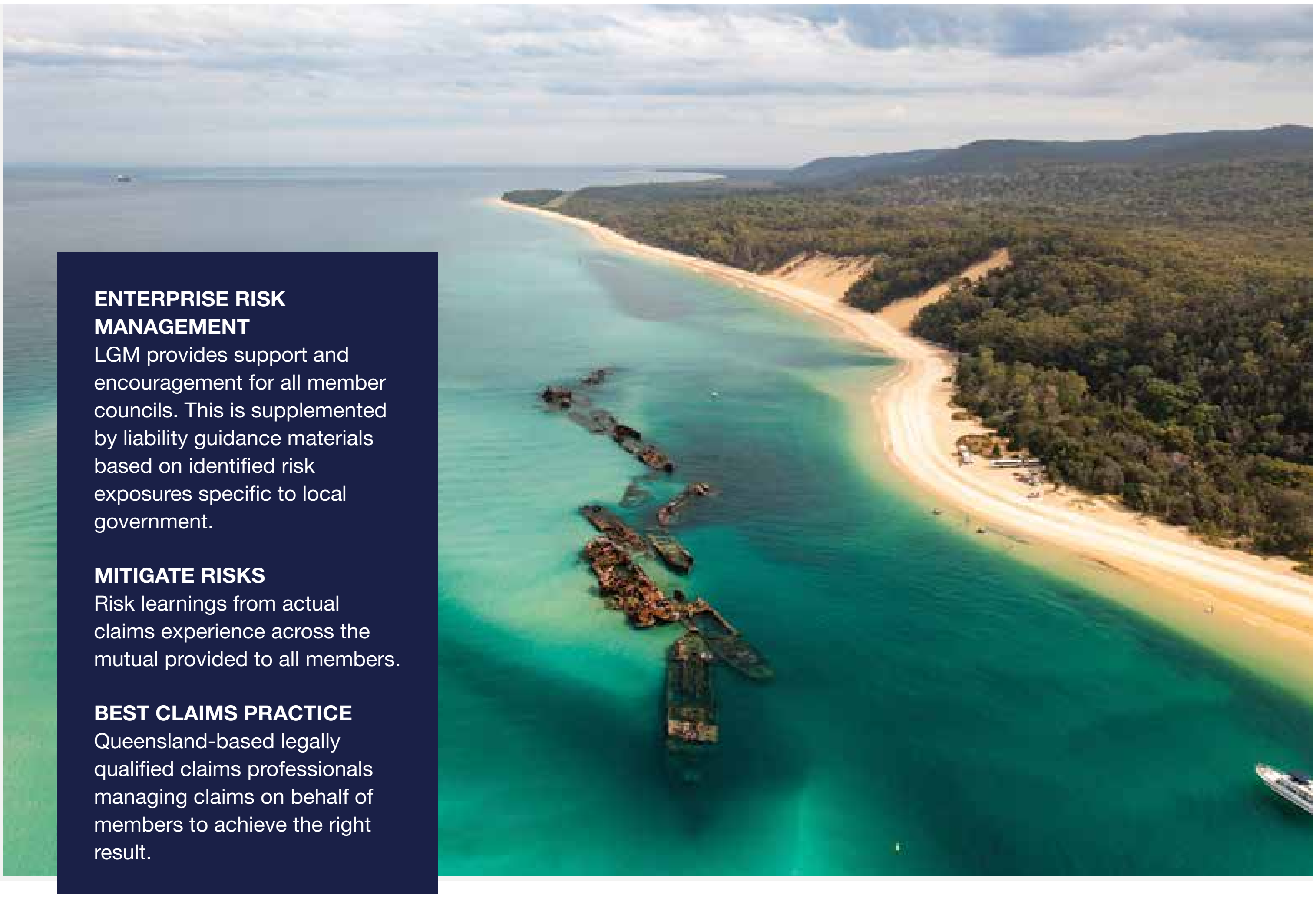
That night everyone enjoyed a group dinner and a beautiful sunset overlooking the beach where everyone received the custom-made fishing shirts and mental health kits.

Day 2- 1st June

The men boarded Kerry D's Fishing Charters at 6:15am for a full day jam packed of fishing, bonding, relaxing and fun. Although the weather caused rough seas there were still lots of fish caught including a few sea snakes and sharks.

Many heart-warming stories of adventure were told filled with laughter, new friendships have been made and some old friendships rekindled. The journey was focused on breaking down men's mental health issues.





ENTERPRISE RISK MANAGEMENT
LGM provides support and encouragement for all member councils. This is supplemented by liability guidance materials based on identified risk exposures specific to local government.

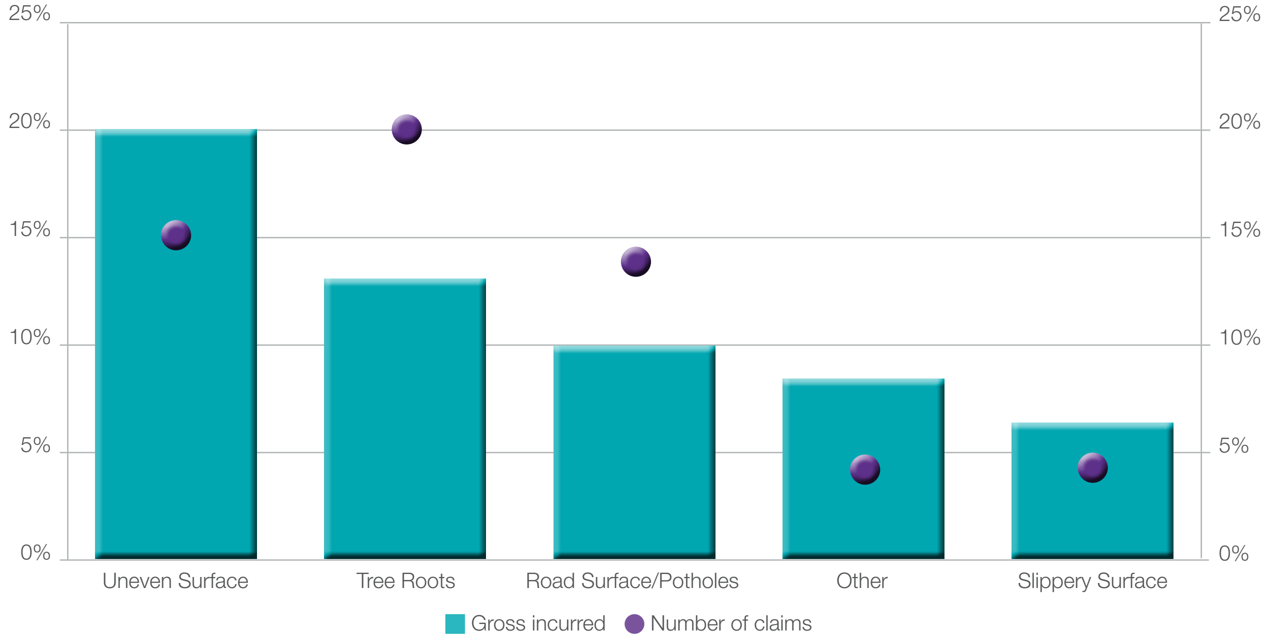
MITIGATE RISKS
Risk learnings from actual claims experience across the mutual provided to all members.

BEST CLAIMS PRACTICE
Queensland-based legally qualified claims professionals managing claims on behalf of members to achieve the right result.

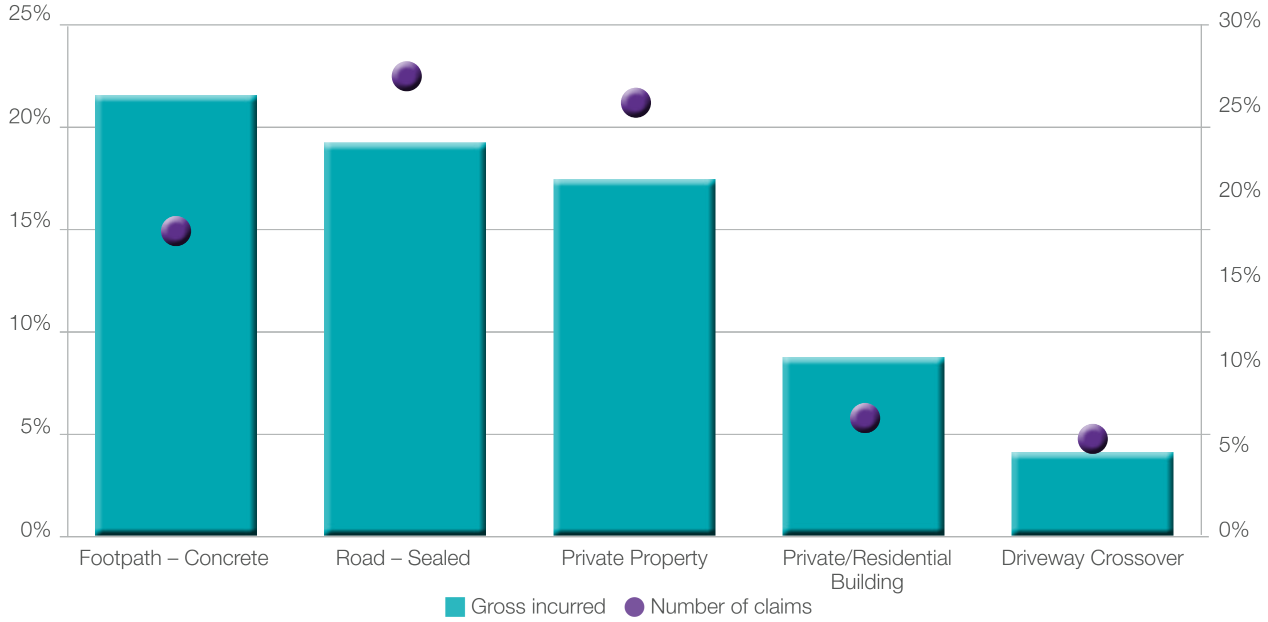
What were the top causes of council claims?

Types of cover 2023-2024 by number of claims and claims cost

Top 5 liability claim causes 2023-2024 by number of claims and claims cost



Top 5 liability claim locations 2023-2024 by number of claims and claims cost



LGM Assets and Claim Statistics

CONVENIENCE:

Dedicated account managers make it easier to assist members to maintain their membership with the mutuals' services and support.

SUSTAINABILITY

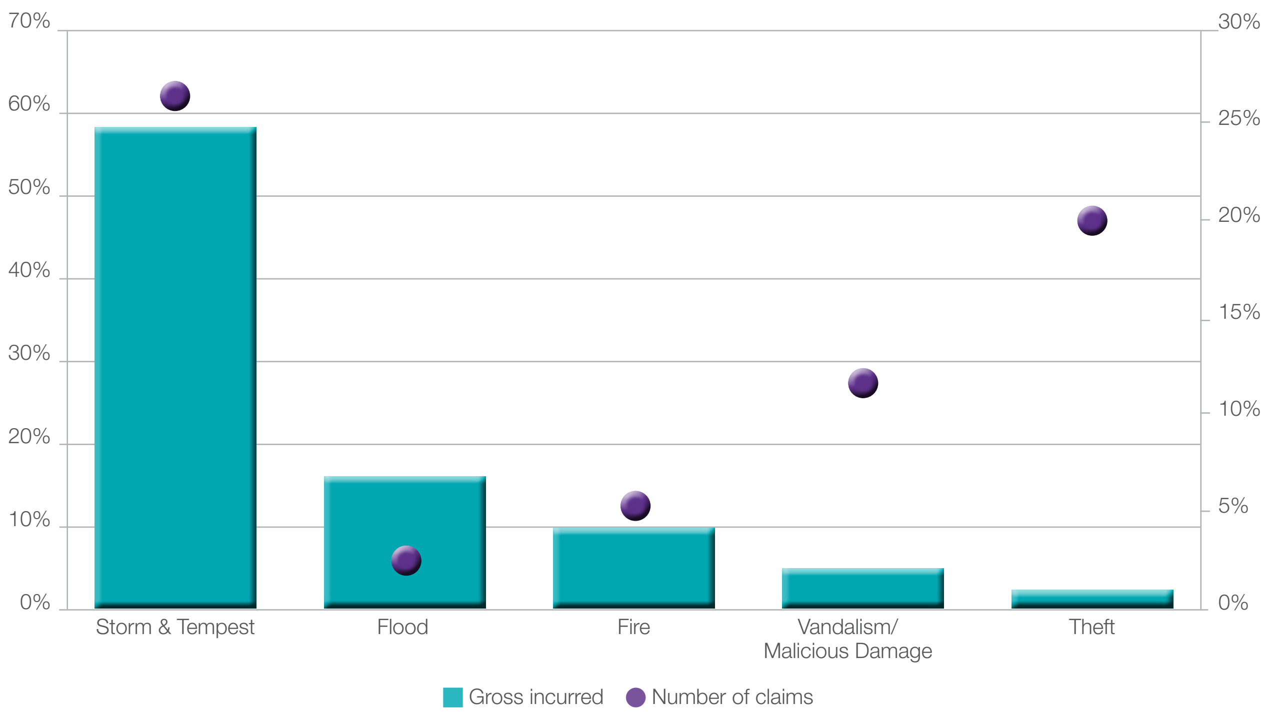
Supporting members to continue to preserve cover, contain pricing and maintain deductibles by undertaking valuations and gathering asset information on their behalf.

OWNERSHIP

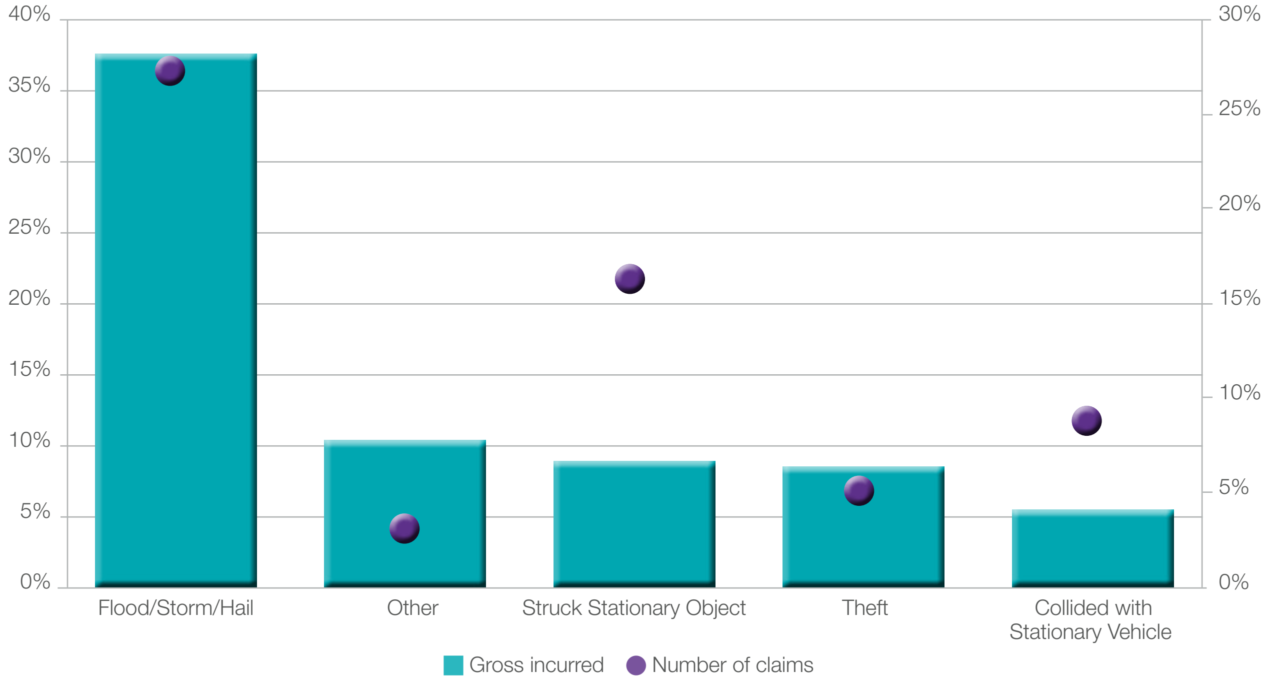
Member owned with all the benefits going back to you and the opportunity for your council to shape the direction of the mutuals.

What were the top causes for council claims?

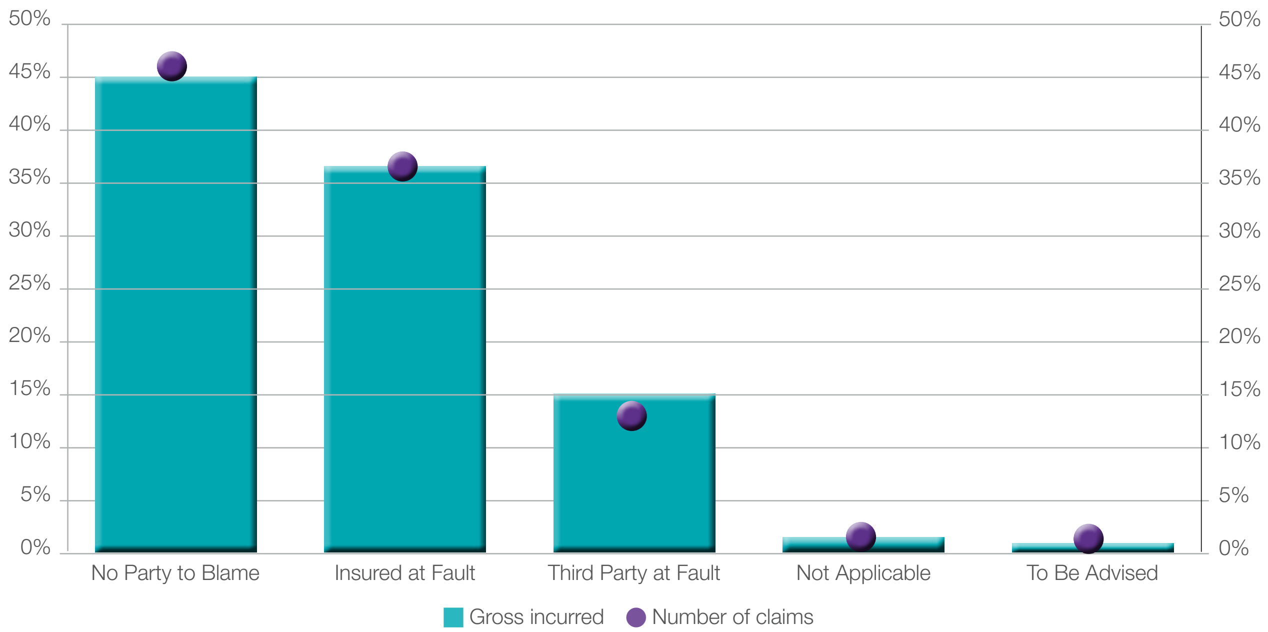
Top 5 general property claim causes 2023-2024 by number of claims and claims cost



Top 5 motor claim causes 2023-2024 by number of claims and claims cost



Top 5 party responsible for motor vehicle claims 2023-2024 by number of claims and claims cost



LGW Workcare and Claims Statistics

DEDICATED ALLIED HEALTH PROFESSIONALS

Guide and ensure best claims practice for the benefit of the worker and the council.

WHS ADVICE AND SUPPORT

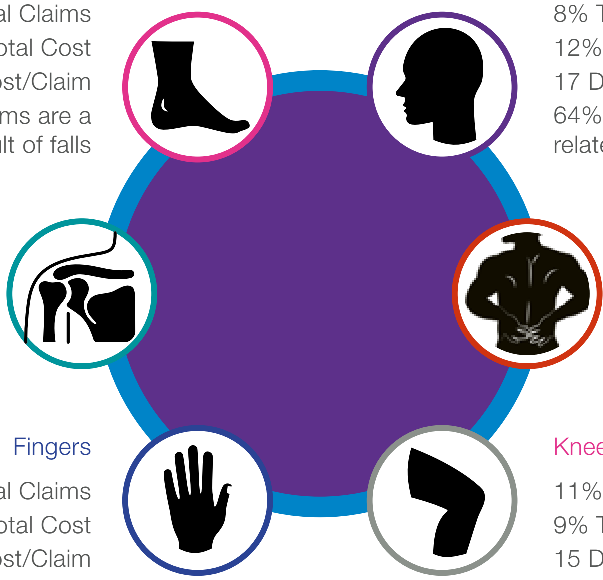
Tailored to local government specific risks to reduce injuries and claims.

LGW MUTUAL RISK OBLIGATIONS

LGW initiative working with member councils to ensure legislative requirements are met through accredited WHS audits and working with them on any remedial actions to be resolved.

What were the injuries sustained by council workers?

Most common injuries 2023-2024 by claims, cost, and days lost per claims



Ankle

5% Total Claims
3% Total Cost
15 Day Lost/Claim
71% Claims are a result of falls

Psychological

8% Total Claims
12% Total Cost
17 Days Lost/Claim
64% Claims are caused by work-related harrassment/bullying

Shoulder

8% Total Claims
11% Total Cost
26 Days Lost/Claim
81% Claims are caused by muscular stress

Lower Back

12% Total Claims
9% Total Cost
21 Days Lost/Claim
82% Claims are caused by muscular stress

Fingers

5% Total Claims
3% Total Cost
7 Days Lost/Claim
40% Claims are a result of being hit by moving object

Knee

11% Total Claims
9% Total Cost
15 Days Lost/Claim
44% Claims are caused by muscular stress

Note:
Data is based on claims incurred within the 2023/2024 financial year.
Psychological, Lower Back, Shoulder, Knee, Fingers and Ankle related injuries make up 47% of the total cost of claims.
Psychological, Lower Back, Shoulder, Knee, Fingers and Ankle related injuries make up 50% of the total number of claims.

Most common causes 2023-2024 by claims, cost, and days lost per claims

Muscular Stress

42% Total Claims
34% Total Cost
18 Days Lost/Claim

Sound and Pressure

4% Total Claims
6% Total Cost
26 Days Lost/Claim

Vehicle Accident

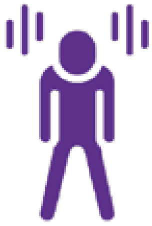
5% Total Claims
8% Total Cost
21 Days Lost/Claim

Hit by Moving Object

8% Total Claims
4% Total Cost
7 Days Lost/Claim

Falls

18% Total Claims
15% Total Cost
21 Days Lost/Claim



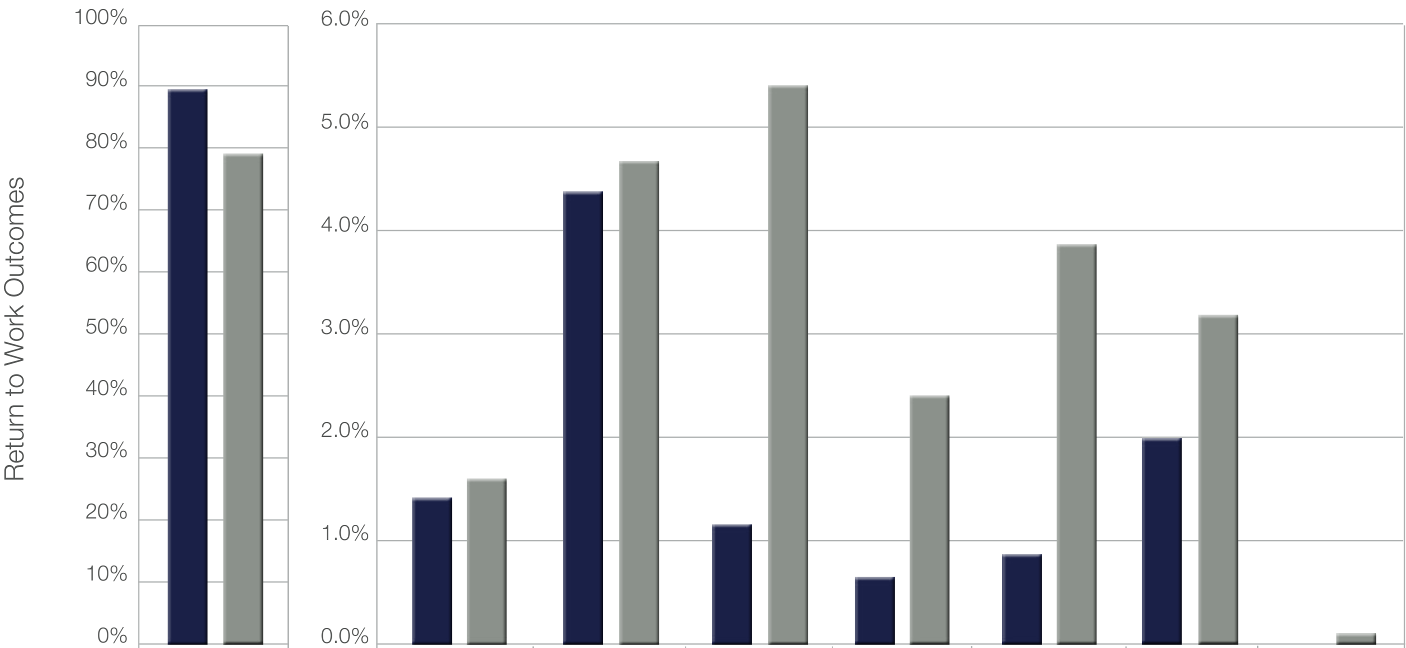
Workplace Bullying / Harrassment / Violence / Pressure

9% Total Claims
11% Total Cost
123 Days Lost/Claim

Data is based on claims incurred within the 2023-2024 financial year.

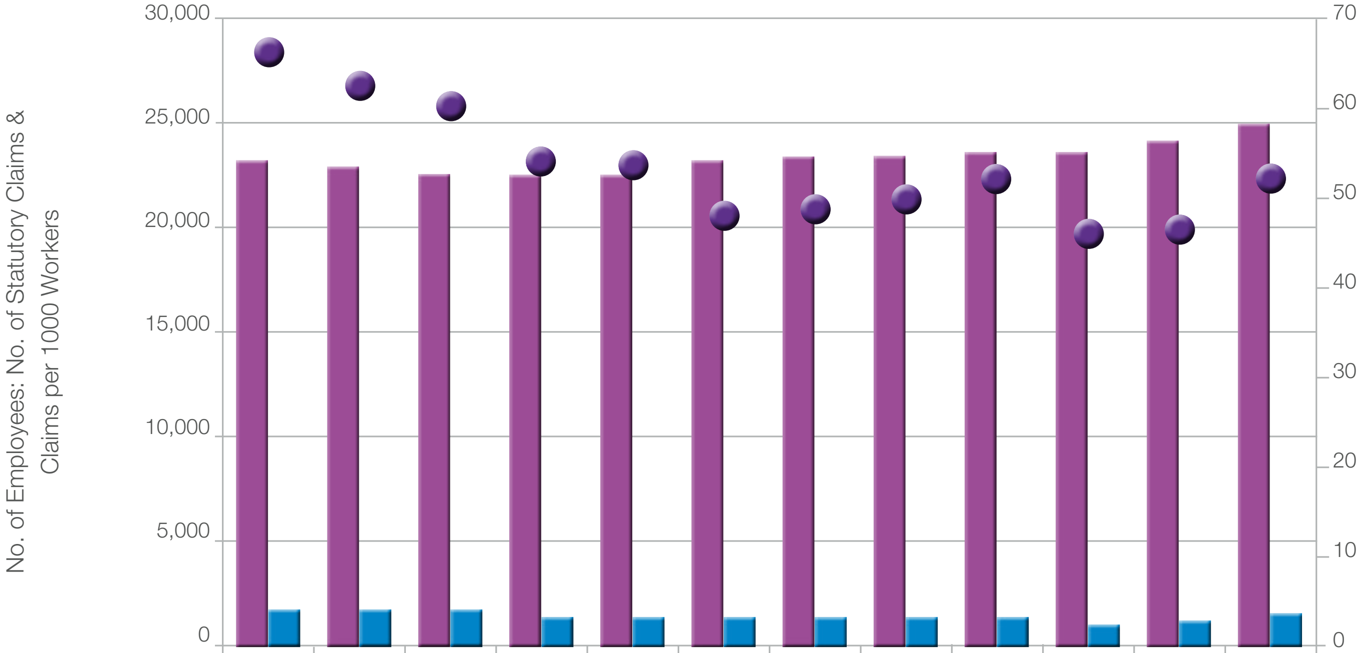
LGW vs WorkCover – Return to work outcomes 2023-2024

LGW's injured workers have a higher return to work rate for ongoing employment at Council than Workcover.



	Fit for work: same job/tasks with same employer	Fit for work: same job/tasks with different employer	Fit for work: different job/ tasks with same employer	Fit for work: different job/ tasks with different employer	Fit for work: No job	Fit for work: worker does not return	Not fit for work	Alternative outcome not claim related
LGW	89.6%	1.4%	4.3%	1.1%	0.6%	0.9%	2.0%	0.0%
WorkCover	78.9%	1.6%	4.7%	5.3%	2.3%	3.9%	3.1%	0.1%

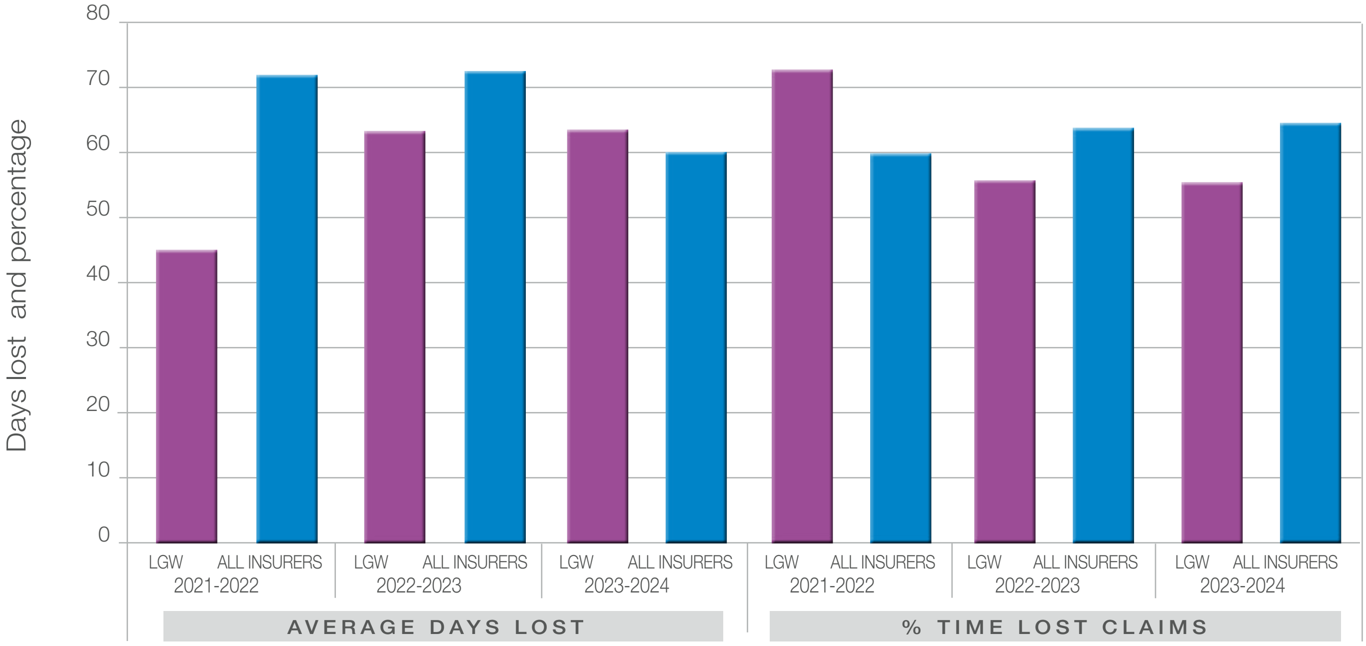
Claims frequency by injury year



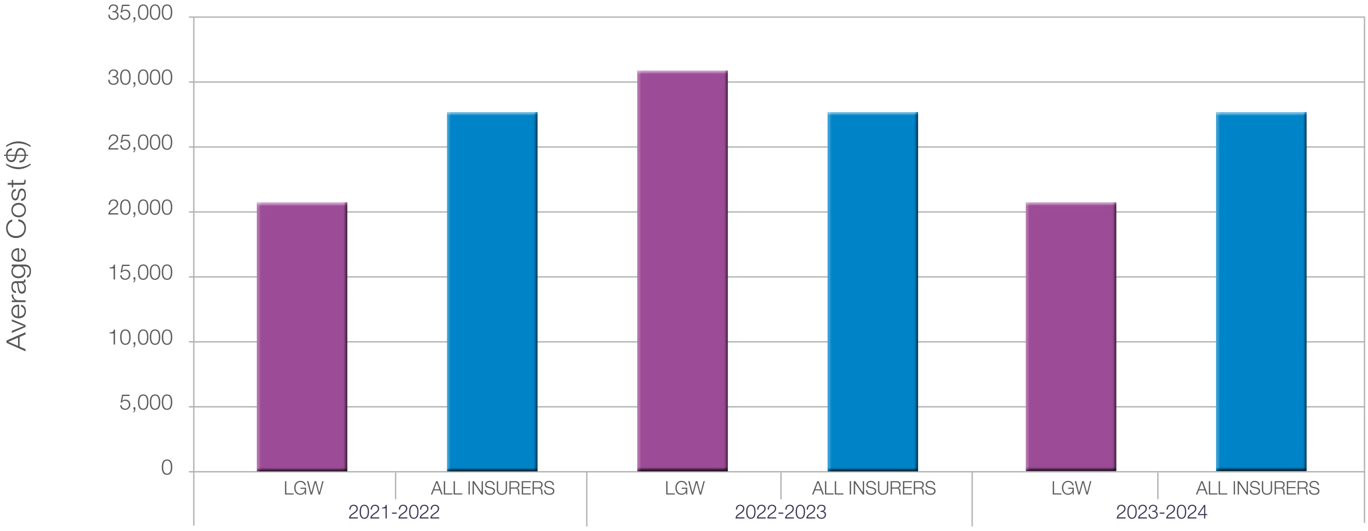
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
No. of Employees	23,001	22,606	22,270	22,494	22,469	23,381	23,429	23,255	23,837	23,749	24,463	25,065
No. of Statutory Claims	1,501	1,365	1,353	1,232	1,218	1,134	1,156	1,167	1,246	1,095	1,146	1,308
Claims per 1,000 workers	66.3	62.0	60.2	55.7	54.2	48.5	49.3	50.2	52.3	46.1	47.0	52.2

Time lost claim indicators 2023-2024

LGW achieves a lower duration of time lost claims than that of Workcover which get workers back to work sooner and reduces the overall cost of claims to Council. LGW also achieves a lower percentage of time lost claims than that of Workcover which also reduces the overall cost of claims.



Average cost of time lost claims 2023-2024



Gladstone Regional Council, Risk Award Winner: (Left to right) Ian Leckenby (Chair, LGM Board of Management & LGW Management Commitee), Cr Natalia Muszkat (Deputy Mayor, Gladstone Regional Council), Craig Hinchliffe (Former General Manager Queensland & NT, JLT Public Sector).

Logan City Council, Risk Award Winner: (Left to right) Ian Leckenby (Chair, LGM Board of Management & LGW Management Commitee), Cr Jon Raven (Mayor, Logan City Council), Craig Hinchliffe (Former General Manager Queensland & NT, JLT Public Sector).

The 2024 LGMS Risk Excellence Awards once again celebrated the councils leading the way in risk management innovation and dedication to community safety.

This year's awards, announced at the LGAQ Annual Conference, recognised councils that not only manage risks but also proactively tackle complex challenges with forward-thinking solutions. With a high standard set across all nominations, selecting the winners was no easy feat for the LGMS Board. Here's how this year's award-winning councils are making a difference

Gladstone Regional Council: Pioneering Governance with Assurance Mapping

Gladstone Regional Council's award-winning project has set a new bar for effective decision-making. Their Assurance Map provides a clear, structured view of governance and control, pinpointing assurance gaps and helping leaders make strategic, informed decisions. By creating this map, Gladstone is able to assess the state of controls and improve accountability. General Manager of People & Strategy, Carly Quinn, highlighted how the map has enhanced oversight by providing critical insights that drive more targeted risk management across the council. This project is not only safeguarding Gladstone but setting an example of excellence in Queensland's governance landscape.

Logan City Council: Leading in ERM Transformation

Logan City Council's risk management journey reflects its dedication to continuous improvement and resilience. Recognising the need for a more comprehensive approach, the council overhauled its Enterprise Risk Management (ERM) framework, embedding risk and compliance practices that resonate across the organisation. This year's nomination recognises Logan's ongoing efforts, including detailed risk profiling, refined appetite reviews and strategic workshops that have shifted the council's risk culture. Mayor Jon Raven proudly accepted the award, noting how Logan's revamped ERM framework has become a model for other councils that are aiming to elevate their approach to risk management.

Whitsunday Regional Council: A Groundbreaking Approach with Key Risk Indicators

Whitsunday Regional Council took an innovative step with the implementation of Key Risk Indicators (KRIs), developed in collaboration with LGMS. These KRIs have empowered the council to track and measure potential risks more effectively, providing a streamlined risk profile that fosters proactive management. Mayor Ry Collins emphasised the council's commitment to a collaborative approach that enhances understanding and responsiveness at every level of council operations. By refining KRIs and implementing them consistently, Whitsunday has paved the way for data-driven decisions that strengthen the council's resilience

Cloncurry Shire Council: Raising the Bar on Dam Safety

In response to evolving dam safety standards, Cloncurry Shire Council conducted a thorough risk review of Chinaman Creek Dam, ensuring compliance and enhancing community safety. With support from Queensland Reconstruction Authority (QRA) funding, Cloncurry's project exemplifies the proactive, risk-based approach needed to manage such critical infrastructure. Mayor Greg Campbell accepted the award on behalf of Cloncurry, underscoring the council's dedication to safeguarding its community by integrating safety advancements into essential infrastructure.

Each winning council has made strides that go beyond traditional risk management practices, embracing innovative approaches that prioritise community wellbeing and effective governance. Alongside recognition, these councils will each receive $20,000 to support their ongoing risk management efforts and the opportunity for council officers to attend the Local Government Risk Management Conference in Sydney next year.

Congratulations to the 2024 LGMS Risk Excellence Award winners. ■

Whitsunday Regional Council, Risk Award Winner: (Left to right) Ian Leckenby (Chair, LGM Board of Management & LGW Management Commitee), Cr Ry Collins (Mayor, Whitsunday Regional Council), Craig Hinchliffe (Former General Manager Queensland & NT, JLT Public Sector).

Cloncurry Shire Council, Risk Award Winner: (Left to right) Ian Leckenby (Chair, LGM Board of Management & LGW Management Commitee), Cr Greg Campbell (Mayor, Cloncurry Shire Council), Dr Philip Kierle (CEO, Cloncurry Shire Council), Craig Hinchliffe (Former General Manager Queensland & NT, JLT Public Sector).

Congratulations to the following LGMS Risk Excellence Award 2023-2024 winners:

NORTH QLD	CENTRAL QLD	SOUTH WEST QLD	SOUTH EAST QLD
Whitsunday Regional Council	Cloncurry Shire Council	Gladstone Regional Council	Logan City Council
In 2023, Whitsunday Regional Council partnered with its LGMS Regional Risk Coordinator, David Royston-Jennings, to develop key risk indicators for its strategic risk register. Through collaboration and research, they developed a list of indicators that were presented to the Executive Leadership Team and the Audit & Risk Committee. These risk indicators were well received, with the Committee commending the work and approving them for implementation. This project highlights the importance of using both leading and lagging indicators and the value of a collaborative approach in risk management.	Faced with the need to meet updated dam safety standards, Cloncurry Shire Council undertook a thorough risk review, supported by funding from the Queensland Resilience and Risk Reduction Fund. Through detailed investigations—including geotechnical assessments and flood modelling—this council successfully demonstrated a reduced level of risk for the Chinaman Creek Dam than originally assessed by council. As a result, council was able to downgrade the dam's referable status, reduce the population at risk, and avoid significant capital upgrades. Additionally, council has improved monitoring systems and is set to install an early warning system to further improve safety.	Over the past two years, Gladstone Regional Council has developed and implemented an 'Assurance Map' to improve oversight of governance, risk management, and control processes. This structured tool helps identify and coordinate the main sources of assurance across council's four lines of defence. By offering insights to senior management and audit committees, the Assurance Map improves decision-making, highlights gaps in risk controls and strengthens accountability. This initiative demonstrates the value of organised assurance processes for more effective risk management and corporate governance at council.	Over the past three years, this council has transformed its Enterprise Risk Management (ERM) framework by improving risk and compliance management across 26 branches. In 2023, the updated framework was reviewed by the Audit and Risk Committee and implemented organisation-wide. Council's increased efforts in risk management, which include detailed risk profile reporting and strong second-line risk functions, have driven critical conversations around prioritising and reducing risk. This council's commitment to best practice is evident through its active participation in local government risk focus groups and collaboration with LGMS for ongoing risk support.

Financial Statements

for the year ended 30 June 2024

Contents

Statement of Profit or Loss and other Comprehensive Income

for the year ended 30 June 2024

This statement should be read in conjunction with the notes to the financial statements set out on pages 25-39.

	Note	2024 $	2023 $
REVENUE			
Member contributions	3	93,341,728	84,141,259
Reinsurance and other recoveries revenue	3	9,965,970	7,897,737
Other income	3	2,225,636	2,037,968
Investment income	3	3,871,408	3,195,525
Changes in the fair value of financial assets	3	5,993,431	3,366,191
Interest revenue	3	2,098,166	1,351,980
Total revenue		**117,496,339**	101,990,660
EXPENSES			
Claims expense	3	(36,062,160)	(26,794,996)
Outwards risk premium expense	3	(66,051,203)	(58,200,885)
Other underwriting expenses	3	(8,698,004)	(8,240,777)
General expenses	3	(1,951,836)	(1,900,489)
Total expenses		**(112,763,203)**	(95,137,147)
Operating result		**4,733,136**	6,853,513
Other comprehensive income		-	-
Total comprehensive income for the year attributable to members		**4,733,136**	6,853,513

Statement of Financial Position

as at 30 June 2024

This statement should be read in conjunction with the notes to the financial statements set out on pages 25-39.

	Note	2024 $	2023 $
CURRENT ASSETS			
Cash and cash equivalents	7(a)	52,812,331	50,702,872
Trade and other receivables		385,669	649,259
Reinsurance and other recoveries receivables		9,466,485	8,934,241
Financial assets at fair value through profit or loss		11,045,005	17,246,861
Prepayments		-	135,500
Total current assets		**73,709,490**	77,668,733
NON-CURRENT ASSETS			
Financial assets at fair value through profit or loss		107,159,050	98,485,337
Reinsurance and other recoveries receivables		18,922,969	16,168,055
Total non-current assets		**126,082,019**	114,653,392
Total assets		**199,791,509**	192,322,125
CURRENT LIABILITIES			
Trade and other payables		3,815,070	4,090,082
Unearned contributions		18,448,576	25,144,880
Distribution payables	18	1,696,249	755,210
Future claims and associated costs	9	42,125,151	35,484,841
Total current liabilities		**66,085,046**	65,475,013
NON-CURRENT LIABILITIES			
Future claims and associated costs	9	61,562,361	54,987,000
Total non-current liabilities		**61,562,361**	54,987,000
Total liabilities		**127,647,407**	120,462,013
NET ASSETS		**72,144,102**	71,860,112
EQUITY			
Retained surplus		72,144,102	71,860,112
TOTAL EQUITY		**72,144,102**	71,860,112

Statement of Changes in Equity

for the year ended 30 June 2024

This statement should be read in conjunction with the notes to the financial statements set out on pages 25-39.

	Note	2024 $	2023 $
Total equity at the beginning of the financial year		71,860,112	69,455,872
Other comprehensive income		-	-
Operating result for the year		4,733,136	6,853,513
Total comprehensive income		4,733,136	6,853,513
Surplus distribution	18	(4,449,146)	(4,449,273)
Total equity at the end of the financial year		**72,144,102**	71,860,112

Statement of Cash Flows

for the year ended 30 June 2024

This statement should be read in conjunction with the notes to the financial statements set out on pages 25-39.

	Note	2024 $	2023 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Member contributions		87,332,863	89,105,551
Outwards risk premium expense		(66,051,203)	(58,200,885)
Claims expense		(26,129,984)	(26,202,557)
Other underwriting and general expenses		(10,484,887)	(10,368,853)
Interest revenue		2,047,660	1,277,833
Reinsurance and other recoveries revenue		9,962,307	7,900,908
Goods and Services Tax (GST) collected from members		8,815,735	8,969,022
GST paid to suppliers and Australian Tax Office (ATO)		(9,493,543)	(5,554,613)
Other income		2,225,636	2,558,872
NET CASH (USED IN) / PROVIDED BY OPERATING ACTIVITIES	7(b)	**(1,775,416)**	9,485,276
CASH FLOWS FROM INVESTING ACTIVITIES			
Distributions / (payments for) from Investments		3,521,574	(2,823,074)
Investment income received		3,871,408	3,195,525
NET CASH PROVIDED BY INVESTING ACTIVITIES		7,392,982	372,451
CASH FLOWS FROM FINANCING ACTIVITIES			
Surplus Distribution paid		(3,508,108)	(4,409,830)
NET CASH USED IN FINANCING ACTIVITIES		(3,508,108)	(4,409,830)
NET INCREASE IN CASH AND CASH EQUIVALENTS		2,109,458	5,447,899
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR		50,702,873	45,254,974
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR		**52,812,331**	50,702,873

1. Background

Queensland Local Government Mutual (LGM) is a Trust which has been established in Australia by the Local Government Association of Queensland Ltd under a Trust Deed dated 3 December 1993.

The Queensland Local Government Mutual is a self-insurance scheme.

LGM was renamed from Queensland Local Government Mutual Liability Pool to Queensland Local Government Mutual as part of the Trust Deed that continued a fund for civil liability and established a separate Asset Fund.

The Liability Fund and Asset Fund are both established under the one Trust Deed to spread public liability, professional indemnity and asset risk between the Members, and provide risk management services for the local governments in Queensland who elect to become members. Although there are two separate funds, these funds are not 'individual reporting entities'. There is one legal entity, Queensland Local Government Mutual, which controls both funds. The Asset Fund commenced operations on 1st July 2015. The principal activity of Queensland Local Government Mutual is the provision of cover for civil liability (Liability Fund) and asset loss (Asset Fund) incurred by member local governments and member local government controlled entities within Queensland and the management of associated claims.

The principal place of business of Queensland Local Government Mutual is:

Local Government House
27 Evelyn Street
Newstead QLD 4006

All employees are employed by the Scheme Manager, JLT Risk Solutions Pty Ltd, formerly known as Jardine Lloyd Thompson Pty Ltd, and their associated costs are recharged to LGM through a monthly scheme management fee. This fee is disclosed in the Statement of Profit or Loss and other Comprehensive Income as 'Other underwriting expenses'.

2. Statement of material accounting policies

a) Basis of preparation

These financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards, (including the Australian Accounting Interpretations) to satisfy reporting responsibilities under the Queensland Local Government Mutual (LGM) Trust Deed. LGM is a not-for-profit entity and the Australian Accounting Standards Board (AASB) includes requirements for not for profit entities which are inconsistent with International Financial Reporting Standards (IFRS). Therefore in some instances these financial statements do not comply with IFRS. They have been prepared on a historical cost basis except for the Financial assets which are measured at fair value which consist of the QIC managed funds.

Further information about the assumptions made in measuring fair values is included in the following note:
Note 12 Financial instruments.

The material accounting policies are consistent with those of the previous year unless otherwise stated. The functional and presentation currency of LGM is Australian Dollars.

b) Going concern

These financial statements have been prepared on a going concern basis, which assumes that LGM will be able to discharge its liabilities as and when they are due.

c) Rounding

Figures in the financial statements are rounded to the nearest dollar unless otherwise indicated.

d) Comparative figures

Comparative figures have been adjusted to be consistent with the changes in presentation for the current financial year.

e) Taxation

LGM is subject to Goods and Services Tax (GST). The net amount of GST recoverable from or payable to the Australian Taxation Office is shown as an asset or liability respectively.

LGM is not a separate legal entity, and is not a partnership. It operates under a contractual relationship between its members, all of which are local governments or other local government/statutory entities, and all of which are exempt from income tax. All assets of LGM, including surpluses of contributions over claims costs and expenses, remain the directly-owned property of the members. Under the mutuality principle, therefore, LGM does not generate "income" for taxation purposes, except in relation to its investments. The investment income is directly owned property of the tax-exempt members. For these reasons, no provision has been made for income tax.

f) Estimates and judgements

In the process of applying the material accounting policies, certain critical accounting estimates and assumptions are used and certain judgements are made.

The areas where the estimates and assumptions involve a high degree of judgement or complexity, and are considered material to the financial statements, are:

- Reinsurance and other recoveries on outstanding claims, refer notes 3 and 10.
- Future claims and associated costs, refer notes 3 and 9.

3. Revenue and expenses

	Total Liability & Asset Funds 2024 $	Total Liability & Asset Funds 2023 $	Liability Fund 2024 $	Liability Fund 2023 $	Asset Fund 2024 $	Asset Fund 2023 $
REVENUE						
Member contributions	93,341,728	84,141,259	30,695,404	29,228,853	62,646,324	54,912,406
Reinsurance and other recoveries revenue	9,965,970	7,897,737	9,876,072	7,542,637	89,898	355,100
Other income	2,225,636	2,037,968	-	-	2,225,636	2,037,968
Investment income	3,871,408	3,195,525	3,871,408	3,195,525	-	-
Changes in the fair value of financial assets	5,993,431	3,366,191	5,993,431	3,366,191	-	-
Interest revenue	2,098,166	1,351,980	466,122	375,017	1,632,044	976,963
Total revenue	**117,496,339**	101,990,660	**50,902,437**	43,708,223	**66,593,902**	58,282,437

Revenue recognition

Member contributions

Contributions comprise amounts charged to Members of LGM for liability and property protection. Contributions are earned from the date of attachment of risk. The pattern of recognition over the period of cover is based on time, which is considered to closely approximate the pattern of risks undertaken.

Investment revenue

Investment revenue is recognised as it accrues, taking into account the effective yield on the financial asset. Investment distributions are recognised when the right to receive payment is established. The investment revenue comprises of distributions from the investment funds and the interest received from term deposits.

Distribution of $1.54 million from investment funds pertaining to 2022-2023 but received in July 2023 has been accounted as Investment income in 2023-2024.

Distribution of $1.90 million from investment funds pertaining to 2021-2022 but received in July 2022 has been accounted as Investment income in 2022-2023.

Interest revenue

The revenue received from cash and cash equivalents is recognised as interest revenue. It is recognised as it accrues on the cash and cash equivalents. The interest revenue comprises of the interest received from the QTC cash fund and a commercial bank.

Other income

Other income relates to excess brokerage fees and is recognised when it is realised and earned.

	Total Liability & Asset Funds 2024 $	Total Liability & Asset Funds 2023 $	Liability Fund 2024 $	Liability Fund 2023 $	Asset Fund 2024 $	Asset Fund 2023 $
EXPENSES						
Claims expense	(36,062,160)	(26,794,996)	(22,336,731)	(17,962,040)	(13,725,429)	(8,832,956)
Outwards risk premium expense	(66,051,203)	(58,200,885)	(15,367,878)	(14,778,491)	(50,683,325)	(43,422,394)
Other underwriting expenses	(8,698,004)	(8,240,777)	(5,267,973)	(4,986,305)	(3,430,031)	(3,254,472)
General expenses *	(1,951,836)	(1,900,489)	(1,093,492)	(898,672)	(858,344)	(1,001,817)
Total expenses	**(112,763,203)**	(95,137,147)	**(44,066,074)**	(38,625,508)	**(68,697,129)**	(56,511,639)

*General expenses include as per below						
Investment fees and charges	400,769	392,515	367,379	353,619	33,390	38,896
Administration expenses	1,551,067	1,507,974	726,113	545,053	824,954	962,921
	1,951,836	1,900,489	**1,093,492**	898,672	**858,344**	1,001,817

Claims expense and future claims and associated costs liability

Claims expense and a liability for future claims are recognised as losses occur for the Liability and Asset fund. The liability for future claims includes claims incurred but not yet paid, incurred but not reported (IBNR), incurred but not enough reported (IBNER) and the anticipated costs of settling those claims.

The liability for future claims for both the funds are measured as the present value of the expected future payments, reflecting the fact that all claims do not have to be paid out in the immediate future. The Trust takes all reasonable steps to ensure that it has appropriate information regarding its claim exposures, with estimates and judgements continually being evaluated and updated based on historical experience and other factors. The liability for future claims for both the funds is calculated using a central estimate with no explicit bias towards over or under estimation.

Liability fund

The liability for future claims includes a prudential margin to increase the probability that the overall provision for claims will be adequate. The liability has been set having regard to independent actuarial advice.

The expected future payments are estimated on the basis of the ultimate cost of settling claims, which is affected by factors arising during the period to settlement such as normal inflation and “superimposed inflation”. Superimposed inflation refers to factors such as trends in court awards, for example, increases in the level and period of compensation for injury. The expected future payments are then discounted to a present value at the reporting date using market determined risk adjusted discount rates. The details of rates applied are included in Note 9.

Outwards risk premiums

Premiums ceded to insurers and reinsurers are recognised as expenses in accordance with the pattern of services received, being on a daily pro-rata basis.

4. Financial position

	Total Liability & Asset Funds 2024 $	Total Liability & Asset Funds 2023 $	Liability Fund 2024 $	Liability Fund 2023 $	Asset Fund 2024 $	Asset Fund 2023 $
CURRENT ASSETS						
Cash and cash equivalents	52,812,331	50,702,872	23,679,823	25,261,343	29,132,508	25,441,529
Trade and other receivables	385,669	649,259	274,750	152,254	110,919	497,005
Reinsurance and other recoveries receivables	9,466,485	8,934,241	9,466,485	8,934,241	-	-
Financial assets at fair value through profit or loss	11,045,005	17,246,861	11,045,005	17,246,861	-	-
Prepayments	-	135,500	-	-	-	135,500
Total current assets	**73,709,490**	77,668,733	**44,466,063**	51,594,699	**29,243,427**	26,074,034
NON-CURRENT ASSETS						
Financial assets at fair value through profit or loss	107,159,050	98,485,337	107,159,050	98,485,337	-	-
Reinsurance and other recoveries receivables	18,922,969	16,168,055	18,922,969	16,168,055	-	-
Total non-current assets	126,082,019	114,653,392	126,082,019	114,653,392	-	-
Total assets	**199,791,509**	192,322,125	**170,548,082**	166,248,091	**29,243,427**	26,074,034
CURRENT LIABILITIES						
Trade and other payables	3,815,070	4,090,082	3,310,829	3,609,284	504,241	480,798
Unearned contributions	18,448,576	25,144,880	18,448,576	25,144,880	-	-
Distribution payable	1,696,249	755,210	1,696,249	755,210	-	-
Future claims and associated costs	42,125,151	35,484,841	22,920,134	21,529,000	19,205,017	13,955,841
Total current liabilities	**66,085,046**	65,475,013	**46,375,788**	51,038,374	**19,709,258**	14,436,639
NON-CURRENT LIABILITIES						
Future claims and associated costs	61,562,361	54,987,000	61,562,361	54,987,000	-	-
Total non-current liabilities	61,562,361	54,987,000	61,562,361	54,987,000	-	-
Total liabilities	127,647,407	120,462,013	107,938,149	106,025,374	19,709,258	14,436,639
NET ASSETS	**72,144,102**	71,860,112	**62,609,933**	60,222,717	**9,534,169**	11,637,395
EQUITY						
Retained surplus	72,144,102	71,860,112	62,609,933	60,222,717	**9,534,169**	11,637,395
TOTAL EQUITY	**72,144,102**	71,860,112	**62,609,933**	60,222,717	**9,534,169**	11,637,395

Unearned contributions

Member contributions billed for the next financial year but received in bank in the current financial year are recognised as unearned contributions in the Statement of Financial Position.

Reinsurance, insurance, and other recoveries

Liability Fund

Reinsurance and other recoveries receivable on paid claims, reported claims not yet paid, IBNRs and IBNERs are recognised as revenue.

Recoveries receivable are assessed in a manner similar to the assessment of outstanding claims. Recoveries receivable are measured at the present value of the expected future receipts, calculated on the same basis as the liability for outstanding claims.

Asset Fund

The Asset Fund is supported by an appropriate insurance policy. The Asset Fund is subject to an aggregate fund. In the event that the.aggregate fund is exhausted all claims will be paid by insurers.

5. Underwriting result

	Total Liability & Asset Funds 2024 $	Total Liability & Asset Funds 2023 $	Liability Fund 2024 $	Liability Fund 2023 $	Asset Fund 2024 $	Asset Fund 2023 $
Member contributions	93,341,728	84,141,259	30,695,404	29,228,853	62,646,324	54,912,406
Outwards risk premium expense	(66,051,203)	(58,200,885)	(15,367,878)	(14,778,491)	(50,683,325)	(43,422,394)
Net contribution revenue	27,290,525	25,940,374	15,327,526	14,450,362	11,962,999	11,490,012
Claims expense	(36,062,160)	(26,794,996)	(22,336,731)	(17,962,040)	(13,725,429)	(8,832,956)
Reinsurance and other recoveries revenue	9,965,970	7,897,737	9,876,072	7,542,637	89,898	355,100
Net claims expense	(26,096,190)	(18,897,259)	(12,460,659)	(10,419,403)	(13,635,531)	(8,477,856)
Other underwriting expenses*	(8,698,004)	(8,240,777)	(5,267,973)	(4,986,305)	(3,430,031)	(3,254,472)
Underwriting result	**(7,503,669)**	(1,197,662)	**(2,401,106)**	(955,346)	**(5,102,563)**	(242,316)

*Other underwriting expenses pertain to management fees of the Trust.

6. Cash flows

Cash and cash equivalents

Cash and cash equivalents include cash deposits held with a financial institution, and a capital guaranteed investment held with QTC that is subject to a low risk of change in value and is readily convertible to cash on hand.

	Total Liability & Asset Funds 2024 $	Total Liability & Asset Funds 2023 $	Liability Fund 2024 $	Liability Fund 2023 $	Asset Fund 2024 $	Asset Fund 2023 $
CASH FLOW FROM OPERATING ACTIVITIES						
Member contributions	87,332,863	89,105,551	24,680,132	34,200,569	62,652,731	54,904,982
Outwards risk premium expense	(66,051,203)	(58,200,885)	(15,367,878)	(14,778,491)	(50,683,325)	(43,422,394)
Net claims expense	(26,129,984)	(26,202,557)	(17,653,732)	(17,765,535)	(8,476,252)	(8,437,022)
Other underwriting and general expenses	(10,484,887)	(10,368,853)	(6,737,665)	(5,438,622)	(3,747,222)	(4,930,231)
Interest revenue	2,047,660	1,277,833	444,061	371,427	1,603,599	906,406
Reinsurance and other recoveries	9,962,307	7,900,908	9,872,409	7,545,808	89,898	355,100
GST collected from members	8,815,735	8,969,022	2,468,013	3,400,916	6,347,722	5,568,106
GST paid to suppliers and ATO	(9,493,543)	(5,554,613)	(3,171,733)	(19,088)	(6,321,810)	(5,535,525)
Other income	2,225,636	2,558,872	-	-	2,225,636	2,558,872
NET CASH PROVIDED BY OPERATING ACTIVITIES	**(1,775,416)**	9,485,276	**(5,466,393)**	7,516,984	**3,690,977**	1,968,294
CASH FLOWS FROM INVESTING ACTIVITIES						
Distributions / (payments for) from Investments	3,521,574	(2,823,074)	3,521,574	(2,823,074)	-	-
Investment income received	3,871,408	3,195,525	3,871,408	3,195,525	-	-
NET CASH PROVIDED BY INVESTING ACTIVITIES	7,392,982	372,451	7,392,982	372,451	-	-
CASH FLOWS FROM FINANCING ACTIVITIES						
Surplus Distribution Paid	(3,508,108)	(4,409,830)	(3,508,108)	(4,409,830)	-	-
NET CASH USED IN FINANCING ACTIVITIES	(3,508,108)	(4,409,830)	(3,508,108)	(4,409,830)	-	-
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	2,109,458	5,447,899	(1,581,519)	3,479,605	3,690,977	1,968,294
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR	**50,702,873**	45,254,974	**25,261,342**	21,781,737	**25,441,531**	23,473,237
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	**52,812,331**	50,702,873	**23,679,823**	25,261,342	**29,132,508**	25,441,531

7. Notes to the statement of cash flows

a) Reconciliation of cash

For the purposes of the statement of cash flows, cash and cash equivalents includes cash at bank and short term investment deposits at call.

Cash and cash equivalents at the end of the financial year, as shown in the statement of cash flows, is reconciled to the related items in the statement of financial position as follows:

	Total Liability & Asset Funds 2024 $	Total Liability & Asset Funds 2023 $	Liability Fund 2024 $	Liability Fund 2023 $	Asset Fund 2024 $	Asset Fund 2023 $
Cash at bank and in hand	9,426,266	6,641,000	8,601,984	5,005,244	824,282	1,635,756
Deposits at call	43,386,065	44,061,872	15,077,839	20,256,099	28,308,226	23,805,773
	52,812,331	50,702,872	**23,679,823**	25,261,343	**29,132,508**	25,441,529

b) Reconciliation of operating surplus to net cash provided by operating activities:

Operating surplus	4,733,136	6,853,514	6,836,363	5,082,715	(2,103,227)	1,770,799
Adjustments for						
Change in the fair value of investments	(5,993,431)	(3,366,191)	(5,993,431)	(3,366,191)	-	-
Investment income classified as investing activities	(3,871,408)	(3,195,525)	(3,871,408)	(3,195,525)	-	-
Change in assets and liabilities						
(Increase)/Decrease in reinsurance and other recoveries	(3,287,158)	2,489,172	(3,287,158)	2,489,172	-	-
(Decrease)/Increase in trade and other payables	(275,012)	3,354,292	(298,454)	3,472,359	23,442	(118,067)
Decrease/(Increase) in trade and other receivables	263,590	31,990	(122,496)	(23,138)	386,086	55,128
(Decrease)/Increase in unearned revenue	(6,696,304)	5,307,088	(6,696,304)	5,307,088	-	-
Increase/(Decrease) in future claims and associated costs	13,215,671	(1,853,564)	7,966,495	(2,249,496)	5,249,176	395,932
Decrease/(Increase) in prepayments	135,500	(135,500)	-	-	135,500	(135,500)
NET CASH (USED IN)/FROM OPERATING ACTIVITIES	**(1,775,416)**	9,485,276	**(5,466,393)**	7,516,984	**3,690,977**	1,968,292

8. Financial assets at fair value through profit or loss

Financial assets consist of investments in QIC managed funds, which upon initial recognition are classified at 'fair value through profit or loss' (FVTPL) and are subsequently measured at fair value with changes in carrying value being included in Statement of profit or loss in the period in which they arise. The QIC managed funds total $118.20 million at 30 June 2024 (2023: $115.73 million). Fair value for managed funds is based on the quoted bid price of the investment at reporting date.

Fair value measurements

Monetary financial assets and financial liabilities not readily traded in an organised financial market are initially measured as at the present value of contractual future cash flows on amounts due from customers or due to suppliers. The carrying amount is subsequently reduced for expected credit losses.

Financial assets at fair value through profit or loss are disclosed using a fair value hierarchy which reflects the significance of inputs to the determination of fair value.

Fair Value Hierarchy

The different levels have been defined as follows:

Level 1 quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 valuation based on inputs other than quoted prices included within Level 1 that are observable for the asset or liability.

Level 3 valuation techniques that are not based on observable market data.

The fair value of investments is measured at market value based on QIC advice. As at 30 June 2024 LGM's financial assets are recognised as Level 2 (2023: Level 2).

9. Future claims and associated costs

	Total Liability & Asset Funds 2024 $	Total Liability & Asset Funds 2023 $	Liability Fund 2024 $	Liability Fund 2023 $	Asset Fund 2024 $	Asset Fund 2023 $
Expected future claims (undiscounted)	113,548,016	98,385,841	94,342,999	84,430,000	19,205,017	13,955,841
Discount to present value	(9,860,504)	(7,914,000)	(9,860,504)	(7,914,000)	-	-
Liability for outstanding claims	**103,687,512**	90,471,841	**84,482,495**	76,516,000	**19,205,017**	13,955,841
Current	42,125,151	35,484,841	22,920,134	21,529,000	19,205,017	13,955,841
Non-current	61,562,361	54,987,000	61,562,361	54,987,000	-	-
Liability for outstanding claims	**103,687,512**	90,471,841	**84,482,495**	76,516,000	**19,205,017**	13,955,841

Asset Fund

The Asset Fund provides protection for members property related risk exposures. Liabilities arising from these exposures are normally identified within the period of protection or shortly there after. Costs associated with those liabilities are brought to account within a short period and therefore no actuarial projections are warranted. A liability for future claims is recognised as losses occur and the liability for future claims includes claims incurred but not yet paid, IBNR, IBNERs and the anticipated costs of settling those claims.

In reference to the Asset Fund, the central estimate is determined, in principle, such that there is no bias to over or under estimation.The outstanding liabilities are established in accordance with appropriate reserving principles and based on management's estimations on the current notified claims and the aggregate level amounts (including catastrophe aggregates) before reinsurance.

Liability Fund – actuarial assumptions and methods

The Liability Fund actuary has increased projected future claims payments to allow for inflation and discounted the expected payments to 30 June 2024 to obtain the present value of the liability.

Liability adequacy test

The actuary's assessment of the outstanding claims liability is a central estimate, which is an estimate that is neither deliberately overstated nor understated. However, an adequate provision for the outstanding liability under AASB1023 requires a risk margin to be included such that the probability that the provision will prove to be sufficient is increased. An appropriate probability of sufficiency would usually be between 65% and 90%, depending on the acceptable level of risk to the insurer, whilst APRA requires, in addition to other margins, a 75% probability of sufficiency for private sector insurers. LGM's Board of Management have determined to adopt a 75% (2023: 75%) probability of sufficiency.

To determine the appropriate level of risk margin in order to achieve a 75% probability of sufficiency, the actuary has performed a series of analyses to assess the underlying variations of our projected central estimate at the current valuation. These analyses enabled the actuary to understand the level of sufficiency implied by the central estimate.
There are three key areas of variation that the actuary have assessed. These are independent risk, internal systemic risk and external systemic risk.

The actuary have estimated that the underlying standard deviation of the projection is 34% of the central estimate of the outstanding claims liability. Furthermore, the actuary have estimated that systemic risks (including both internal and external) contribute about 66% of the underlying variation with the remainder attributable to independent risks.
To determine the appropriate level of risk margin to achieve a 75% probability of adequacy, the actuary are required to select an underlying distribution for our projection. A distribution of future claim costs would typically have the features of a right skewed distribution where there is a low probability of high severity events. The actuary have selected the log-normal distribution as it possesses the above features.

Combining the estimated underlying variation of projection and the selected log-normal distribution, the actuary have determined that the central estimate has a probability of adequacy of approximately 57%. To achieve a 75 % probability of sufficiency, the risk margin required to be added to the central estimate is 18% (2023: 18%) of the central estimate.

Uncertainty

The actuary advised that there are many factors which can and will cause the ultimate cost of claims incurred to 30 June 2024 to deviate from the actuary's central estimate.

The sources of the uncertainty in the estimation of the outstanding liability are:

(a) The models adopted for analysis and projection will never exactly match the actual claim process,

(b) Assuming a perfect model could be constructed, past fluctuations in the experience cause uncertainty in estimating model parameters,

(c) Anomalies in the data may cause further undetected problems in estimating model parameters,

(d) Future claim fluctuations result in uncertainty in projected future payments, even if the true parameter values could be determined for a perfect model, and

(e) Future economic and environmental conditions are not known and may vary significantly from the assumptions adopted.

Actuarial Assumptions

The following assumptions have been made in determining the outstanding claims liabilities for the Liability fund.

Key Actuarial Assumptions	2024	2023
Inflation	3.5%	3.5%
Claim administration expense	12.5%	12%
Discount rate	4.2%	4.0%
Term to settlement (years)	3.1	2.8

Actuarial analysis for outstanding claim liability

The actuary has set out an analysis by incident year which shows changes in the outstanding claims liability during the reporting period.

Item	2024 $M	2023 $M
Estimated liability (net of reinsurance, recoveries, risk margin) at beginning of reporting period	43.7	42.7
Roll-forward of outstanding liability from prior reporting period	2.6	1.0
Experience for claims incurred to the end of prior reporting period	1.1	1.4
Experience for claims incurred during the current reporting period	0.6	(0.7)
Claim assumptions	(0.2)	0.2
Change in discount rate	(0.2)	(0.9)
Estimated liability (net of reinsurance, recoveries, risk margin) at end of reporting period	**47.6**	**43.7**

Method

The estimated outstanding liability at 30 June 2024 is required to be adjusted to allow for future investment returns by discounting expected future claim payments. Future expected claim payments are to be discounted "using risk-free discount rates that are based on current observable, objective rates that relate to the nature, structure and term of the future obligations" as per AASB 1023 *General Insurance Contracts*. The actuary has used the zero coupon yields on Commonwealth government bonds as the basis for determining a uniform risk-free discount rate. The discount rate is the average yield, weighted by the expected future cash flows. The future differences between returns on the LGM investment portfolio and the risk free rate adopted for discounting purposes will emerge as profit or loss when they arise.

Inflation

The valuation makes no explicit allowance for inflation, although the future development in the incurred claims costs makes allowance for the effects of inflation and superimposed inflation by assuming that future inflation and superimposed inflation will be similar to past experience. In the past it would be reasonable to assume that inflation has been of the order of 3.5% (2023: 3.5%) per annum. The overall level of payments can increase at a faster rate than inflation. This is referred to as superimposed inflation.

Claim administration (handling) expense

In accordance with accounting requirements, claims administration expenses have been included. The claims manager of the portfolio has estimated that the claims administration expenses comprise approximately 40% (2023: 40%) of management fees. As members manage their own claims up to their excess, the actuary has provided the comparison of claims administration expenses, estimated as 40% (2023: 40%) of management fees to claims expenses net of non reinsurance recoveries.

The claims administration expenses have been averaged approximately 19% (2023: 18%) of the payments made since 1 July 2015 although higher in more recent years and 15% (2023: 16%) of claims incurred net of non reinsurance recoveries. Taking into account that a significant proportion of the claims administration costs are incurred early in the life of a claim, the actuary has assumed that future claims administration expenses will be 12.5% (2023: 12%) of future payments net of non reinsurance recoveries.

Discount rate

The combination of the expected net payments by payment year with the future payments for the run-off of LGM's net liabilities (excluding administration expenses), together with the yields available on Government bonds of equivalent durations produces a uniform discount rate for all future years of 4.2% (2023: 4%) per annum. The difference is due to the movements in market yields since the previous valuation.

Term to settlement

The actuary has assumed an expected term to settlement of 3.1 years (2023: 2.8 years) based on historical experience and the results of historical claims.

Sensitivity analysis

The outstanding claims liabilities included in the reported results are calculated based on the key actuarial assumptions as disclosed above. The movement in any of the above key actuarial assumptions will impact the performance and total accumulated funds of LGM. The following sensitivity analysis evaluates the impact of a +/- 1 percent movement in the discount, inflation and expense rates and a +/-10 percent movement in the cost of claims for the outstanding provisions.

Liability Fund

Inflation assumption

	2024			2023		
	Carrying Amount $	-1% Movement	1% Movement	Carrying Amount $	-1% Movement	1% Movement
Future claims and associated costs	84,482,000	(2,152,000)	2,152,000	76,516,000	(1,822,000)	1,822,000
Reinsurance and other recoveries receivables	(28,379,000)	582,000	(582,000)	(25,096,000)	485,000	(485,000)
Potential Impact		**(1,570,000)**	**1,570,000**		(1,337,000)	1,337,000

Discount rate assumption

	2024			2023		
	Carrying Amount $	-1% Movement	1% Movement	Carrying Amount $	-1% Movement	1% Movement
Future claims and associated costs	84,482,000	2,046,000	(2,046,000)	76,516,000	1,735,000	(1,735,000)
Reinsurance and other recoveries receivables	(28,379,000)	(556,000)	556,000	(25,096,000)	(467,000)	467,000
Potential Impact		**1,490,000**	**(1,490,000)**		1,268,000	(1,268,000)

Expense rate assumption

	2024			2023		
	Carrying Amount $	-1% Movement	1% Movement	Carrying Amount $	-1% Movement	1% Movement
Future claims and associated costs	84,482,000	(539,000)	539,000	76,516,000	(481,000)	481,000
Reinsurance and other recoveries receivables	(28,379,000)	-	-	(25,096,000)	-	-
Potential Impact		**(539,000)**	**539,000**		(481,000)	481,000

Increase in cost of claims assumption

	2024			2023		
	Carrying Amount $	-10% Movement	10% Movement	Carrying Amount $	-10% Movement	10% Movement
Future claims and associated costs	84,482,000	(2,210,000)	2,210,000	76,516,000	(1,884,000)	1,884,000
Reinsurance and other recoveries receivables	(28,379,000)	917,000	(917,000)	(25,096,000)	810,000	(810,000)
Potential Impact		**(1,293,000)**	**1,293,000**		(1,074,000)	1,074,000

10. Net claims incurred

Current period claims relate to the risks borne in the current financial year. Prior period claims relate to a reassessment of the risks borne in all the previous financial years.

Liability Fund	2024 $	2023 $
Net claims expense (note 5)	**12,460,659**	10,419,403

2024 – Details of net incurred claims are as follows:

	Current Year $'000	Prior Years $'000	Total $'000
Claims incurred and related expenses – undiscounted	27,576	(9)	27,567
Reinsurance and other recoveries – undiscounted	(12,415)	(1,289)	(13,704)
Net claims incurred – undiscounted	15,161	(1,298)	13,863
Discount – Claims incurred and related expenses	(2,647)	700	(1,947)
Discount – Reinsurance and other recoveries	864	(319)	545
Net discount movement	(1,783)	381	(1,402)
Net incurred claims	**13,378**	(917)	**12,461**

2023 – Details of net incurred claims are as follows:

	Current Year $'000	Prior Years $'000	Total $'000
Claims incurred and related expenses – undiscounted	23,283	(6,271)	17,012
Reinsurance and other recoveries – undiscounted	(10,134)	4,896	(5,238)
Net claims incurred – undiscounted	13,149	(1,375)	11,774
Discount – Claims incurred and related expenses	(2,000)	504	(1,496)
Discount – Reinsurance and other recoveries	671	(530)	141
Net discount movement	(1,329)	(26)	(1,355)
Net incurred claims	**11,820**	(1,401)	**10,419**

Asset Fund	2024 $	2023 $
Net claims expense (note 5)	**13,635,531**	8,477,856

2024 – Details of net incurred claims are as follows:

	Current Year $'000	Prior Years $'000	Total $'000
Claims incurred and related expenses – undiscounted	12,159	1,567	13,726
Reinsurance and other recoveries – undiscounted	(17)	(73)	(90)
Net claims incurred – undiscounted	**12,142**	1,494	**13,636**

2023 – Details of net incurred claims are as follows:

	Current Year $'000	Prior Years $'000	Total $'000
Claims incurred and related expenses – undiscounted	8,263	570	8,833
Reinsurance and other recoveries – undiscounted	(5)	(350)	(355)
Net claims incurred – undiscounted	**8,258**	220	**8,478**

11. Related parties

a) Key Management Personnel (KMP)

KMP include members of the Board of Management and Directors of the Trustee.

Board of Management

The Trust Deed provides for the business of LGM to be managed by a Board of Management. The Board is responsible to the LGAQ Board for achieving the Trust's objectives and for financial management. The members of the Board of Management have been listed as key management personnel and receive meeting fees and reimbursement of the costs of travel expenses associated with attending the Board of Management meetings.

The names of the members of the Board of Management at any time during the financial year are:

Mr Ian Leckenby - Chairman
Mr Terry Brennan
Ms Karen Williams*
Ms Rachel Chambers**
Ms Anne Lenz
Mr John Sharman
Ms Alison Smith (delegate Darren Leckenby)
Mr Darren Leckenby
Cr Samantha O'Toole

* Ms Karen Williams resigned as an Elected Member on 14 June 2024, and remains a member of the LGM Board.
** Ms Rachel Chambers resigned as an Elected Member on 11 December 2021, and remained a member of the LGM Board until her resignation on 30 June 2024.

Cr Peter Flannery was appointed as a member of the LGM Board effective 1 July 2024.

No committee meeting fees were paid to the following members:

Ms Alison Smith
Mr Darren Leckenby
Ms Anne Lenz

KMP Category / Position	Short-Term Employee Benefits 2024 $	Short-Term Employee Benefits 2023 $
Chairman	37,500	37,500
Board of Management	44,800	29,450
Total	**82,300**	66,950

No member of the Board of Management has entered into a material contract with LGM during the current or previous financial year.

Directors of the Trustee

LGAQ is acting through its Board, in its capacity as a trustee of the Trust under the Trust Deed. The Directors of the Trustee of the Trust which have been listed below are also key management personnel as they are responsible for the ultimate oversight of the business of the Trust. No remuneration has been paid to them.

Cr Mark Jamieson – resigned 14 June 2024
Cr Jenny Hill – resigned 14 June 2024
Cr Karen Williams – resigned 14 June 2024
Cr Matt Burnett
Cr Kurt Rehbein – appointed 14 June 2024
Cr Kelly Vea Vea – appointed 14 June 2024

b) Transactions with related parties

Related parties include LGAQ and its controlled entities. The following are transactions within the group:

	2024 $	2023 $
Purchase of services from LGAQ and its controlled entities on a commercial basis	192,986	94,205
Cost recovery transactions paid to LGAQ & its controlled entities	77,458	82,691
Asset Fund remuneration paid to LGAQ	249,870	232,654
Liability Fund remuneration paid to LGAQ	1,013,625	943,785

Services provided by LGAQ are on a cost recovery basis and represent transactions paid on behalf of LGM. The amount owing to LGAQ as at 30 June 2024 for services provided is $12,815 (2023: $84).

c) Transactions with other related parties

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

d) Loans and guarantees to / from related parties

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

e) Transactions with related parties that have not been disclosed

Some of LGM's KMP are also KMP of their respective Councils. These Councils transact with LGM on a regular basis as members of the Funds. Examples include:

- Member contributions
- Other recoveries revenue
- Claims expenses
- Distributions

LGM has not included these transactions in its disclosures, where they are made on the same terms and conditions available to all other members of LGM.

12. Financial instruments

Financial instruments

(i) Recognition and initial measurement

Financial assets are recognised when the entity becomes a party to receive cash and cash equivalents or other financial assets from another entity, and securities issued by another entity. Financial liabilities are recognised when the entity becomes a party to the contractual obligations to pay cash or deliver other financial assets. For financial assets, this is equivalent to the date that LGM commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are included in profit or loss immediately.

Financial assets and financial liabilities are offset and the net amount presented in the Statement of Financial Position when, and only when, the entity has a legal right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(ii) Impairment of Financial assets

LGM recognises loss allowances for an Expected Credit Loss ("ECL") on financial assets measured at amortised cost. ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to LGM and the cash flows that LGM expects to receive).

At each reporting date, LGM also assesses whether financial assets carried at amortised costs are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, LGM considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on LGM's historical experience, informed credit assessment and forward-looking information.

No expected credit loss allowance was recognised on the financial assets carried at amortised cost for the year ended 30 June 2024 (2023: nil).

(iii) Classification and subsequent measurement

Financial instruments are subsequently measured at either their fair value or amortised cost using the effective interest rate method. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value.

Amortised cost is calculated as:

- the amount at which the financial asset or financial liability is measured at initial recognition;
- less principal repayments;
- plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and
- less any reduction for impairment.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

Financial instruments - Fair values

Accounting classifications and fair values

Financial assets and financial liabilities are recognised in the Statement of Financial Position when LGM becomes party to the contractual provisions of the financial instrument. LGM has the following categories of financial assets and financial liabilities:

	Total Liability & Asset Funds 2024 $	Total Liability & Asset Funds 2023 $	Liability Fund 2024 $	Liability Fund 2023 $	Asset Fund 2024 $	Asset Fund 2023 $
FINANCIAL ASSETS CURRENT						
Cash and cash equivalents	52,812,331	50,702,872	23,679,823	25,261,343	29,132,508	25,441,529
Financial assets at amortised cost:						
Trade and other receivables	385,669	649,259	274,750	152,254	110,919	497,005
Reinsurance and other recoveries receivables	9,466,485	8,934,241	9,466,485	8,934,241	-	-
	9,852,154	9,583,500	**9,741,235**	9,086,495	**110,919**	497,005
Financial assets at fair value through profit or loss:						
Other financial assets	**11,045,005**	17,246,861	**11,045,005**	17,246,861	**-**	**-**
NON-CURRENT						
Financial assets at amortised cost:						
Reinsurance and other recoveries receivables	**18,922,969**	16,168,055	**18,922,969**	16,168,055	**-**	**-**
Financial assets at fair value through profit or loss:						
Other financial assets	**107,159,050**	98,485,337	**107,159,050**	98,485,337	**-**	**-**
Total financial assets	**199,791,509**	192,186,625	**170,548,082**	166,248,091	**29,243,427**	25,938,534
FINANCIAL LIABILITIES CURRENT						
Financial liabilities at amortised cost:						
Trade and other receivables	3,815,070	4,090,082	3,310,829	3,609,284	504,241	480,798
Distribution payables	1,696,249	755,210	1,696,249	755,210	-	-
Total financial liabilities	**5,511,319**	4,845,292	**5,007,078**	4,364,494	**504,241**	480,798

13. Risk management

Membership is available to local government councils and local government controlled entities. LGM operates in Queensland to provide cover and a claims management service to members in respect of their potential and actual liabilities. A member may seek indemnity from LGM in respect of a claim. Under the Trust Deed, LGM's Board of Management may in its sole and absolute discretion determine whether indemnity will be granted in respect of a claim.

Actuarial models, using information from LGM's management information systems, are used to confirm contributions and monitor claim patterns. Past experience and statistical methods are used as part of the process. The principal risk is that the frequency and severity of claims is greater than expected. Insurable risk events are, by their nature, random and the actual number and size of events during any one-year may vary from those estimated using established statistical techniques.

Objectives in managing risk and policies for mitigating those risks

LGM has an objective to control risk, thus reducing the volatility of its operating surplus. In addition to the inherent uncertainty of civil liability and asset risks, which can lead to variability in the loss experience, operating surpluses can also be affected by external factors such as competition and movements in asset values.

LGM relies on a strong relationship with its members and actively encourages them to adopt practices of risk management that reduce the incidence of claims to LGM.

Risk transfer strategy

LGM adopts a conservative approach towards management of risk and does this by utilising risk transfer options. The Board determines the level of risk, which is appropriate for LGM having regards to ordinary concepts of prudence and regulatory constraints. The risk transfer arrangements adopted by LGM utilise commercial insurance and reinsurance arrangements. These risk transfer arrangements assist LGM to limit its exposures. These programs are regularly reviewed to ensure that they continue to meet the risk needs of LGM.

Management of Risks

The key risks that affect LGM are contribution risk and claims experience risk.

Contribution risk is the risk that LGM does not charge contributions appropriate for the indemnity cover it provides. LGM partially manages contribution risk through its proactive approach to risk management that addresses material risks, both financial and non-financial. There are no specific terms and conditions that are expected to have a material impact on the financial statements.

Claims experience risk is managed through the non-financial risk assessment and risk management and risk transfer management process. Claims experience is monitored on an ongoing basis to ensure that any adverse trending is addressed. LGM is able to reduce the claims experience risk of severe losses through the reinsurance program and by managing the concentration of risks.

Market Risk

Market risk is the risk that changes in market prices will affect LGM's income or the value of its financial instruments.

Price Risk

In addition to cash and cash equivalents, the investment portfolio contains exposures to equity markets through managed funds held in QIC. These investments, integral to insurance activities, are measured at market value at each reporting date and changes in market value are immediately reflected in the statement of profit or loss and other comprehensive income. Any overall downturn in the equities market may impact on future results of LGM. The impact of any significant movement is managed by ensuring that the investment portfolio consists of a diverse holding of financial assets. The Liability Fund holds $118,204,055 worth of units with QIC as at 30 June 2024 (2023: $115,732,198).

Currency Risk

LGM does not trade in foreign currency and is not materially exposed to commodity price changes.

Interest Rate Risk

LGM is exposed to interest rate risk through its investments with Queensland Treasury Corporation (QTC) and a commercial bank account. LGM has access to a mix of variable and fixed rate funding options with QTC and so that the interest rate risk exposure can be minimised. The interest rate risk exposure with a commercial bank is immaterial.

Interest on cash is charged at prevailing market rates being approximately 4.33% at 30 June 2024 (2023: 4.15%). Interest on QTC investments is charged at prevailing market rates which is approximately 4.48% for the Liability Fund and 4.72% for the Asset Fund at 30 June 2024 (2023: Liability Fund - 4.22% and Asset Fund - 4.23%).

Interest rate sensitivity analysis

Interest rate sensitivity depicts what effect a reasonably possible change in interest rates of +/- 1% would have on the profit and equity, based on the carrying value of financial assets and liabilities. With all other variables held constant, the Liability Fund would have surplus increase/decrease of $236,798 (2023: $252,613) for interest rate risk. The Asset Fund would have a surplus increase/(decrease) of $291,325 (2023: $254,415) for interest rate risk.

Unit price sensitivity analysis

Unit price sensitivity analysis is based on a report similar to that which would be provided to management, depicting the outcome to profit and loss if interest rates and unit prices would change by +/- 1% for the QIC Cash Enhanced Fund and by +/-5% for the QIC Long Term Diversified Fund and QIC Short Term Income Fund from the year-end rates applicable to LGM's financial assets and liabilities. With all other variables held constant, the Liability Fund would have a surplus increase/(decrease) of $110,450 (2023: $172,469) for unit price risk for the QIC Cash Enhanced Fund and surplus increase/(decrease) of $5,357,952 (2023: $4,924,267) for unit price risk for the QIC Long Term Diversified Fund and QIC Short Term Income Fund.

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 are principally from LGM's investments and receivables.

The maximum exposure to credit risk at reporting date in relation to each class of recognised assets is the gross carrying amount of those assets inclusive of any impairment.

The credit risk arising from LGM's exposure to individual entities in investment portfolios is monitored and controlled through risk management strategies implemented by LGM's fund manager, QIC.

LGM considers that all of the financial assets at amortised cost that are not impaired for each of the reporting dates under review are of low credit risk due to the high quality credit rating of the parties involved. No collateral is held as security and no credit enhancements relate to financial assets held by LGM.

Liquidity risk

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

LGM is exposed to liquidity risk in respect of its payables being trade and other payables and distribution payables, refer note 4.

14. Auditor's remuneration

Fees payable to the auditors for the audit of LGM's financial statements for 2023-2024 is $59,200. (2022-2023: $63,350). There are no non-audit services included in this amount.

15. Commitments for expenditure

Commitments for payment of Trust management fees and Valuations program fees are payable as follows. (Commitments for payments of the Regional Risk Co-ordinator programme have been incorporated in the Trust management fees).

	Total Liability & Asset Funds 2024 $	Total Liability & Asset Funds 2023 $	Liability Fund 2024 $	Liability Fund 2023 $	Asset Fund 2024 $	Asset Fund 2023 $
Within one year	9,265,266	9,293,004	5,477,716	5,267,973	3,787,550	4,025,031
Later than one year but not later than 5 years	9,410,606	19,467,542	5,695,851	11,446,987	3,714,755	8,020,555
	18,675,872	28,760,546	**11,173,567**	16,714,960	**7,502,305**	12,045,586

16. New accounting standards for application in future periods

LGM has conducted an assessment to determine whether LGM is within scope of AASB 17 *Insurance Contracts* (AASB 17) and the amending standard AASB 2022-9 *Amendments to Australian Accounting Standards – Insurance Contracts in the Public Sector* (AASB 2022-9). AASB 17 applies to public sector entities for annual reporting periods beginning on or after 1 July 2026.

Based on its operations, LGM has determined that it falls within the scope of AASB 17 and AASB 2022-9. With the assistance of a third-party firm, LGM has commenced the process of performing a detailed impact assessment to ensure compliance with the standards, which are effective from 1 July 2026. The extent of the impact of AASB 17 and AASB 2022-9 on LGM is currently being assessed.

17. Authorisation of financial statements for issue

The financial statements are authorised for issue by the Board of Management at the date of signing the Board of Management's Certificate.

18. Distributions

In May 2024 the Board of Management noted and approved the proposed $ 4,449,146 surplus distribution to be distributed to individual Liability Fund members in 2023-2024. Out of that $2,752,897 has been already taken up by the members who have paid their contributions for 2024-2025 year before 30 June 2024. As a result, there is an amount of $1,696,249 as a surplus distribution payable amount in the Statement of Financial Position for 2023-2024.

In May 2023 the Board of Management noted and approved the proposed $4,449,273 surplus distribution to be distributed to individual Liability Fund members in 2022-2023. Out of that $3,694,063 has been already taken up by the members who have paid their contributions for 2023-2024 year before 30 June 2023. As a result, there is an amount of $755,210 as a surplus distribution payable amount in the Statement of Financial Position for 2022-2023.

19. Subsequent Events

No transaction or event of a material or unusual nature, in the opinion of LGM's Board of Management, has arisen in the interval between the end of the financial year and the date of these financial statements to affect significantly the operations of LGM, the results of those operations, or the state of affairs of LGM, in future financial years.

Board of Management's Certificate

Queensland Local Government Mutual
Board of Management's Certificate

In the opinion of the Board of Management of Queensland Local Government Mutual:

a) the financial statements and notes, set out on pages 22-39:

   i) give a true and fair view of the financial position of Queensland Local Government Mutual as at 30 June 2024 and its performance, as represented by the results of its operations and its cash flows, for the year ended on that date;

   ii) comply with Australian Accounting Standards; and

   iii) are drawn up in accordance with the provisions of the revised Trust Deed dated 19 May 2017;

b) there are reasonable grounds to believe that Queensland Local Government Mutual will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Board:

Mr Ian Leckenby Chairman	29 November, 2024 Date

Queensland
Audit Office
Better public services

INDEPENDENT AUDITOR'S REPORT

To the trustee, board of management and members of Queensland Local Government Mutual

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of Queensland Local Government Mutual (the Trust).

In my opinion, the financial report:

a) gives a true and fair view of the Trust's financial position as at 30 June 2024, and its financial performance and cash flows for the year then ended

b) complies with the trust deed of Queensland Local Government Mutual dated 19 May 2017 (as amended) and Australian Accounting Standards.

The financial report comprises the statement of financial position as at 30 June 2024, the statement of profit or loss and other 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 board of management.

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

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

Responsibilities of the trustee and board of management for the financial report

The trustee and board of management are responsible for the preparation of the financial report that gives a true and fair view in accordance with the trust deed of Queensland Local Government Mutual dated 19 May 2017 (as amended) and Australian Accounting Standards, and for such internal control as the trustee and board of management determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Independent
Auditor's Report
(continued)

Queensland Audit Office
Better public services

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

Auditor's responsibilities for the audit of the financial report

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

A further description of my responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:
https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

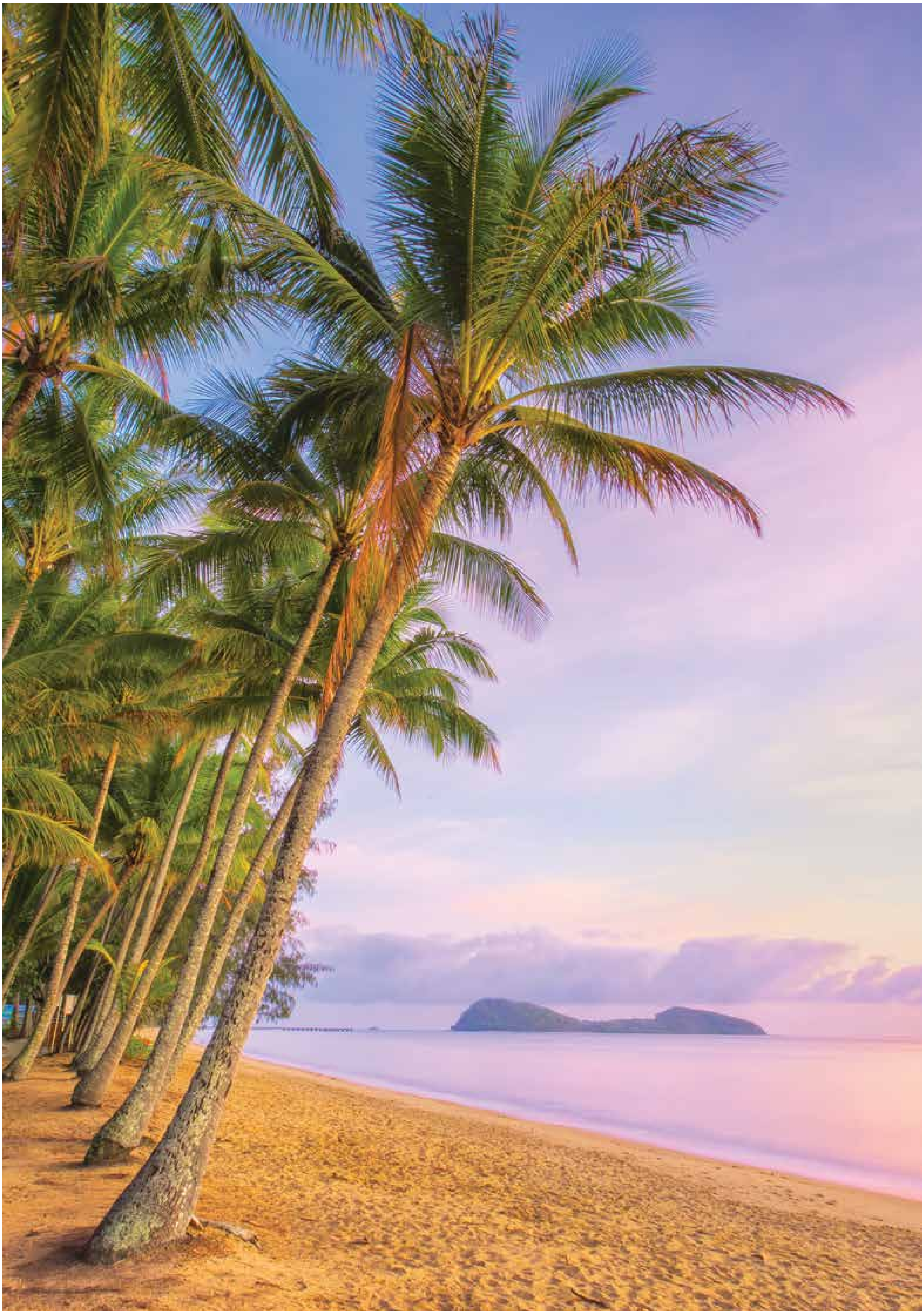
This description forms part of my auditor's report.

mluwinga

Martin Luwinga
as delegate of the Auditor-General

2 December 2024

Queensland Audit Office
Brisbane



Financial Statements

for the year ended 30 June 2024

Contents

Statement of Profit or Loss and other Comprehensive Income

for the year ended 30 June 2024

This statement is to be read in conjunction with the notes to the financial statements set out on pages 47 to 58.

	Note	2024 $	2023 $
REVENUE			
Member contributions	3	37,494,355	31,815,568
Other Income		61,940	55,534
Reinsurance and other recoveries	3	950,946	3,019,278
Interest revenue		971,619	521,946
Investment revenue		1,871,657	2,023,996
Changes in the fair value of financial assets		1,998,328	633,875
Total revenue		43,348,845	38,070,197
EXPENSES			
Claims expense	3	(29,396,031)	(36,214,408)
Outwards reinsurance expense	3	(1,155,087)	(879,200)
Other underwriting expenses	3	(10,849,120)	(10,258,316)
General expenses	4	(1,084,672)	(1,396,166)
Total expenses		(42,484,910)	(48,748,090)
Operating result from continuing operations		863,935	(10,677,893)
Other Comprehensive Income/(loss)		-	-
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE YEAR ATTRIBUTABLE TO MEMBERS		863,935	(10,677,893)

Statement of Financial Position

as at 30 June 2024

This statement is to be read in conjunction with the notes to the financial statements set out on pages 47 to 58.

	Note	2024 $	2023 $
CURRENT ASSETS			
Cash and cash equivalents		10,674,535	4,065,923
Trade and other receivables		998,995	843,956
Reinsurance and other recoveries receivables		642,000	776,000
Financial assets at fair value through profit or loss	5	20,456,932	5,293,294
Total current assets		32,772,462	10,979,173
NON-CURRENT ASSETS			
Reinsurance and other recoveries receivables		2,108,000	1,170,000
Financial assets at fair value through profit or loss	5	34,615,966	51,083,157
Total non-current assets		36,723,966	52,253,157
Total assets		69,496,428	63,232,330
CURRENT LIABILITIES			
Trade and other payables		1,668,240	1,182,077
Future claims and associated costs	6	25,661,000	24,122,357
Total current liabilities		27,329,240	25,304,434
NON-CURRENT LIABILITIES			
Future claims and associated costs	6	38,008,000	34,632,643
Total non-current liabilities		38,008,000	34,632,643
Total liabilities		65,337,240	59,937,077
NET ASSETS		4,159,188	3,295,253
EQUITY			
Retained surplus		4,159,188	3,295,253
TOTAL EQUITY		4,159,188	3,295,253

Financial Statements

For the year ended 30 June 2024

Statement of Changes in Equity

for the year ended 30 June 2024

This statement is to be read in conjunction with the notes to the financial statements set out on pages 47 to 58.

	Note	2024 $	2023 $
Total equity at the beginning of the financial year		3,295,253	14,973,146
Other comprehensive profit / (loss)		-	-
Operating result for the year		863,935	(10,677,893)
Total comprehensive profit / (loss)		863,935	(10,677,893)
Distributions	13	-	(1,000,000)
Total equity at the end of the financial year		**4,159,188**	3,295,253

Statement of Cash Flows

for the year ended 30 June 2024

This statement is to be read in conjunction with the notes to the financial statements set out on pages 47 to 58.

	Note	2024 $	2023 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipt of contributions from members		37,814,203	31,772,855
Reinsurance premiums paid		(1,155,087)	(879,200)
Claims paid		(25,219,373)	(26,968,408)
Other underwriting and general expenses paid		(11,879,474)	(11,538,544)
Interest received		947,059	509,940
Other recoveries received		950,946	3,081,217
Goods and Service Tax (GST) collected from members		3,781,420	3,171,672
GST paid to suppliers and ATO		(3,804,620)	(3,202,496)
NET CASH FROM / (USED IN) OPERATING ACTIVITIES	8	1,435,074	(4,052,964)
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment redemptions		25,000,000	13,622,709
Payments for financial assets		(21,698,119)	(10,469,271)
Investment revenue received		1,871,657	2,023,996
NET CASH PROVIDED BY INVESTING ACTIVITIES		5,173,538	5,177,434
CASH FLOWS FROM FINANCING ACTIVITIES			
Distributions paid		-	(3,450,000)
NET CASH USED IN FINANCING ACTIVITIES		-	(3,450,000)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		6,608,612	(2,325,530)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR		4,065,923	6,391,453
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR		**10,674,535**	4,065,923

1. Background

Queensland Local Government Workers Compensation Self-Insurance Scheme (the Scheme) is a Trust which has been established in Australia by the Local Government Association of Queensland Ltd (LGAQ) under a Trust Deed dated 19 June 1997.

LGAQ is acting through its Executive, in its capacity as a trustee of the Scheme under the Trust Deed.

The Scheme was established as a result of receiving a self-insurance licence from the Workers' Compensation Regulator. The Scheme consists of local governments and local government controlled entities that jointly hold a group employer workers' compensation self-insurance licence under the Workers Compensation and Rehabilitation Act 2003. Each Scheme member is considered to be a joint holder of the self-insurance licence.

LGAQ acts as the agent of the licence holders. As a licensed self-insurer, the Scheme is required to comply with a range of legislative and licensing conditions. Compliance is overseen by the Workers' Compensation Regulator. The LGAQ is considered by the Regulator to be the licence manager and as such is ultimately responsible for ensuring compliance with licence conditions. It is governed by contractual arrangements between the local governments, local government controlled entities and the LGAQ.

The principal activity of the Scheme during the course of the financial year was the provision of workers' compensation cover and the management of associated workers' compensation claims made against scheme members.

The principal place of business of the Scheme is:

Local Government House
27 Evelyn Street
Newstead QLD 4006

All employees involved in the management of workers' compensation claims for the Scheme are employed by JLT Risk Solutions Pty Ltd, (formerly known as Jardine Lloyd Thompson Pty Ltd), and their associated costs are recharged to the Scheme through a monthly scheme management fee which is disclosed in the statement of Profit or Loss and Other Comprehensive Income in 'Other underwriting expenses'.

2. Statement of material accounting policies

a) Basis of preparation

These financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards issued by Australian Accounting Standards Board (AASB) to satisfy reporting responsibilities under Queensland Local Government Workers Compensation Self-Insurance Scheme (the Scheme) Trust Deed and Scheme Rules. The Scheme is a not for profit entity and the Australian Accounting Standards includes requirements for not for profit entities which are inconsistent with International Financials Reporting Standard (IFRS). Therefore in some instances these financial statements do not comply with IFRS.

The financial statements have been prepared on a historical cost basis except for the Financial assets at fair value through profit or loss which are measured at fair value which consist of the QIC managed funds.

Further information about the assumptions made in measuring fair values is included in the following note:
• Note 10 Financial instruments.

The Scheme actuary has increased projected future claims payments to allow for inflation and discounted the expected payments to 30 June 2024 to obtain the present value of the liability.

The material accounting policies are consistent with those of the previous year unless otherwise stated. The functional and presentational currency of the Scheme is Australian Dollars.

b) Taxation

Queensland Local Government Workers Compensation Self-Insurance Scheme (The Scheme) is not a separate legal entity, and is not a partnership. It operates under a contractual relationship between its members, all of which are local governments or other statutory entities, and all of which are exempt from income tax. All assets of the Scheme, including surpluses of contributions over claims costs and expenses, remain the directly-owned property of the members. Under the mutuality principle, therefore, the Scheme does not generate "income" for taxation purposes, except in relation to its investments. The investment income is directly owned property of the tax-exempt members. For these reasons, no provision has been made for income tax.

The Scheme is subject to Goods and Services Tax (GST). The net amount of GST recoverable from or payable to the Australian Taxation Office is shown as an asset or liability respectively.

c) Rounding

Figures in the financial statements are rounded to the nearest dollar unless otherwise indicated.

(d) Comparative figures

Comparative figures have been adjusted to be consistent with the changes in presentation for the current financial year.

(e) Estimates and judgements

In the process of applying the material accounting policies, certain critical accounting estimates and assumptions are used and certain judgements are made.

The areas where the estimates and assumptions involve a high degree of judgement or complexity, and are considered material to the financial statements are:

- Future claims and associated costs, refer Note 6
- Reinsurance and other recoveries on outstanding claims, refer Note 3 and 7

(f) Going concern

These financial statements have been prepared on a going concern basis, which assumes that the Scheme will be able to discharge its liabilities as and when they are due.

3. Underwriting result

a) Revenue recognition

Member contributions

Contributions comprise amounts charged to Scheme members for liability protection. Contributions are earned from the date of attachment of risk. The pattern of recognition over the period of cover is based on time, which is considered to closely approximate the pattern of risks undertaken.

Reinsurance and other recoveries

Reinsurance and other recoveries receivable on paid claims, reported claims not yet paid, incurred but not reported claims (IBNRs) and incurred but not enough reported (IBNERs) are recognised as revenue. Reinsurance and other recoveries receivable are assessed in a manner similar to the assessment of outstanding claims. Reinsurance and other recoveries receivable are measured at the present value of the expected future receipts, calculated on the same basis as the liability for outstanding claims

Investment revenue

Investment revenue is recognised as it accrues, taking into account the effective yield on the financial asset. Investment distributions are recognised when the right to receive payment is established. The investment revenue comprises of the distribution from the investment trusts. Distribution of $0.72 million from investment funds pertaining to 2022-2023 but received in July 2023 has been accounted as Investment revenue in 2023-2024.

Distribution of $1.08 million from investment funds pertaining to 2021-2022 but received in July 2022 has been accounted as Investment revenue in 2022-2023.

Interest revenue

The revenue received from cash and cash equivalents is recognised as interest revenue. It is recognised as it accrues on the cash and cash equivalents. The interest revenue comprises of the interest received from Queensland Treasury Corporation (QTC) cash fund and cash held with ANZ Bank.

b) Outwards reinsurance

Premiums ceded to reinsurers are recognised as expenses in accordance with the pattern of reinsurance services received, being on a daily pro-rata basis.

	2024 $	2023 $
Member contributions	**37,494,355**	31,815,568
Outward reinsurance premium expense	**(1,155,087)**	(879,200)
Net contributions revenue	**36,339,268**	30,936,368
Claims expense	**(29,396,031)**	(36,214,408)
Reinsurance and other recoveries revenue	**950,946**	3,019,278
Net claims expense	**(28,445,085)**	(33,195,130)
Other underwriting expenses*	**(10,849,120)**	(10,258,316)
Underwriting result	**(2,954,937)**	(12,517,078)
*Other underwriting expenses include:		
Regulator Levy	**(1,452,759)**	(1,351,094)
Scheme expenses management fee	**(9,396,361)**	(8,907,222)
	(10,849,120)	(10,258,316)

4. General expenses

	2024 $	2023 $
Investment fees and charges	192,082	195,906
Administration expenses	892,590	1,200,260
	1,084,672	1,396,166

5. Financial assets at fair value through profit or loss

Financial assets consist of investments in QIC managed funds which, upon initial recognition are classified at 'fair value through profit or loss' (FVTPL) and are subsequently measured at fair value with changes in carrying value being included in statement of profit or loss in the period in which they arise. The QIC managed funds total $55.07 million at 30 June 2024 (2023: $56.38 million). Fair value for managed funds is based on the quoted bid price of the investment at reporting date.

Fair Value Hierarchy

Financial assets are disclosed using a fair value hierarchy which reflects the significance of inputs to the determination of fair value.

The different levels have been defined as follows:

Level 1 quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 valuation based on inputs other than quoted prices included within Level 1 that are observable for the asset or liability.
Level 3 valuation techniques that are not based on observable market data.

The carrying amount of cash, receivables and payables approximates their net fair value. The fair value of investments is measured at market value based on QIC advice. As at 30 June 2024 the Scheme's other financial assets are recognised as Level 2 (2023: Level 2).

6. Future claims and associated costs

	2024 $	2023 $
Expected future claims (undiscounted)	**70,171,000**	64,110,000
Discount to present value	**(6,502,000)**	(5,355,000)
Liability for outstanding claims	**63,669,000**	58,755,000
Current	**25,661,000**	24,122,357
Non - current	**38,008,000**	34,632,643
Liability for outstanding claims	**63,669,000**	58,755,000

Claims

Claims expense and a liability for future claims are recognised as losses occur. The liability for future claims includes claims incurred but not yet paid, IBNRs, IBNERs, and the anticipated costs of settling those claims.

The liability for future claims is measured as the present value of the expected future payments, reflecting the fact that all claims do not have to be paid out in the immediate future. The liability has been set having regard to independent actuarial advice.

The expected future payments are estimated on the basis of the ultimate cost of settling claims, which is affected by factors arising during the period to settlement such as normal inflation and "superimposed inflation".

The expected future payments are then discounted to their present value at the reporting date using market determined risk adjusted discount rates. The Scheme takes all reasonable steps to ensure that it has appropriate information regarding its claim exposures with estimates and judgements continually being evaluated and updated based on historical experience and other factors.

The liability for future claims is calculated using a central estimate with no explicit bias towards over or under estimation.

The liability for future claims includes a prudential margin of 15% (2023:15%) to increase the probability that the overall provision for claims will be adequate.

Uncertainty

The actuary advised that there are many factors which can and will cause the ultimate cost of claims incurred to 30 June 2024 to deviate from the actuary's central estimate.

The sources of the uncertainty in the estimation of the outstanding liability are:

(a) The models adopted for analysis and projection will never exactly match the actual claim process;

(b) Assuming a perfect model could be constructed, past fluctuations in the experience cause uncertainty in estimating model parameters;

(c) Anomalies in the data may cause further undetected problems in estimating model parameters;

(d) Future claim fluctuations result in uncertainty in projected future payments, even if the true parameter values could be determined for a perfect model; and

(e) Future economic and environmental conditions are not known and may vary significantly from the assumptions adopted

Liability adequacy test

The central estimate is determined, in principle, such that there is no bias to over or under estimation. However, an adequate provision for the outstanding liability under AASB 1023 General Insurance Contracts requires a risk margin to be included such that the probability that the provision will prove to be sufficient is increased. An appropriate probability of sufficiency would usually be between 65% and 90%, depending on the acceptable level of risk to the insurer, whilst APRA requires a 75% probability of sufficiency for private sector insurers. The Scheme's Management Committee have determined to adopt a 75% (2023: 75%) probability of sufficiency.

Actuarial assumptions and methods

The following assumptions have been made in determining the outstanding claims liabilities. A description of the assumptions and the material variances for those assumptions has been detailed below.

Key Actuarial Assumptions	2024	2023
Claims administration expenses	7%	7%
Wage inflation	3.29%	3.31%
Discount rate	4.26%	4.1%
Term to settlement (years)	2.17	2.05

The actuary has set out an analysis by accident year of the increase in the outstanding liability.

2023-2024 - Increase by $3.5 million from $49.4 million as at 30 June 2023 to $52.9 million as at 30 June 2024.
2022-2023 - Increase by $8 million from $41.4 million as at 30 June 2022 to $49.4 million as at 30 June 2023

Process used to determine actuarial assumptions

In conducting the valuation, the actuary has inflated past claim payments, estimates and remuneration for wage inflation to express monetary amounts in consistent dollar values as at 30 June 2024 ("current values"). In applying the various actuarial valuation methods, the actuary has investigated underlying trends in the experience, allowing them to determine the appropriate assumptions for projecting future payments associated with the outstanding claims liability. Subsequently, the actuary has inflated (allowing for future cost escalation) and discounted (allowing for future investment returns) the projected outstanding claims costs to arrive at the outstanding claims liability estimates. To determine the provision, the actuary has then added claims administration expenses and risk margin to the liability estimate.

In the actuarial analysis, all Statutory claim benefits (except those related to latent onset claims) are included in the valuation of statutory benefits, whilst the common law benefits only considers the common law elements (again except those related to latent onset claims). In other words, for workers who have lodged a common law intimation, their statutory claim payments are allowed for in the modelling of statutory benefits. The analysis of claim payments is based on payments net of GST. Latent onset claims are recognised at the time of the injury, regardless whether they have been diagnosed or not. For latent onset claims, all their benefits are modelled together and are treated as a standalone segment.

Different methods have been used to project the outstanding claims payments for each payment type.

The methods used are:

a) For statutory weekly and medical - payments per claim active.
b) For statutory other - payments per unit (wages) exposure.
c) For common law disbursements - payments per (common law) claims intimated.
d) For common law damages - payments per (common law) claims settled.
e) Latent onset claims - average size by projected frequency.
f) Non-reinsurance recoveries - payments per unit (wages) exposure

The actuary has assessed an incurred but not reported (IBNR) liability allowance, to be included in the outstanding claims liability provision for balance sheet purposes. The projected numbers and claim costs are based on the Scheme's portfolio and other portfolios as well as asbestos and silicosis related statistics in general.

Claim administration expense

In addition to future payments to claimants and other providers such as doctors, solicitors and investigators, the Scheme also has to meet future internal administration costs of handling and settling those claims still outstanding. The assessment has to include an allowance for these internal claims handling costs to ensure that it is fully funded for all future costs associated with the Scheme.

Taking into account an estimate of the administration costs expected to be incurred to finalise or settle the outstanding claims from the claims manager, the actuary considers that it is reasonable to set aside 7% (2023: 7%) of the gross future claims payments as adopted in the previous valuation.

Inflation

Statutory weekly benefits have increased in line with wage inflation. Other costs such as statutory medical expenses are also expected to rise broadly in line with inflation. The actuary has set out the future payments for the run-off of the Scheme's liabilities together with assumed inflation rate for each future year. The combination of these payments and assumed inflation rates produces a uniform inflation rate for all future years of 3.29% (2023: 3.31%) per annum. The increase in the assumed inflation rate is due to changes in the level of inflation expectations over the year.

The overall level of payments can increase at a faster rate than inflation. This is referred to as superimposed inflation and it arises from such things as precedent setting court awards and a tendency for claimants to stay on benefits longer as the scheme becomes better understood.

At the current valuation, the actuary has reviewed the presence of superimposed inflation for all payment types and concluded that there continues to be a presence of superimposed inflation in the statutory benefits (amongst weekly and medical). To reflect the same, the actuary has allowed for a superimposed inflation rate of 3% p.a. for statutory weekly benefits' projections (unchanged from the previous valuation) and 1% p.a. for statutory medical benefits' projections (unchanged from the previous valuation).

Discount rate

Future expected claim payments are to be discounted "using risk-free discount rates that are based on current observable, objective rates that relate to the nature, structure and term of the future obligations". The actuary has used the zero coupon yields on the Commonwealth Government bonds as the basis for determining a uniform risk-free discount rate.

The discount rate is the average yield, weighted by the expected future cash flows. The actuary notes that the assets backing the Scheme's portfolio are required to be invested in Queensland Treasury approved products. The future differences between returns on the Scheme's portfolio and the risk free rate adopted for discounting purposes will emerge as profit or loss when they arise.

The actuary sets out the future payments for the run-off of the Scheme's liabilities (excluding administration expenses), together with the yields available on Government bonds of equivalent durations. The combination of these payments and yields produces a uniform discount rate for all future years of 4.3% (2023: 4.1%). The increase in the discount rate reflects changes in the general level of market interest rates and the inclusion of long latency claims that are not yet reported, which has increased the payments made at longer durations where Government bond yields are higher.

Term to Settlement

The actuary has assumed an expected term to settlement of 2.17 years (2023: 2.05 years) based on the historical experience and the results of historical claims.

Inflation rate, discount rate, expense rate and estimated cost of claims sensitivity analysis

The following sensitivity analysis evaluates the impact of a +/- 1 per cent movement in the discount, inflation and expense rate and a +/- 10 per cent movement in the estimated cost of claims for the outstanding provisions.

Inflation assumption

2024

Financial Instruments	Carrying Amount $	-1% Movement $	1% Movement $
Future claims and associated costs	63,688,000	(1,364,000)	1,364,000
Other recoveries receivables	(2,749,000)	52,000	(52,000)
Potential Impact		**(1,312,000)**	**1,312,000**

2023

Financial Instruments	Carrying Amount $	-1% Movement $	1% Movement $
Future claims and associated costs	58,755,000	(1,185,000)	1,185,000
Other recoveries receivables	(1,946,000)	29,000	(29,000)
Potential Impact		**(1,156,000)**	**1,156,000**

Discount rate assumption

2024

Financial Instruments	Carrying Amount $	-1% Movement $	1% Movement $
Future claims and associated costs	63,668,000	1,287,000	(1,287,000)
Other recoveries receivables	(2,749,000)	(50,000)	50,000
Potential Impact		**1,237,000**	**(1,237,000)**

2023

Financial Instruments	Carrying Amount $	-1% Movement $	1% Movement $
Future claims and associated costs	58,755,000	1,124,000	(1,124,000)
Other recoveries receivables	(1,946,000)	(28,000)	28,000
Potential Impact		**1,096,000**	**(1,096,000)**

Expense rate assumption

2024

Financial Instruments	Carrying Amount $	-1% Movement $	1% Movement $
Future claims and associated costs	63,668,000	(595,000)	595,000
Other recoveries receivables	(2,749,000)	-	-
Potential Impact		**(595,000)**	**595,000**

2023

Financial Instruments	Carrying Amount $	-1% Movement $	1% Movement $
Future claims and associated costs	58,755,000	(549,000)	549,000
Other recoveries receivables	(1,946,000)	-	-
Potential Impact		**(549,000)**	**549,000**

Estimated cost of claims assumption

2024

Financial Instruments	Carrying Amount $	-10% Movement $	10% Movement $
Future claims and associated costs	63,668,000	(2,538,000)	2,538,000
Other recoveries receivables	(2,749,000)	-	-
Potential Impact		**(2,538,000)**	**2,538,000**

2023

Financial Instruments	Carrying Amount $	-10% Movement $	10% Movement $
Future claims and associated costs	58,755,000	(2,214,000)	2,214,000
Other recoveries receivables	(1,946,000)	-	-
Potential Impact		**(2,214,000)**	**2,214,000**

7. Net claims incurred

Current period claims relate to risks borne in the current financial year. Prior period claims relate to a reassessment of the risks borne in all previous financial years.

	2024 $	2023 $
Net claims expense (Note 3)	**28,445,085**	**33,195,131**

2024

Details of net incurred claims are as follows:

	Current Year $'000	Prior Years $'000	Total $'000
Claims incurred and related expenses - undiscounted	38,158	(6,811)	31,347
Reinsurance and other recoveries - undiscounted	(721)	(1,140)	(1,861)
Net claims incurred - undiscounted	**37,437**	(7,951)	29,486
Discount - Claims incurred and related expenses	(3,813)	2,666	(1,147)
Discount - Reinsurance and other recoveries	77	29	106
Net discount movement	**(3,736)**	2,695	(1,041)
Net incurred claims	**33,701**	**(5,256)**	**28,445**

2023

Details of net incurred claims are as follows:

	Current Year $'000	Prior Years $'000	Total $'000
Claims incurred and related expenses – undiscounted	31,855	4,285	36,140
Reinsurance and other recoveries – undiscounted	(577)	(755)	(1,332)
Net claims incurred - undiscounted	**31,278**	3,530	34,808
Discount – Claims incurred and related expenses	(3,033)	1,395	(1,638)
Discount – Reinsurance and other recoveries	49	(24)	25
Net discount movement	**(2,984)**	1,371	(1,613)
Net incurred claims	**28,294**	**4,901**	**33,195**

8. Notes to the statement of cash flows

For the purposes of the statement of cash flows, cash and cash equivalents include cash at bank and short term investment deposits at call net of bank overdraft.

Cash and cash equivalents include cash deposits held with a financial institution, and a capital guaranteed investment held with QTC that is subject to a low risk of change in value and is readily convertible to cash on hand.

Reconciliation of operating surplus to net cash provided by operating activities:

	2024 $	2023 $
Operating surplus	863,935	(10,677,893)
Adjustments for		
Changes in fair value of investments - unrealised	(1,998,328)	(633,875)
Investment revenue classified as investing activities	(1,871,657)	(2,023,996)
Net cash used by operating activities before change in assets and liabilities	(3,006,050)	(13,335,764)
Change in assets and liabilities		
(Increase)/Decrease in reinsurance and other recoveries receivable	(804,000)	1,712,000
(Increase) in trade and other receivables	(155,039)	(185,090)
Increase in trade and other payables	486,163	221,891
Increase in future claims and associated costs	4,914,000	7,533,999
Net cash from/(used in) operating activities	1,435,074	(4,052,964)

9. Related parties

a) Key Management Personnel (KMP)

Management Committee

The day to day business of the Scheme is managed by a Management Committee appointed by LGAQ. The Management Committee is responsible to the LGAQ for achieving the scheme's objectives and for financial management. KMP include members of the Management Committee and Directors of the Trustee.

The members of the Management Committee have been listed as key management personnel and receive Committee meeting fees and reimbursement of the costs of travel expenses associated with attending the Committee meetings.

The names of the members of the Management Committee during the financial year are:

Mr Ian Leckenby
Mr Terry Brennan
Ms Rachel Chambers*
Mr John Sharman
Ms Alison Smith (delegate Darren Leckenby)
Mr Darren Leckenby
Cr Samantha O'Toole

KMP Category / Position	Short-Term Employee Benefits 2024 $	Short-Term Employee Benefits 2023 $
Chairman	37,500	37,500
Management Committee Members	19,500	12,000
Total	**57,000**	49,500

No committee meeting fees were paid to the following members:
Ms Alison Smith
Mr Darren Leckenby

*Ms Rachel Chambers resigned as an Elected Member on 11 December 2021, and remained a member of the Scheme's Management Committee until her resignation on 30 June 2024.

Cr Peter Flannery was appointed as a member of the Scheme's Management Committee effective 1 July 2024.

No member of the Management Committee has entered into a material contract with the Scheme during the current or previous financial year.

Directors of the Trustee

LGAQ is acting through its Board, in its capacity as a trustee of the Trust under the Trust Deed. The Directors of the Trustee of the Trust which have been listed below are also key management personnel as they are responsible for the ultimate oversight of the business of the Trust. No remuneration has been paid to them.

Cr Mark Jamieson - resigned 14 June 2024
Cr Jenny Hill - resigned 14 June 2024
Cr Karen Williams - resigned 14 June 2024
Cr Kurt Rehbein - appointed 14 June 2024
Cr Kelly Vea Vea - appointed 14 June 2024
Cr Matt Burnett

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

b) Transactions with related parties

Related parties include LGAQ and its controlled entities. The following are transactions within the group.

	2024 $	2023 $
Purchase of services from LGAQ and its controlled entities on a commercial basis	106,023	280,686
Cost recovery transactions paid to LGAQ and its controlled entities	24,508	28,722
Workcare Scheme remuneration paid to LGAQ	1,113,809	1,037,066
Surplus distribution paid to LGAQ for LGAQ Projects	-	1,000,000

Services provided by LGAQ are on a cost recovery basis and represent transactions paid on behalf of the Scheme.

c) Transactions with other related parties

Other related parties include the close family members of KMP and any entities controlled or jointly controlled by KMP or their close family members. Close family members include a spouse, child and dependent of a KMP or their spouse. There have been no such transactions during the year.

d) Transactions with related parties that have not been disclosed

Some of the Scheme's key management personnel (KMP) are also KMP of their respective Councils, these Councils do transact with the Scheme on a regular basis as members of the Scheme. Examples include:

- Member contributions
- Other recoveries revenue
- Claims expenses
- Distributions

The Scheme has not included these transactions in its disclosures, where they are made on the same terms and conditions available to all other members of the Scheme.

10. Financial instruments

Initial recognition and measurement

Financial assets are recognised when the entity becomes a party to receive cash and cash equivalents or other financial assets from another entity, and securities issued by another entity. Financial liabilities are recognised when the entity becomes a party to the contractual obligations to pay cash or deliver other financial assets. For financial assets, this is equivalent to the date that the Scheme commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are included in profit or loss immediately.

Financial assets and financial liabilities are offset and the net amount presented in the Statement of Financial Position when, and only when, the entity has a legal right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Impairment of Financial assets

The Scheme recognises loss allowances for an Expected Credit Loss ("ECL") on financial assets measured at amortised cost. ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Scheme and the cash flows that the Scheme expects to receive).

At each reporting date, the Scheme also assesses whether financial assets carried at amortised costs are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Scheme considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Scheme's historical experience, informed credit assessment and forward-looking information.

No expected credit loss allowance was recognised on the financial assets carried at amortised cost for the year ended 30 June 2024 (2023: nil).

Classification and subsequent measurement

Financial instruments are subsequently measured at either their fair value or amortised cost using the effective interest rate method. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value.

Amortised cost is calculated as:

- the amount at which the financial asset or financial liability is measured at initial recognition;
- less principal repayments;
- plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and
- less any reduction for impairment.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in Statement of profit or loss.

Financial instruments - Fair values
Accounting classifications and fair values

Financial assets and financial liabilities are recognised in the Statement of Financial Position when the Scheme becomes party to the contractual provisions of the financial instrument. The Scheme has the following categories of financial assets and financial liabilities:

	2024 $			2023 $		
	Current	Non-current	Total	Current	Non-current	Total
FINANCIAL ASSETS						
Cash and cash equivalents	10,674,535	-	10,674,535	4,065,923	-	4,065,923
Financial assets at amortised cost:						
Trade and other receivables	998,995	-	998,995	843,956	-	843,956
Reinsurance and other recoveries receivables	642,000	2,108,000	2,750,000	776,000	1,170,000	1,946,000
	1,640,995	2,108,000	3,748,995	1,619,956	1,170,000	2,789,956
Financial assets at fair value through profit or loss	20,456,932	34,615,966	55,072,898	5,293,294	51,083,157	56,376,451
Total financial assets	**32,772,462**	**36,723,966**	**69,496,428**	10,979,173	52,253,157	63,232,330
FINANCIAL LIABILITIES						
Financial liabilities at amortised cost:						
Trade and other payables	1,668,240	-	1,668,240	1,182,077	-	1,182,077
Total financial liabilities	**1,668,240**	-	**1,668,240**	1,182,077	-	1,182,077

11. Risk management

Risk management objectives and policies for mitigating risk

The Scheme operates in Queensland to provide services to members in respect of their potential and actual workers compensation liabilities. Subject to the Scheme Rules, the Scheme meets the costs of workers compensation claims against members that are accepted in accordance with the *Workers Compensation and Rehabilitation Act 2003*.

Actuarial models, using information from the Scheme's management information systems, are used to confirm contributions and monitor claim patterns. Past experience and statistical methods are used as part of the process.

The principal risk is that the frequency and severity of claims is greater than expected. Workers Compensation liability events are, by their nature, random, and the actual number and size of events during any one-year may vary from those estimated using established statistical techniques.

The Scheme has an objective to control risk thus reducing the volatility of its operating surplus. In addition to the inherent uncertainty of liability risks, which can lead to variability in the loss experience, operating surpluses can also be affected by external factors such as competition and movements in asset values.

The Scheme relies on a strong relationship with its members and actively encourages them to adopt Workplace Health and Safety practices that reduce the incidence of claims to the Scheme.

Reinsurance strategy

The Scheme adopts a conservative approach towards the management of risk and does this by utilising risk transfer options. The Management Committee determines the level of risk, which is appropriate for the Scheme having regards to ordinary concepts of prudence and regulatory constraints. The risk transfer arrangements adopted by the Scheme utilise commercial reinsurance arrangements. These risk transfer arrangements assist the Scheme to limit its exposures. These programs are regularly reviewed to ensure that they continue to meet the risk needs of the Scheme.

Management of risks

The key risks that affect the Scheme are contribution risk and claims experience risk.

Contribution risk is the risk that the Scheme does not charge contributions appropriate for the indemnity cover it provides. The Scheme partially manages contribution risk through its proactive approach to risk management, which addresses all material risks, both financial and non-financial. There are no specific terms and conditions that are expected to have a material impact on the financial statements.

Claims experience risk is managed through the non-financial risk assessment, and risk management and reinsurance management process. Claims experience is monitored on an ongoing basis to ensure that any adverse trending is addressed. The Scheme is able to reduce the claims experience risk of severe losses through the reinsurance program and by managing the concentration of risks.

Concentration of risks

Risk is managed by taking a long-term approach to setting the annual contribution rates that minimise price fluctuations, adopting an appropriate investment strategy, implementing a reinsurance program and by maintaining an active state-wide risk management profile. It is vital that the Scheme keeps abreast of changes in the general economic, legal and commercial environment in which it operates.

Market risk

Market risk is the risk that changes in market prices will affect the Scheme's income or the value of its financial instruments.

Price risk

In addition to cash and cash equivalents, the investment portfolio contains exposures to equity markets through managed unit trusts held in QIC. These investments, integral to insurance activities, are measured at net market value at each reporting date and changes in market value are immediately reflected in the Statement of Profit or Loss and Other Comprehensive Income. Any overall downturn in the equities market may impact on future results of the Scheme. The impact of any significant movement is managed by ensuring that the investment portfolio consists of a diverse holding of investments. The Scheme holds $55,072,898 worth of units with QIC as at 30 June 2024 (2023: $56,376,451).

Currency risk

The Scheme does not trade in foreign currency and is not materially exposed to commodity price changes.

Interest rate risk

The Scheme is exposed to interest rate risk through its investments with QTC and a commercial bank account. The Scheme has access to a mix of variable and fixed rate funding options with QTC so that the interest rate risk exposure can be minimised. The interest rate risk exposure with a commercial bank is immaterial.

Interest on cash is charged at prevailing market rates being approximately 4.4% at 30 June 2024 (2023: 4.15%). Interest on QTC investments is charged at prevailing market rates which is approximately 4.86% at 30 June 2024 (2023: 4.07%).

Interest Rate Sensitivity Analysis

Interest rate sensitivity depicts what effect a reasonably possible change in interest rates of +/- 1% would have on the profit and equity, based on the carrying value of financial assets and liabilities. With all other variables held constant, the Scheme would have surplus increase/decrease of $106,745 (2023: $40,659) for interest rate risk.

Unit Price Sensitivity Analysis

Unit price sensitivity analysis is based on a report similar to that which would be provided to management, depicting the outcome to profit and loss if interest rates and unit prices would change by +/- 1% for the QIC Cash Enhanced Fund, by +/-5% for the QIC Short Term Income Fund and QIC Long Term Diversified Fund from the year-end rates applicable to the Scheme's financial assets and liabilities. With all other variables held constant, the Scheme would have a surplus increase/(decrease) of $204,569 (2023: $52,933) for unit price risk for the QIC Cash Enhanced Fund and surplus increase/(decrease) of $1,730,798 (2023: $2,554,158) for unit price risk for the QIC Short Term Income Fund.

Credit risk

Credit risk is the risk of financial loss if a counterparty to a financial instrument to meet its contractual obligations. These obligations are principally from Scheme's investments and receivables.

The maximum exposure to credit risk at reporting date in relation to each class of recognised assets is the gross carrying amount of those assets inclusive of any impairment.

The credit risk arising from Scheme's exposure to individual entities in investment portfolios is monitored and controlled through risk management strategies implemented by the Scheme's fund manager, QIC.

The Scheme considers that all of the financial assets at amortised cost that are not impaired for each of the reporting dates under review are of low credit risk due to the high quality credit rating of the parties involved. No collateral is held as security and no credit enhancements relate to financial assets held by the Scheme.

Liquidity risk

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

The Scheme is exposed to liquidity risk in respect of its payables being trade and other payables and distribution payables, refer to the Statement of Financial Position.

The Scheme's objective when managing liquidity risk is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Scheme's reputation.

The Scheme manages liquidity risk by continuously monitoring cash flows. The Scheme's financial liabilities comprise of trade and other payables of $1,668,240 (2023: $1,182,077), which are non-interest bearing with maturity date of less than one year.

12. Auditor's remuneration

	2024 $	2023 $
Audit of financial statements	**60,050**	49,950
Auditor actuarial specialists fees	**-**	9,350
	60,050	59,300

There are no non-audit services included in this amount.

13. Distributions

In June 2023, the Management Committee noted and approved a surplus distribution of $1,000,000 for LGAQ projects funding requirements which was paid to LGAQ in June 2023. There has been no surplus distribution declared in 2023-2024.

14. Commitments for expenditure

Commitments for payments of Scheme Management Fees are payable as follows. Commitments for payments of the Regional Risk Co-ordinator programme have been incorporated in the Scheme management fees.

	2024 $	2023 $
Within one year	9,775,472	9,396,361
Later than one year but not later than 5 years	10,169,929	20,370,846
	19,945,401	29,767,207

15. Contingent liabilities

The Scheme holds bank guarantees worth $66,081,000 with QTC (2023: $57,320,000). The Scheme's members have provided an indemnity towards this bank guarantee to cover bad debts which may remain should the self insurance licence be cancelled and there was insufficient funds to cover outstanding liabilities. Only the Queensland Government's worker compensation authority may call on any part of the guarantee should the above circumstances arise.

16. New accounting standards for application in future periods

The Scheme has conducted an assessment to determine whether the Scheme is within scope of AASB 17 *Insurance Contracts* (AASB 17) and the amending standard AASB 2022-9 *Amendments to Australian Accounting Standards - Insurance Contracts in the Public Sector* (AASB 2022-9). AASB 17 applies to public sector entities for annual reporting periods beginning on or after 1 July 2026.

Based on its operations, the Scheme has determined that it falls within the scope of AASB 17 and AASB 2022-9. With the assistance of a third-party firm, the Scheme has commenced the process of performing a detailed impact assessment to ensure compliance with the standards, which are effective from 1 July 2026.

The extent of the impact of AASB 17 and AASB 2022-9 on the Scheme is currently being assessed.

17. Authorisation of financial statements for issue

The financial statements are authorised for issue by the Management Committee at the date of signing the Management Committee's Certificate.

18. Subsequent events

No transaction or event of a material or unusual nature, in the opinion of the Scheme's Management Committee, has arisen in the interval between the end of the financial year and the date of these financial statements to affect significantly the operations of the Scheme, the results of those operations, or the state of affairs of the Scheme, in future financial years.

Board of Management's Certificate

Queensland Local Government Workers Compensation Self-Insurance Scheme Management Committee's Certificate

In the opinion of the Management Committee of Queensland Local Government Workers Compensation Self-Insurance Scheme:

a) the financial statements and notes, set out on pages 44 to 58:

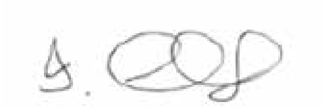
i) give a true and fair view of the financial position of Queensland Local Government Workers Compensation Self-Insurance Scheme as at 30 June 2024 and its performance, as represented by the results of its operations and its cash flows, for the year ended on that date;

ii) comply with Australian Accounting Standards; and

iii) are drawn up in accordance with the provisions of the Trust Deed dated 6 April 2004 and Scheme Rules dated 19 May 2017;

b) there are reasonable grounds to believe that the Queensland Local Government Workers Compensation Self-Insurance Scheme will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Management Committee:



29 November 2024

Mr Ian Leckenby
Chairman

Date

Independent Auditor's Report

Queensland Audit Office
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INDEPENDENT AUDITOR'S REPORT

To the trustee, management committee and members of Queensland Local Government Workers Compensation Self-Insurance Scheme

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of Queensland Local Government Workers Compensation Self-Insurance Scheme (the Trust).

In my opinion, the financial report:

a) gives a true and fair view of the Trust's financial position as at 30 June 2024, and its financial performance and cash flows for the year then ended

b) complies with the trust deed of Queensland Local Government Workers Compensation Self-Insurance Scheme dated 6 April 2004 (as amended), Scheme rules dated 19 May 2017 and Australian Accounting Standards.

The financial report comprises the statement of financial position as at 30 June 2024, the statement of profit or loss and other 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 management committee.

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

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

Responsibilities of the trustee and management committee for the financial report

The trustee and management committee are responsible for the preparation of the financial report that gives a true and fair view in accordance with the trust deed of Queensland Local Government Workers Compensation Self-Insurance Scheme dated 6 April 2004 (as amended), Scheme rules dated 19 May 2017 and Australian Accounting Standards, and for such internal control as the trustee and management committee determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial report

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

A further description of my responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:
https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of my auditor's report.

mluwinga

Martin Luwinga
as delegate of the Auditor-General

2 December 2024

Queensland Audit Office
Brisbane

AS TRUSTEE

lgms.net.au

AS SCHEME MANAGER

RISK SPECIALISTS | UNRIVALLED VALUE | OWNED BY MEMBERS