Queensland Government

Queensland Treasury
Financial Reporting Requirements for Queensland Government Agencies

FRR 6A

SUNSHINE DEPARTMENT – ILLUSTRATIVE FINANCIAL STATEMENTS FOR TIER 1 AGENCIES

for reporting periods beginning on or after 1 July 2025

NOTE TO AGENCIES:

The Sunshine Department Illustrative Financial Statements are for ILLUSTRATIVE GUIDANCE ONLY and should be amended to reflect an individual agency's circumstances and operational characteristics. In their own financial statements, agencies should not include any line items or note disclosures for which they have no transactions or balances.

Agencies should refer to the minimum reporting requirements in FRR 2D regarding compliance with the line items displayed on the face of these illustrative financial statements. Beyond the mandatory policy requirements in Parts 2-5 of the FRRs, agencies are responsible for determining the most appropriate and meaningful layout of the notes to their financial statements, including the location where significant accounting policies will be disclosed. Consequently, agencies are not required to follow the layout of the note presentation within these illustrative statements.

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Sunshine Department Financial Statements
For the Year Ended 30 June 2026

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Statement of Comprehensive Income
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			CONSOLIDATED		DEPARTMENT			
			2026	2025	2026	2026		2025
			Actual	Actual	Actual	Original budget	Budget variance*	Actual
AASB 101.10(b) AASB 1055.6, FRR 5C.4	**OPERATING RESULT**	**Note**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
FRR 5C.4 FRR 3A.1	**Income from continuing operations**							
AASB 1058	Appropriation revenue	B1-1	x	x	x	x	x	x
AASB 15.114	User charges and fees	B1-2	x	x	x	x	x	x
AASB 15.114	Royalties and land rents		x	x	x	x	x	x
	Taxes	B1-4	x	x	x	x	x	x
	Grants and other contributions	B1-3	x	x	x	x	x	x
AASB 101.82(a)	Interest		x	x	x	x	x	x
AASB 101.82(a), 85	Other revenue	B1-5	x	x	x	x	x	x
AASB 101.82(a), 85	**Total revenue**		x	x	x	x	x	x
AASB 101.85	Gains on disposal/revaluation of assets	B2	x	x	x	x	x	x
	Total income from continuing operations		**x**	**x**	**x**	**x**	**x**	**x**
AASB 101.85 AASB 101.99	**Expenses from continuing operations**							
FRR 3A.1								
FRR 3C	Employee expenses	B3-1	x	x	x	x	x	x
FRR 3E	Supplies and services	B3-2	x	x	x	x	x	x
FRR 3D.2, FRR 3E	Grants and subsidies	B3-3	x	x	x	x	x	x
FRR 3A.1	Depreciation and amortisation	B3-6	x	x	x	x	x	x
AASB 101.82(ba)	Impairment losses on financial assets	B3-4	x	x	x	x	x	x
	Impairment losses on non-financial assets	B3-4	x	x	x	x	x	x
AASB 116.Aus40.1	Revaluation decrement	C7-1	x	x	x	x	x	x
AASB 101.82(b), FRR 3D.3	Finance/borrowing costs	B3-5	x	x	x	x	x	x
FRR 3D	Other expenses	B3-7	x	x	x	x	x	x
	Total expenses from continuing operations		**x**	**x**	**x**	**x**	**x**	**x**
AASB 101.81A(a)	**Operating result from continuing operations**		**x**	**x**	**x**	**x**	**x**	**x**
AASB 101.82(ea), AASB 5. 33	**Operating result from discontinued operations**		-	-	-	-	-	-
FRR 3A.1	**Operating result for the year**		x	x	x	x	x	x
AASB 101.10(b)	**OTHER COMPREHENSIVE INCOME**							
AASB 101.82A(a)	***Items that will not be reclassified to operating result***							
AASB 116.Aus39.1, Aus40.1	Increase (decrease) in revaluation surplus		x	x	x	x	x	x
AASB 7.24C(b)	Net value gain on cash flow hedges to be capitalised		x	x	x	x	x	x
AASB 7.20(a)(vii)	Net gain on equity instruments at fair value through other comprehensive income (FVOCI)		x	-	x	x	x	-
	Other *(agencies to specify)*		x	x	x	x	x	x
	Total items that will not be reclassified to operating result		x	x	x	x	x	x
AASB 101.82A(b)	***Items that may be reclassified to operating result***							
AASB 7.24C(b)	Net value gain on cash flow hedges		x	x	x	x	x	x
AASB 7.20(a)(viii)	Net gain on debt instruments at FVOCI		x	x	x	x	x	x
	Other *(agencies to specify)*		x	x	x	x	x	x
	Total Items that may be reclassified to operating result		x	x	x	x	x	x
AASB 101.81A(b)	**TOTAL OTHER COMPREHENSIVE INCOME**		x	x	x	x	x	x
AASB 101.81A(c)	**TOTAL COMPREHENSIVE INCOME**		**x**	**x**	**x**	**x**	**x**	**x**

**An explanation of major variances is included at Note E1*
The accompanying notes form part of these financial statements.

NOTE TO AGENCIES:

Budgetary reporting disclosures – Agencies have discretion where original budget numbers and explanations are located within their financial statements and notes.

Discontinued operations – The line items for discontinued operations in these illustrative statements are required only in the rare circumstances where discontinued operations exist. No illustrative disclosure has been included in these statements. Agencies should refer to AASB 5 for further information.

Cash flow hedges – The line items for cash flow hedges in these illustrative statements are required only in the rare circumstances where agencies apply the hedge accounting rules under AASB 9. No illustrative disclosure has been included in these statements for cash flow or fair value hedges under AASB 9 and agencies should refer to AASB 7 for all relevant disclosures if required.

Net gain on financial assets at fair value through other comprehensive income – The line item within other comprehensive income for financial assets at fair value through other comprehensive income in these illustrative statements is only required where agencies have financial assets of this category under AASB 9.

Presentation by Health and Hospital Services (HHS) of revenue in the operating statement and notes for public health services

Given the interaction between AASB 15 and AASB 1058 and the fact that funding for public hospital services may qualify for recognition under either AASB 15 or AASB 1058 depending upon the circumstances, Treasury strongly suggests (and encourages) all HHS's present funding for public health services received from the Department of Health separately on the Statement of Comprehensive Income and not to include this funding within User charges and fees. Treasury considers this will make the presentation of the note disclosures easier and clearer.

Below is an illustrative example of the income section for a HHS applying this presentation format.

	Note	20X2 $'000	20X1 $'000
Income from continuing operations			
User charges and fees	x	x	x
Funding for public health services	x	x	x
Grants and other contributions	x	x	x
Other revenue	x	x	x
Total revenue		**x**	**x**
Gains on disposal/revaluation of assets	x	x	x
Total Income		**x**	**x**

Sunshine Department - Statement of Comprehensive Income by Major Departmental Service, CBUs and SSPs
for the year ended 30 June 2026

^ CBU = Commercialised business unit
SSP = Shared service provider

FRR 3A.2 & AASB 1052.15(c) & (d)

	Research and consultancy (Note A2)		Publications and software development (Note A2)		CBU^		SSP^		Inter-service/unit eliminations		General - not attributed		DEPARTMENT TOTAL	
	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Income from continuing operations														
Appropriation revenue	x	x	x	-	x	x	x	x	-	-	x	x	x	x
User charges and fees	x	x	x	-	x	x	x	x	-	-	x	x	x	x
Taxes	x	x	x	-	x	x	x	x	-	-	x	x	x	x
Royalties and land rents	x	x	x	-	x	x	x	x	-	-	x	x	x	x
Grants and other contributions	x	x	x	-	-	-	-	-	-	-	x	x	x	x
Interest	x	x	x	-	-	-	-	-	-	-	x	x	x	x
Other revenue	x	x	x	-	x	x	x	x	-	-	x	x	x	x
Total revenue	**x**	**x**	**x**	**-**	**x**	**x**	**x**	**x**	**-**	**-**	**x**	**x**	**x**	**x**
Gains on disposal/revaluation of assets	x	x	x	-	x	x	x	x	-	-	x	x	x	x
Total income from continuing operations	**x**	**x**	**x**	**-**	**x**	**x**	**x**	**x**	**-**	**-**	**x**	**x**	**x**	**x**
Expenses from continuing operations														
Employee expenses	x	x	x	-	x	x	x	x	-	-	x	x	x	x
Supplies and services	x	x	x	-	x	x	x	x	-	-	x	x	x	x
Grants and subsidies	x	x	-	-	-	-	-	-	-	-	x	x	x	x
Depreciation and amortisation	x	x	x	-	x	x	x	x	-	-	x	x	x	x
Impairment losses on financial assets	x	x	-	-	x	x	x	x	-	-	x	x	x	x
Impairment losses on non-financial assets	x	x	-	-	x	x	x	x	-	-	x	x	x	x
Revaluation decrement	x	x	-	-	x	-	x	-	-	-	x	x	x	x
Finance/borrowing costs	x	x	x	-	x	x	x	x	-	-	x	x	x	x
Other expenses	x	x	x	-	x	x	x	x	-	-	x	x	x	x
Total expenses from continuing operations	**x**	**x**	**x**	**-**	**x**	**x**	**x**	**x**	**-**	**-**	**x**	**x**	**x**	**x**
Operating result from continuing operations	**x**	**x**	**x**	**-**	**x**	**x**	**x**	**x**	**-**	**-**	**x**	**x**	**x**	**x**
Operating result from discontinued operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operating result for the year	x	x	x	-	x	x	x	x	-	-	x	x	x	x
Other comprehensive income														
Items that will not be reclassified to operating result	x	x	x	-	x	x	x	x	-	-	x	x	x	x
Increase (decrease) in revaluation surplus	x	x	x	-	x	x	x	x	-	-	x	x	x	x
Other *(agencies to insert all applicable line items)*	x	x	x	-	x	x	x	x	-	-	x	x	x	x
Total for Items that will not be reclassified subsequently to operating result	x	x	x	-	-	-	-	-	-	-	x	x	x	x
Items that may be reclassified to operating result														
Other *(agencies to insert all applicable line items)*	x	x	x	-	x	x	x	x	-	-	x	x	x	x
Total for Items that may be reclassified to operating result	x	x	x	-	x	x	x	x	-	-	x	x	x	x
Total comprehensive income	x	x	x	-	x	x	x	x	-	-	x	x	x	x

Sunshine Department and Controlled Entities
Statement of Financial Position
as at 30 June 2026

Reference		Note	CONSOLIDATED		DEPARTMENT			
AASB 101.10(c)			2026	2025	2026	2026		2025
AASB 1055.6, FRR 5C.4		Note	Actual	Actual	Actual	Original budget	Budget variance*	Actual
FRR 4A.1			$'000	$'000		$'000	$'000	$'000
AASB 101.60 & 66	**Current assets**							
AASB 101.54(i)	Cash and cash equivalents	C1	x	x	x	x	x	x
AASB 101.54(h)	Receivables	C2	x	x	x	x	x	x
AASB 101.54(d)	Other financial assets	C3	x	x	x	x	x	x
AASB 101.54(g)	Inventories	C4	x	x	x	x	x	x
AASB 101.55	Other current assets	C5	x	x	x	x	x	x
			x	x	x	x	x	x
AASB 101.54(j), AASB 5.38 & 40	Non-current assets classified as held for sale	C6	x	x	x	x	x	x
	Total current assets		**x**	**x**	**x**	**x**	**x**	**x**
AASB 101.60	**Non-current assets**							
AASB 101.54(h)	Receivables	C2	x	x	x	x	x	x
AASB 101.54(d)	Other financial assets	C3	x	x	x	x	x	x
AASB 101.54(a)	Property, plant and equipment	C7-1	x	x	x	x	x	x
AASB 16.47(a)	Right-of-use assets	C10	x	-	x	x	x	-
AASB 101.54(b)	Investment property	C8	x	x	x	x	x	x
FRR 5D	Service concession assets	C11	x	x	x	x	x	x
AASB 101.54(c)	Intangible assets	C9-1	x	x	x	x	x	x
AASB 101.55	Other non-current assets	C5	x	x	x	x	x	x
	Total non-current assets		**x**	**x**	**x**	**x**	**x**	**x**
	Total assets		**x**	**x**	**x**	**x**	**x**	**x**
AASB 101.60 & 66	**Current liabilities**							
AASB 101.54(i)	Payables	C12	x	x	x	x	x	x
AASB 101.54(h)	Borrowings and derivatives[1-refer next page]	C13	x	x	x	x	x	x
AASB 16.47(b)	Lease liabilities	C10	x	x	x	x	x	x
AASB 101.54(d)	Accrued employee benefits	C14	x	x	x	x	x	x
AASB 101.54(g)	Provisions	C15	x	x	x	x	x	x
AASB 101.55	Other current liabilities	C16	x	x	x	x	x	x
	Total current liabilities		**x**	**x**	**x**	**x**	**x**	**x**
AASB 101.60 & 69	**Non-current liabilities**							
AASB 101.54(k)	Payables	C12	x	x	x	x	x	x
AASB 101.	Borrowings and derivatives[1-refer next page]	C13	x	x	x	x	x	x
AASB 16.47(b)	Lease liabilities	C10	x	x	x	x	x	x
AASB 119	Accrued employee benefits	C14	x	x	x	x	x	x
AASB 101.54(l)	Provisions	C15	x	x	x	x	x	x
AASB 101.55	Other non-current liabilities	C16	x	x	x	x	x	x
AASB 101.60 & 69	**Total non-current liabilities**		**x**	**x**	**x**	**x**	**x**	**x**
	Total liabilities		**x**	**x**	**x**	**x**	**x**	**x**
	Net assets		**x**	**x**	**x**	**x**	**x**	**x**
AASB 101.78(e)	**Equity**							
AASB 101.54(r)	Contributed equity	C17-2	x	x	x	x	x	x
AASB 101.108	Accumulated surplus/deficit		x	x	x	x	x	x
AASB 101.54(r)	Revaluation surplus	C17-3	x	x	x	x	x	x
	Other *(agencies to specify)*		x	x	x	x	x	x
	Total equity		**x**	**x**	**x**	**x**	**x**	**x**

**An explanation of major variances is included at Note E1*
The accompanying notes form part of these financial statements.

NOTE TO AGENCIES:

- **Budgetary reporting disclosures - Agencies are reminded that equity is only reported within the SDS at the total equity level only. In accordance with FRR 5C, no explanation of major variances should be presented for the individual components of equity.**

- **Third statement of financial position - Agencies should refer to AASB 101.40A for the full list of circumstances where a third statement of financial position (i.e. a third column) at the beginning of the comparative period is to be presented on the face of the statement. Although not illustrated in these Sunshine Statements, the circumstances illustrated in Note G3 would require disclosure of a third statement of financial position on the face of the statement IF the retrospective restatement has a material effect of the information in the statement of financial position at the beginning of the preceding period.**

Note 1 - If an agency does not have derivatives, the "Borrowings and derivatives" line item should be renamed "Borrowings".

Sunshine Department - Statement of Assets and Liabilities by Major Departmental Service, CBUs and SSPs

as at 30 June 2026

^ CBU = Commercialised business unit
SSP = Shared service provider

FRR 2A.6 and FRR 4A.2
AASB 1052.15 and 1052.16

	Research and consultancy		Publications and software development		CBU^		SSP^		Inter-service/unit eliminations		General - not attributed		DEPARTMENT TOTAL	
	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Current assets														
Cash and cash equivalents	x	x	x	x	x	x	x	x	(x)	(x)	x	x	x	x
Receivables	x	x	x	x	x	x	x	x	(x)	(x)	x	x	x	x
Other financial assets	x	x	x	x	x	x	x	x	(x)	(x)	x	x	x	x
Inventories	x	x	x	x	x	x	x	x	(x)	(x)	x	x	x	x
Other current assets	x	x	x	x	x	x	x	x	(x)	(x)	x	x	x	x
Non-current assets classified as held-for-sale	x	x	x	x	x	x	x	x	(x)	(x)	x	x	x	x
Total current assets	**x**	**x**	**x**	**x**	**x**	**x**	**x**	**x**	**(x)**	**(x)**	**x**	**x**	**x**	**x**
Non-current assets														
Receivables	x	x	x	x	x	x	x	x	(x)	(x)	x	x	x	x
Other financial assets	x	x	x	x	x	x	x	x	(x)	(x)	x	x	x	x
Intangible assets	x	x	x	x	x	x	x	x	(x)	(x)	x	x	x	x
Property, plant and equipment	x	x	x	x	x	x	x	x	(x)	(x)	x	x	x	x
Right-of-use assets	x	x	x	x	x	x	x	x	(x)	(x)	x	x	x	x
Investment property	x	x	x	x	x	x	x	x	(x)	(x)	x	x	x	x
Other non-current assets	x	x	x	x	x	x	x	x	(x)	(x)	x	x	x	x
Total non-current assets	**x**	**x**	**x**	**x**	**x**	**x**	**x**	**x**	**(x)**	**(x)**	**x**	**x**	**x**	**x**
Total assets	**x**	**x**	**x**	**x**	**x**	**x**	**x**	**x**	**(x)**	**(x)**	**x**	**x**	**x**	**x**
Current liabilities	x	x	x	x	x	x	x	x	(x)	(x)	x	x	x	x
Payables	x	x	x	x	x	x	x	x	(x)	(x)	x	x	x	x
Borrowings and derivatives	x	x	x	x	x	x	x	x	(x)	(x)	x	x	x	x
Lease liabilities	x	x	x	x	x	x	x	x	(x)	(x)	x	x	x	x
Accrued employee benefits	x	x	x	x	x	x	x	x	(x)	(x)	x	x	x	x
Provisions	x	x	x	x	x	x	x	x	(x)	(x)	x	x	x	x
Other current liabilities	x	x	x	x	x	x	x	x	(x)	(x)	x	x	x	x
Total current liabilities	**x**	**x**	**x**	**x**	**x**	**x**	**x**	**x**	**(x)**	**(x)**	**x**	**x**	**x**	**x**
Non-current liabilities	x	x	x	x	x	x	x	x	(x)	(x)	x	x	x	x
Payables	x	x	x	x	x	x	x	x	(x)	(x)	x	x	x	x
Borrowings and derivatives	x	x	x	x	x	x	x	x	(x)	(x)	x	x	x	x
Lease liabilities	x	x	x	x	x	x	x	x	(x)	(x)	x	x	x	x
Accrued employee benefits	x	x	x	x	x	x	x	x	(x)	(x)	x	x	x	x
Provisions	x	x	x	x	x	x	x	x	(x)	(x)	x	x	x	x
Other non-current liabilities	x	x	x	x	x	x	x	x	(x)	(x)	x	x	x	x
Total non-current liabilities	**x**	**x**	**x**	**x**	**x**	**x**	**x**	**x**	**(x)**	**(x)**	**x**	**x**	**x**	**x**
Total liabilities	**x**	**x**	**x**	**x**	**x**	**x**	**x**	**x**	**(x)**	**(x)**	**x**	**x**	**x**	**x**

Sunshine Department - Statement of Assets and Liabilities by Major Departmental Service, CBUs and SSPs

as at 30 June 2026

NOTE TO AGENCIES:

All columns have been provided for illustrative purposes. If there are no figures in these columns they should be deleted in departments' own financial statements.

Under FRR 4A.2, major departmental services must accord with those included in the Service Delivery Statements (SDS), including any approved variations. Where there has been an approved change in activities from the comparative period, this should be disclosed in the Notes to and forming part of the financial statements and comparative figures disclosed.

Sunshine Department and Controlled Entities - Statement of Changes in Equity

for the year ended 30 June 2026

		Contributed equity		Accumulated surplus		Revaluation surplus		[Other]		TOTAL	
FRR 4F.1											
AASB 101.10(c), 106(d)		Consolidated	Department	Consolidated	Department	Consolidated	Department	Consolidated	Department	Consolidated	Department
		$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
	Balance as at 1 July 2024	x	x	x	x	x	x	x	x	x	x
	Operating result										
AASB 101.106(a)	Operating result from continuing operations	x	x	x	x	x	x	x	x	x	x
		-	-	x	x	x					
	Other comprehensive income										
AASB 116.Aus 39.1 &40.1	- Increase (decrease) in revaluation surplus [1]	-	-	-	-	x	x	-	-	x	x
AASB 101.106(d)(ii)	- Net value gain from cash flow hedges *(insert where applicable)*										
AASB 101.106(d)(ii)	- Net gain on financial assets at FVOCI *(insert where applicable)*										
	- Other	-	-	-	-	-	-	-	-	-	-
	Total comprehensive income for the year	x	x	x	x	x	x	x	x	x	x
	Transactions with owners as owners:										
FRR 2D.1 / FRR 4F	- Appropriated equity injections (Note C17-2)	x	x	-	-	-	-	-	-	x	x
Interpretation 1038	- Net transfers in/(out) from other Queensland Government entities (Note A3)	x	x	-	-	-	-	-	-	x	x
FRR 4F	- Other (specify)	-	-	-	-	-	-	-	-	-	-
	Net transactions with owners as owners	x	x	-	x	x					
	Balance at 30 June 2025 [1]	**x**	**x**	**x**	**x**	**x**	**x**	**x**	**x**	**x**	**x**
AASB 101.106(b)	Net effect of changes in accounting policies / prior year adjustments (Note G3/G4)	-	-	x	x	-	-	-	-	x	x
	Balance as at 1 July 2025	**x**	**x**	**x**	**x**	**x**	**x**	**x**	**x**	**x**	**x**
	Operating result										
AASB 101.106(a)	Operating result from continuing operations	x	x	x	x	x	x	x	x	x	x
		-	-	x	x	-					
	Other comprehensive income										
AASB 116.Aus 39.1 & 40.1	- Increase (decrease) in revaluation surplus	-	-	-	-	x	x	-	-	x	x
AASB 101.106(d)(ii)	- Net value gain from cash flow hedges *(insert where applicable)*										
AASB 101.106(d)(ii)	- Net gain on financial assets at FVOCI *(insert where applicable)*										
	- Other	-	-	-	-	-	-	-	-	-	-
	Total comprehensive income for the year	x	x	x	x	x	x	x	x	x	x
	Transactions with owners as owners:										
FRR 2D.1 / FRR 4F	- Appropriated equity injections (Note C17-2)	x	x	-	-	-	-	-	-	x	x
Interpretation 1038	- Net transfers in/(out) from other Queensland Government entities (Note A3)	x	x	-	-	-	-	-	-	x	x
FRR 4F	- Other (specify)	-	-	-	-	-	-	-	-	-	-
	Net transactions with owners as owners	x	x	-	x	x	-	-	-	x	x
	Balance at 30 June 2026	**x**	**x**	**x**	**x**	**x**	**x**	**x**	**x**	**x**	**x**

(1) - Details of balances restated on correction of prior period error are disclosed at Note G3)

The accompanying notes form part of these financial statements.

Sunshine Department and Controlled Entities
Statement of Cash Flows
for the year ended 30 June 2026

Reference		Note	CONSOLIDATED		DEPARTMENT			
AASB 101.10(d) FRR 5A AASB 1055.6 FRR 5C.4								
AASB 107.10	**CASH FLOWS FROM OPERATING ACTIVITIES**	**Note**	**2026 Actual**	**2025 Actual**	**2026 Actual**	**2026 Original budget**	**Budget variance***	**2025 Actual**
AASB 107.18(a)			**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
	Inflows:							
	Service appropriation receipts		x	x	x	x	x	x
AASB 107.14(a) FRR 5A.1	User charges and fees (inclusive of GST)**		x	x	x	x	x	x
AASB 107.14(b)	Royalties and land rents		x	x	x	x	x	x
AASB 107.14(b)	Taxes		x	x	x	x	x	x
AASB 107.14(b)	Grants and other contributions (inclusive of GST)**		x	x	x	x	x	x
	Interest receipts		x	x	x	x	x	x
FRR 5A.1	GST received from/paid to ATO (net)**		x	x	x	x	x	x
	Other		x	x	x	x	x	x
			x	x	x	x	x	x
	Outflows:							
AASB 107.14(d)	Employee expenses		(x)	(x)	(x)	(x)	(x)	(x)
AASB 107.14(c) FRR 5A.1	Supplies and services (inclusive of GST)**		(x)	(x)	(x)	(x)	(x)	(x)
AASB 107.14(c)	Grants and subsidies (inclusive of GST)**		(x)	(x)	(x)	(x)	(x)	(x)
FRR 5A.1	Finance/borrowing costs		(x)	(x)	(x)	(x)	(x)	(x)
	Other		(x)	(x)	(x)	(x)	(x)	(x)
	Net cash provided by operating activities	CF-1	**x**	**x**	**x**	**x**	**x**	**x**
AASB 107.10, 21	**CASH FLOWS FROM INVESTING ACTIVITIES**	CF-2						
	Inflows:							
AASB 107.16(b)	Sales of property, plant and equipment		x	x	x	x	x	x
AASB 107.16(h)	Investments redeemed		x	x	x	x	x	x
AASB 107.16(f)	Loans and advances redeemed		x	x	x	x	x	x
	Outflows:							
AASB 107.16(a)	Payments for property, plant and equipment		(x)	(x)	(x)	(x)	(x)	(x)
AASB 107.16(b)	Payments for intangibles		(x)	(x)	(x)	(x)	(x)	(x)
AASB 107.16(c)	Payments for investments		(x)	(x)	(x)	(x)	(x)	(x)
AASB 107.16(e)	Loans and advances made		(x)	(x)	(x)	(x)	(x)	(x)
	Net cash used in investing activities		(x)	(x)	(x)	(x)	(x)	(x)
AASB 107.10 & 21	**CASH FLOWS FROM FINANCING ACTIVITIES**	CF-2						
	Inflows:							
AASB 107.17(c),(d)	Proceeds from borrowings		x	x	x	x	x	x
FRR 4F	Equity injections		x	x	x	x	x	x
	Outflows:							
AASB 107.17(b)	Equity withdrawals		(x)	(x)	(x)	(x)	(x)	(x)
AASB 107.17(d)	Borrowing redemptions		(x)	(x)	(x)	(x)	(x)	(x)
AASB 107.17(e)	Lease payments		(x)	(x)	(x)	(x)	(x)	(x)
	Net cash provided by financing activities		(x)	(x)	(x)	(x)	(x)	(x)
	Net increase (decrease) in cash and cash equivalents		x	x	x	x	x	x
FRR 2F	Increase (decrease) in cash and cash equivalents from restructuring	A3	x	x	x	x	x	x
	Cash and cash equivalents – opening balance		x	x	x	x	x	x
	Cash and cash equivalents – closing balance	C1	x	(x)	x	x	x	(x)

An explanation of major variances is included at Note E1

*** FRR 5A permits a choice of GST line item presentation to meet the AASB 107 and Interpretation 1031 requirements.*

The accompanying notes form part of these financial statements.

NOTES TO THE STATEMENT OF CASH FLOWS

CF-1 Reconciliation of operating result to net cash provided by operating activities

GST cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority is classified as part of operating cash flows.

FRR 5A
AASB 1054.16

	Consolidated		Department	
	2026 $'000	2025 $'000	2026 $'000	2025 $'000
Operating surplus/(deficit)	x	x	x	x
Non-cash items included in operating result:				
Depreciation and amortisation expense	x	x	x	x
Assets donated expensed	x	x	x	x
Donated assets received	x	x	x	x
Revaluation decrement	x	x	x	x
Net losses on disposal of property, plant and equipment	x	x	x	x
Net gains on disposal of property, plant and equipment	x	x	x	x
Gain on revaluation of investment property	x	x	x	x
Impairment losses	x	x	x	x
Change in assets and liabilities				
(Increase)/decrease in appropriation revenue receivable	x	x	x	x
(Decrease)/increase in deferred appropriation payable to Consolidated Fund	x	x	x	x
(Increase)/decrease in trade receivables	x	x	x	x
Adjustment to receivables due to machinery-of-government change	x	x	x	x
(Increase)/decrease in GST input tax credits receivable	x	x	x	x
(Increase)/decrease in LSL reimbursement receivables	x	x	x	x
(Increase)/decrease in annual leave reimbursement receivables	x	x	x	x
(Increase)/decrease in other receivables	x	x	x	x
(Increase)/decrease in inventories	x	x	x	x
(Increase)/decrease in contract assets	x	x	x	x
(Increase)/decrease in prepayments/other	x	x	x	x
Increase/(decrease) in accounts payable	x	x	x	x
Increase/(decrease) in accrued employee benefits	x	x	x	x
Increase/(decrease) in contract liabilities and unearned revenue	x	x	x	x
Increase/(decrease) in GST payable	x	x	x	x
Net cash provided by operating activities	x	x	x	x

CF-2 Changes in liabilities arising from financing activities

AASB 107.44A

2026 - CONSOLIDATED

		|---- *Non-cash changes* ----			|---- *Cash flows* ----		
	Opening balance	Transfers to/(from) other Queensland Government entities	New leases acquired	Other [specify]	Cash received	Cash repayments	Closing balance
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Lease liabilities	x	x	x	x	x	(x)	x
Borrowings	x	x	-	-	x	(x)	x
Dividends payable (if applicable)		-	-	-	-	-	-
Other [specify]	x	x	-	-	x	(x)	x
Total	x	x	x	x	x	x	x

NOTES TO THE STATEMENT OF CASH FLOWS (continued)

CF-2 Changes in liabilities arising from financing activities (continued)

2025 - CONSOLIDATED

		Non-cash changes			Cash flows		
	Opening balance	Transfers to/(from) other Queensland Government entities	New leases acquired	Other [specify]	Cash received	Cash repayments	Closing balance
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Lease liabilities	x	x	x	x	x	(x)	x
Borrowings	x	x	-	-	x	(x)	x
Dividends payable (if applicable)		-	-	-	-	-	-
Other [specify]	x	x	-	-	x	(x)	x
Total	x	x	x	x	x	x	x

AASB 107.44A **2026 - DEPARTMENT**

		Non-cash changes			Cash flows		
	Opening balance	Transfers to/(from) other Queensland Government entities	New leases acquired	Other [specify]	Cash received	Cash repayments	Closing balance
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Lease liabilities	x	x	x	x	x	(x)	x
Borrowings	x	x	-	-	x	(x)	x
Dividends payable (if applicable)		-	-	-	-	(x)	x
Other [specify]	x	x	-	-	x	(x)	x
Total	x	x	x	x	x	x	x

AASB 107.44A **2025 - DEPARTMENT**

		Non-cash changes			Cash flows		
	Opening balance	Transfers to/(from) other Queensland Government entities	New leases acquired	Other [specify]	Cash received	Cash repayments	Closing balance
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Lease liabilities	x	x	x	x	x	(x)	x
Borrowings	x	x	-	-	x	(x)	x
Dividends payable (if applicable)		-	-	-	-	(x)	x
Other [specify]	x	x	-	-	x	(x)	x
Total	x	x	x	x	x	x	x

Details of the department's change in liability for equity withdrawals payable/receivable is detailed in Note C17-2.

NOTE TO AGENCIES:

AASB 107.44D specifies the reconciliation shall provide sufficient information to enable users of the financial statements to link items included in the reconciliation to the statement of financial position and the statement of cash flows. Although not shown in the illustrative examples accompanying AASB 107, the amounts shown for cash flows in the reconciliation table above are reported on a <u>gross basis</u> to enable cross-referencing with amounts reported in the statement of cash flows. <u>Agencies have discretion to show cash flows on a gross basis or net basis in making this disclosure.</u>

Agencies should refer to paragraph 107.44C for circumstances where financial assets (e.g. assets that hedge liabilities arising from financing activities) would be included in the change in liabilities arising from financing activities reconciliation.

CF-3 Non-cash investing and financing activities

AASB 107.43
AASB 107.44
Assets and liabilities received or donated/transferred by the department are recognised as revenues (refer Note B1-3) or expenses (refer Note B3-3) as applicable.

AASB 1054.7
AASB 1054.8
Assets and liabilities received or transferred by the department as a result of machinery-of-government changes are set out in Note A3.

SECTION 1

ABOUT THE DEPARTMENT AND THIS FINANCIAL REPORT

A1 BASIS OF FINANCIAL STATEMENT PREPARATION

A1-1 GENERAL INFORMATION

AASB 101.138(a)
AASB 124.13, 124.26(a)

The Sunshine Department ("the department") is a Queensland Government department per the *Public Sector Act 2022* and controlled by the State of Queensland, which is the ultimate parent.

AASB 101.138(a)

The head office and principal place of business of the department is 1 Paradise Place, Brisbane QLD 4000.

A1-2 COMPLIANCE WITH PRESCRIBED REQUIREMENTS

FPMS s.38(2)

The Sunshine Department has prepared these financial statements in compliance with section 38 of the *Financial and Performance Management Standard 2019*. The financial statements comply with Queensland Treasury's Minimum Reporting Requirements for reporting periods beginning on or after 1 July 2025.

AASB 1054.7

The Sunshine Department is a not-for-profit entity and these general purpose financial statements are prepared on an accrual basis (except for the statement of cash flows which is prepared on a cash basis) in accordance with Australian Accounting Standards and Interpretations applicable to not-for-profit entities.

New accounting standards early adopted and/or applied for the first time in these financial statements are outlined in Note G4.

A1-3 PRESENTATION

AASB 101.51(d)
AASB 101.51(e)

Currency and rounding

AASB 101.53
FRR 2D.1

Amounts included in the financial statements are in Australian dollars and rounded to the nearest $1,000 or, where that amount is $500 or less, to zero, unless disclosure of the full amount is specifically required. Due to rounding, totals may not add exactly.

AASB 101.41

Comparatives

Comparative information reflects the audited 2024-25 financial statements except where restated for a prior period error detailed at Note G3.

Current/non-current classification

AASB 101.60

Assets and liabilities are classified as either 'current' or 'non-current' in the statement of financial position and associated notes.

AASB 101.66
AASB 101.69

Assets are classified as 'current' where their carrying amount is expected to be realised within 12 months after the reporting date. Liabilities are classified as 'current' when they are due to be settled within 12 months after the reporting date, or the department does not have the right at the end of the reporting period to defer settlement to beyond 12 months after the reporting date.

AASB 101.66
AASB 101.69

All other assets and liabilities are classified as non-current.

A1-4 AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

AASB 110.17

The financial statements are authorised for issue by the Director-General and Chief Finance Officer at the date of signing the management certificate.

A1 BASIS OF FINANCIAL STATEMENT PREPARATION (continued)

A1-5 BASIS OF MEASUREMENT

AASB 101.117

Historical cost is used as the measurement basis in this financial report except for the following:

- Land, buildings, infrastructure, major plant and equipment, heritage and cultural assets, investment property, service concession assets and equity investments, all of which are measured at fair value;
- Provisions expected to be settled 12 or more months after reporting date which are measured at their present value; and
- Inventories which are measured at the lower of cost and net realisable value.

AASB 101.117

Historical cost

Under historical cost, assets are recorded at the amount of cash or cash equivalents paid or the fair value of the consideration given to acquire assets at the time of their acquisition. Liabilities are recorded at the amount of proceeds received in exchange for the obligation or at the amounts of cash or cash equivalents expected to be paid to satisfy the liability in the normal course of business.

Fair value

AASB 101.117
AASB 13.9

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly derived from observable inputs or estimated using another valuation technique. Fair value is determined using one of the following three approaches:

- The *market approach* uses prices and other relevant information generated by market transactions involving identical or comparable (i.e. similar) assets, liabilities or a group of assets and liabilities, such as a business.
- The *cost approach* reflects the amount that would be required currently to replace the service capacity of an asset. This method includes the current replacement cost methodology.
- The *income approach* converts multiple future cash flows amounts to a single current (i.e. discounted) amount. When the income approach is used, the fair value measurement reflects current market expectations about those future amounts.

Where fair value is used, the fair value approach is disclosed.

Present value

AASB 101.117

Present value represents the present discounted value of the future net cash inflows that the item is expected to generate (in respect of assets) or the present discounted value of the future net cash outflows expected to settle (in respect of liabilities) in the normal course of business.

Net realisable value

AASB 101.117

Net realisable value represents the amount of cash or cash equivalents that could currently be obtained by selling an asset in an orderly disposal.

A1-6 THE REPORTING ENTITY

AASB 101.51(b)
AASB 10

The consolidated financial statements include all income, expenses, assets, liabilities and equity of the ‘economic entity’ comprising the department and the entities it controls where these entities are material (refer to Note A4). All transactions and balances internal to the economic entity have been eliminated in full.

FRR 2G
AASB 127

The parent entity financial statements (titled “Department”) include all income, expenses, assets, liabilities and equity of the department only.

A2 DEPARTMENTAL OBJECTIVES

AASB 101.138(b) The objective of the Sunshine Department is to promote the sustainable development of Queensland's ecology and conservation through scientific and technological research and related guidance and training.

The identity and purpose of the major departmental services undertaken by the department during the year are as follows:

- Research and consultancy: This departmental service involves research into the sustainable development and conservation of Queensland's ecology; and
- Publications and software development: This unit develops and publishes training materials, information packs and software in relation to the sustainable development and conservation of Queensland's ecology for use by other government agencies and private sector entities operating in Queensland. This unit was transferred to the Sunshine Department effective 1 March 2026 – refer to Note A3.

AASB 1052.15(b) The department is funded for the departmental services it delivers principally by parliamentary appropriations. It also provides the following on a fee for service basis:

- Contract research;
- Sale of publications and software;
- Seminars, conferences and training courses; and
- Advisory and consultancy services.

NOTE TO AGENCIES: Agencies should insert other relevant information as applicable including the identity, nature and purpose of each CBU and SSP.

A3 MACHINERY-OF-GOVERNMENT CHANGES

FRR 2F.4 ***Transfers in – Controlled activities***

Details of transfer: Publications and software development unit transferred from the Department of Productivity to the Sunshine Department

Basis of transfer: Public Service Departmental Arrangements Notice (No.X) dated X/X/XXXX

FA Act S.80 Date of transfer: Effective from 1 March 2026.

The assets and liabilities transferred as a result of this change were as follows:

	$'000
Assets	
Cash	x
Receivables (trade debtors)	x
Land	x
	x
Liabilities	
Payables (accounts payable)	(x)
	x
Net assets	x

The increase in assets of $x million has been accounted for as an increase in contributed equity as disclosed in the statement of changes in equity.

Budgeted appropriation revenue of $x million (controlled) was reallocated from the Department of Productivity to the Sunshine Department as part of the machinery-of-government changes.

A4 CONTROLLED ENTITIES

AASB 10.10 The following entities are controlled by the Sunshine Department:

FRR 2G.2 **Directly controlled**

AASB 124.13

AASB 12.10	Name:	Sunshine Educational Foundation Ltd
FRR 2G.2	Purpose and principal activities:	Provision of ecology and conservation training, education and event hosting
FRR 2G.2	% Interest in entity & basis for control:	Sole member of the company limited by guarantee. All key management personnel, including directors, are appointed and removed by the department.

Financial information:

FRR 2G.2	*Total assets*:	$x million (2025: $x million)	*Total revenue*:	$x million (2025: $x million)
FRR 2G.2	*Total liabilities*:	$x million (2025: $x million)	*Total operating result*:	$x million (2025: $x million)

AASB 124.13

AASB 12.12	Name:	Bio-waste Pty Ltd
FRR 2G.2	Purpose and principal activities:	Feasibility testing of research into biodegradable waste management
FRR 2G.2	% Interest in entity & basis for control:	60% interest in ordinary share capital enabling control of majority voting rights

Financial information:

FRR 2G.2	*Total assets:*	$x million (2025: $x million)	*Total revenue:*	$x million (2025: $x million)
FRR 2G.2	*Total liabilities:*	$x million (2025: $x million)	*Total operating result:*	$x million (2025: $x million)

FRR 2G.2

NOTE TO AGENCIES: An alternative presentation for directly controlled entities is via the use of tables. To ensure the information presented is clear and concise, two tables may be required for this disclosure.

Name of controlled entity	Purpose & principal activities of entity	% Interest in entity & basis for control (e.g.. *majority voting rights* etc)	Total assets $'000		Total liabilities $'000		Total revenue $'000		Operating result	
			2026	2025	2026	2025	2026	2025	2026	2025

FRR 2G.2 **Indirectly controlled**

The Sunshine Department has no indirectly controlled entities.

NOTE TO AGENCIES: The tabular format below is a suggested presentation for indirectly controlled entities where an agency has more than one. In situations where there is only one indirectly controlled entity, agencies can disclose this information in narrative form.

Name of indirectly controlled entity	Basis for control (e.g.. *majority voting rights held by XYZ Pty Ltd* etc)	% Interest in entity	
		2026	2025

Controlled entities comprising the economic entity

AASB 12.10(a)(i) The consolidated financial statements of the economic entity comprise the transactions and balances of the Sunshine Department and the directly controlled entities listed above except for Bio-Waste Pty Ltd whose transactions and balances are immaterial to the department and economic entity.

FRR 2G.2 The auditor for the department and all controlled entities is the Auditor-General of Queensland.

NOTE TO AGENCIES: Where the amount of the investment and the transactions of one or more controlled entities are not consolidated for any reason, including on the basis of being immaterial, an agency must state that the entities are not consolidated with the department's financial statements.

AASB 10 / FRR 2G

A4 CONTROLLED ENTITIES (continued)

A4-1 DISCLOSURES ABOUT WHOLLY-OWNED CONTROLLED ENTITIES

AASB 10.7(a)
AASB 10.10

In July 2025, the department established, with the approval of the Treasurer, the Sunshine Educational Foundation Limited (SEFL), a company limited by guarantee of whom the department is the sole member. The registered office is in Toowoomba, Queensland, with its activities being conducted in a wide range of regions across the state. The company is not-for-profit, being formed to operate training and education programs of the department relating to conservation and ecology management and the hosting/facilitation of state, national and international conservation events. As a company limited by guarantee, the distribution of dividends and capital to the department is prohibited and cash assets of SEFL cannot be transferred/returned to the department.

AASB 124.26

The department is the sole contributor of financial resources to SEFL via grant funding. That being the case, the amount of annual grants to the company is usually up to 25% more than the maximum entitlement applicable to unrelated entities under the same departmental program. During 2025-26, grants provided to SEFL totalled $x.

AASB 10 / FRR 2G

A4-2 DISCLOSURES ABOUT NON WHOLLY-OWNED CONTROLLED ENTITIES

AASB 12.7(a),
AASB 12(a)(b)

In July 2022, the department participated, with the approval of the Treasurer, in the formation of Bio-Waste Pty. Ltd, and invested a 60% ownership interest in the company. Bio-Waste's registered office is in Townsville, Queensland, with its activities being conducted in a wide range of regions across the state. The company is for-profit in nature, being formed solely to undertake feasibility testing of the scientific and technical research for biodegradable waste management and recycling developed by the department.

AASB 12.7(a)

The department controls Bio-Waste Pty Ltd with departmental senior executives occupying 4 of the 5 positions on the company's Board of Directors (as per the company's constitution). The company's directors are charged with responsibility for ensuring the research conducted by the company's staff and contractors is in accordance with the broad requirements of the department.

AASB 12.10(a)(ii)
AASB12. 12(c)(d)

The remaining (non-controlling) ownership interest (40%) in the company is held by GroundSwell Pty Ltd, a consultancy firm established by the University of North Queensland. GroundSwell occupies the one remaining position on the Board of Directors of Bio-Waste Pty Ltd. Most of the scientific resources for Bio-Waste Pty Ltd's testing is provided by GroundSwell.

AASB 12.13(a), (b)
AASB 124.26

The department's total equity contribution to the company is $x. The Department and GroundSwell are entitled to receive dividends or other returns of capital equal to their respective ownership interest. There are no significant restrictions on the department's ability to contribute additional equity to Bio-Waste, as the department provides most of the company's working capital. The department's obligation to provide such additional funding depends on forecast cash flow needs, according to forecasts reported by Bio-Waste to the department from month to month. During 2025-26, the total amount of funding provided to Bio-Waste for working capital was $y.

AASB 12.12(g),
B10(b)

Summary financial information about for Bio-Waste Pty Ltd is as follows:

	2026 $'000	2025 $'000
Total income	(x)	(x)
Total expenses	(x)	(x)
Operating result	**x**	**x**
Other comprehensive income	(x)	(x)
Total comprehensive income	**x**	**x**
Total current assets	x	x
Total non-current assets	x	x
Total assets	**x**	**x**
Total current liabilities	(x)	(x)
Total non-current liabilities	(x)	(x)
Total liabilities	**(x)**	**(x)**
Net assets	**x**	**x**
Net cash increase (decrease) in cash over the reporting period	x	x

NOTE TO AGENCIES: Agencies should note that this part of the Controlled Entities note is primarily to illustrate certain of the disclosures required by AASB 12 (including where there are non-controlling interests in subsidiaries). Agencies should also note the separate requirements in FRR 2G for disclosures about all controlled entities. In light of their own circumstances, agencies are encouraged to adopt a disclosure approach that avoids duplication of information, while complying with both AASB 12 and FRR 2G requirements.

SECTION 2

NOTES ABOUT OUR FINANCIAL PERFORMANCE

B1 REVENUE

B1-1 APPROPRIATION REVENUE

FRR 3B.2 **Reconciliation of payments from Consolidated Fund to appropriated revenue recognised in operating result**

		Consolidated	
		2026	**2025**
		$'000	**$'000**
AASB 1058.39(a)(i)	**Original budgeted appropriation**	**x**	**x**
AASB 1058.39(a)(ii)	Supplementary amounts:		
FA Act s79	Transfers from/(to) other departments (redistribution of public business)	x	x
FA Act s34	Treasurer's Advance	x	x
FA Act s33	Transfers from/(to) other headings (variation in headings)	x	x
FA Act s35	Unforeseen expenditure	x	x
FA Act s29(3)	Lapsed appropriation	(x)	(x)
FA Act s37	Repayments of incorrectly paid amounts	(x)	(x)
	Total appropriation received (cash)	x	x
	Less: Opening balance of appropriation revenue receivable	(x)	(x)
	Plus/Less: Effect of adoption of new accounting standards	x	x
	Plus: Closing balance of appropriation revenue receivable	x	x
	Plus: Opening balance of deferred appropriation payable to Consolidated Fund	x	x
	Less: Closing balance of deferred appropriation payable to Consolidated Fund	(x)	(x)
	Net appropriation revenue	x	x
FRR 3B	Plus: Deferred appropriation payable to Consolidated Fund (expense) *-see note below	-	x
	Appropriation revenue recognised in statement of comprehensive income	**x**	**x**
	Variance between original budgeted and actual appropriation revenue	x	x

Accounting policy – Appropriation revenue

FRR 3B.2 Appropriations provided under the *Appropriation Act 2025* are recognised as revenue when received. Where the department has an obligation to return unspent (or unapplied) appropriation receipts to Consolidated Fund at year end (a deferred appropriation repayable to Consolidated Fund), a liability is recognised with a corresponding reduction to appropriation revenue, reflecting the net appropriation revenue position with Consolidated Fund for the reporting period. Capital appropriations are recognised as adjustments to equity, refer to Note C17-2.

NOTE TO AGENCIES: If approval has been obtained from Queensland Treasury to recognise a receivable or a liability for appropriation repayable to Consolidated Fund exists at the reporting date, this note should be amended accordingly. "Deferred appropriation payable to Consolidated Fund" is not required to be recognised as an expense and should be debited to appropriation revenue.

FRR 3B.2, AASB 1058.39(c) **Disclosure – Variance analysis**

Budget vs actual appropriation revenue – Refer to Note E1-1

Unforeseen expenditure - **NOTE TO AGENCIES: Agencies to insert reasons for additional appropriation received for material amounts of unforeseen expenditure.**

B1 REVENUE (continued)

B1-2 USER CHARGES AND FEES

FRR 3B		Consolidated		Department	
		2026	2025	2026	2025
		$'000	$'000	$'000	$'000
	Revenue from contracts with customers				
AASB 15.114	Sale of services	x	x	x	x
AASB 15.114	Sale of goods	x	x	x	x
AASB 15.G	Licences fees	x	x	x	x
	[insert other user charges and regulatory fees under AASB 15]	x	x	x	x
	Other user charges and fees				
AASB 16.90(b)	Property rental	x	x	x	x
	[insert other user charges and regulatory fees under AASB 1058]	x	x	x	x
	Total	x	x	x	x

NARRATIVE DISCLOSURE FORMAT: The following narrative disclosure may be suitable for agencies with few types of revenue and relatively straight forward revenue recognition policies.

Accounting policy – Sale of goods and services

AASB 15.119 *Sale of Goods*

Revenue from sale of goods comprising pre-packaged books and kits are recognised on transfer of the goods to the customer, which is the sole performance obligation.

Goods sold come with a 14-day right of return. Based on the department's past experience, the amount of refunds for returned goods it not expected to be material, so the full selling price is recognised as revenue.

AASB15.117, 119 *Sale of Services*

Since July 2025, the department has been providing DEF services to Queensland businesses. The services are provided over 12 to 18 months, and customers simultaneously receive and consume the benefits provided during that period. The department does not invoice for services rendered until the end of the service delivery period. The department recognises revenue progressively as the services are provided each month and a contract asset representing the department's right to consideration for services delivered but not yet billed.

TABULAR DISCLOSURE FORMAT: As an alternative, agencies with multiple revenue types and complex revenue recognition policies may prefer to use the following tabular format.

Accounting policies – Revenue from contracts with customers (User charges)

Revenue from contracts with customers is recognised when the department transfers control over a good or service to the customer. The following table provides information about the nature and timing of the satisfaction of performance obligations, significant payment terms, and revenue recognition for the department's user charges revenue from contracts with customers.

	Type of good or service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition policies
AASB15.117, 119 AASB15.123(b), 126	**Books and kits**	The department sells pre-packaged books and kits. Customers obtain control of the goods upon delivery, which is the sole performance obligation. Goods sold come with a 14-day right of return. Based on the department's past experience, the amount of refunds for returned goods it not expected to be material, so the full selling price is recognised as revenue.	Revenue is recognised on delivery of the goods to the customer.

B1-2 USER CHARGES AND FEES (continued)

AASB 15.Aus5.2, Aus8.1
FRR3B.5

AASB 15.G

Type of good or service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition policies
ABC Services	The department provides ABC services to private sector not-for-profit entities. These service contracts typically have durations of 3 to 4 years. The contracts contain three performance obligations, each of which are satisfied at a point in time upon completion: • description of performance obligation #1 • description of performance obligation #2 • description of performance obligation #3 Customer consideration is received in three lump sum amounts, 50% on contract execution, 40% on achievement of the first performance obligation and the remaining 10% on achievement of the second performance obligation. Consideration is refundable if the contract is terminated before the corresponding performance obligation is achieved. At the completion of each contract, an additional amount of up to 10% of the contract price is receivable if the department's overall performance exceeded established targets.	Revenue is recognised at the point of completion of each performance obligation as follows: • Achievement of performance obligation #1 – 30% of contract revenue; • Achievement of performance obligation #2 – a further 50% of contract revenue; and • Achievement of performance obligation #3 – the remaining 20% of contract revenue. Amounts received are recognised as contract liabilities until performance obligations are satisfied. The performance bonus is recognised to the extent that it is highly probable that a significant reversal in the cumulative revenue recognised will not occur in future periods. In practice, this means the department typically would not recognise this additional revenue, if any, until the final year of the contract when total contract performance can be estimated.
DEF Services	Since July 2025, the department has been providing DEF services to Queensland businesses. The services are provided over 12 to 18 months, and customers simultaneously receive and consume the benefits provided during that period. The department does not invoice for services rendered until the end of the service delivery period.	The department recognises revenue progressively as the services are provided each month and a contract asset representing the department's right to consideration for services delivered but not yet billed.
GHI Services	The usual service delivery period is 1 to 2 working days, with the single performance obligation being fulfilled at the completion of the service. Consideration is received upfront, however due to the short turn around, the amount of contract liabilities relating to GHI services at any time is not material.	Revenue is recognised at the completion of each service.
Gamma licences	The department collects licence fees from the issue of Gamma licences. The sole performance obligation is issuing the licence to the customer. Gamma licences are issued with 3 or 5 year licence periods, and licensees may cancel their licence at any time for a pro-rata refund. The department has assessed using historical data that approximately 3% of licence fees collected are refunded.	The department applies AASB 15's revenue recognition requirements to all licence fees other than licences that are leases or service concession arrangements. Revenue for Gamma licences is recognised when the licence is issued. 3% of licence fees collected is recognised as a refund liability (within Note C12 Payables) rather than revenue.

Refer to Notes C5 and C16 for disclosures about contract assets and liabilities outstanding at year end.

Accounting policy – Property rental

AASB 16.81

Rental revenue from investment property is recognised as income on a periodic straight-line basis over the lease term.

B1-3 GRANTS AND CONTRIBUTIONS

FRR 3B, 3E

		Consolidated		Department	
		2026	2025	2026	2025
		$'000	$'000	$'000	$'000
AASB 15.113(a)	Revenue from contracts with customers				
	Commonwealth grants	x	x	x	x
	State government grants [for statutory bodies]	x	x	x	x
	[insert other sources or categories of grants under AASB 15]	x	x	x	x
	Other grants and contributions				
	Commonwealth grants	x	x	x	x
	State government grants [for statutory bodies]	x	x	x	x
	[insert other sources or categories of grants under AASB 1058]	x	x	x	x
AASB 1058.15-16	Specific purpose capital grants	x	x	x	x
FRR 3B.3	Services received below fair value	x	x	x	x
AASB 101.29,30	**NOTE TO AGENCIES: Agencies should determine appropriate sub-classifications of grants and contributions revenue to disclose having regard to materiality considerations.**				
	Total	x	x	x	x

Accounting policy – Grants and contributions

Grants, contributions and donations revenue arise from non-exchange transactions where the department does not directly give approximately equal value to the grantor.

Where the grant agreement is enforceable and contains sufficiently specific performance obligations for the department to transfer goods or services to a third-party on the grantor's behalf, the transaction is accounted for under AASB 15 *Revenue from Contracts with Customers*. In this case, revenue is initially deferred (as a contract liability) and recognised as or when the performance obligations are satisfied.

Otherwise, the grant is accounted for under AASB 1058 *Income of Not-for-Profit Entities*, whereby revenue is recognised upon receipt of the grant funding, except for special purpose capital grants received to construct non-financial assets to be controlled by the department. Special purpose capital grants are recognised as unearned revenue when received, and subsequently recognised progressively as revenue as the department satisfies its obligations under the grant through construction of the asset.

The department has a number of grant arrangements with the Commonwealth's Department of Efficiency that relate to funding of activity-based services. Two of these arrangements (grants S and Q) have been identified as having sufficiently specific performance obligations under enforceable grant agreements. The remaining Commonwealth grants, although under enforceable agreements, do not contain sufficiently specific performance obligations, these grants are recognised upon receipt.

AASB 1058.18

Contributions of services are recognised only if the services would have been purchased if they had not been donated and their fair value can be measured reliably. Where this is the case, the amount representing the fair value is recognised as revenue with a corresponding expense for the same amount.

Disclosure – Revenue from contracts with customers

AASB 15.117, 119

Commonwealth grants

AASB 15.123(a), 124

The following table provides information about the nature and timing of the satisfaction of performance obligations, significant payment terms, and revenue recognition for the department's grants and contributions that are contracts with customers.

Type of good or service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition policies
Grant S	The department's obligation under the grant agreement is to deliver 5,000 efficiency check-ups over 3 years to residents in the Cairns region. Funding was received in advance in 2024-25.	The total grant funding of $x million is allocated to the 5,000 check-ups and revenue is recognised as the check-ups are performed. The contract liability recognised at 30 June 2026 relates to the remaining 1,800 check-ups to be performed over the next 12 to 14 months.

Grant Q	The department's obligation under the grant agreement is to monitor and report on real-time efficiency statistics collected from across five geographical regions in Queensland. The program commenced in May 2025 and will end in December 2026. The Department of Efficiency is billed quarterly in arrears.	Revenue is recognised over time on a straight-line basis because the grantor receives and consumes the benefits of the reporting as it is provided, and a similar quantity of data is collected and reported each day. Unbilled work each quarter is recognised as contract assets.

Disclosure – Other grants and contributions

Commonwealth grants

AASB 1058.37

The department received $x million in 2025-26 for Grant R. This funding has been recognised as revenue on receipt as the department's obligations are not sufficiently specific. The terms of the grant are that it must be used to fund training programs for the implementation of new conservation strategies, however the department has discretion as to the nature, quantity and timing of the training programs.

At 30 June 2026, $x of this grant remains unspent. Use of these funds is restricted to delivering training programs under the grant agreement. The department has budgeted to spend this funding on training programs in the 2026-27 financial year.

NOTE TO AGENCIES: Where agencies have multiple material grants that are subject to externally imposed restrictions, agencies should consider presenting the disclosures in a tabular format. Additionally, agencies should consider whether other sources of funds (other than grants and contributions) recognised under AASB 1058 are subject to externally imposed restrictions and make the necessary disclosures in the appropriate notes.

Specific purpose capital grants

The following table provides information about the department's obligations under specific purpose capital grants, significant judgements involved and revenue recognition.

AASB 1058.31-36

Asset acquired or constructed	Details of the department's obligations under the grant agreement and significant judgements	Revenue recognition policies
Efficiency research facility	In August 2025, the department received a $X million grant from the Commonwealth's Department of Efficiency to construct an efficiency research facility according to agreed specifications. Construction is expected to take 18 months. Obligations under the agreement are satisfied as each specified milestone is met over the course of construction. The amount of grant funding allocated to each milestone becomes non-refundable upon satisfying the milestone. At 30 June 2026, $X million of the grant remains unspent.	Revenue is recognised as each milestone for an amount equal to grant funding allocated to that milestone. As of 30 June 2026, $X million revenue has been recognised and $X million remains in unearned revenue. The year-end balance of unearned revenue is expected to be wholly recognised in the 2026-27 financial year, as construction is scheduled to be completed by February 2027.

AASB 1058.27(a)
FRR 3B.3

Services received below fair value

The department receives information technology services from the Department of Tropics as part of the Sharing of Corporate Services Arrangement. This is an ongoing arrangement whereby the Department of Tropics coordinates the replacement, upgrade and maintenance of the Sunshine Department's computer hardware and operating software, as well as web design and social media services. The Sunshine Department finances the cost of acquisitions, replacements and upgrades, but all other information technology support is provided free of charge. These services are essential to the department's operations and would have been procured if they were not received for free. An equal amount to services received below fair value revenue is recognised as other expenses.

The department also receives research assistance from university students at the department's efficiency research centre located at the Pineapple University. The students provide research assistance free of charge while also gaining practical experience in their field of study. The level of assistance received varies throughout the year based on the university's semesters, however the donated services typically do not constitute a significant portion of the work output of the research centre. The services are not recognised because their fair value cannot be measured reliably.

B1-4 TAXES

	Consolidated		Department	
	2026	2025	2026	2025
	$'000	$'000	$'000	$'000
Environmental taxes	x	x	x	x
Total	x	x	x	x

Disclosure – Taxes

AASB 1058.28-29 The department collects a number of environmental taxes aimed at reducing polluting practices. These taxes are controlled by the department.

Receivables included in Note C2 relating to environmental taxes as at 30 June 2026 is $X (2025: $X). During 2025-26, interest income of $X (2024-25: $X) and impairment losses of $X (2024-25: $X) were recognised in relation to these receivables.

The department also recognised payables at 30 June 2026 of $X (2025: $X) in respect of taxes received in advance, which relate to the 2026-27 financial year and are refundable if the future taxable events do not occur. The payables are included in Note C12.

B1-5 OTHER REVENUE

	Consolidated		Department	
	2026	2025	2026	2025
	$'000	$'000	$'000	$'000
Insurance compensation – loss of property	x	x	x	x
Service concession arrangements revenue (Notes C11-3, C16)	x	x	x	x
Other [specify]	x	x	x	x
Total	x	x	x	x

NOTE TO AGENCIES: Where revenue from service concession arrangements is material, agencies may choose to present it as a separate line item on the income statement.

AASB 116.74 (d)

Disclosure – Insurance compensation

As a result of a fire in one of the department's office buildings during 2024-25, the department received $x insurance compensation in the 2025-26 year.

B2 GAINS ON DISPOSAL AND REMEASUREMENT OF ASSETS

AASB 101.34(a)

		Consolidated		Department	
		2026	2025	2026	2025
		$'000	$'000	$'000	$'000
AASB 116.68	Net gains from disposal of property, plant and equipment	x	x	x	x
AASB 140.35	Gain on revaluation of investment property	x	x	x	x
AASB 136.119	Impairment reversals	x	x	x	x
	Other	x	x	x	x
	Total	x	x	x	x

Accounting policy – Gain on revaluation of investment property

AASB 140.35 Gains arising from changes in the fair value of investment property are included in the operating result for the period in which they arise.

Accounting policy – Impairment reversals

AASB 136.119
AASB 116.39 A reversal of an impairment loss is recognised as income, unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

NOTE TO AGENCIES: Where a loss arises from the change in fair value of investment property or a net loss arises on disposal of property, plant and equipment, the loss should be reported in other expenses and not part of income.

B3 EXPENSES

B3-1 EMPLOYEE EXPENSES

		Consolidated		Department	
		2026	2025	2026	2025
		$'000	$'000	$'000	$'000
	Employee benefits				
FRR 3C.2	Wages and salaries	x	x	x	x
FRR 3C.2	Annual leave levy/expense	x	x	x	x
FRR 3C.2	Sick leave expense	x	x	x	x
FRR 3C.2	Long service leave levy/expense	x	x	x	x
AASB 119.53	Employer superannuation contributions	x	x	x	x
FRR 3C.2	Termination benefits	x	x	x	x
FRR 3C.2	Other employee benefits	x	x	x	x
	Employee related expenses				
FRR 3C.2	Workers' compensation premium	x	x	x	x
FRR 3C.2	Other employee related expenses	x	x	x	x
	Total	x	x	x	x

		2026	2025	2026	2025
		No.	No.	No.	No.
FRR 3C.2	Full-time equivalent employees	x	x	x	x

NOTE TO AGENCIES: Non-departmental agencies should consider whether payroll tax expenses are material to disaggregate and separately disclose in the above note.

Accounting policy – Wages and salaries

AASB 101.117 Wages and salaries due but unpaid at reporting date are recognised in the statement of financial position at the current salary rates. As the department expects such liabilities to be wholly settled within 12 months of reporting date, the liabilities are recognised at undiscounted amounts.

Accounting policy – Sick leave

AASB 101.117 Prior history indicates that on average, sick leave taken each reporting period is less than the entitlement accrued. This is expected to continue in future periods. Accordingly, it is unlikely that existing accumulated entitlements will be used by employees and no liability for unused sick leave entitlements is recognised. As sick leave is non-vesting, an expense is recognised for this leave as it is taken.

Accounting policy – Annual leave

Under the Queensland Government's Annual Leave Central Scheme, a levy is made on the department to cover the cost of employees' annual leave (including leave loading and on-costs). The levies are expensed in the period in which they are payable. Amounts paid to employees for annual leave are claimed from the scheme quarterly in arrears. AASB 101.117

Accounting policy – Long service leave

Under the Queensland Government's Long Service Leave Scheme, a levy is made on the department to cover the cost of employees' long service leave. The levies are expensed in the period in which they are payable. Amounts paid to employees for long service leave are claimed from the scheme quarterly in arrears. AASB 101.117

Accounting policy – Superannuation

Post-employment benefits for superannuation are provided through defined contribution (accumulation) plans or the Queensland Government's defined benefit plan (the former QSuper defined benefit categories now administered by the Government Division of the Australian Retirement Trust) as determined by the employee's conditions of employment. AASB 101.117

Defined contribution plans - Contributions are made to eligible complying superannuation funds based on the rates specified in the relevant EBA or other conditions of employment. Contributions are expensed when they are paid or become payable following completion of the employee's service each pay period.

Defined benefit plan - The liability for defined benefits is held on a whole-of-government basis and reported in those financial statements pursuant to AASB 1049 *Whole of Government and General Government Sector Financial Reporting.* The amount of contributions for defined benefit plan obligations is based upon the rates determined on the advice of the State Actuary. Contributions are paid by the department at the specified rate following completion of the employee's service each pay period. The department's obligations are limited to those contributions paid.

Accounting policy – Workers' compensation premiums

The department pays premiums to WorkCover Queensland in respect of its obligations for employee compensation. Workers' compensation insurance is a consequence of employing employees, but is not counted in an employee's total remuneration package. It is not employee benefits and is recognised separately as employee related expenses. AASB 101.117

Key management personnel and remuneration disclosures are detailed in Note G1.

B3 EXPENSES (continued)

B3-2 SUPPLIES AND SERVICES

AASB 101.29,30

NOTE TO AGENCIES: Agencies should determine appropriate sub-classifications of supplies and services expenditure to disclose having regard to materiality considerations and agency specific expenditure. The items shown below are required disclosures (if material) by Accounting Standards.

		Consolidated		Department	
		2026	2025	2026	2025
		$'000	$'000	$'000	$'000
AASB 138.126	Research and development	x	x	x	x
AASB 102.36(d)	Inventories consumed – held for distribution	x	x	x	x
AASB 102.36(d)	Inventories consumed – held for sale	x	x	x	x
	Office accommodation	x	x	x	x
	Employee housing	x	x	x	x
	Motor vehicles – QFleet	x	x	x	x
	Lease expenses	x	x	x	x
	Total	**x**	**x**	**x**	**x**

Accounting policy – Distinction between grants and procurement

For a transaction to be classified as supplies and services, the value of goods or services received by the department must be of approximately equal value to the value of the consideration exchanged for those goods or services. Where this is not the substance of the arrangement, the transaction is classified as a grant in Note B3-3. AASB 101.117 FRR 3E

Office accommodation and employee housing

Payments for non-specialised commercial office accommodation under the Queensland Government Accommodation Office (QGAO) framework and residential accommodation properties under the Government Employee Housing (GEH) program arise from non-lease arrangements with the Department of Housing, Local Government, Planning and Public Works, who has substantive substitution rights over the assets used within these schemes. Payments are expensed as incurred and categorised within office accommodation and employee housing line items. FRR 4B

Lease expenses

Lease expenses include lease rentals for short-term leases, leases of low value assets and variable lease payments. Refer to Note C10 for breakdown of lease expenses and other lease disclosures. AASB 101.117 AASB 16.53(c)-(e)

NOTE TO AGENCIES: Expenses for QGAO, GEH and QFleet arrangements that are outside the scope of AASB 16 should NOT be included in the lease expenses line item.

B3-3 GRANTS AND SUBSIDIES

AASB 101.29,30

NOTE TO AGENCIES: Agencies should determine appropriate sub-categories of grants and subsidies expenditure to disclose having regard to materiality considerations and agency specific expenditure. The items shown below are required disclosures by Treasury's Financial Reporting Requirements.

		Consolidated		Department	
		2026	2025	2026	2025
		$'000	$'000	$'000	$'000
FRR 3D.1	Debts waived(1)	x	x	x	x
FRR 3D.7	Donations/gifts	x	x	x	x
	Total	**x**	**x**	**x**	**x**

Accounting policy – grants and subsidies

NOTE TO AGENCIES: Agencies to insert relevant accounting policies where appropriate.

Disclosures about grants and subsidies

(1) - 25 per cent ($x) of a loan to a university was waived in 2025-26 upon the university satisfying certain criteria (e.g. the university dedicated a portion of the research facility for ecological research), as per the agreement reached between the Sunshine Department and the university. FRR 3D.1

B3 EXPENSES (continued)

B3-4 IMPAIRMENT LOSSES

AASB 136.126(a)

	Consolidated		Department	
	2026	2025	2026	2025
	$'000	$'000	$'000	$'000
Trade receivables	x	x	x	x
AASB 136.126(a) Property, plant and equipment	x	x	x	x
Intangibles	x	x	x	x
Note to Agencies: Agencies should include other categories of impairment losses where applicable.				
Total	**x**	**x**	**x**	**x**

Impairment

Accounting for impairment losses is dependent upon the individual asset (or group of assets) subject to impairment. Accounting policies and events giving rise to impairment losses are disclosed in the following notes:

Receivables – Note C2-1

Property, plant and equipment – Note C7-6

Intangible assets – Note C9-4

B3-5 FINANCE / BORROWING COSTS

	Consolidated		Department	
	2026	2025	2026	2025
	$'000	$'000	$'000	$'000
AASB 7.20(b) Interest on borrowings	x	x	x	x
Administration charges	x	x	x	x
AASB 16.53(b) Interest on lease liabilities	x	x	x	x
Finance costs - provisions	x	x	x	x
Total	x	x	x	x

Accounting policy – Finance/borrowing costs

AASB 123 Aus8.1, Aus26.1, AASB 123.26 Finance costs are recognised as an expense in the period in which they are incurred. No borrowing cost are capitalised into qualifying assets.

FRR 3D.2 Finance costs include amortisation of discounts or premiums relating to borrowings and provisions.

B3-6 DEPRECIATION AND AMORTISATION

	Consolidated		Department	
	2026	2025	2026	2025
	$'000	$'000	$'000	$'000
Depreciation – property plant and equipment (Note C7-1)	x	x	x	x
Depreciation – right-of-use assets (Note 15)	x	x	-	-
Amortisation – intangibles (Note C9-1)	x	x	x	x
Total	x	x	x	x

B3 EXPENSES (continued)

B3-7 OTHER EXPENSES

		Consolidated		Department	
		2026	2025	2026	2025
		$'000	$'000	$'000	$'000
FRR 3B.2	Deferred appropriation payable to Consolidated Fund	-	x	-	x
FRR 3D.4	Insurance premiums – QGIF	x	x	x	x
	Insurance premiums – Other	x	x	x	x
AASB 1054.10(a)	Queensland Audit Office - external audit fees for the audit of the financial statements (1)	x	x	x	x
AASB 1054.10(b)	Queensland Audit Office – other audit services performed (2)	x	x	x	x
FRR 3B.3	Services received free of charge	x	x	x	x
FRR 3D.5	Losses:				
FPMS Sch.1	Public moneys	x	x	x	x
FRR 3D.5	Public property (3)	x	x	x	x
FRR 3D.6	Special payments:(4)				
FRR 3D.6	Ex-gratia payments	x	x	x	x
FRR 3D.6	Out-of-court settlement	x	x	x	x
FRR 3D.6	Compensation claims	x	x	x	x
	Other [Agencies to insert as applicable)	x	x	x	x
	Total	**x**	**x**	**x**	**x**

Audit fees

FRR 3D.1 (1) Total audit fees quoted by the Queensland Audit Office relating to the 2025-26 financial statements are $x (2025: $x).

AASB 1054.11 (2) Other audit services relate to the audit of the report on service provider controls (2026: $x, 2025: $x) [agencies to specify other audit services as appropriate]

Losses of public property

AASB 116.65, FRR 3D.4 (3) Certain losses of public property are insured with the Queensland Government Insurance Fund (QGIF). The claims made in respect of these losses have yet to be assessed by QGIF and the amount recoverable cannot be estimated reliably at reporting date. Upon notification by QGIF of the acceptance of the claims, revenue will be recognised for the agreed settlement amount and disclosed as 'Other revenue - Insurance compensation from loss of property'.

Special payments

FRR 3D.6 (4) Special payments represent ex gratia expenditure and other expenditure that the department is not contractually or legally obligated to make to other parties. Special payments during 2025-26 include the following payments over $5,000:

- the department made ex-gratia payments to private landholders whose property was affected by an accident that occurred at a research facility owned by the department.
- an out-of-court settlement was paid to a private individual involved in a patent dispute.
- as a result of a government decision to resume private property for the purposes of ecological research, the department paid compensation to the owners of resumed land.

SECTION 3

NOTES ABOUT OUR FINANCIAL POSITION

C1 CASH AND CASH EQUIVALENTS

AASB 101.77, 78

	Consolidated		Department	
	2026	2025	2026	2025
	$'000	$'000	$'000	$'000
Imprest accounts	x	x	x	x
Cash at bank	x	x	x	x
Total	**x**	**x**	**x**	**x**

Accounting policy – Cash and cash equivalents

For the purposes of the statement of financial position and the statement of cash flows, cash assets include all cash and cheques receipted but not banked at 30 June as well as deposits at call with financial institutions. AASB 101.117 AASB 107.7

C2 RECEIVABLES

AASB 101.77,78(b)

		Consolidated		Department	
		2026	2025	2026	2025
		$'000	$'000	$'000	$'000
	Current				
	Trade debtors	x	x	x	x
	Other debtors	x	x	x	x
	Less: Loss allowance	x	x	x	x
		x	x	x	x
Interpretation 1031.9 FRR 4B.8	GST receivable	x	x	x	x
	GST payable	(x)	(x)	(x)	(x)
		x	x	x	x
FRR 3B.2	Long service leave reimbursements	x	x	x	x
FRR 3B.2	Appropriation revenue receivable	x	x	x	x
FRR 3B.2	Annual leave reimbursements	x	x	x	x
	Other	x	x	x	x
	Total	x	x	x	x
	Non-current				
	(insert as required)	x	x	x	x
	Total	x	x	x	x

Accounting policy – Receivables

Receivables are measured at amortised cost which approximates their fair value at reporting date. AASB 101.117 AASB 9.5.1.1

Trade debtors are recognised at the amounts due at the time of sale or service delivery i.e. the agreed purchase/contract price. Settlement of these amounts is required within 30 days from invoice date.

Other debtors generally arise from transactions outside the usual operating activities of the department and are recognised at their assessed values. Terms are a maximum of three months, no interest is charged and no security is obtained.

Disclosure – Receivables

The closing balance of receivables arising from contracts with customers at 30 June 2026 is $x million (2025: $x million). AASB 15.116(a)

C2 RECEIVABLES (continued)

C2-1 IMPAIRMENT OF RECEIVABLES

Accounting policy – Impairment of receivables

AASB 9.5.5.15 FRR 4E.1 The loss allowance for trade and other debtors reflects lifetime expected credit losses and incorporates reasonable and supportable forward-looking information, including forecast economic changes expected to impact the department's debtors, along with relevant industry and statistical data where applicable.

FRR 4E.1 The department's other receivables are from Queensland Government agencies or Australian Government agencies. No loss allowance is recorded for these receivables on the basis of materiality. Refer to Note D2-3 for the department's credit risk management policies.

AASB 7.35F(e) Where the department has no reasonable expectation of recovering an amount owed by a debtor, the debt is written-off by directly reducing the receivable against the loss allowance. This typically occurs when the debt is over X days past due and the department has ceased enforcement activity. If the amount of debt written off exceeds the loss allowance, the excess is recognised as an impairment loss.

The amount of impairment losses recognised for receivables is disclosed in Note B3-4.

Disclosure – Credit risk exposure of receivables

AASB 7.35K The maximum exposure to credit risk at balance date for receivables is the gross carrying amount of those assets. No collateral is held as security and there are no other credit enhancements relating to the department's receivables.

AASB 7.35F(c) AASB 7.35G The department uses a provision matrix to measure the expected credit losses on trade and other debtors. Loss rates are calculated separately for groupings of customers with similar loss patterns. The department has determined there are two material groupings for measuring expected credit losses based on the sale of services and the sale of goods reflecting the different customer profiles for these revenue streams. **[Note to Agencies: Agencies are to insert the specific grouping or loss pattern applicable to their individual agency's circumstances. For example, by geographic location, type of revenue stream, type of customer as applicable]**.

The calculations reflect historical observed default rates calculated using credit losses experienced on past sales transactions during the last 10 years preceding 30 June 2026 for each group. **[Note to Agencies: Agencies should specify the basis upon which their individual historical observed default rates are calculated].** The historical default rates are then by adjusted by reasonable and supportable forward-looking information for expected changes in macroeconomic indicators that affect the future recovery of those receivables. For the Sunshine Department, a change in the unemployment rate is determined to be the most relevant forward-looking indicator for both groups of receivables. Actual credit losses over the 10 years preceding 30 June 2026 have been correlated against changes in the unemployment rate and based on those results, the historical default rates are adjusted based on expected changes to that indicator. **[Note to Agencies: Agencies should specify the basis upon which their historical observed default rates are adjusted to take account of reasonable and supportable forward-looking information relevant to their individual portfolio or receivables. For example, if forecast economic conditions (e.g. economic growth, unemployment rates, household debt levels) are expected to deteriorate, the historical default rates are adjusted upwards. While the illustrative example above demonstrates one factor, it is possible two or more forward-looking factors may impact the historical default rate. Similarly, different macroeconomic indicators could change the expected default rate for different groups of receivables. At each reporting date the historical default rates are updated and changes in the forward looking information are analysed and the rates updated as required.**

Set out below is the credit risk exposure on the department's trade and other debtors broken down by customer groupings and by aging band.

[Note to Agencies: The Sunshines have combined consolidated entity and department in the following illustration for the sake of expediency. It follows that if the disclosures for a consolidated entity are materially different to the parent (department), the information would be presented separately.]

C2 RECEIVABLES (continued)

C2-1 IMPAIRMENT OF RECEIVABLES

Impairment Group – Receivables from Sale of Goods

AASB 7.35M(b)

Consolidated Entity and Department

AASB 7.35N

	2026			2025		
	Gross receivables	**Loss rate**	**Expected credit losses**	**Gross receivables**	**Loss rate**	**Expected credit losses**
Aging	**$'000**	**%**	**$'000**	**$'000**	**%**	**$'000**
Current	X	x%	x	x	x%	x
1 to 30 days overdue	X	x%	x	x	x%	x
31 to 60 days overdue	X	x%	x	x	x%	x
61 to 90 days overdue	X	x%	x	x	x%	x
> 90 days overdue	X	x%	x	x	x%	x
Total	X		x	x		x

Impairment Group – Receivables from Sale of Services

Consolidated Entity and Department	2026			2025		
	Gross receivables	**Loss rate**	**Expected credit losses**	**Gross receivables**	**Loss rate**	**Expected credit losses**
Aging	**$'000**	**%**	**$'000**	**$'000**	**%**	**$'000**
Current	x	x%	x	x	x%	x
1 to 30 days overdue	x	x%	x	x	x%	x
31 to 60 days overdue	x	x%	x	x	x%	x
61 to 90 days overdue	x	x%	x	x	x%	x
> 90 days overdue	x	x	x	x	x%	x
Total	x		x	x		x

AASB 7.35H(b)

Disclosure – Movement in loss allowance for trade and other debtors

	Consolidated		Department	
	2026	**2025**	**2026**	**2025**
	$'000	**$'000**	**$'000**	**$'000**
Loss allowance as at 1 July	x	x	x	x
Increase/decrease in allowance recognised in operating result	x	x	x	x
Amounts written-off during the year	(x)	(x)	(x)	(x)
Loss allowance as at 30 June	x	x	x	x

AASB 7.35I

There has been a significant decrease in gross trade receivables at 30 June 2026 compared to 30 June 2025 primarily because $X of trade debtors were deemed uncollectable in 2025-26 and were written off. This resulted in a decreased in the loss allowance of $X.

C3 OTHER FINANCIAL ASSETS

AASB 101.77, 78

	Consolidated		Department	
	2026	2025	2026	2025
	$'000	$'000	$'000	$'000
Current	x	x	x	x
(insert as required)	x	x	x	x
Total	x	x	x	x
Non-current				
Equity Investment (unlisted private company) – at fair value	x	x	x	x
Investment in subsidiaries (controlled entities) – at cost	-	-	x	x
Total	x	x	x	x

Accounting policy and disclosures – Other financial assets

AASB 9.5.7.5
AASB 7.11A
AASB 7.11B

The equity investment in an unlisted private company, XYZ Pty Ltd, has been designated at fair value through other comprehensive income. The department holds a non-controlling interest in this company (5% of equity voting rights) as part of the Government's ecological and sustainability development scheme, which provides small scale equity funding to eligible private sector entities. There have been no disposals of equity investments at fair value through other comprehensive income in 2025-26 or 2024-25. **[Note to agencies: This information can be presented in a tabular form where multiple equity investments are held and measured at fair value through other comprehensive income. Additionally, fair value disclosures are required under AASB 13 where the value of the equity investment is material.]**

AASB 127.10 Investments in subsidiaries are measured at cost in the department's own financial statements.

C4 INVENTORIES

AASB 101.77, 78(b)

		Consolidated		Department	
		2026	2025	2026	2025
		$'000	$'000	$'000	$'000
AASB 102.36	Supplies and consumables (cost)	x	x	x	x
	Work in Progress (cost)	x	x	x	x
	Publications (cost)	x	x	x	x
FRR 4B.4, AASB 102.Aus36.1(b)	Inventory held for distribution (cost)	x	x	x	x
AASB 102.36(b)	Land held for resale				
	Costs of acquisition	x	x	x	x
	Development costs	x	x	x	x
	Other	x	x	x	x
		x	x	x	x
	Total	**x**	**x**	**x**	**x**

Accounting policy – Inventories

AASB 101.117
AASB 102.9
AASB 102 Aus9.1

Inventories (other than those held for distribution) are valued at the lower of cost and net realisable value. Inventories held for distribution are measured at cost adjusted, where applicable, for any loss of service potential.

AASB 102 Aus36.1(a)

Cost is assigned on a weighted average basis and includes expenditure incurred in acquiring the inventories and bringing them to their existing condition, except for training costs which are expensed as incurred.

AASB 101.117
AASB 102.9

Net realisable value is determined on the basis of the department's normal selling pattern. Expenses associated with marketing, selling and distribution are deducted to determine net realisable value.

AASB 102.Aus36.1(a)

Inventories held for distribution are those inventories that the department distributes for no or nominal consideration. These consist of water testing kits provided for regional farmers.

AASB 101.117
AASB 102.9

Land held for resale is stated at the lower of cost and net realisable value. Cost includes the directly attributable costs of acquisition and development and are assigned by specific identification.

C5 OTHER ASSETS

AASB 101.77, 78

	Consolidated		Department	
	2026	2025	2026	2025
	$'000	$'000	$'000	$'000
Current				
Prepayments	x	x	x	x
Contract assets	x	-	x	-
Other	x	x	x	x
Total	**x**	**x**	**x**	**x**
Non-current				
Prepayments	x	x	x	x
Contract assets	x	-	x	-
Other	x	x	x	x
Total	**x**	**x**	**x**	**x**

Accounting policy – Other current assets

NOTE TO AGENCIES: Insert as required. Agencies may elect not to disclose accounting policies where the balances/transactions are immaterial or insignificant to the agency's financial statements as permitted by AASB 101.

Disclosure – Contract assets

AASB 15.116(a) Contract assets arise from contracts with customers, and are transferred to receivables when the department's right to payment becomes unconditional, this usually occurs when the invoice is issued to the customer.

Accrued revenue that do not arise from contracts with customers are reported as part of Other.

AASB 15.118 Significant changes in contract assets balances during the year:

- Contract assets increased by $X as a result of the reassessment of progress for DEF services.
- Contract assets were impaired by $X.

NOTE TO AGENCIES: Agencies may put contract assets disclosures in the revenue note and cross reference to the other assets note if desired.

C6 NON-CURRENT ASSETS HELD FOR SALE

	Consolidated		Department	
	2026	2025	2026	2025
	$'000	$'000	$'000	$'000
Plant and equipment	x	x	x	x
Infrastructure	x	x	x	x
Total	x	x	x	x

Accounting policy – Non-current assets held for sale

AASB 5
AASB 5.15
AASB 5.25

Non-current assets held for sale consist of those assets that management has determined are available for immediate sale in their present condition and for which their sale is highly probable within the next twelve months. They are measured at the lower of the asset's carrying amount and fair value less costs to sell. No amortisation or depreciation is recognised once an asset is classified as held for sale.

Disclosures about non-current assets held for sale

AASB 5.41

Due to it being more cost effective to outsource printing to an external company, management has decided to sell the department's printing press. The tender process has commenced to locate a buyer for the press, and the sale is expected to be completed by November 2026.

Following completion of research and development of water resources in the Far North Queensland region, the government has decided to sell one of its water purification plants. Negotiations have commenced with several local councils who have expressed an interest in the plant. The sale is expected to be finalised by May 2027.

For both of the assets described above, the valuations reflect fair value less costs to sell, as that was lower than carrying amount at the time of meeting the “held for sale” criteria.

AASB 13.93(a), (b) & (d)

The fair value for the printing press reflects an average of buying prices supplied by three office equipment brokers. Given the unobservable nature of this information, the fair value less costs to sell represents a ‘level 3’ measurement (refer to Note D1)

AASB 13. 93(a), (b) & (d)

The technique to determine fair value less costs to sell for the water purification plant was consistent with the technique used for the department’s infrastructure (i.e. current replacement cost), and so the valuation represents a level 3 measurement. Refer to Note D1-3 for further detail about the valuation of the department’s infrastructure.

C7 PROPERTY, PLANT AND EQUIPMENT AND DEPRECIATION EXPENSE

C7-1 CLOSING BALANCES AND RECONCILIATION OF CARRYING AMOUNT

	CONSOLIDATED 30 JUNE 2026	Land	Buildings	Heritage and cultural assets	Major plant & equipment	Plant & equipment	Infrastructure	Work in progress	Total
		$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
FRR 6, NCAP 1, 3, 4, 5 and 6	Gross	x	x	x	x	x	x	**x**	**x**
AASB 116.73(d)	Less: Accumulated depreciation	-	(x)	(x)	(x)	(x)	(x)	**-**	**(x)**
AASB 116.73(d)	Less Accumulated impairment losses	(x)	(x)	-	-	(x)	-	**-**	**(x)**
	Carrying amount at 30 June 2026	**x**	**x**	**x**	**x**	**x**	**x**	**x**	**x**
	Represented by movements in carrying amount:								
AASB 116.73(e)	Carrying amount at 1 July 2025 (restated – refer Note G3)	x	x	x	x	x	x	x	**x**
AASB 116.73(e)(i)	Acquisitions (including upgrades)	x	x	-	x	x	x	x	**x**
AASB 116.73(e)(ix) NCAP 3.6	Transfers in from other Queensland Government entities	x	-	-	-	-	-	-	**x**
AASB 116.73(e)(ix) NCAP 3.6	Donations received	-	-	-	-	x	-	-	**x**
AASB 116.73(e)(ii)	Disposals	-	(x)	-	(x)	(x)	(x)	-	**(x)**
AASB 116.73(e)(ix)	Transfers out to other Queensland Government entities	-	-	-	-	-	-	-	**-**
AASB 116.73(e)(ii)	Assets reclassified as held for sale	-	-	-	-	(x)	(x)	-	**(x)**
AASB 116.73(e)(ix)	Donations made	-	-	-	(x)	-	-	-	**(x)**
AASB 116.73(e)(ix)	Transfers between asset classes	-	-	-	-	-	-	-	**-**
AASB 116.73(e)(iv)	Net revaluation increments/(decrements) in operating surplus/(deficit)	x	(x)	-	x	-	-	-	**(x)**
AASB 116.73(e)(iv)	Net revaluation increments/(decrements) in revaluation surplus	x	(x)	x	x	x	x	-	**x**
AASB 116.73(e)(v) AASB 136.126(a)	Impairment losses recognised in operating surplus/(deficit)	(x)	(x)	-	-	(x)	-	-	**(x)**
AASB 116.73(e)(vi) AASB 136.126(b)	Impairment reversed in operating surplus/(deficit)	-	-	-	-	-	-	-	**-**
AASB 116.73(e)(vii)	Depreciation expense	-	(x)	(x)	(x)	(x)	(x)	-	**(x)**
	Carrying amount at 30 June 2026	**x**	**x**	**x**	**x**	**x**	**x**	**x**	**x**

C7 PROPERTY, PLANT AND EQUIPMENT AND DEPRECIATION EXPENSE (continued)

C7-1 CLOSING BALANCES AND RECONCILIATION OF CARRYING AMOUNT (continued)

	CONSOLIDATED 30 JUNE 2025	Land	Buildings	Heritage and cultural assets	Major plant & equipment	Plant & equipment	Infrastructure	Work in progress	Total
		$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
FRR 6, NCAP 1, 3, 4, 5 and 6	Gross	x	x	x	x	x	x	**x**	**x**
AASB 116.73(d)	Less: Accumulated depreciation	-	(x)	(x)	(x)	(x)	(x)	**-**	**(x)**
AASB 116.73(d)	Less Accumulated impairment losses	(x)	(x)	-	-	(x)	-	**-**	**(x)**
	Carrying amount at 30 June 2025 (restated – refer Note G3)	**x**	**x**	**x**	**x**	**x**	**x**	**x**	**x**
	Represented by movements in carrying amount:								
AASB 116.73(e)	Carrying amount at 1 July 2024 (restated – refer Note G3)	x	x	x	x	x	x	x	**x**
AASB 116.73(e)(i)	Acquisitions (including upgrades)	x	x	-	x	x	x	x	**x**
AASB 116.73(e)(ix) NCAP 3.6	Transfers in from other Queensland Government entities	x	-	-	-	-	-	-	**x**
AASB 116.73(e)(ix) NCAP 3.6	Donations received	-	-	-	-	x	-	-	**x**
AASB 116.73(e)(ii)	Disposals	-	(x)	-	(x)	(x)	(x)	-	**(x)**
AASB 116.73(e)(ix)	Transfers out to other Queensland Government entities	-	-	-	-	-	-	-	**-**
AASB 116.73(e)(ii)	Assets reclassified as held for sale	-	-	-	-	(x)	(x)	-	**(x)**
AASB 116.73(e)(ix)	Donations made	-	-	-	(x)	-	-	-	**(x)**
AASB 116.73(e)(ix)	Transfers between asset classes	-	-	-	-	-	-	-	**-**
AASB 116.73(e)(iv)	Net revaluation increments/(decrements) in operating surplus/(deficit)	x	(x)	-	x	-	-	-	**(x)**
AASB 116.73(e)(iv)	Net revaluation increments/(decrements) in revaluation surplus	x	(x)	x	x	x	x	-	**x**
AASB 116.73(e)(v) AASB 136.126(a)	Impairment losses recognised in operating surplus/(deficit)	(x)	(x)	-	-	(x)	-	-	**(x)**
AASB 116.73(e)(vi) AASB 136.126(b)	Impairment reversed in operating surplus/(deficit)	-	-	-	-	-	-	-	**-**
AASB 116.73(e)(vii)	Depreciation expense	-	(x)	(x)	(x)	(x)	(x)	-	**(x)**
	Carrying amount at 30 June 2025 (restated – refer Note G3)	**x**	**x**	**x**	**x**	**x**	**x**	**x**	**x**

C7 PROPERTY, PLANT AND EQUIPMENT AND DEPRECIATION EXPENSE (continued)

C7-1 CLOSING BALANCES AND RECONCILIATION OF CARRYING AMOUNT (continued)

	DEPARTMENT 30 JUNE 2026	Land	Buildings	Heritage and cultural assets	Major plant & equipment	Plant & equipment	Infrastructure	Work in progress	Total
		$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
FRR 6, NCAP 1, 3, 4, 5 and 6	Gross	x	x	x	x	x	x	x	x
AASB 116.73(d)	Less: Accumulated depreciation	-	(x)	(x)	(x)	(x)	(x)	-	(x)
AASB 116.73(d)	Less Accumulated impairment losses	(x)	(x)	-	-	(x)	-	-	(x)
	Carrying amount at 30 June 2026	**x**	**x**	**x**	**x**	**x**	**x**	**x**	**x**
	Represented by movements in carrying amount:								
AASB 116.73(e)	Carrying amount at 1 July 2025 (restated – refer Note G3)	x	x	x	x	x	x	x	x
AASB 116.73(e)(i)	Acquisitions (including upgrades)	x	x	-	x	x	x	x	x
AASB 116.73(e)(ix) NCAP 3.6	Transfers in from other Queensland Government entities	x	-	-	-	-	-	-	x
AASB 116.73(e)(ix) NCAP 3.6	Donations received	-	-	-	-	x	-	-	x
AASB 116.73(e)(ii)	Disposals	-	(x)	-	(x)	(x)	(x)	-	(x)
AASB 116.73(e)(ix)	Transfers out to other Queensland Government entities	-	-	-	-	-	-	-	-
AASB 116.73(e)(ii)	Assets reclassified as held for sale	-	-	-	-	(x)	(x)	-	(x)
AASB 116.73(e)(ix)	Donations made	-	-	-	(x)	-	-	-	(x)
AASB 116.73(e)(ix)	Transfers between asset classes	-	-	-	-	-	-	-	-
AASB 116.73(e)(iv)	Net revaluation increments/(decrements) in operating surplus/(deficit)	x	(x)	-	x	-	-	-	x
AASB 116.73(e)(iv)	Net revaluation increments/(decrements) in revaluation surplus	x	(x)	-	x	-	-	-	(x)
AASB 116.73(e)(v) AASB 136.126(a)	Impairment losses recognised in operating surplus/(deficit)	(x)	(x)	-	-	(x)	-	-	(x)
AASB 116.73(e)(vi) AASB 136.126(b)	Impairment reversed in operating surplus/(deficit)	-	-	-	-	-	-	-	-
AASB 116.73(e)(vii)	Depreciation expense	-	(x)	(x)	(x)	(x)	(x)	-	(x)
	Carrying amount at 30 June 2026	**x**	**x**	**x**	**x**	**x**	**x**	**x**	**x**

C7 PROPERTY, PLANT AND EQUIPMENT AND DEPRECIATION EXPENSE (continued)

C7-1 CLOSING BALANCES AND RECONCILIATION OF CARRYING AMOUNT (continued)

	DEPARTMENT 30 JUNE 2025	Land	Buildings	Heritage and cultural assets	Major plant & equipment	Plant & equipment	Infrastructure	Work in progress	Total
		$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
FRR 6, NCAP 1, 3, 4, 5 and 6	Gross	x	x	x	x	x	x	**x**	**x**
AASB 116.73(d)	Less: Accumulated depreciation	-	(x)	(x)	(x)	(x)	(x)	**-**	**(x)**
AASB 116.73(d)	Less Accumulated impairment losses	(x)	(x)	-	-	(x)	-	**-**	**(x)**
	Carrying amount at 30 June 2025 (restated – refer Note G3)	**x**	**x**	**x**	**x**	**x**	**x**	**x**	**x**
	Represented by movements in carrying amount:								
AASB 116.73(e)	Carrying amount at 1 July 2024 (restated – refer Note G3)	x	x	x	x	x	x	x	**x**
AASB 116.73(e)(i)	Acquisitions (including upgrades)	x	x	-	x	x	x	x	**x**
AASB 116.73(e)(ix) NCAP 3.6	Transfers in from other Queensland Government entities	x	-	-	-	-	-	-	**x**
AASB 116.73(e)(ix) NCAP 3.6	Donations received	-	-	-	-	x	-	-	**x**
AASB 116.73(e)(ii)	Disposals	-	(x)	-	(x)	(x)	(x)	-	**(x)**
AASB 116.73(e)(ix)	Transfers out to other Queensland Government entities	-	-	-	-	-	-	-	**-**
AASB 116.73(e)(ii)	Assets reclassified as held for sale	-	-	-	-	(x)	(x)	-	**(x)**
AASB 116.73(e)(ix)	Donations made	-	-	-	(x)	-	-	-	**(x)**
AASB 116.73(e)(ix)	Transfers between asset classes	-	-	-	-	-	-	-	**-**
AASB 116.73(e)(iv)	Net revaluation increments/(decrements) in operating surplus/(deficit)	x	(x)	-	x	-	-	-	**x**
AASB 116.73(e)(iv)	Net revaluation increments/(decrements) in revaluation surplus	x	(x)	-	x	-	-	-	**(x)**
AASB 116.73(e)(v) AASB 136.126(a)	Impairment losses recognised in operating surplus/(deficit)	(x)	(x)	-	-	(x)	-	-	**(x)**
AASB 116.73(e)(vi) AASB 136.126(b)	Impairment reversed in operating surplus/(deficit)	-	-	-	-	-	-	-	**-**
AASB 116.73(e)(vii)	Depreciation expense	-	(x)	(x)	(x)	(x)	(x)	-	**(x)**
	Carrying amount at 30 June 2025 (restated – refer Note G3)	**x**	**x**	**x**	**x**	**x**	**x**	**x**	**x**

C7 PROPERTY, PLANT AND EQUIPMENT AND DEPRECIATION EXPENSE (continued)

C7-2 RECOGNITION AND ACQUISITION

Accounting policy – Recognition

AASB 101.117 *Basis of capitalisation and recognition thresholds*

AASB 116.73 Items of property, plant and equipment with a historical cost or other value equal to or exceeding the following thresholds in the year of acquisition are reported as property, plant and equipment in the following classes:

NCAP 1

Buildings (including land improvements)	$10,000	Major plant and equipment	$5,000
Infrastructure	$10,000	Plant and equipment	$5,000
Land	$1	Other (including heritage & cultural)	$5,000

Items with a lesser value are expensed in the year of acquisition.

NCAP 1 Expenditure on property, plant and equipment is capitalised where it is probable that the expenditure will produce future service potential for the department. Subsequent expenditure is only added to an asset's carrying amount if it increases the service potential or useful life of that asset. Maintenance expenditure that merely restores original service potential (lost through ordinary wear and tear) is expensed.

Componentisation of complex assets

NCAP 2
NCAP 2.7 Complex assets comprise separately identifiable components (or groups of components) of significant value, that require replacement at regular intervals and at different times to other components comprising the complex asset.

On initial recognition, the asset recognition thresholds outlined above apply to the complex asset as a single item. Where the complex asset qualifies for recognition, components are then separately recorded when their value is significant relative to the total cost of the complex asset. Components whose value exceeds 10% of the complex asset's total cost are separately identified as significant value components. Components valued at less than 10% of the complex asset's total cost are separately recorded only where a material difference in depreciation expense would occur.

When a separately identifiable component (or group of components) of significant value is replaced, the existing component(s) is derecognised. The replacement component(s) is capitalised when it is probable that future economic benefits from the significant component will flow to the department in conjunction with the other components comprising the complex asset and the cost exceeds the asset recognition thresholds specified above. Replacement components that do not meet the asset recognition thresholds for capitalisation are expensed.

Components are valued on the same basis as the asset class to which they relate. The accounting policy for depreciation of complex assets, and estimated useful lives of components, are disclosed in Note C7-5.

The department's complex assets are its special purpose research facility building and water purification infrastructure.

AASB 101.117 **Accounting policy – Cost of acquisition**

NCAP 1
AASB 116.15, 16 Property, plant and equipment acquisitions are initially recognised at cost determined as the value of consideration exchanged for the asset, plus associated costs directly attributable to the acquisition and getting the asset installed and ready for use.

NCAP 1.3, 3.7 Where assets are received free of charge from another Queensland Government entity (whether as a result of a machinery-of-government change or other involuntary transfer), the acquisition cost is recognised as the carrying amount in the books of the other entity immediately prior to the transfer.

AASB 116 Aus15.1
NCAP 1.3, 3.7 Assets acquired at no cost or for nominal consideration, other than from another Queensland Government entity, are recognised at their fair value at date of acquisition.

C7-3 MEASUREMENT USING HISTORICAL COST

AASB 101.117 **Accounting policy**

NCAP 3.2
AASB 116.73(a) Plant and equipment, (excluding major plant and equipment) is measured at historical cost in accordance with Queensland Treasury's Non-Current Asset Policies for the Queensland Public Sector. The carrying amounts for such plant and equipment is not materially different from their fair value.

C7 PROPERTY, PLANT AND EQUIPMENT AND DEPRECIATION EXPENSE (continued)

C7-4 MEASUREMENT USING FAIR VALUE

AASB 101.117

Accounting policy

NCAP 3.3
AASB 116.31
AASB 116.73(a)
AASB 13

Land, buildings, infrastructure, major plant and equipment and heritage and cultural assets are measured at fair value as required by Queensland Treasury's Non-Current Asset Policies for the Queensland Public Sector. These assets are reported at their revalued amounts, being the fair value at the date of valuation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses where applicable.

AASB 116.34
AASB 13.93(g)
NCAP 3

Property, plant and equipment classes measured at fair value are revalued on an annual basis either by appraisals undertaken by an independent professional valuer or internal expert, or by the use of appropriate and relevant indices. For financial reporting purposes, the revaluation process is managed by a team in the department's property branch, who determine the specific revaluation practices and procedures. The department has an asset valuation steering committee (of which the department's chief finance officer is a member) that oversees the revaluation processes managed by the property branch. That committee undertakes annual reviews of the property branch's revaluation practices (after each year's revaluation exercise), and reports to the department's audit committee regarding the outcomes of, and recommendations arising from, each annual review.

Use of specific appraisals

AASB 101.117
NCAP 3.6

Revaluations using independent professional valuer or internal expert appraisals are undertaken at least once every five years. However, if a particular asset class experiences significant and volatile changes in fair value, that class is subject to specific appraisal in the reporting period, where practicable, regardless of the timing of the last specific appraisal. This is arranged by the property branch after consultation with the asset valuation steering committee.

The fair values reported by the department are based on appropriate valuation techniques that maximise the use of available and relevant observable inputs and minimise the use of unobservable inputs (as defined in Note D1-1). A revaluation adjustment is recorded when the difference between the carrying amount and the fair value of an asset is material.

Use of indices

AASB 101.117
NCAP 3.6

Where assets have not been specifically appraised in the reporting period, their previous valuations are materially kept up-to-date via the application of relevant indices. The Sunshine Department ensures that the application of such indices results in a valid estimation of the assets' fair values at reporting date. The State Valuation Service (SVS) supplies the indices used for the various types of assets. Such indices are either publicly available, or are derived from market information available to SVS. SVS provides assurance of their robustness, validity and appropriateness for application to the relevant assets. Indices used are also tested for reasonableness by applying the indices to a sample of assets, comparing the results to similar assets that have been valued by an independent professional valuer or internal expert, and analysing the trend of changes in values over time. Through this process, which is undertaken annually, management assesses and confirms the relevance and suitability of indices provided by SVS based on the departments' own particular circumstances.

NOTE TO AGENCIES: Additional disclosure is required if there have been significant changes in valuation techniques. Where a valuation technique has changed, agencies are to disclose the new technique and the reason for the change.

AASB 101.117

Accounting for Changes in Fair Value

Any revaluation increment arising on the revaluation of an asset is credited to the revaluation surplus of the appropriate class, except to the extent it reverses a revaluation decrement for the class previously recognised as an expense. A decrease in the carrying amount on revaluation is charged as an expense, to the extent it exceeds the balance, if any, in the revaluation surplus relating to that asset class.

For assets revalued using a cost valuation approach (e.g. current replacement cost) - accumulated depreciation is adjusted to equal the difference between the gross amount and carrying amount, after taking into account accumulated impairment losses. This is generally referred to as the 'gross method'.

For assets revalued using a market or income-based valuation approach - accumulated depreciation and accumulated impairment losses are eliminated against the gross amount of the asset prior to restating for the revaluation. This is generally referred to as the 'net method'.

C7 PROPERTY, PLANT AND EQUIPMENT AND DEPRECIATION EXPENSE (continued)

NOTE TO AGENCIES: Agencies have flexibility to determine where they will locate disclosures for property, plant and equipment measured at fair value. In these Sunshine illustrative statements, the disclosure has been located in Note D1-2 under the Fair Value Disclosures note. At their discretion, agencies may instead prefer to co-locate specific valuation details for property, plant and equipment in the Property, Plant and Equipment and Depreciation Expense note.

C7-5 DEPRECIATION EXPENSE

AASB 101.117 **Accounting policy**

AASB 116.50, 51 Property, plant and equipment is depreciated on a straight-line basis so as to allocate the net cost or revalued amount of each asset, less any estimated residual value, progressively over its estimated useful life to the department.

AASB 116.58 Land is not depreciated as it has an unlimited useful life.

AASB 101.122 Straight line depreciation is used as that is consistent with the even consumption of service potential of these assets over their useful life to the department.

AASB 116.43
NCAP 2 Separately identifiable components of complex assets are depreciated according to the useful lives of each component, as doing so results in a material impact on the depreciation expense reported.

Any expenditure that increases the originally assessed capacity or service potential of an asset is capitalised and the new depreciable amount is depreciated over the remaining useful life of the asset to the department.

AASB 116.50
AASB 116.60 Assets under construction (work-in-progress) are not depreciated until construction is complete and the asset is put to use or is ready for its intended use, whichever is the earlier. These assets are then reclassified to the relevant class within property, plant and equipment.

NCAP 5 Major spares purchased specifically for particular assets are capitalised and depreciated on the same basis as the asset to which they relate.

AASB 116.50, 51 The depreciable amount of improvements to or on leasehold land is allocated progressively over the estimated useful lives of the improvements or the unexpired period of the lease, whichever is the shorter. The unexpired period of a lease includes any option period where exercise of the option is reasonably certain.

AASB 116.50, 51 For the department's depreciable assets, the estimated amount to be received on disposal at the end of their useful life (residual value) is determined to be zero.

AASB 101.122 ***Key Judgement:*** **Agencies to insert specific details of their own key judgements made, as appropriate, for example, where a non-straight-line method of depreciation is used for PP&E Disclosure should be sufficiently detailed for the reader to understand the significance and potential impact on the financial statements.**

Depreciation Rates

AASB 116.73 ***Key Estimates:*** Depreciation rates for each class of depreciable asset (including significant identifiable components):

NCAP 2.7 **NOTE TO AGENCIES: Under AASB 116.73, agencies have a choice of disclosing depreciation rates OR useful lives.**

Class	Useful life	Class	Useful life
Buildings - General	5 – 50 years	Heritage assets	20 – 50 years
Buildings – Special purpose research facilities:		Major plant and equipment:	
- Exterior structure	40 years	Shipping vessels	10 – 20 years
- Laboratory fixtures	10 years	Plant and equipment:	
- Temperature/humidity control systems	5 years	Motor vehicles	3 – 4 years
Infrastructure - Water purification plants:		Scientific equipment	5 – 10 years
- Pipes	10 years	Leasehold improvements	5 – 50 years
- Storage ponds	30 years	Other equipment	5 – 10 years
- Filtration tanks (structure)	20 years		
- Filtration tanks (internal lining)	3 years		
- Pumps and telemetry systems	5 years		

C7 PROPERTY, PLANT AND EQUIPMENT AND DEPRECIATION EXPENSE (continued)

C7-6 IMPAIRMENT

AASB 101.117

Accounting policy

Indicators of impairment and determining recoverable amount

AASB 136.9

All property, plant and equipment assets are assessed for indicators of impairment on an annual basis or, where the asset is measured at fair value, for indicators of a change in fair value/service potential since the last valuation was completed. Where indicators of a material change in fair value or service potential since the last valuation arise, the asset is revalued at the reporting date under AASB 13 *Fair Value Measurement*. If an indicator of possible impairment exists, the department determines the asset's recoverable amount under AASB 136 *Impairment of Assets*. Recoverable amount is equal to the higher of the fair value less costs of disposal and the asset's value in use subject to the following:

AASB 136 Aus5.1

- As a not-for-profit entity, certain property, plant and equipment of the department is held for the continuing use of its service capacity and not for the generation of cash flows. Such assets are typically specialised in nature. In accordance with AASB 136, where such assets measured at fair value under AASB 13, that fair value (with no adjustment for disposal costs) is effectively deemed to be the recoverable amount. As a consequence, AASB 136 does not apply to such assets unless they are measured at cost.

AASB 136 5

AASB 136 Aus5.1

- For other non-specialised property, plant and equipment measured at fair value, where indicators of impairment exist, the only difference between the asset's fair value and its fair value less costs of disposal is the incremental costs attributable to the disposal of the asset. Consequently, the fair value of the asset determined under AASB 13 will materially approximate its recoverable amount where the disposal costs attributable to the asset are negligible. After the revaluation requirements of AASB 13 are first applied to these assets, applicable disposal costs are assessed and, in the circumstances where such costs are not negligible, further adjustments to the recoverable amount are made in accordance with AASB 136.

AASB 136 5

AASB 136 Aus5.1

For all other remaining assets measured at cost, and assets within the economic entity held for the generation of cash flows recoverable amount is equal to the higher of the fair value less costs of disposal and the asset's value in use.

Value in use is equal to the present value of the future cash flows expected to be derived from the asset, or where the department no longer uses an asset and has made a formal decision not to reuse or replace the asset, the value in use is the present value of net disposal proceeds.

Recognising impairment losses

AASB 136.60

For assets measured at fair value, the impairment loss is treated as a revaluation decrease and offset against the revaluation surplus of the relevant class to the extent available. Where no revaluation surplus is available in respect of the class of asset, the loss is expensed in the statement of comprehensive income as a revaluation decrement.

AASB 136.60

For assets measured at cost, an impairment loss is recognised immediately in the statement of comprehensive income.

Reversal of impairment losses

AASB 136.117

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years.

AASB 136.119

For assets measured at fair value, to the extent the original decrease was expensed through the statement of comprehensive income, the reversal is recognised in income, otherwise the reversal is treated as a revaluation increase for the class of asset through revaluation surplus.

AASB 136.119

For assets measured at cost, impairment losses are reversed through income.

C8 INVESTMENT PROPERTY

AASB 101.77, 78

	Consolidated		Department	
	2026	**2025**	**2026**	**2025**
	$'000	**$'000**	**$'000**	**$'000**
Buildings (general) - at fair value	x	x	x	x
Buildings (storage facilities) – at fair value	x	x	x	x
Total	**x**	**x**	**x**	**x**

AASB 101.117

Accounting policy – Investment property

AASB 140.1-20, Aus20.1, 33, 35 & 75(a)

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost including transaction costs. Where investment property is acquired at no or nominal cost it is recognised at fair value. Investment property is subsequently carried at fair value, being revalued as at each reporting date.

AASB 13.93(d)

Fair value is based on selling prices in an active property market adjusted, if necessary, to reflect the nature, location or condition of the specific investment property. If there is no active property market, alternative valuation methods are used, such as recent selling prices in less active markets, or discounted cash flow projections.

Investment buildings under construction are included within the investment property category and measured at fair value, unless fair value cannot be reliably determined for an individual property (in which case, the property is measured at cost until fair value can be reliably determined). In determining a fair value for investment buildings under construction, a value is determined as at reporting date for an equivalent completed building (using current construction plans and all available relevant information), and this value is adjusted proportionately to reflect the percentage of completion and remaining costs to complete construction as at reporting date.

Gains or losses arising from changes in the fair value of investment property are included in the operating result for the period in which they arise. As the department's investment property is carried at fair value, it is not depreciated and is not tested for impairment.

Reconciliation of movement in investment property

		Consolidated		Department	
		2026	**2025**	**2026**	**2025**
		$'000	**$'000**	**$'000**	**$'000**
	Carrying amount at 1 July [1]	x	x	x	x
AASB 140.76(a)	Acquisitions	x	x	x	x
AASB 140.76(b)	Transfers in from other Queensland Government entities	x	x	x	x
AASB 140.76(a)	Acquisitions from subsequent expenditure	x	x	x	x
AASB 140.76(g)	Donations received	x	x	x	x
AASB 140.76(c)	Disposals	x	x	x	x
AASB 140.76(g)	Transfers out to other Queensland Government entities	x	x	x	x
AASB 140.76(c)	Assets reclassified as held for sale	x	x	x	x
AASB 140.76(g)	Donations made	x	x	x	x
AASB 140.76(f)	Transfers between inventories and owner occupied	x	x	x	x
AASB 140.76(d)	Net revaluation increments/(decrements) recognised in operating result	x	x	x	x
	Carrying amount at 30 June [1]	**x**	**x**	**x**	**x**

[1] Carrying amount at 30 June 2025 and 1 July 2025 restated – refer Note G3.

Disclosure – Rental of investment property

AASB 140.75(f)(i)

Rental income from investment property recognised in the operating result is $x (2025: $x).

AASB 140.75(f)(ii)
AASB 140.75(f)(iii)

Direct operating expenses primarily for repairs and maintenance on property that did not generate rental income for the period were $x million (2025: $x million). Direct operating expenses primarily for repairs and maintenance on property that did generate rental income for the period were $x million (2025: $x million).

AASB 140.75(g)
AASB 140.75(h)

There are no restrictions on the realisability of investment property or remittance of income and proceeds of disposal. The department does not have any contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements.

C9 INTANGIBLES AND AMORTISATION EXPENSE

C9-1 CLOSING BALANCES AND RECONCILIATION OF CARRYING AMOUNT

CONSOLIDATED

		Intellectual property: at cost		Software purchased: at cost		Software internally generated: at cost		Software: work in progress		Total	
		2026 $'000	2025 $'000	2026 $'000	2025 $'000	2026 $'000	2025 $'000	2026 $'000	2025 $'000	2026 $'000	2025 $'000
AASB 138.118(c)	Gross	x	x	x	x	x	x	**x**	**x**	x	x
AASB 138.118(c)	Less: Accumulated amortisation	-	(x)	(x)	(x)	(x)	(x)	**-**	**-**	(x)	(x)
AASB 138.118(c)	Less Accumulated impairment losses	(x)	(x)	-	(x)	-	(x)	**-**	**-**	(x)	(x)
	Carrying amount at 30 June	**x**	**x**	**x**	**x**	**x**	**x**	**x**	**x**	**x**	**x**
	Represented by movements in carrying amount:										
AASB 138.118(e)(i)	Carrying amount at 1 July	x	x	x	x	x	x	x	x	x	x
AASB 138.118(e)(i)	Acquisitions – purchased	x	x	x	x	x	x	x	x	x	x
AASB 138.118(e)(i)	Transfers in from other Queensland Government entities	x	-	-	-	-	-	-	-	x	x
AASB 138.118(e)(i)	Acquisitions through internal development										
AASB 138.118(e)(ii)	Donations received	-	-	-	x	-	x	-	-	x	x
AASB 116.73(e)(ix)	Disposals	-	(x)	(x)	(x)	(x)	(x)	-	-	(x)	(x)
AASB 138.118(e)(viii)	Transfers out to other Queensland Government entities	-	-	-	-	-	-	-	-	-	-
AASB 138.118(e)(iii)	Donations made	-	-	(x)	-	-	-	-	-	(x)	(x)
AASB 138.118(e)(iv) AASB 136.126(a)	Revaluation decrements	-	-	-	-	-	-	-	-	-	-
AASB 138.118(e)(v) AASB 136.126(b)	Impairment losses recognised in operating surplus/(deficit)*	(x)	(x)	-	(x)	-	(x)	-	-	(x)	(x)
AASB 138.118(e)(iii) AASB 136.126(c)	Impairment reversed in operating surplus/(deficit)*	-	-	-	-	-	-	-	-	-	-
AASB 138.118(e)(i)	Amortisation	-	(x)	(x)	(x)	(x)	(x)	-	-	(x)	(x)
	Carrying amount at 30 June	**x**	**x**	**x**	**x**	**x**	**-**	**x**	**x**	**x**	**x**

* Impairment losses and reversals of impairment losses are shown as separate line items in the statement of comprehensive income.

C9 INTANGIBLES AND AMORTISATION EXPENSE (continued)

C9-1 CLOSING BALANCES AND RECONCILIATION OF CARRYING AMOUNT (continued)

DEPARTMENT

		Intellectual property: at cost		Software purchased: at cost		Software internally generated: at cost		Software: work in progress		Total	
		2026 $'000	2025 $'000	2026 $'000	2025 $'000	2026 $'000	2025 $'000	2026 $'000	2025 $'000	2026 $'000	2025 $'000
AASB 138.118(c)	Gross	x	x	x	x	x	x	**x**	**x**	x	x
AASB 138.118(c)	Less: Accumulated amortisation	-	(x)	(x)	(x)	(x)	(x)	**-**	**-**	(x)	(x)
AASB 138.118(c)	Less Accumulated impairment losses	(x)	(x)	-	(x)	-	(x)	-	-	(x)	(x)
	Carrying amount at 30 June	**x**	**x**	**x**	**x**	**x**	**x**	**x**	**x**	**x**	**x**
	Represented by movements in carrying amount:										
AASB 138.118(e)(i)	Carrying amount at 1 July	x	x	x	x	x	x	x	x	x	x
AASB 138.118(e)(i)	Acquisitions – purchased	x	x	x	x	x	x	x	x	x	x
AASB 138.118(e)(i)	Transfers in from other Queensland Government entities	x	-	-	-	-	-	-	-	x	x
AASB 138.118(e)(i)	Acquisitions through internal development										
AASB 138.118(e)(ii)	Donations received	-	-	-	x	-	x	-	-	x	x
AASB 116.73(e)(ix)	Disposals	-	(x)	(x)	(x)	(x)	(x)	-	-	(x)	(x)
AASB 138.118(e)(viii)	Transfers out to other Queensland Government entities	-	-	-	-	-	-	-	-	-	-
AASB 138.118(e)(iii)	Donations made	-	-	(x)	-	-	-	-	-	(x)	(x)
AASB 138.118(e)(iv) AASB 136.126(a)	Revaluation decrements	-	-	-	-	-	-	-	-	-	-
AASB 138.118(e)(v) AASB 136.126(b)	Impairment losses recognised in operating surplus/(deficit)*	-	-	-	-	-	-	(x)		(x)	-
AASB 138.118(e)(iii) AASB 136.126(c)	Impairment reversed in operating surplus/(deficit)*	-	-	-	-	-	-	-	-	-	-
AASB 138.118(e)(i)	Amortisation	(x)	(x)	(x)	(x)	(x)	(x)	-	-	(x)	(x)
	Carrying amount at 30 June	**x**	**x**	**x**	**x**	**x**	**-**	**x**	**x**	**x**	**x**

* Impairment losses and reversals of impairment losses are shown as separate line items in the statement of comprehensive income.

C9 INTANGIBLES AND AMORTISATION EXPENSE (continued)

C9-2 RECOGNITION AND MEASUREMENT

Accounting policy

AASB 101.117
AASB 138.88
AASB 138.100

Intangible assets of the department comprise patents, purchased software and internally developed software. Intangible assets with a historical cost or other value equal to or greater than $100,000 are recognised in the financial statements. Items with a lesser value are expensed. Any training costs are expensed as incurred.

AASB 138.74
AASB 138.75

There is no active market for any of the department's intangible assets. As such, the assets are recognised and carried at historical cost less accumulated amortisation and accumulated impairment losses.

AASB 138.54
AASB 138.126

Expenditure on research activities relating to internally-generated intangible assets is expensed when incurred.

AASB 138 .57 &
AASB 138.118

Costs associated with the internal development of computer software are capitalised and amortised under the amortisation policy below.

AASB 138.118(e)(ii)

NOTE TO AGENCIES: If the agency has classified intangible assets as held for sale during the year, this must be separately disclosed in the reconciliation above.

C9-3 AMORTISATION EXPENSE

AASB 101.117

Accounting policy

All intangible assets of the department have finite useful lives and are amortised on a straight line basis over their estimated useful life to the department. Straight line amortisation is used reflecting the expected consumption of economic benefits on a progressive basis over the intangible's useful life. The residual value of all the department's intangible assets is zero.

Useful life

AASB 138.118(a)

Key Estimate: For each class of intangible asset the following amortisation rates are used:

NOTE TO AGENCIES: AASB 138.118(a) permits a choice of disclosing amortisation rates OR useful lives.

Intangible asset	Useful life
Intellectual property – EcoSystem patents	10 Years
Software purchased	5 Years
Software internally generated	5 Years

C9-4 IMPAIRMENT

AASB 101.117

Accounting policy

NCAP 5
AASB 136.9
AASB 136.59

All intangible assets are assessed for indicators of impairment on an annual basis. If an indicator of possible impairment exists, the department determines the asset's recoverable amount.-Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

AASB 136.6
AASB 136 Aus6.1

Intangible assets are principally assessed for impairment by reference to the actual and expected continuing use of the asset by the department, including discontinuing the use of the software or patent. Recoverable amount is determined as the higher of the asset's fair value less costs to sell and its value-in-use.

Impairment event

AASB 138.118(e)(iv)
AASB 136.59
AASB 136.130
AASB 136.131
NCAP 4

During December 2024, the department commenced the internal build of the 'no-waste' software system. At 30 June 2025, modules 1 to 8 had been completed with a further 4 modules to be completed during the 2025-26 financial year. However, in December 2025, the software required significant reconfiguration to the design specifications following environmental legislative amendments. This resulted in the completed modules 5-8 and capitalised costs for modules 9 and 10 being abandoned in June 2026.

Consequently, an impairment loss of $x was recognised in the statement of comprehensive income (refer Note B3-4) equal to the development costs incurred for modules 5 to 10 previously recorded as work-in-progress. The recoverable amount of the software at 30 June 2026 is $x represented by the construction cost for modules 1 to 4 which will form the basis of the revised asset expected to be completed in the 2026-27 financial year.

C9 INTANGIBLES AND AMORTISATION EXPENSE (continued)

C9-5 OTHER DISCLOSURES

Individually significant intangible assets

AASB 138.122(b) At 30 June the department holds an intellectual property asset being the EcoSystem patent that has a carrying amount of $x and a remaining amortisation period of 5 years.

C10 LEASES

C10-1 LEASES AS LESSEE

Right-of-use assets

		Land	Buildings	Plant and equipment	Infrastructure	Total
		$'000	$'000	$'000	$'000	$'000
	2025-26 – Consolidated					
	Opening balance at 1 July 2025	x	X	x	x	x
AASB 16.53(h)	Additions	x	X	x	x	x
AASB 16.53(a)	Depreciation charge	(x)	(x)	(x)	(x)	(x)
	Disposals / derecognition	(x)	(x)	(x)	(x)	(x)
	Other adjustments	x	x	x	x	x
AASB 16.53(j)	**Closing balance at 30 June 2026**	**x**	**x**	**x**	**x**	**x**
	2024-25 – Consolidated					
	Opening balance at 1 July 2024	x	X	x	x	x
AASB 16.53(h)	Additions	x	X	x	x	x
AASB 16.53(a)	Depreciation charge	(x)	(x)	(x)	(x)	(x)
	Disposals / derecognition	(x)	(x)	(x)	(x)	(x)
	Other adjustments	x	x	x	x	x
AASB 16.53(j)	**Closing balance at 30 June 2025**	**x**	**x**	**x**	**x**	**x**
	2025-26 – Department					
	Opening balance at 1 July 2025	x	x	x	x	x
AASB 16.53(h)	Additions	x	x	x	x	x
AASB 16.53(a)	Depreciation charge	(x)	(x)	(x)	(x)	(x)
	Disposals / derecognition	(x)	(x)	(x)	(x)	(x)
	Other adjustments	x	x	x	x	x
AASB 16.53(j)	**Closing balance at 30 June 2026**	**x**	**x**	**x**	**x**	**x**
	2024-25 – Department					
	Opening balance at 1 July 2024	x	x	x	x	x
AASB 16.53(h)	Additions	x	x	x	x	x
AASB 16.53(a)	Depreciation charge	(x)	(x)	(x)	(x)	(x)
	Disposals / derecognition	(x)	(x)	(x)	(x)	(x)
	Other adjustments	x	x	x	x	x
AASB 16.53(j)	**Closing balance at 30 June 2025**	**x**	**x**	**x**	**x**	**x**

C10 LEASES (continued)

C10-1 LEASES AS LESSEE (continued)

Lease liabilities

		Consolidated		Department	
		2026	2025	2026	2025
		$'000	$'000	$'000	$'000
AASB 16.47(b)	**Current**				
	Lease liabilities	x	x	x	x
	Non-current				
	Lease liabilities	x	x	x	x
	Total	x	x	x	x

FRR 4B.9

Accounting policies – Leases as lessee

AASB 16.23-25, 29-35

Right-of-use assets

Right-of-use assets are initially recognised at cost comprising the following:

- the amount of the initial measurement of the lease liability
- lease payments made at or before the commencement date, less any lease incentives received
- initial direct costs incurred, and
- the initial estimate of restoration costs

Right-of-use assets are subsequently depreciated over the lease term and be subject to impairment testing on an annual basis.

The carrying amount of right-of-use assets are adjusted for any remeasurement of the lease liability in the financial year following a change in discount rate, a reduction in lease payments payable, changes in variable lease payments that depend upon variable indexes/rates of a change in lease term.

AASB 16. Aus25.1,29

The department measures right-of-use assets from concessionary leases at cost on initial recognition, and measures all right-of-use assets at cost subsequent to initial recognition.

AASB 16.5-8

The department has elected not to recognise right-of-use assets and lease liabilities arising from short-term leases and leases of low value assets. The lease payments are recognised as expenses on a straight-line basis over the lease term. An asset is considered low value where it is expected to cost less than $10,000 when new.

AASB 16.15

Where a contract contains both a lease and non-lease components such as asset maintenance services, the department allocates the contractual payments to each component on the basis of their stand-alone prices. However, for leases of plant and equipment, the department has elected not to separate lease and non-lease components and instead accounts for them as a single lease component.

AASB 16.26-28

Lease liabilities

Lease liabilities are initially recognised at the present value of lease payments over the lease term that are not yet paid. The lease term includes any extension or renewal options that the department is reasonably certain to exercise. The future lease payments included in the calculation of the lease liability comprise the following:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payments that depend on an index or rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the department under residual value guarantees
- the exercise price of a purchase option that the department is reasonably certain to exercise
- payments for termination penalties, if the lease term reflects the early termination

AASB 16.26

When measuring the lease liability, the department uses its incremental borrowing rate as the discount rate where the interest rate implicit in the lease cannot be readily determined, which is the case for all of the department's leases. To determine the incremental borrowing rate, the department uses loan rates provided by Queensland Treasury Corporation that correspond to the commencement date and term of the lease.

AASB 16.26-28

Subsequent to initial recognition, the lease liabilities are increased by the interest charge and reduced by the amount of lease payments. Lease liabilities are also remeasured in certain situations such as a change in variable lease payments that depend on an index or rate (e.g. a market rent review), or a change in the lease term.

C10 LEASES (continued)

C10-1 LEASES AS LESSEE (continued)

Disclosures – Leases as lessee

AASB 16.51,59 *(i) Details of leasing arrangements as lessee*

AASB 16.59(b)(i), B49

Plant and equipment leases	The department routinely enters into leases for plant and equipment including office equipment, IT equipment and machinery. Some of these leases are short-term leases or leases of low value assets. Lease terms for plant and equipment leases that are recognised on balance sheet can range from 1 to 10 years. A small number of leases have renewal or extension options. The options are generally exercisable at market prices and are not included in the right-of-use asset or lease liability unless the department is reasonably certain it will renew the lease. Some photocopier leases have variable lease payments that depend on the volume of usage. The usage-based payments are recognised as lease expenses in Note B3-2 when incurred. They are not expected to vary materially from year to year.
Research facility	In September 2025, the department entered into a 30-year lease of the Coastal Preservation Research Institute Facility. Lease payments for this lease are initially fixed and are subject to market rent reviews every 5 years and CPI-based rent increases in other years. As the future rent increases are variable, they are not captured in the right-of-use asset or lease liability until the increases take effect. The department subleases some floor space of the facility to non-government organisations. Refer to Note C10-2 for further details.
Concessionary land lease	AASB 16.Aus59.1 The department has a 40-year concessionary lease of land from Department N at a significantly below-market rental of $100 per annum. The land is used for the provision of DEF services to North Queensland communities and may only be used for that purpose. The department's is not dependent on receiving concessionary leases as additional appropriation funding would be received to cover lease payments if the lessor had charged a market rate of rental.

(ii) Office accommodation, employee housing and motor vehicles

The Queensland Government Accommodation Office (QGAO) within the Department of Housing, Local Government, Planning and Public Works provides the department with access to office accommodation, employee housing and motor vehicles under government-wide frameworks. These arrangements are categorised as procurement of services rather than as leases because QGAO has substantive substitution rights over the assets. The related service expenses are included in Note B3-2.

		Consolidated		Department	
		2026	2025	2026	2025
		$'000	$'000	$'000	$'000
	(iii) Amounts recognised in profit or loss				
AASB 16.53(b)	Interest expense on lease liabilities	x	x	x	x
	Breakdown of 'Lease expenses' included in Note B3-2				
AASB 16.53(c)	- Expenses relating to short-term leases	x	x	x	x
AASB 16.53(d)	- Expenses relating to leases of low value assets	x	x	x	x
AASB 16.53(e)	- Expenses relating to variable lease payments	x	x	x	x
AASB 16.53(f)	Income from subleasing included in 'Property rental' in Note B1-2	x	x	x	x
AASB 16.53(g)	*(iv) Total cash outflow for leases*	x	x	x	x

C10-2 LEASES AS LESSOR

Accounting policies – Leases as lessor

AASB 16.81 The department recognises lease payments from operating leases as income on a straight-line basis over the lease term.

Disclosures – Leases as lessor

(i) Details of leasing arrangements as lessor

AASB 16.90-92

Investment properties	The department owns investment properties consisting of residential buildings and storage facilities. All investment properties are leased out under 5 to 20 year non-cancellable operating lease arrangements. Refer to Note C8 for additional disclosures about investment properties.
Sublease of research facility	The department subleases floor space in the Coastal Preservation Research Institute Facility, which is leased under a 30-year head lease agreement. All subleases have lease terms of 5 years or less and are classified as operating leases. The sublease agreements include make-good clauses that requires the lessees to restore the facilities to a satisfactory condition at the end of the lease term.

Lease income from operating leases is reported as 'Property rental' in Note B1-2. No amounts were recognised in respect of variable lease payments other than CPI-based or market rent reviews.

NOTE TO AGENCIES: Where agencies have finance leases, additional disclosures are required in AASB 16 paragraphs 90(a), 93 & 94.

(ii) Maturity analysis

AASB 16.97 The following table sets out a maturity analysis of future undiscounted lease payments receivable under the department's operating leases.

	Consolidated		Department	
	2026	2025	2026	2025
	$'000	$'000	$'000	$'000
Less than 1 year	x	x	x	x
1 to 2 years	x	x	x	x
2 to 3 years	x	x	x	x
3 to 4 years	x	x	x	x
4 to 5 years	x	x	x	x
More than 5 years	x	x	x	x
Total	x	x	x	x

C11 PUBLIC PRIVATE PARTNERSHIPS (PPPs)

C11-1 SERVICE CONCESSION ARRANGEMENTS UNDER AASB 1059

		Consolidated and Department			
	2025-26	**SWRF**	**SCA2**	**SCA3**	**Total**
		$'000	**$'000**	**$'000**	**$'000**
AASB 1059.29	**Service Concession Assets**				
AASB 116.73(d)	Gross	x	x	x	**x**
	Less: Accumulated depreciation	(x)	(x)	(x)	**(x)**
		x	x	x	**x**
AASB 116.73(e)	*Service concession assets movement reconciliation:*				
	Opening balance at 1 July 2025	x	x	x	**x**
	Acquisitions (including upgrades)	x	x	x	**x**
	Transfers in from other Queensland Government entities	x	x	x	**x**
	Transfers out to other Queensland Government entities	(x)	(x)	(x)	**(x)**
	Disposals	(x)	(x)	(x)	**(x)**
	Transfers from/(to) property, plant and equipment	x	x	x	**x**
	Net revaluation increments/(decrements) recognised in operating result	x	x	x	**x**
	Net revaluation increments/(decrements) recognised in revaluation surplus	x	x	x	**x**
	Depreciation expense	(x)	(x)	(x)	**(x)**
	Carrying amount at 30 June 2026	x	x	x	**x**
	Liabilities				
	Financial liabilities (Note C13)	x	x	x	**x**
	Unearned revenue (Note C16)	x	x	x	**x**
		x	x	x	**x**

	2024-25	**SWRF**	**SCA2**	**SCA3**	**Total**
		$'000	**$'000**	**$'000**	**$'000**
AASB 1059.29	**Service Concession Assets**				
AASB 116.73(d)	Gross	x	x	x	**x**
	Less: Accumulated depreciation	(x)	(x)	(x)	**(x)**
		x	x	x	**x**
AASB 116.73(e)	*Service concession assets movement reconciliation:*				
	Opening balance at 1 July 2024	x	x	x	**x**
	Acquisitions (including upgrades)	x	x	x	**x**
	Transfers in from other Queensland Government entities	x	x	x	**x**
	Transfers out to other Queensland Government entities	(x)	(x)	(x)	**(x)**
	Disposals	(x)	(x)	(x)	**(x)**
	Transfers from/(to) property, plant and equipment	x	x	x	**x**
	Net revaluation increments/(decrements) recognised in operating result	x	x	x	**x**
	Net revaluation increments/(decrements) recognised in revaluation surplus	x	x	x	**x**
	Depreciation expense	(x)	(x)	(x)	**(x)**
	Carrying amount at 30 June 2025	x	x	x	**x**
	Liabilities				
	Financial liabilities (Note C13)	x	x	x	**x**
	Unearned revenue (Note C16)	x	x	x	**x**
		x	x	x	**x**

C11 PUBLIC PRIVATE PARTNERSHIPS (PPPs) (continued)

C11-1 SERVICE CONCESSION ARRANGEMENTS UNDER AASB 1059 (CONTINUED)

FRR 5D ***Accounting policies and disclosures – Service concession arrangements***

AASB 116.73 Service concession assets are measured at current replacement cost on initial recognition or reclassification and are subsequently measured at fair value (determined using current replacement cost) using the same valuation methodology applicable to infrastructure asset classes as outlined in Note D2-1. The assets are depreciated on a straight-line basis over their useful lives, which range from 10 to 50 years.

The department's accounting policies on fair value measurement and impairment for property, plant and equipment disclosed in Note C7 also apply to service concession assets.

Specific disclosures for each of the department's service concession arrangements are provided below.

Sunshine Waste Recycling Facility (Year X of 25)

AASB 1059.28 In September 2021, the department entered into a contractual arrangement with Acme Waste Converters Pty Ltd for the design, construction and operation of the Sunshine Waste Recycling Facility for a period of 25 years on departmental land. Construction was completed in April 2024. At the expiry of the 25-year period, ownership of the facility will transfer to the department.

The operator is required to keep the facility open seven days a week between specified hours and accept all recyclable waste from the public and the Queensland Government free of charge. The operator owns all recycled materials produced by the facility during the 25-year concession period.

Under the terms of the arrangement, the department must compensate the operator when total recyclables received by the facility is below an agreed quantity in a quarter. The future compensation payable is estimated based on Brisbane City Council's waste collection data from 2020 to 2025 and projected population increases over the next 25 years and is recognised as a financial liability. The department expects that the minimum quantity of waste will be met in every quarter from 2030 onward.

The department is also obliged to provide free advertising and publicity for the facility in its training and promotional materials, these expenses will be recognised when incurred.

An unearned revenue liability was recognised for the initial difference between the service concession asset and the financial liability for quantity shortfalls. This liability is amortised as revenue on a straight-line basis over the 25 year concession period, with X years remaining at 30 June 2026.

The department receives quarterly land rentals from the operator, which are set to increase annually by 2.50%. Operating lease income is recognised under AASB 16 and is disclosed in Notes B1-2 and C10-2.

Service concession arrangement #2 (Year X of Y)

[Include separate disclosures as applicable for each service concession arrangement.]

Service concession arrangement #3 (Year X of Y)

[Include separate disclosures as applicable for each service concession arrangement.]

C11 PUBLIC PRIVATE PARTNERSHIPS (PPPs) (continued)

C11-2 OTHER PUBLIC PRIVATE PARTNERSHIPS OUTSIDE AASB 1059

FRR 5D

Some public private partnerships are not service concession arrangements within the scope of AASB 1059. Other accounting standards and policies apply to these arrangements, and are described for each arrangement below.

PPPs outside AASB 1059	Consolidated and Department	
	2026	**2025**
	$'000	**$'000**
Assets		
Buildings (Note C7)		
ABC Education and Training Complex	x	x
Liabilities		
Financial liabilities (Note C13)		
ABC Education and Training Complex	x	x

ABC Education and Training Complex (Year X of 20)

In July 2020, the department entered into a contractual arrangement with XYZ Ltd for the construction and maintenance of the ABC Education and Training Complex. Under the contract, XYZ Ltd designed, financed and constructed the facilities on department owned land and will perform facility maintenance and security services for the complex for a period of 20 years. In return, the department makes monthly capital and service payments to XYZ Ltd for the 20 year term, which will end on 30 June 2038. Ownership of the buildings remains with the department during and after the period of the arrangement.

This arrangement is not a service concession arrangement under AASB 1059 because the maintenance and security services managed by XYZ Ltd are not assessed as contributing significantly to the public services provided by the complex. The department operates the facilities, employs all teaching and administrative staff, and manages all education and training programs provided at the complex.

The department accounts for the arrangement as a financed construction contract and a service outsourcing contract. The facilities are recognised as property, plant and equipment in Note C7 and are carried at fair value. A financial liability representing the future capital payments is included in Note C13 and is measured at amortised cost.

Service payments are recognised as supplies and services expenses each period when incurred, the amounts are disclosed in Note C11-3 below.

C11-3 OPERATING STATEMENT IMPACT

FRR 5D.5

The operating statement impact for each material public private partnership arrangement is as follows .

		Consolidated and Department				
2025-26	**Note**	**SWRF**	**SCA2**	**SCA3**	**ABC**	**Total**
		$'000	**$'000**	**$'000**	**$'000**	**$'000**
Revenue						
Rental income	B1-2	x	x	x	x	**x**
Amortisation of unearned revenue	B1-5	x	x	x	x	**x**
Expenses						
Depreciation expenses	B3-6	(x)	(x)	(x)	(x)	**(x)**
Interest expenses	B3-5	(x)	(x)	(x)	(x)	**(x)**
Service expenses	B3-2	(x)	(x)	(x)	(x)	**(x)**
Net impact on operating result		x	x	x	x	**x**

C11 PUBLIC PRIVATE PARTNERSHIPS (PPPs) (continued)

C11-3 OPERATING STATEMENT IMPACT (continued)

FRR 5D.5 The operating statement impact for each material public private partnership arrangement is as follows .

		Consolidated and Department				
2024-25		**SWRF**	**SCA2**	**SCA3**	**ABC**	**Total**
		$'000	**$'000**	**$'000**	**$'000**	**$'000**
Revenue						
Rental income	B1-2	x	x	x	x	**x**
Amortisation of unearned revenue	B1-5	x	x	x	x	**x**
Expenses						
Depreciation expenses	B3-6	(x)	(x)	(x)	(x)	**(x)**
Interest expenses	B3-5	(x)	(x)	(x)	(x)	**(x)**
Service expenses	B3-2	(x)	(x)	(x)	(x)	**(x)**
Net impact on operating result		x	x	x	x	**x**

C11-4 ESTIMATED FUTURE CASH FLOWS

FRR 5D.5 The estimated future cash flows on an undiscounted basis for the department's public private partnerships are as follows.

	Consolidated and Department				
As at 30 June 2026	**SWRF**	**SCA2**	**SCA3**	**ABC**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Cash inflows					
Not later than 1 year	x	x	x	x	**x**
Later than 1 year but not later than 5 years	x	x	x	x	**x**
Later than 5 years but not later than 10 years	x	x	x	x	**x**
Later than 10 years	x	x	x	x	**x**
	x	**x**	**x**	**x**	**x**
Cash outflows					
Not later than 1 year	(x)	(x)	(x)	(x)	**(x)**
Later than 1 year but not later than 5 years	(x)	(x)	(x)	(x)	**(x)**
Later than 5 years but not later than 10 years	(x)	(x)	(x)	(x)	**(x)**
Later than 10 years	(x)	(x)	(x)	(x)	**(x)**
	(x)	**(x)**	**(x)**	**(x)**	**(x)**

As at 30 June 2025	**SWRF**	**SCA2**	**SCA3**	**ABC**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Cash inflows					
Not later than 1 year	x	x	x	x	**x**
Later than 1 year but not later than 5 years	x	x	x	x	**x**
Later than 5 years but not later than 10 years	x	x	x	x	**x**
Later than 10 years	x	x	x	x	**x**
	x	**x**	**x**	**x**	**x**
Cash outflows					
Not later than 1 year	(x)	(x)	(x)	(x)	**(x)**
Later than 1 year but not later than 5 years	(x)	(x)	(x)	(x)	**(x)**
Later than 5 years but not later than 10 years	(x)	(x)	(x)	(x)	**(x)**
Later than 10 years	(x)	(x)	(x)	(x)	**(x)**
	(x)	**(x)**	**(x)**	**(x)**	**(x)**

C12 PAYABLES

		Consolidated		Department	
		2026	2025	2026	2025
AASB 101.77, 78		$'000	$'000	$'000	$'000
	Current				
	Trade creditors	x	x	x	x
	Interest payable	x	x	x	x
	Grants and subsidies payable	x	x	x	x
FRR 3B.2	Deferred appropriation payable to Consolidated Fund	x	x	x	x
	Other	x	x	x	x
		x	**x**	**x**	**x**
	Non-current				
	[insert as required]	x	x	x	x
	Total	**x**	**x**	**x**	**x**

Accounting policy – Payables

AASB 101.117

Trade creditors are recognised upon receipt of the goods or services ordered and are measured at the nominal amount i.e. agreed purchase/contract price, gross of applicable trade and other discounts. Amounts owing are unsecured.

C13 BORROWINGS

		Consolidated		Department	
		2026	2025	2026	2025
AASB 101.77, 78		$'000	$'000	$'000	$'000
	Current				
	Queensland Treasury Corporation borrowings	x	x	x	x
	Financial liabilities – Service concession arrangements (Note C11-1)	x	x	x	x
	Other	x	x	x	x
	Total	x	x	x	x
AASB 101.77, 78					
	Non-current				
	Queensland Treasury Corporation borrowings	x	x	x	x
	Financial liabilities – Service concession arrangements (Note C11-1)	x	x	x	x
	Other	x	x	x	x
	Total	x	x	x	x

Accounting policy – Borrowings

AASB 101.117
AASB 9.4.2.1
AASB 9.5.1.1

Borrowings are initially recognised at fair value, plus any transaction costs directly attributable to the borrowings, then subsequently held at amortised cost using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of a financial liability to the amortised cost of the liability.

The fair value of borrowings subsequently measured at amortised cost is set out in Note D1-6.

Any borrowing costs are added to the carrying amount of the borrowing to the extent they are not settled in the period in which they arise. Borrowings are split between current and non-current liabilities using the principles set out in the foreword and preparation information section of this financial report.

AASB 7.21A

The department does not enter into transactions for speculative purposes, nor for hedging. No financial liabilities are measured at fair value through profit or loss.

C13 BORROWINGS (continued)

Disclosures – Borrowings

Terms and conditions

AASB 7.18 AASB 7.14(a) All borrowings by the department are from the Queensland Treasury Corporation (QTC), for terms that range between 2 and 15 years. The maturity profile is disclosed in Note D2-4 along with the department's other financial liabilities. All borrowings are in $A denominated amounts. There have been no defaults or breaches of the loan agreement during the current or previous financial years. No assets have been pledged as security for any borrowings.

Interest rates

AASB 7.7 AASB 123.26(a) Interest rates on borrowings range from 2.5% to 6.0%. No interest has been capitalised during the current or comparative period.

Undrawn facilities

AASB107.50(a) The department has an approved overdraft facility with QTC with a limit of $x. This facility remained fully undrawn at 30 June 2026 and is available for use in the next reporting period. The current overdraft interest rate is 6.5% (2025: 7.5%).

C13-1 DISCLOSURES ABOUT SENSITIVITY TO INTEREST RATE MOVEMENTS

NOTE TO AGENCIES: The following disclosures have been located with the associated borrowings/interest bearing liability disclosure to demonstrate the flexibility to co-locate disclosures with the underlying financial information. Alternatively this information may be located in a single section covering financial risk disclosures.

Agencies should apply judgement and consider materiality in their disclosures. In certain situations, agencies may have no material exposure to cash flow interest rate risk (or in some instances no exposure). In these circumstances, no disclosure is required or the extent of disclosure made restricted to a simple narrative statement.

AASB 7.40(b) The following interest rate sensitivity analysis is based on a report similar to that provided to management, depicting the outcome on net income if interest rates would change by +/- 0.25% from the year end rates as applied to the department's variable rate borrowings from Queensland Treasury Corporation. With all other variables held constant, the department would have a surplus and equity increase/(decrease) of $x (2025: $x).

CONSOLIDATED ENTITY AND DEPARTMENT

Financial liability	Carrying amount	2026 Interest rate risk			
		-0.25%		+0.25%	
		Operating result	Equity	Operating result	Equity
QTC borrowings	$x	$x	$x	$x	$x
	Potential impact on	$x	$x	$x	$x

Financial liability	Carrying amount	2025 Interest rate risk			
		-0.25%		+0.25%	
		Operating result	Equity	Operating result	Equity
QTC borrowings	$x	$x	$x	$x	$x
	Potential impact on	$x	$x	$x	$x

AASB 7.40(c) The impact of interest rate movement on the department's profit and equity has increased in the current period due to increased borrowings for new capital works projects.

C14 ACCRUED EMPLOYEE BENEFITS

AASB 101.77, 78
FRR 4C

	Consolidated		Department	
	2026	**2025**	**2026**	**2025**
	$'000	**$'000**	**$'000**	**$'000**
Current				
Wages outstanding	x	x	x	x
Annual leave levy payable	x	x	x	x
Long service leave levy payable	x	x	x	x
Other *[agencies to specify as applicable]*	x	x	x	x
	x	**x**	**x**	**x**
Non-current				
Other *[agencies to specify as applicable]*	x	x	x	x
Total	**x**	**x**	**x**	**x**

Accounting policy – Accrued employee benefits

AASB 101.117 No provision for annual leave or long service leave is recognised in the department's financial statements as the liability is held on a whole-of-government basis and reported in those financial statements pursuant to AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

C15 PROVISIONS

AASB 101.77, 78

	Consolidated		Department	
	2026	**2025**	**2026**	**2025**
	$'000	**$'000**	**$'000**	**$'000**
Current				
Restoration costs	x	x	x	x
Total	**x**	**x**	**x**	**x**
Non-current				
Restoration costs	x	x	x	x
Total	**x**	**x**	**x**	**x**
AASB 137.84 **Movement**				
Balance at 1 July	x	x	x	x
Additional provision made	x	x	x	x
Provision utilised through payments	x	x	x	x
FRR 4D.3 Changes in discount rate / passage of time	x	x	x	x
Balance at 30 June	x	x	x	x

Accounting policy – Provisions

AASB 101.117
AASB 116.16
AASB 137

Provisions are recorded when the department has a present obligation, either legal or constructive as a result of a past event. They are recognised at the amount expected at reporting date for which the obligation will be settled in a future period. Where the settlement of the obligation is expected after 12 or more months, the obligation is discounted to the present value using an appropriate discount rate.

Disclosures – Provisions

AASB 101.122
AASB 116.16(c)
AASB 116.18
AASB 137.85

In March 2020 the department purchased a parcel of land for the purpose of building a salinity testing station. The department has an obligation to remove the station and restore the site prior to selling the land. At present, it is considered that the research will take 25 years, at which time the land will be sold. The initial estimate of the restoration costs has been included in the cost of the land.

AASB 137.45
AASB 137.47

The provision has been discounted using a rate that reflects current market assessments and risks specific to the liability.

C16 OTHER LIABILITIES

AASB 101.77, 78

	Consolidated		Department	
	2026	2025	2026	2025
	$'000	$'000	$'000	$'000
Current				
Contract liabilities	x	x	x	x
Unearned revenue – Service concession arrangements (Note C11-1)	x	x	x	x
Other unearned revenue	x	x	x	x
Other *[agencies to specify as applicable]*	x	x	x	x
	x	**x**	**x**	**x**
Non-current				
Contract liabilities	x	x	x	x
Unearned revenue – Service concession arrangements (Note C11-1)	x	x	x	x
Other unearned revenue	x	x	x	x
Other *[agencies to specify as applicable]*	x	x	x	x
Total	**x**	**x**	**x**	**x**

Accounting policy – Unearned revenue

NOTE TO AGENCIES: Agencies to insert as required. Agencies may choose not to disclose accounting policies where the balances/transactions are immaterial or insignificant to the agency's financial statements

Disclosure – Contract liabilities

AASB 15.116

Contract liabilities arise from contracts with customers while other unearned revenue arise from transactions that are not contracts with customers.

Of the amount included in the contract liability balance at 1 July 2025, $X has been recognised as revenue in 2025-26.

Revenue recognised in 2025-26 from performance obligations satisfied or partially satisfied in previous periods is $X. This is mainly due to a reassessment of the estimate of progress towards satisfaction of performance obligations for DEF services.

AASB 15.118

Significant changes in contract liabilities during the year:

- The decrease in contract liabilities is largely attributable to services performed under Grant S.

AASB 15.120

Contract liabilities at 30 June 2026 include $X relating to instalments received for ABC services for which the milestone deliverables have not yet been achieved. This amount will be recognised as revenue over the next three years. In addition, $X of the contract liabilities relates to Grant S funding for services to be delivered in the next 12 to 14 months.

NOTE TO AGENCIES: Agencies may put contract liabilities disclosures in the revenue note and cross reference to the other liabilities/unearned revenue note if desired.

C17 EQUITY

C17-1 CONTRIBUTED EQUITY

AASB 101.117

Interpretation 1038 *Contributions by Owners Made to Wholly-Owned Public Sector Entities* specifies the principles for recognising contributed equity by the department. The following items are recognised as contributed equity by the department during the reporting and comparative years:

- Appropriations for equity adjustments (refer Note C17-2); and
- Non-reciprocal transfers of assets and liabilities between wholly-owned Queensland State Public Sector entities as a result of machinery-of-government changes (refer Note A3);

C17-2 APPROPRIATIONS RECOGNISED IN EQUITY

Reconciliation of payments from consolidated fund to equity adjustment

		Consolidated	
FRR 4F.1		**2026**	**2025**
		$'000	**$'000**
	Original budgeted equity adjustment appropriation	**x**	**x**
	Supplementary amounts:		
FA Act s79,	Transfers from/to other departments - Redistribution of public business	x	x
FA Act s33	Transfers from/to other headings - Variation in Headings	x	x
FA Acts29(3)	Lapsed equity adjustment	x	x
FA Act s35	Unforeseen expenditure (1)	x	x
FA Act s37	Repayments of incorrectly paid amounts	x	x
	Equity adjustment receipts (payments)	x	x
	Less: Opening balance of equity adjustment receivable	(x)	(x)
	Plus: Closing balance of equity adjustment receivable	x	x
	Plus: Opening balance of equity adjustment payable	x	x
	Less: Closing balance of equity adjustment payable	(x)	(x)
	Equity adjustment recognised in contributed equity	**x**	**x**
	Variance between original budgeted and actual equity adjustment appropriation	x	x

FRR 4F.1

(1) - Unforeseen expenditure

NOTE TO AGENCIES: Agencies to insert reasons for additional appropriation received for material amounts of unforeseen expenditure.

C17 EQUITY (continued)

C17-3 Revaluation Surplus by Asset Class

The revaluation surplus represents the net effect of upwards and downwards revaluations of assets to fair value.

Consolidated

AASB 116.77(f)

	Land	Buildings	Heritage & cultural assets	Major plant and equipment	Infrastructure	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Balance – 1 July 2024	x	x	x	x	x	x
Revaluation increments	x	-	x	x	x	x
Revaluation decrements	-	(x)	-	-	-	(x)
Impairment losses through equity	-	-	-	-	-	-
Impairment losses reversals through equity	-	-	-	-	-	-
Balance – 30 June 2025	**x**	**x**	**x**	**x**	**x**	**X**
Revaluation increments	-	-	x	-	-	x
Revaluation decrements	-	-	-	-	-	-
Impairment losses through equity	-	-	-	-	(x)	(x)
Impairment losses reversals through equity	-	-	-	-	-	x
Balance – 30 June 2026	**x**	**-**	**X**	**-**	**x**	**x**

Department

AASB 116.77(f)

	Land	Buildings	Heritage & cultural assets	Major plant and equipment	Infrastructure	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Balance – 1 July 2024	x	x	x	x	x	x
Revaluation increments	x	-	x	x	x	x
Revaluation decrements	-	(x)	-	-	-	(x)
Impairment losses through equity	-	-	-	-	-	-
Impairment losses reversals through equity	-	-	-	-	-	-
Balance – 30 June 2025	**x**	**x**	**x**	**x**	**x**	**x**
Revaluation increments	-	-	x	x	x	x
Revaluation decrements	-	(x)	-	-	-	-
Impairment losses through equity	-	-	-	-	-	-
Impairment losses reversals through equity	-	-	x	-	x	x
Balance – 30 June 2026	**x**	**x**	**x**	**x**	x	**x**

SECTION 4

NOTES ABOUT RISK AND OTHER ACCOUNTING UNCERTAINTIES

D1 FAIR VALUE MEASUREMENT

D1-1 ACCOUNTING POLICIES AND INPUTS FOR FAIR VALUES

AASB 101.117 *What is fair value?*

AASB 13.9 Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly derived from observable inputs or estimated using another valuation technique.

AASB 13 Appen.A Observable inputs are publicly available data that are relevant to the characteristics of the assets/liabilities being valued. Observable inputs used by the department include, but are not limited to, published sales data for land and general office buildings.

AASB 13 Appen.A Unobservable inputs are data, assumptions and judgements that are not available publicly, but are relevant to the characteristics of the assets/liabilities being valued. Significant unobservable inputs used by the department include, but are not limited to, subjective adjustments made to observable data to take account of the characteristics of the department's assets/liabilities, internal records of recent construction costs (and/or estimates of such costs), assets' characteristics/functionality, and assessments of physical condition and remaining useful life. Unobservable inputs are used to the extent that sufficient relevant and reliable observable inputs are not available for similar assets/liabilities.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use, which is its current use unless the asset is classified as held-for-sale under AASB 5 or it becomes highly probable that the asset will be used for an alternative purpose.

AASB 101.117 *Fair value measurement hierarchy*

Details of individual assets and liabilities measured under each category of fair value are set out in the tables at Note D1-3.

The Sunshine Department does not recognise any financial assets or financial liabilities at fair value.

All assets and liabilities of the department for which fair value is measured or disclosed in the financial statements are categorised within the following fair value hierarchy, based on the data and assumptions used in the most recent specific appraisals:

Level 1	represents fair value measurements that reflect unadjusted quoted market prices in active markets for identical assets and liabilities;
Level 2	represents fair value measurements that are substantially derived from inputs (other than quoted prices included within level 1) that are observable, either directly or indirectly; and
Level 3	represents fair value measurements that are substantially derived from unobservable inputs

AASB 13.93 (c),(e) NCAP 3 None of the department's valuations of assets or liabilities are eligible for categorisation into level 1 of the fair value hierarchy.

AASB 13.93 (c) There were no transfers of assets between fair value hierarchy levels during the period.

NOTE TO AGENCIES: Alternative wording if there were transfers between Level 1 and 2 during the period.

Fair values relating to *(insert the type of asset/liability)* to the value of $X transferred from level 1 to level 2 during the reporting period. This was due to *(explain the reason for the transfer).*

NOTE TO AGENCIES: Agencies must refer to Appendix 3.2 and Section 3.4 of the Non-Current Asset Policies in determining the fair value levels that are appropriate for their assets. The fair value categorisation disclosed in the Sunshine Department Illustrative Financial Statements is purely for illustration and should not be interpreted as the endorsed fair value level for agency assets of a similar type.

D1 FAIR VALUE MEASUREMENT (continued)

D1-2 BASIS FOR FAIR VALUES OF ASSETS AND LIABILITIES

Land

AASB 116.77	*Effective date of last specific appraisal:*	31 May 2024 by State Valuation Service
AASB 13.93	*Valuation approach:*	Market-based assessment
AASB 13.93	*Inputs:*	Publicly available data on sales of similar land in nearby localities in the six months prior to the date of the revaluation. Adjustments were made to the sales data to take into account the location, size, street/road frontage and access, and any significant restrictions for each individual land parcel.
AASB 116.77	*Subsequent valuation activity:*	Updated annually since 31 May 2024 applying indices provided by The State Valuation Service and derived from data on land sales in the respective areas.

AASB 101.122 ***Key Judgement:*** An Environmental Protection Agency report issued in May 2025 stated that certain land held by the department was contaminated due to previous burial of toxic waste. As a result, both the land and the attached building were determined to be impaired, and written down to their fair value less costs of disposal, measured by reference to published sales data for adjoining contaminated properties in the previous 12 months. An additional revaluation decrement of $x has been recognised in the statement of comprehensive income during 2025-26 reflecting the decrease in fair value during this period.

Buildings – general office and storage facilities

AASB 116.77	*Effective date of last specific appraisal:*	31 May 2024 by State Valuation Service
AASB 13.91, 93	*Valuation approach:*	Market-based assessment
AASB 13.91, 93	*Inputs:*	Rental rates per square metre as advertised publicly for comparable buildings in similar locations, together with industry-accepted rental multiples. Where applicable, adjustments are made for the age, internal features/design and physical condition of each building being valued. No adjustments have a significant impact on the current valuations.
AASB 116.77	*Subsequent valuation activity:*	Updated annually since 31 May 2024 applying appropriate indices provided by the State Valuation Service and derived from data consistent with the last specific appraisal.

Buildings – specialised research facilities

AASB 116.77	*Effective date of last specific appraisal:*	31 May 2024 by State Valuation Service
AASB 13.91, 93	*Valuation approach:*	***Key Judgement:*** Current replacement cost (due to no active market for such facilities)
AASB 13.91, 93	*Inputs:*	***Key Estimates:*** Internal records of the original cost of the specialised fit out, adjusted for more contemporary design/construction approaches, and published construction rates for various standard components of buildings. Significant judgement is also used to assess the remaining service potential of the facility, given local climatic and environmental conditions and records of the current condition of the facility.
AASB 116.77	*Subsequent valuation activity:*	Updated annually since 31 May 2024 applying appropriate indices provided by the State Valuation Service and derived from data consistent with the last specific appraisal.

Heritage and cultural assets

AASB 116.77	*Effective date of last specific appraisal:*	1 May 2026 by ABC Valuers (specialist heritage asset valuers).
AASB 13.91, 93(d)	*Valuation approach:*	Current replacement cost (due to no active market for such facilities)
AASB 13.91, 93(d)	*Inputs:*	***Key Estimates:*** Fair value is determined by estimating the cost to reproduce the items with the features and materials of the original items, with substantial adjustments made to take into account the items' heritage restrictions and characteristics.

D1 FAIR VALUE MEASUREMENT (continued)

D1-2 BASIS FOR FAIR VALUES OF ASSETS AND LIABILITIES

Major plant and equipment

AASB 116.77	*Effective date of last specific appraisal:*	30 April 2023 by State Valuation Service
AASB 13.91, 93(d)	*Valuation approach:*	Market-based assessment
AASB 13.91, 93(d)	*Inputs:*	The assessment of fair value uses published recommended selling prices for shipping vessels of a similar age and design, with substantial adjustments made to reflect the level of customisation made to the department's vessels.
AASB 116.77	*Subsequent valuation activity:*	Subsequent to 30 April 2023, the department has assessed the need to revalue these assets each year using relevant market-based indices. However, as there was no cumulative material change in those indices since the last specific appraisal, no subsequent change in value has been recognised.

Infrastructure

AASB 116.77	*Effective date of last specific appraisal:*	31 May 2024 by State Valuation Service
AASB 13.91, 93(d)	*Valuation approach:*	***Key Judgement:*** Current replacement cost (due to no active market for such facilities)
AASB 13.91, 93(d)	*Inputs:*	***Key Estimates:*** Internal records of the original cost of the plant are adjusted for contemporary technology and construction approaches. Significant judgement is also used to assess the remaining service potential of the facility, given local climatic and environmental conditions, projected usage, and records of the current condition of the facility.
AASB 116.77	*Subsequent valuation activity:*	Subsequent to 31 May 2024, the department has assessed the need to revalue these assets each year using relevant market-based indices. However, as there was no cumulative material change in those indices since the last specific appraisal, no subsequent change in value has been recognised.

Investment Property

AASB 116.77	*Effective date of last specific appraisal:*	30 June 2026 by State Valuation Service and ACME Valuers Pty Ltd
AASB 13.91, 93(d)	*Valuation approach:*	Market-based assessment
AASB 13.91, 93(d)	*Inputs – General buildings:*	The fair value of the properties was based on publicly available data on sales of similar properties in nearby localities in the six months prior to the date of the revaluation. In determining the values, adjustments were made to the sales data to take into account the location of the department's properties, relative land area and street/road frontage and access. Significant judgement was used in the valuation of work in progress to reflect the stage of completion and uncertainties about future costs to complete (due to weather delays, construction complications etc.)
AASB 13.91, 93(d)	*Inputs – Storage facilities:*	The fair value of the storage facility was determined by calculating the net present value of future net rental income projections, adjusted for expected rental growth, occupancy rates and vacancy rates.

D1-2 BASIS FOR FAIR VALUES OF ASSETS AND LIABILITIES (continued)

NOTES TO AGENCIES:

AASB 13.93(d) requires a description of the valuation technique(s) and the inputs used in determining Level 2 and 3 fair values. Agencies are exempt however under AASB 13 (para. Aus93.1) from disclosing the quantitative information about the significant unobservable inputs used in the fair value measurement process for 'Level 3' measurements.

Agencies have flexibility and discretion to determine where they will locate disclosures for property, plant and equipment measured at fair value. Agencies may elect to co-locate specific valuation details for assets in the specific financial statement note (e.g. property, plant and equipment and/or investment property note if applicable).

D1 FAIR VALUE MEASUREMENT (continued)

D1-3 CATEGORISATION OF ASSETS AND LIABILITIES MEASURED AT FAIR VALUE

CONSOLIDATED ENTITY

AASB 13.93(b)

	Level 1		Level 2		Level 3		Total carrying amount	
	2026 $'000	2025 $'000	2026 $'000	2025 $'000	2026 $'000	2025 $'000	2026 $'000	2025 $'000
Land	-	-	-	-	x	x	x	x
Buildings	-	-	-	-	x	x	x	x
Heritage/cultural assets	-	-	-	-	x	x	x	x
Major plant and equipment	-	-	-	-	x	x	x	x
Infrastructure	-	-	-	-	x	x	x	x
Investment property – buildings								
Investment property – storage facilities	-	-	x	x	x	x	x	x
Financial assets if applicable (insert name of class)								
Financial liabilities if applicable (insert name of class)								
Total	**-**	**-**	**x**	**x**	**x**	**x**	**x**	**x**

NOTE TO AGENCIES: The Sunshine Department and consolidated entity does not recognise any financial assets or financial liabilities at fair value. The illustrative disclosure of financial assets/financial liabilities in these tables is only relevant to those agencies that recognise financial assets or financial liabilities at fair value in their statement of financial position.

DEPARTMENT

AASB 13.93(b)

	Level 1		Level 2		Level 3		Total carrying amount	
	2026 $'000	2025 $'000	2026 $'000	2025 $'000	2026 $'000	2025 $'000	2026 $'000	2025 $'000
Land	-	-	-	-	x	x	x	x
Buildings	-	-	-	-	x	x	x	x
Heritage/cultural assets	-	-	-	-	x	x	x	x
Major plant and equipment	-	-	-	-	x	x	x	x
Infrastructure	-	-	-	-	x	x	x	x
Investment property – buildings								
Investment property – storage facilities	-	-	x	x	x	x	x	x
Financial assets if applicable (insert name of class)								
Financial liabilities if applicable (insert name of class)								
Total	**-**	**-**	**x**	**x**	**x**	**x**	**x**	**x**

D1 FAIR VALUE MEASUREMENT (continued)

D1-4 LEVEL 3 FAIR VALUE MEASUREMENT – RECONCILIATION

NOTE TO AGENCIES: To avoid duplicating disclosures, agencies may cross-reference to the reconciliation of carrying amounts displayed elsewhere in the financial statements where all disclosures required by AASB 13 are contained in those notes.

		Land		Buildings		Heritage and cultural assets		Major plant and equipment		Infrastructure		Investment property (storage)		Total Level 3 assets	
AASB 13.93(e)		2026 $'000	2025 $'000	2026 $'000	2025 $'000	2026 $'000	2025 $'000	2026 $'000	2025 $'000	2026 $'000	2025 $'000	2026 $'000	2025 $'000	2026 $'000	2025 $'000
AASB 13.93(e)	**Carrying amount at 1 July**	x	x	x	-	x	x	x	x	-	-	x	x	x	x
AASB 13.93(e)(iv)	Transfers into level 3 from level 2	-	-	-	-	-	-	-	-	-	-	-	-	-	-
AASB 13.93(e)(iv)	Transfers out of level 3 to level 2	-	-	-	-	-	-	-	-	-	-	-	-	-	-
AASB 13.93(e)	Acquisitions (including upgrades)	x	x	x	-	-	-	-	-	-	-	x	x	x	x
AASB 13.93(e)	Transfers in from other Queensland Government entities	x	x	x	-	x	x	x	x	-	-	x	x	x	x
AASB 13.93(e)	Donations received	x	x	x	-	x	x	x	x	-	-	x	x	x	x
AASB 13.93(e)	Disposals														
AASB 13.93(e)	Transfers out to other Queensland Government entities	x	x	x	-	x	x	x	x	-	-	x	x	x	x
AASB 13.93(e)	Assets reclassified as held for sale	x	x	x	-	x	x	x	x	-	-	x	x	x	x
AASB 13.93(e)	Donations made	x	x	-	-	x	-	x	-	-	-	x	x	x	x
AASB 13.93(e)	Transfers between asset classes	x	x	x	-	x	x	x	x	-	-	x	x	x	x
AASB 13.93(e)(i)	Gains/(losses) recognised in operating result #	-	-	-	-	-	-	-	-	-	-	-	-	-	-
AASB 13.93(e)(ii)	Gains/(losses) recognised in other comprehensive income ^	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Depreciation	x	x	x	-	x	x	x	x	-	-	x	x	x	X
	Carrying amount at 30 June	x	x	x	-	x	x	x	x	-	-	x	x	x	x
	# Gains/(losses) recognised in operating result comprises:														
AASB 13.93(e)(i)	Net revaluation increments/(decrements)	x	x	x	x	x	x	x	x	x	x	x	x	x	x
AASB 13.93(e)(i)	Impairment losses	-	-	-	-	-	-	-	-	-	-	-	-	-	-
AASB 13.93(e)(i)	Impairment reversals	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		x	x	x	x	x	x	x	x	x	x	x	x	x	x
	^ Gains/(losses) recognised in other comprehensive income comprises:														
AASB 13.93(e)(ii)	Net revaluation increments/(decrements)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
AASB 13.93(e)(ii)	Impairment losses	-	-	-	-	-	-	-	-	-	-	-	-	-	-
AASB 13.93(e)(ii)	Impairment reversals	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		x	x	x	-	x	x	x	x	-	-	x	x	x	x

D1 FAIR VALUE MEASUREMENT (continued)

D1-5 LEVEL 3 FAIR VALUE MEASUREMENT – SIGNIFICANT VALUATION INPUTS AND IMPACTS

The following table outlines the significant unobservable valuation inputs and their potential impact on the valuation outcome for assets other than property, plant and equipment measured at fair value and classified as level 3 under the fair value hierarchy:

NOTE TO AGENCIES: Accounting Standard AASB 13 paragraph Aus93.1 provide relief to not-for-profit public sector entities from selected AASB 13 disclosure requirements for assets within the scope of AASB 116 Property, Plant and Equipment. Consequently, the disclosures in the tables below do not apply to property, plant and equipment and only reflects investment property measured at fair value and classified as level 3 under the fair value hierarchy.

CONSOLIDATED AND DEPARTMENT - 2026

AASB 13.93(d)
AASB 13.93(h)
AASB 13.93(i)

Description	Fair value at 30 June 2026 $'000	Type and amount for significant level 3 inputs	Possible alternative amounts for significant level 3 inputs	Impact of alternative amounts for significant level 3 inputs
Investment property – storage facilities	x	***[specify input]* - $x/x%**	**$x - $x or x% - x%**	Increase / decrease in *[specify input]* would increase/decrease the fair value

CONSOLIDATED AND DEPARTMENT - 2025

AASB 13.93(d)
AASB 13.93(h)
AASB 13.93(i)

Description	Fair value at 30 June 2025 $'000	Type and amount for significant level 3 inputs	Possible alternative amounts for significant level 3 inputs	Impact of alternative amounts for significant level 3 inputs
Investment property – storage facilities	x	***[specify input]* - $x/x%**	**$x - $x or x% - x%**	Increase / decrease in *[specify input]* would increase/decrease the fair value

D1-6 FAIR VALUE DISCLOSURES FOR FINANCIAL LIABILITIES MEASURED AT AMORTISED COST

AASB 7.29 With the exception of Queensland Treasury Corporation borrowings, the carrying amount of financial liabilities measured at amortised cost approximates their fair value at reporting date.

AASB 7.25 The fair value of borrowings is notified by the Queensland Treasury Corporation and is calculated using discounted cash flow analysis and the effective interest rate. They are categorised as level three fair values within the fair value hierarchy.

CONSOLIDATED ENTITY AND DEPARTMENT

	2026		2025	
	Carrying amount $'000	Fair value $'000	Carrying amount $'000	Fair value $'000
AASB 7.25 Financial liabilities at amortised cost:				
- QTC borrowings	x	x	x	x
Total	**x**	**x**	**x**	**x**

NOTE TO AGENCIES: Agencies have discretion to locate information about the fair value of financial liabilities at amortised cost with the relevant financial liability disclosure if this is considered a more appropriate location.

D2 FINANCIAL RISK DISCLOSURES

D2-1 FINANCIAL INSTRUMENT CATEGORIES

AASB 9.3.1.1
AASB 9.4.1.1-5
AASB 9.4.2.1-2

Financial assets and financial liabilities are recognised in the statement of financial position when the department becomes party to the contractual provisions of the financial instrument. The department has the following categories of financial assets and financial liabilities:

AASB 7.8

		Consolidated		Department	
Financial assets		**2026**	**2025**	**2026**	**2025**
	Note	**$'000**	**$'000**	**$'000**	**$'000**
Cash and cash equivalents	C1	x	x	x	x
Financial assets at amortised cost:					
Receivables	C2	x	x	x	x
Equity investments at fair value through OCI:					
Unlisted private company shares	C3	x	x	x	x
Total financial assets		**x**	**x**	**x**	**x**
Financial liabilities					
Financial liabilities at amortised cost:					
Payables	C12	x	x	x	x
Borrowings	C13	x	x	x	x
Lease liabilities	C10-1	x	x	x	x
Total financial liabilities		**x**	**x**	**x**	**x**

AASB 132.42-50

No financial assets and financial liabilities have been offset and presented net in the statement of financial position.

D2-2 RISKS ARISING FROM FINANCIAL INSTRUMENTS

(a) Risk exposure

AASB 7.31

Financial risk management is implemented pursuant to government and Sunshine Departmental policy. These policies focus on the unpredictability of financial markets and seek to minimise potential adverse effects on the financial performance of the department. All financial risk is managed by the accounting and reporting division under policies approved by the department. The department provides written principles for overall risk management, as well as policies covering specific areas.

Sunshine Department's activities expose it to a variety of financial risks as set out in the following table:

AASB 7.33(a)

Risk exposure	Definition	Exposure
Credit risk	The risk that the department may incur financial loss as a result of another party to a financial instrument failing to discharge their obligation.	The department is exposed to credit risk in respect of its receivables (Note C2) and the financial guarantee provided to the Centre of Biotechnological Advancements (Note D3).
Liquidity risk	The risk that the department may encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.	The department is exposed to liquidity risk in respect of its payables (Note C12) and borrowings from Queensland Treasury Corporation for capital works (Note C13). The borrowings are based on the Queensland Government's gazetted floating rate.
Market risk	The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. *Interest rate risk* is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.	The department does not trade in foreign currency and is not materially exposed to commodity price changes or other market prices. The department is exposed to interest rate risk through its leases, borrowings from Queensland Treasury Corporation (Note C13) and cash deposited in interest bearing accounts (Note C1).

D2 FINANCIAL RISK DISCLOSURES (continued)

D2-2 RISKS ARISING FROM FINANCIAL INSTRUMENTS (CONTINUED)

(b) Risk measurement and management strategies

Sunshine Department measures risk exposure using a variety of methods as follows:

AASB 7.33(b)

Risk exposure	Measurement method	Risk management strategies
Credit risk	Ageing analysis, earnings at risk	The department manages credit risk through the use of a credit management strategy. This strategy aims to reduce the exposure to credit default by ensuring that the department invests in secure assets and monitors all funds owed on a timely basis. Exposure to credit risk is monitored on an ongoing basis.
Liquidity risk	Sensitivity analysis	The department manages liquidity risk through the use of a liquidity management strategy. This strategy aims to reduce the exposure to liquidity risk by ensuring the department has sufficient funds available to meet employee and supplier obligations as they fall due. This is achieved by ensuring that minimum levels of cash are held within the various bank accounts so as to match the expected duration of the various employee and supplier liabilities.
Market risk	Interest rate sensitivity analysis	The department does not undertake any hedging in relation to interest risk and manages its risk as per the department's liquidity risk management strategy articulated in the department's Financial Management Practice Manual.

D2-3 CREDIT RISK DISCLOSURES

Credit risk management practices

AASB 7.35F(a) The Sunshine Department considers financial assets that are over 30 days past due to have significantly increased in credit risk, and measures the loss allowance of such assets at lifetime expected credit losses instead of 12-month expected credit losses. The exception is trade receivables (Note C2), for which the loss allowance is always measured at lifetime expected credit losses.

AASB 7.35F(a)(i)
AASB 9.5.5.10 All financial assets with counterparties that have a credit rating of at least X by *ABC Rating Agency* are considered to have low credit risk. This includes receivables from other Queensland Government agencies and Australian Government agencies. The department assumes that credit risk has not increased significantly for these low credit risk assets.

AASB 7.35F(b) The department typically considers a financial asset to be in default when it becomes 90 days past due. However, a financial asset can be in default before that point if information indicates that the department is unlikely to receive the outstanding amounts in full. The department's assessment of default does not take into account any collateral or other credit enhancements.

AASB 7.35F(e) The department's write off policy is disclosed in Note C2-1.

NOTE TO AGENCIES: Agencies that earn interest revenue from their financial assets would also need to disclose how it determines that a financial asset is credit-impaired – AASB 7.35F(d)

Credit risk exposure

AASB 7.35M Credit risk exposure relating to receivables is disclosed in Note C2-1.

AASB 7.35K The department is also exposed to credit risk for the debt guarantee provided to the Centre of Biotechnological Advancements. Details of the guarantee and the department's maximum exposure are disclosed in Note D3.

D2 FINANCIAL RISK DISCLOSURES (continued)

D2-4 LIQUIDITY RISK – CONTRACTUAL MATURITY OF FINANCIAL LIABILITIES

AASB 7.39(a) The following tables sets out the liquidity risk of financial liabilities held by the consolidated entity and the department. They represent the contractual maturity of financial liabilities, calculated based on undiscounted cash flows relating to the liabilities at reporting date. The undiscounted cash flows in these tables differ from the amounts included in the statement of financial position that are based on discounted cash flows.

CONSOLIDATED

		2026	**Contractual maturity**			**2025**	**Contractual maturity**		
	Financial liabilities	**Total**	**< 1 Yr**	**1 – 5 Yrs**	**> 5 Yrs**	**Total**	**< 1 Yr**	**1 – 5 Yrs**	**> 5 Yrs**
		$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
	Payables	**x**	x	x	x	**x**	x	x	x
	QTC borrowings	**x**	x	x	x	**x**	x	x	x
AASB 16.58	Lease liabilities	**x**	x	x	x	**x**	x	x	x
	Financial liabilities – Service concession arrangements	**x**	x	x	x	**x**	x	x	x
	Total	**x**	**x**	**x**	**x**	**x**	**x**	**x**	**x**

DEPARTMENT

		2026	**Contractual maturity**			**2025**	**Contractual maturity**		
	Financial liabilities	**Total**	**< 1 Yr**	**1 – 5 Yrs**	**> 5 Yrs**	**Total**	**< 1 Yr**	**1 – 5 Yrs**	**> 5 Yrs**
		$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
	Payables	**x**	x	x	x	**x**	x	x	X
	QTC borrowings	**x**	x	x	x	**x**	x	x	x
AASB 16.58	Lease liabilities	**x**	x	x	x	**x**	x	x	x
	Financial liabilities – Service concession arrangements	**x**	x	x	x	**x**	x	x	x
	Total	**x**	**x**	**x**	**x**	**x**	**x**	**x**	**x**

NOTE TO AGENCIES: Where any borrowings are interest only, with no fixed repayment date for the principal, agencies should disclose this fact, and include the principal component wholly in the > 5 years timeframe in the above tables.

D3 CONTINGENCIES

AASB 137.86
FRR 4D.1

Litigation in progress

As at 30 June 2026, the following cases were filed in the courts naming the State of Queensland acting through the Sunshine Department as defendant:

	2026	**2025**
	Number of cases	Number of cases
Supreme Court	x	x
District Court	x	x
Magistrates Court	x	x
Total	x	x

AASB 137.86(a) It is not possible to make a reliable estimate of the final amount payable, if any, in respect of the litigation before the courts at this time.

AASB 137.86(b) The department has also received notification of two other cases that are not yet subject to court action. These cases may or may not result in subsequent litigation.

AASB 137.86(a)
AASB 137.86(b)

The Sunshine Department is insured with the Queensland Government Insurance Fund (QGIF). Under the QGIF, the department would be able to claim back, less a $x deduction, the amount paid to successful litigants.

D3 CONTINGENCIES (continued)

Financial guarantees and associated credit risk

AASB 9.5.1.1 AASB 9.4.2.1(c) AASB 7.35K(a)

A guarantee was provided in 2020 for the Centre of Biotechnological Advancements, a private sector research organisation in respect of a loan to that entity from the ABC Bank Ltd. The initial amount guaranteed was $x and the outstanding balance of guaranteed debt at 30 June 2026 is $x (2025: $x). The initial fair value of the guarantee is not considered to be material and is not recognised in the statement of financial position.

AASB 9.4.2.1(c) AASB 101.122

No loan defaults have occurred and the department does not expect that the guarantee will be called upon. Consequently, the probability of default is considered remote and the amount of any loss allowance would also not be material. If scheduled debt servicing is maintained, the loan will be settled in full by April 2027.

Native title claims over departmental land

AASB 137.86(a) AASB 137.86(b)

At 30 June 2026, two native title claims have been received in respect of departmental land covering a total area of 28,000 hectares in the Cape York Peninsula area. The land has a carrying amount of $x million. At reporting date it is not possible to make an estimate of any probable outcome of these claims, or any financial effects.

D4 COMMITMENTS

Commitments for service concession arrangements – Refer to Note C11

AASB 116.74(c)

Capital expenditure commitments

Commitments for capital expenditure at reporting date (inclusive of non-recoverable GST input tax credits) are payable:

	Consolidated		Department	
	2026	2025	2026	2025
Buildings	$'000	$'000	$'000	$'000
Not later than 1 year	x	x	x	x
Later than 1 year but not later than 5 years	x	x	x	x
Later than 5 years	x	x	x	x
	x	**x**	**x**	**x**
Major plant and equipment				
Not later than 1 year	x	x	x	x
Later than 1 year but not later than 5 years	x	x	x	x
Later than 5 years	x	x	x	x
	x	**x**	**x**	**x**
AASB 138.122(e) ***Intangibles***				
Not later than 1 year	x	x	x	x
Later than 1 year but not later than 5 years	x	x	x	x
Later than 5 years	x	x	x	x
	x	**x**	**x**	**x**

D5 EVENTS AFTER THE BALANCE DATE

AASB 110.21

NOTE TO AGENCIES: Agencies to include appropriate disclosure where agency circumstances warrant.

FRR 4D.3

Proposed sale of consulting services business

During August 2026, senior management decided to sell the consulting services business due to a change in government's priorities for the department. As at 30 June 2026, net assets of $x were attributable to this business, representing x% of the department's overall net assets. The business also contributed a surplus of $x to the department's operating result during 2025-26.

Action is yet to be taken to market this business to prospective buyers. In the meantime, the department will continue to operate the business as a going concern, to maintain its attractiveness to potential buyers. Under the current market conditions, the department is unable to predict whether it will achieve a sale price equivalent to the business's net asset position as at 30 June 2026.

D6 FUTURE IMPACT OF ACCOUNTING STANDARDS NOT YET EFFECTIVE

AASB 108.30

NOTE TO AGENCIES: Agencies should refer to FRR 1A for a listing of standards and interpretations with future effective dates, but note that FRR 1A only lists pronouncements issued by the AASB to the end of May 2026. Agencies will need to consider the relevance of all standards and interpretations issued as at reporting date, and tailor this illustrative note to suit their circumstances in complying with AASB 108 paragraph 30. The information described in FRR 1A may provide a useful starting point. Agencies should also confirm the effective date of future standards, especially where there are different effective dates for for-profit vs not-for-profit entities.

At the date of authorisation of the financial report, the expected impacts of new or amended Australian Accounting Standards issued but with future effective dates are set out below:

AASB 17 *Insurance Contracts*

NOTE TO AGENCIES: Agencies with insurance contracts under AASB 17 should, where material, disclose the estimated impact of AASB 17 sufficient to meet the requirements of AASB 108 paragraph 30.

AASB 18 *Presentation and Disclosure in Financial Statements*

AASB 18 applies to not-for-profit public sector entities for annual reporting periods beginning on or after 1 January 2028, which will be the 2028-29 financial year for the department.

This standard sets out new requirements for the presentation of the Statement of Comprehensive Income, requires new disclosures about management-defined performance measures and removes existing options in the classification of dividends and interest received and interest paid in the Statement of Cash Flows. AASB 18 will only affect presentation and disclosure, it will not affect the recognition or measurement of any reported amounts.

In October 2025, the AASB released Exposure Draft ED 338 which proposed several amendments that, if legislated, would permit relief from the majority of the presentation and disclosure requirements by not-for-profit public sector entities via an explicit accounting policy choice.

The department will further assess the expected impacts of AASB 18 in subsequent reporting periods once the AASB issues a final amending standard and Queensland Treasury has communicated its policy intentions in respect of accounting policy choices permitted by the standard.

NOTE TO AGENCIES: For-profit agencies may need to insert additional comments around how their financial statement presentation will be impacted by AASB 18 as applicable.

All other Australian accounting standards and interpretations with future effective dates are either not applicable to the Sunshine Department's activities or have no material impact on the department.

NOTE TO AGENCIES: Where there are NO material impacts arising from any standard or interpretation issued and not yet effective, agencies may make a statement to that effect or remove this note disclosure.

SECTION 5

NOTES ON OUR PERFORMANCE COMPARED TO BUDGET

E1 BUDGETARY REPORTING DISCLOSURES

NOTE TO AGENCIES: Agencies should refer to FRR 5C which outlines the mandatory requirements for presentation of original budget information and the circumstances when use of alternate budgets to original budget is permitted. Including a suitable introduction explaining how the budgeted figures disclosed in this note are derived may be appropriate especially where an alternate budget qualifies for use.

AASB 1055.6(f)
FRR 5C.4

This section contains explanations of major variances between the department's actual 2025-26 financial results and the original budget presented to Parliament.

E1-1 EXPLANATION OF MAJOR VARIANCES – STATEMENT OF COMPREHENSIVE INCOME

Appropriation revenue: The actual figure is higher than the budgeted figure due to the financial consequences of the Queensland Government's Cabinet Budget Review Committee decision to introduce a new scientific and research innovation policy for regional areas.

User charges and fees: The majority of this variance is attributable to sales of new environmental monitoring software and associated user documentation that was released six months earlier than the targeted date. In addition, there has been a greater than anticipated demand from clients (new and existing) wanting to implement the new software to be ready for the introduction of the Federal Government's new environmental regulations that will take effect from 1 January 2027.

Gain on disposal / revaluation of assets: This variance relates substantially to revaluations of investment property - particularly a significant increase in market values of properties in major urban and regional centres where the department has investment properties - which averaged an increase of x% compared to a forecast in the original budget of y%.

Employee expenses: Employee expenses were lower than the budgeted figure due to a delayed commencement date for the new enterprise bargaining agreement ($B million), offset by an increase in employee numbers to expedite the development of the department's new environmental monitoring software for sale ($C million). As such factors became apparent mid-year, the department revised its budget for employee expenses to $X million, which is very close to the actual figure.

Supplies and services: The overall decrease in supplies and services is due to a substantial decrease in administrative overheads from outsourcing the department's advisory and consultancy services of $X million, offset by an increase in administrative costs to finalise the department's new environmental monitoring software for sale ($Y million).

Increase in revaluation surplus: This variance arises from an unanticipated, unbudgeted revaluation increase in departmental land.

E1-2 EXPLANATION OF MAJOR VARIANCES – STATEMENT OF FINANCIAL POSITION

Cash and cash equivalents: Part of the variance for cash and cash equivalents ($V million) is attributable to a lower actual opening balance, compared to what was estimated in the budget, because of the difference between estimated and actual cash flows for the previous financial year. The remainder of the variance is substantially due to the factors outlined in the explanations of major variances for the statement of cash flows.

Receivables: Current receivables are overall lower than budgeted due to two main factors - sales of the new environmental software that commenced six months earlier than anticipated ($A million), offset by a renegotiation of payment terms for a substantial number of trade debtors due to cash flow difficulties ($B million).

E1 BUDGETARY REPORTING DISCLOSURES (CONTINUED)

E1-2 EXPLANATION OF MAJOR VARIANCES – STATEMENT OF FINANCIAL POSITION

Property, plant and equipment:	The department's total property, plant and equipment balance is lower than budgeted for a number of reasons. Part of this variance ($V million) is due to a substantially lower actual opening balance, compared to what was estimated in the budget, as a result of significant unanticipated revaluation decrements for the department's buildings near the end of the previous financial year. ($Y million) of the variance is due to the deferral of the replacement of certain scientific research equipment (compared to the long-term strategic asset plan). This deferral is due to the closure of key Australian manufacturers and the need to source new reliable overseas suppliers of such equipment. Those two factors were offset by the unanticipated revaluation increase ($W million) for the department's land holdings.
Investment property:	The variance for investment property arose wholly from a significant increase in market values of properties in major urban and regional centres where the department has investment properties. The actual average increase of x% compared to a forecast in the original budget of y%.
Interest-bearing liabilities:	The variance for Interest-bearing liabilities substantially relates to an unplanned 30-year lease executed during the year with Coastal Preservation Research Institute Facility ($A million) slightly offset by the deferral of borrowings due to delays in the replacement of certain scientific research equipment ($B million).
Other current liabilities:	The variance between the actual and budget figures for other current liabilities wholly relates to unearned revenue from prepayments of training course fees for the new environmental monitoring software (such courses were budgeted to be delivered in the following financial year as outlined in the major variances for user fees and charges.
Total equity:	The variance in total equity relates to the increase in the revaluation surplus ($y) arising on the revaluation of the department's land as outlined under explanation of major variances for property, plant and equipment.

E1-3 EXPLANATION OF MAJOR VARIANCES - STATEMENT OF CASH FLOWS

Employee expenses:	Cash outflows for employee expenses were lower than the budgeted figure due to the same factors outlined in the major variances for the statement of comprehensive income. As such factors became apparent mid-year, the department revised its budget for employee expense cash outflows to $Y million, which is very close to the actual figure.
Supplies and services:	The increase in cash outflows for supplies and services is primarily due to an increase in administrative costs to finalise the department's new environmental monitoring software.
Payments for property, plant and equipment:	The decrease in cash outflows for property, plant and equipment has resulted from deferral of the replacement of certain scientific research equipment as outlined in the explanations of major variances for the statement of comprehensive income.

SECTION 6

WHAT WE LOOK AFTER ON BEHALF OF WHOLE-OF-GOVERNMENT AND THIRD PARTIES

F1 ADMINISTERED ITEMS

AASB 1050.7
FRR 2E

The department administers, but does not control, certain activities on behalf of the government. In doing so, it has responsibility for administering those activities (and related transactions and balances) efficiently and effectively, but does not have the discretion to deploy those resources for the achievement of the department's own objectives.

These transactions and balances are not significant in comparison to the department's overall financial performance/financial position.

AASB 1050.24
FRR 2E.3

Accounting policies applicable to administered items are consistent with the equivalent policies for controlled items, unless stated otherwise.

NOTE TO AGENCIES: Agencies should include relevant accounting policies in this note if there are no related controlled items.

F1-1 SCHEDULE OF ADMINISTERED INCOME AND EXPENSES

		Revenue collection		Island management		Eliminations		General (not attributed)		ADMINISTERED TOTAL	
		2026	2025	2026	2025	2026	2025	2026	2025	2026	2025
		$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
AASB 1050.7(a)	**Administered income**										
FRR 2E.3	Appropriation revenue *	x	x	x	x	-	-	x	x	x	x
	Taxes	x	x	x	x	-	-	x	x	x	x
	User charges and fees	x	x	x	x	-	-	x	x	x	x
	Royalties and land rents	x	x	x	-	-	-	x	x	x	x
	Grants and other contributions	x	x	x	-	-	-	x	x	x	x
	Interest	x	x	x	-	-	-	x	x	x	x
	Other revenue	x	x	x	-	-	-	x	x	x	x
	Gains on disposal/revaluation of assets	x	x	x	-	-	-	x	x	x	x
	Total administered income	**x**	**x**	**x**	**x**	**-**	**-**	**x**	**x**	**x**	**x**
AASB 1050.7(b)	**Administered expenses**										
FRR 2E.3	Employee expenses	x	x	x	x	-	-	x	x	x	x
	Supplies and services	x	x	x	x	-	-	x	x	x	x
	Grants and subsidies (Note F1-3)	x	x	x	x	-	-	x	x	x	x
	Depreciation and amortisation	x	x	x	x	-	-	x	x	x	x
	Finance/borrowing costs	x	x	x	x	-	-	x	x	x	x
	Losses on disposal/revaluation of assets	x	x	x	x	-	-	x	x	x	x
	Other expenses	x	x	x	x	-	-	x	x	x	x
	Transfers of administered income to government **	x	x	x	x	-	-	x	x	x	x
	Total administered expenses	**x**	**x**	**x**	**x**	**-**	**-**	**x**	**x**	**x**	**x**
	Operating surplus/(deficit)	**x**	**x**	**x**	**x**	**-**	**-**	**x**	**x**	**x**	**x**

F1 ADMINISTERED ITEMS (continued)

F1-1 SCHEDULE OF ADMINISTERED INCOME AND EXPENSES (continued)

AASB 124.26

* This appropriation revenue is provided in cash via Queensland Treasury and funds activities / expenses that the department administers on behalf of the government.

** The department periodically transfers to Queensland Government the amount of all cash collected in respect of administered revenue itemised under "administered income" (excluding appropriation revenue).

F1-2 RECONCILIATION OF PAYMENTS FROM CONSOLIDATED FUND TO ADMINISTERED INCOME

		ADMINISTERED AMOUNTS	
		2026	2025
		$'000	$'000
	Budgeted appropriation	x	x
FA Act s79	Transfers from/to other departments - redistribution of public business	-	-
FA Act s33	Transfers from/to other headings - variation in headings	-	-
FA Act s34	Treasurer's advances	-	-
FA Act s29(3)	Lapsed administered appropriation	-	-
FA Act s35	Unforeseen expenditure	-	-
FA Act s37	Repayments of incorrectly paid amounts	-	-
	Total administered receipts	**x**	**x**
	Less: Opening balance of administered revenue receivable	-	-
	Plus: Closing balance of administered revenue receivable	-	-
	Administered income recognised in Note F1-1	**x**	**x**

AASB 1050.22

F1-3 BREAKDOWN OF TRANSFERS TO PRIVATE SECTOR NON-PROFIT ORGANISATIONS

	ADMINISTERED TOTAL	
Grants and subsidies	**2026**	**2025**
	$'000	**$'000**
Global warming	x	x
Beach pollution *	x	x
Alternative energy research	x	x
Flora and fauna protection	x	x
Total	**x**	**x**

AASB 124.18

* The recipient of the majority of these grants is an entity jointly controlled by a close family member of a KMP. Bi-annual cash grants are received by the department from the Australian Government for immediate transfer to that entity. The entity's entitlements in terms of timing and amount of cash transferred are in accordance with the Australian Government's publicly available grant program for research into better practice strategies for beach pollution management.

F1 ADMINISTERED ITEMS (continued)

F1-4 SCHEDULE OF ADMINISTERED ASSETS AND LIABILITIES

	Revenue collection		Island management		Eliminations		General (not attributed)		ADMINISTERED TOTAL	
	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Administered assets										
Current	x	x	x	x	-	-	x	x	x	x
Cash	x	x	x	x	-	-	x	x	x	x
Receivables	x	x	x	x	-	-	x	x	x	x
Other financial assets	x	x	x	-	-	-	x	-	x	x
Total current assets	**x**	**x**	**x**	**x**	**-**	**-**	**x**	**x**	**x**	**x**
Non-current										
Property, plant and equipment	x	x	x	x	-	-	x	x	x	x
Intangibles	x	x	x	x	-	-	x	x	x	x
Other non-current assets	x	x	x	x	-	-	x	x	x	x
Total non-current assets	x	x	x	x	-	-	x	x	x	x
Total assets	**x**	**x**	**x**	**x**	**-**	**-**	**x**	**x**	**x**	**x**
Administered liabilities										
Current										
Payables to government	x	x	x	x	-	-	x	x	x	x
Other payables	x	x	x	x	-	-	x	x	x	x
Accrued employee benefits	x	x	x	x	-	-	x	x	x	x
Interest-bearing liabilities	x	x	x	x	-	-	x	x	x	x
Provisions	x	x	x	x	-	-	x	x	x	x
Total current liabilities	**x**	**x**	**x**	**x**	**-**	**-**	**x**	**x**	**x**	**x**
Non-current										
Payables	x	x	x	x	-	-	x	x	x	x
Accrued employee benefits	x	x	x	x	-	-	x	x	x	x
Interest-bearing liabilities	x	x	x	x	-	-	x	x	x	x
Provisions	x	x	x	x	-	-	x	x	x	x
Total non-current liabilities	**x**	**x**	**x**	**x**	-	-	**x**	**x**	**x**	**x**
Net administered assets/liabilities	**x**	**x**	**x**	**x**	**-**	**-**	**x**	**x**	**x**	**x**

F1 ADMINISTERED ITEMS (continued)

F1-5 ADMINISTERED ACTIVITIES - BUDGET TO ACTUAL COMPARISON AND VARIANCE ANALYSIS

AASB 1055.7(a)
FRR 5C.2, 5C.4

This note compares the original published budgeted figures for 2025-26 to actual results in respect of the department's major classes of administered income, expenses, assets and liabilities. An explanation of major variances is also included.

INCOME AND EXPENSES	Original budget 2025-26 $'000	Actual result 2025-26 $'000	Variance $'000
Administered income			
Appropriation revenue	x	x	x
User charges and fees	x	x	x
Royalties and land rents	x	x	x
Taxes	x	x	x
Grants and other contributions	x	x	x
Interest	x	x	x
Other revenue	x	x	x
Gains on disposal/revaluation of assets	x	x	x
Total administered income	**x**	**x**	**x**
Administered expenses			
Employee expenses	x	x	x
Supplies and services	x	x	x
Grants and subsidies	x	x	x
Depreciation and amortisation	x	x	x
Finance/borrowing costs	x	x	x
Losses on disposal/revaluation of assets	x	x	x
Other expenses	x	x	x
Transfers of Administered Income to Government	x	x	x
Total administered expenses	**x**	**x**	**x**
Operating surplus/(deficit)	**x**	**x**	**x**
ASSETS AND LIABILITIES			
Administered assets			
Current			
Cash	x	x	x
Receivables	x	x	x
Other financial assets	x	x	x
Total current assets	**x**	**x**	**x**
Non-current			
Property, plant and equipment	x	x	x
Intangibles	x	x	x
Other non-current assets	x	x	x
Total non-current assets	**x**	**x**	**x**
Administered liabilities			
Current			
Payables to government	x	x	x
Other payables	x	x	x
Accrued employee benefits	x	x	x
Interest-bearing liabilities	x	x	x
Provisions	x	x	x
Total current liabilities	**x**	**x**	**x**
Non-current			
Payables	x	x	x
Accrued employee benefits	x	x	x
Interest-bearing liabilities	x	x	x
Provisions	x	x	x
Total non-current liabilities	**x**	**x**	**x**
Net administered assets/liabilities	x	x	x

F1 ADMINISTERED ITEMS (continued)

F1-5 ADMINISTERED ACTIVITIES - BUDGET TO ACTUAL COMPARISON AND VARIANCE ANALYSIS

FRR 5C.4 **Notes explaining major variances for administered activities**

Administered appropriation revenue: The greater than budgeted amount of administered Appropriation Revenue is solely as a consequence of a Council of Australian Governments (COAG) decision mid-year to distribute $x million to the Sunshine Department as lead agency in the Queensland public sector for the new National Partnership Agreement on Regional Infrastructure Development.

Administered supplies and services: The greater than budgeted amount of administered Supplies and Services expenses primarily results from additional administrative costs directly incurred by the department in developing a strategy to implement the National Partnership Agreement on Regional Infrastructure Development.

F2 TRUST TRANSACTIONS AND BALANCES

FRR 2E.1 The department acts as trustee for and manages a number of trusts established by benefactors to further environmental and ecological objectives. As the department performs only a custodial role in respect of these transactions and balances, they are not recognised in the financial statements but are disclosed in these notes for the information of users.

FRR 2E.1 Fees received by the department for providing trustee services are included in user charges and fees in Note B1-2 and total $x (2025: $x).

	Consolidated		Department	
	2026	2025	2026	2025
Trust revenue and expenses	$'000	$'000	$'000	$'000
Revenues	x	x	x	x
Interest	x	x	x	x
Total	**x**	**x**	**x**	**x**
Expenses				
Supplies and services	x	x	x	x
Grants and donations	x	x	x	x
Total	**x**	**x**	**x**	**x**
Trust asset and liabilities				
Current assets				
Cash and cash equivalents	x	x	x	x
Other financial assets	x	x	x	x
Total	**x**	**x**	**x**	**x**

FRR 2E.1 The audit fee payable to the Queensland Audit Office to perform an audit of the department's trust transactions for 2025-26 is quoted to be $x (2025: $x). There are no non-audit services included in this amount.

SECTION 7

OTHER INFORMATION

G1 KEY MANAGEMENT PERSONNEL (KMP) DISCLOSURES

FRR 3C.3

Details of key management personnel

The department's responsible Minister is identified as part of the department's KMP, consistent with additional guidance included in the revised version of AASB 124 *Related Party Disclosures*. That Minister is the ***[agencies to enter each responsible Minister's full portfolio title].***

The following details for non-Ministerial KMP reflect those departmental positions that had authority and responsibility for planning, directing and controlling the activities of the department during 2025-26 and 2024-25. Further information about these positions can be found in the body of the Annual Report under the section relating to Executive Management.

Position	Position Responsibility
Director General	Overall efficient, effective and economical administration of the department
Deputy Director-General	Strategic leadership and direction of the department's external service delivery
Group Finance Executive, Corporate Partnership	Strategic leadership and financial management of both this department and the Department of Tropics. Costs of this position are equally shared with the Department of Tropics (i.e. 50% each), as per the Corporate Partnership Agreement between the two departments.
Chief Finance Officer	Efficient and effective financial administration of the department
General Manager	Management of the department's external service delivery

FRR 3C

KMP remuneration policies

NOTE TO AGENCIES: Agencies should tailor this disclosure according to the nature of benefits provided to their KMP (e.g. whether KMP are provided with a motor vehicle or a monetary vehicle allowance.

Ministerial remuneration entitlements are outlined in the Legislative Assembly of Queensland's Members' Remuneration Handbook. The department does not bear any cost of remuneration of Ministers. The majority of Ministerial entitlements are paid by the Legislative Assembly, with the remaining entitlements being provided by Ministerial Services Branch within the Department of the Premier and Cabinet. As all Ministers are reported as KMP of the Queensland Government, aggregate remuneration expenses for all Ministers is disclosed in the Queensland General Government and Whole of Government Consolidated Financial Statements, which are published as part of Queensland Treasury's Report on State Finances.

Remuneration policy for the department's other KMP is set by the Queensland Public Sector Commission as provided for under the *Public Sector Act 2022*. Individual remuneration and other terms of employment (including motor vehicle entitlements and performance payments if applicable) are specified in employment contracts.

Remuneration expenses for those KMP comprise the following components:

<u>Short-term employee expenses,</u> including:

- salaries, allowances and leave entitlements earned and expensed for the entire year, or for that part of the year during which the employee occupied a KMP position;
- performance payments recognised as an expense during the year; and
- non-monetary benefits - consisting of provision of vehicle together with fringe benefits tax applicable to the benefit.

<u>Long term employee expenses</u> include amounts expensed in respect of long service leave entitlements earned.

<u>Post-employment expenses</u> include amounts expensed in respect of employer superannuation obligations.

<u>Termination benefits</u> include payments in lieu of notice on termination and other lump sum separation entitlements (excluding annual and long service leave entitlements) payable on termination of employment or acceptance of an offer of termination of employment.

G1 KEY MANAGEMENT PERSONNEL (KMP) DISCLOSURES (continued)

FRR 3C.4

Remuneration expenses

The following disclosures focus on the expenses incurred by the department attributable to non-Ministerial KMP during the respective reporting periods. The amounts disclosed are determined on the same basis as expenses recognised in the statement of comprehensive income.

2025-26

Position	Short term employee expenses		Long term employee expenses	Post-employment expenses	Termination benefits	Total
	Monetary expenses $'000	Non-monetary benefits $'000	$'000	$'000	$'000	$'000
Director-General	x	x	x	x	-	**x**
Deputy Director-General (from 20/11/2025)	x	x	x	x	-	**x**
Deputy Director-General (to 31/10/2025)	-	-	-	-	-	**-**
Group Finance Executive, Corporate Partnership (1)	x	x	x	x	x	**x**
Chief Finance Officer	x	x	x	x	x	**x**
General Manager	x	x	x	x	-	**x**
General Manager (Acting) 1/08/2025 - 5/04/2026	x	x	x	x	-	**x**

2024-25

Position	Short term employee expenses		Long term employee expenses	Post-employment expenses	Termination benefits	Total
	Monetary expenses $'000	Non-monetary benefits $'000	$'000	$'000	$'000	$'000
Director-General (from 1/2/2025)	x	x	x	x	-	**x**
Director-General (to 31/1/2025)	x	x	x	x	-	**x**
Deputy Director-General	x	x	x	x	x	**x**
Group Finance Executive, Corporate Partnership (1)	x	x	x	x	x	**x**
Chief Finance Officer	x	x	x	x	x	**x**
General Manager	x	x	x	x	-	**X**

(1) Costs of this position are equally shared with the Department of Tropics (i.e. 50% each), as per the Corporate Partnership Agreement between the two departments.

G1 KEY MANAGEMENT PERSONNEL (KMP) DISCLOSURES (continued)

FRR 3C.4

Performance payments

No KMP remuneration packages provide for performance or bonus payments.

NOTE TO AGENCIES:

Where an agency <u>does not</u> have any non-Ministerial KMP entitled to performance payments in either the latest or previous reporting period, this should be clearly stated as shown above. In these circumstances, no further disclosure is required.

<u>The following illustrative disclosures are only relevant to agencies that make performance payments</u>. FRR 3C.4 details the disclosure requirements where KMP are conditionally entitled to performance payments at the reporting date but the outcome will not be determined until the subsequent financial year. The following table illustrates the FRR 3C.4 requirements where such circumstances exist. The scenario is purely illustrative and should be tailored to reflect the actual circumstances of each entitlement.

FRR 3C.4 No KMP remuneration packages provide for performance or bonus payments, except for the following positions:

Position	Summary of basis for entitlement and assessment	Expensed in 2025-26		Expensed in 2024-25	
		Date paid	Amount	Date paid	Amount
[Insert KMP position]	The remuneration package for the *[insert KMP position]* provides for performance payments to be made conditional on the achievement of key performance indicators (KPI) specified in the KMP's employment contract and subject to discretionary approval by the Board of Directors. Achievement of each KPI is measured on a quarterly or annual basis as applicable. Eligibility for performance payments only occurs where an individual KPI is achieved in full. Partial achievement of a KPI does not qualify for any proportional payment. Achievement of KPIs is subject to external, independent verification prior to consideration and authorisation by the [insert appropriate authority]. The Board of Directors retain ultimate discretion as to whether performance payments are made.	Insert date	Insert amount	Insert date	Insert amount
	Agencies should insert details for other KMP as applicable				
Total performance payments			$x		$x

FRR 3C.4 *<u>Conditional entitlement to performance payments at 30 June 2026</u>*

NOTE TO AGENCIES: The following illustrative disclosures provide examples of how agencies may approach common post-balance date scenarios for conditionally entitled performance payments where approval occurs post 1 July. Agencies should tailor their disclosure according to the relevant circumstances.

AASB 110.21
FRR 3C.4

As at the date of management certification of these financial statements, the eligibility to a performance payment for the *[insert KMP]* in respect of 2025-26 has not yet been confirmed. The basis of entitlement and assessment process is set out above *[Note: Where required, agencies may need to include additional information about the year-end assessment process]*. The maximum potential performance payment available is $x.

Eligibility will be determined only once the assessment process is completed and a recommendation is yet to be made by the *[insert details of who is responsible for formally approving the performance payment]*. Therefore, any performance payment ultimately approved will be reported as an expense within 2025-26.

AASB 110.21

As at the date of management certification of these financial statements, the eligibility to a performance payment for the *[insert KMP]* in respect of 2025-26 has been confirmed subsequent to 1 July 2026 and paid on *[insert date or month]*. The amount approved for payment totals $x and has been determined in accordance with the guidelines specified above. The performance payment will be reported as an expense within 2026-27.

G2 RELATED PARTY TRANSACTIONS

NOTE TO AGENCIES: Agencies need to determine any other categories of "related party transactions" (refer to paragraph 19 of AASB 124) apply to their circumstances, and tailor their disclosure accordingly.

In keeping with the objective of illustrative financial statements, these illustrative disclosures assume materiality of the hypothetical transactions - and their details – in terms of the information required to be disclosed as per AASB 124. The amount of detail disclosed for real transactions should reflect the materiality of the information.

Agencies may also choose to present information about related party transactions in tabular format, particularly where there are multiple transactions under similar circumstances.

AASB 124.18

Transactions with people/entities related to KMP

A retail book store controlled by a close family member of a KMP has had a long-standing agreement for purchasing the department's publications. The conditions applying to sales to that store are no different to those applying to unrelated book retailers, including cash payment of invoices, and no form of security/guarantee being sought by the department. During 2025-26, sales to that store amounted to approximately $xx of revenue, with $xx being the cost of those inventories. At 30 June 2026, $xx remained outstanding as a receivable. As the prospects of collection of that amount were uncertain, the department fully impaired that amount.

A construction company controlled by close family member of a KMP entered into a research agreement with the department during 2025-26 to trial new sustainable building materials on residential building work over a 12 month period. A one-off cash grant of $xx was provided by the department to that company during 2025-26. The grant amount reflects the department's forecast of the additional costs that would be incurred by any entity undertaking that research.

The department also provided a 10 year indemnity to the abovementioned company in case it ever receives claims during that period from purchasers of those houses due to long-term problems relating to the building materials. The indemnity is not limited to a particular amount, and covers the total financial liability to the eventual purchaser as well as the company's administrative costs incurred in handling the claim. The department's obligation is subject to the company notifying the department within 30 days of receipt of a claim, and forwarding to the department the findings of an investigation by the Queensland Building Standards Commission into such a claim. As the likelihood of any claims arising is considered remote, and the nature of any problems difficult to predict, no contingency has been reported by the department.

During a previous financial year, the department employed a close family member of a KMP in a senior executive non-KMP role. The recruitment of that executive followed standard departmental policies for the selection of candidates, and remuneration of senior executives, in the department. The total remuneration expenses of that senior executive during 2025-26 were $xx.

In June 2026, the department awarded an information technology contract to a small business owned by a close family member of a KMP. The contract is for the replacement of the department's grant management system. The fixed contract amount is $xx, with work commencing during 2026-27 and concluding in 2027-28. The department's outlays are expected to be spread evenly across those two financial years. The terms and conditions of the contract (including guarantees about system performance in accordance with the department's specifications) are the standard terms and conditions for procurement of such services.

AASB124.26

Transactions with other Queensland Government-controlled entities

The department's primary ongoing sources of funding from Government for its services are appropriation revenue (Note B1-1) and equity injections (C17-1 and C17-2), both of which are provided in cash via Queensland Treasury.

The department receives information technology support services from the Department of Tropics, free of charge.

The department has a borrowing from Queensland Treasury Corporation (QTC), and Note C13 outlines the key terms and conditions of those borrowings.

Note A3 outlines a transfer of assets and liabilities from the Department of Productivity arising from a machinery-of-government change during 2025-26.

Approximately 25% of the grants provided by the department are annual grants to the Department of Secondary Education for the maintenance of the syllabus for environmental science.

G3 PRIOR PERIOD ERRORS AND ADJUSTMENTS

AASB 108.49(a) In preparation of the 2025-26 financial statements, the department identified buildings incorrectly classified as property, plant and equipment in the 2024-25 and 2023-24 financial statements that should have been reported as investment property. The value of buildings impacted by this error in 2024-25 was $x (2023-24: $x). The measurement basis used to fair value the buildings was correct however the revaluation adjustment was processed to the revaluation surplus in each year and depreciation was charged against the building contrary to accounting standard AASB 140 *Investment Property.*

AASB 108.43 Comparative numbers reported in the 2024-25 statement of financial position, and at the beginning of the comparative financial year (1 July 2024) have been restated to correct these errors below for both the consolidated entity and the department. The line items affected are as follows:

CONSOLIDATED

AASB 108.49(b)(i)
AASB 108.49(c)

Financial statement line items affected	**2023-24** **Published financial statements** **$'000**	**2023-24** **Correction of error** **$'000**	**2023-24** **Restated actuals** **$'000**	**2024-25** **Published financial statements** **$'000**	**2024-25** **Correction of error** **$'000**	**2024-25** **Restated actuals** **$'000**
<u>Statement of financial position</u>						
Buildings – at fair value	x	x	x	x	x	x
Accumulated depreciation – buildings	(x)	(x)	(x)	(x)	(x)	(x)
Total property, plant and equipment	x	x	x	x	x	x
Total investment property	x	x	x	x	x	x
Accumulated surplus	x	x	x	x	x	x
Revaluation surplus	x	x	x	x	x	x
Total equity	x	x	x	x	x	x
<u>Statement of comprehensive income</u>						
Gain on revaluation of investment property	x	x	x	x	x	x
Gain on disposal/revaluation of assets	x	x	x	x	x	x
Total income from continuing operations	x	x	x	x	x	x
Depreciation and amortisation	x	x	x	x	x	x
Total expenses from continuing operations	x	x	x	x	x	x
Operating result for the year	x	x	x	x	x	x
Increase in revaluation surplus	x	x	x	x	x	x
Total comprehensive income	x	x	x	x	x	x

G3 PRIOR PERIOD ERRORS AND ADJUSTMENTS (continued)

Department

AASB 108.49(b)(i)
AASB 108.49(c)

Financial statement line items affected	2023-24 Published financial statements $'000	2023-24 Correction of error $'000	2023-24 Restated actuals $'000	2024-25 Published financial statements $'000	2024-25 Correction of error $'000	2024-25 Restated actuals $'000
Statement of financial position						
Buildings – at fair value	x	x	x	x	x	x
Accumulated depreciation – buildings	(x)	(x)	(x)	(x)	(x)	(x)
Total property, plant and equipment	x	x	x	x	x	x
Total investment property	x	x	x	x	x	x
Accumulated surplus	x	x	x	x	x	x
Revaluation surplus	x	x	x	x	x	x
Total equity	x	x	x	x	x	x
Statement of comprehensive income						
Gain on revaluation of investment property	x	x	x	x	x	x
Gain on disposal/revaluation of assets	x	x	x	x	x	x
Total income from continuing operations	x	x	x	x	x	x
Depreciation and amortisation	x	x	x	x	x	x
Total expenses from continuing operations	x	x	x	x	x	x
Operating result for the year	x	x	x	x	x	x
Increase in revaluation surplus	x	x	x	x	x	x
Total comprehensive income	x	x	x	x	x	x

NOTE TO AGENCIES:

Although not illustrated in these Sunshine Statements, the circumstances illustrated above would require disclosure of a third statement of financial position on the face of the statement IF the retrospective restatement has a material effect of the information in the statement of financial position at the beginning of the preceding period. Agencies should refer to AASB 101.40A for the full list of circumstances where a third statement of financial position (i.e. a third column) at the beginning of the comparative period is to be presented on the face of the Statement.

G4 FIRST YEAR APPLICATION OF NEW ACCOUNTING STANDARDS OR CHANGE IN ACCOUNTING POLICY

Accounting standards applied for the first time

AASB 108.28 No new accounting standards or interpretations that apply to the department for the first time in 2025-26 had any material impact on the financial statements.

NOTES TO AGENCIES: Agencies should refer to FRR 1A for a listing of standards and interpretations that apply to the 2025-26 financial year, but note that FRR 1A only lists pronouncements issued by the AASB to the end of May 2026.

Accounting standards early adopted

FRR 2C.1 No Australian Accounting Standards have been early adopted for 2025-26.

G5 TAXATION

AASB 101.117 The department is a State body as defined under the Income Tax Assessment Act 1936 and is exempt from Commonwealth taxation with the exception of Fringe Benefits Tax (FBT) and Goods and Services Tax (GST). FBT and GST are the only taxes accounted for by the Sunshine Department. GST credits receivable from, and GST payable to the ATO, are recognised (refer to Note C2).

G6 CLIMATE RISK DISCLOSURE

NOTES TO AGENCIES:

- **Agencies should note Treasury's advice regarding preparing climate-related risk disclosures in FRR 1A, including responding to published material climate-related risks directly impacting the agency.**
- **The following note is indicative to guide agencies whose financial statements may be subject to material climate related risks and their impact on accounting estimates and judgements used in preparing the financial report.**
- **Due to the varying level of impact between different agencies, the note will require tailoring to be agency specific. (e.g. agencies with financial assets impacted by climate-related risks would tailor their disclosure accordingly, including any impairment considerations where appropriate).**
- **Agencies are reminded not to apply or early adopt any sustainability reporting standardsissued by the Australian Accounting Standards Board or International Sustainability Standards Board (ISSB) for the 2025-26 Financial Year, or other sustainability reporting frameworks in their financial statements**
- **The disclosures in this note must be supported by sufficient and appropriate evidence for audit verification. Agencies must not include unsupported hypothetical scenarios (current or future) or other general comments regarding climate related risks that are more suited to their annual report.**
- **Potential future year impacts must only be made where such disclosures reflect known circumstances or directives at the reporting date (or becoming known post balance date and up to the date of certifying the agency's financial statements) for which a reliable estimate of the impact or possible impact of those known circumstances/directives can be made.**
- **Agencies who have material climate-related risks and responses published on their website that directly linked to assets, liabilities or items of revenue/expenditure reported in their financial statements, may include a URL link to that information.**
- **Some statutory bodies under the *Financial Accountability Act 2009* are NOT CONTROLLED for accounting purposes by the State AND NOT CONSOLIDATED into whole-of-Government reporting. These bodies will need to tailor the paragraph on whole-of-Government climate-related reporting to reflect their particular circumstances and disclose climate-related risks and policy responses specific to their agency as applicable.**
- **For-profit statutory bodies with a commercial imperative to report on climate-related or sustainability related information ahead of future sustainability disclosure standards being introduced, (i.e. reporting that extends beyond current year accounting estimate and judgement impacts in their financial statements) should contact Queensland Treasury in the first instance to discuss their circumstances before publishing such information.**

Whole-of-Government climate-related reporting

The State of Queensland, as the ultimate parent of the Sunshine Department, provides information and resources on climate related strategies and actions accessible at https://www.treasury.qld.gov.au/policies-and-programs/climate/

The Queensland Sustainability Report (QSR) outlines the Queensland Government's approach to managing key Environmental, Social and Governance (ESG) risks and opportunities, including governance structures, major commitments and policies, and how these risks and opportunities are measured, monitored and managed across government. The QSR is supported by comprehensive datasets and data dictionaries. The QSR is available via Queensland Treasury's website at https://www.treasury.qld.gov.au/programs-and-policies/queensland-sustainability-report

G6 CLIMATE RISK DISCLOSURE (continued)

Departmental accounting estimates and judgements – climate-related risks

The department considers climate-related risks when assessing material accounting judgements and estimates used in preparing its financial report. Key estimates and judgements identified include the potential for changes in asset useful lives, changes in the fair value of assets, impairment of assets, the recognition of provisions or the possibility of contingent liabilities.

The department continues to monitor the emergence of material climate-related risks that may impact the financial statements of the department, including directives from Government or Queensland Treasury.

[Note: agencies will need to adapt the wording to this note to reflect whether identified climate-related risks impact accounting estimates and judgements used in the measurement of financial statement items. The following three illustrative options are presented to demonstrate how such impacts might be described in the financial statements where applicable. Any such transactions should reflect the material climate-related risks of the agency and be consistent with the guidance in FRR 1A.].

Option 1: The department has identified a material climate-related risk impacting current accounting estimates in relation to the useful life assessment adopted for the department's three ACME assets. The useful life assessment is determined by reference to **[insert specific climate-related risks and the impact of accounting estimates/judgments as appropriate]**.

AASB 101.122
AASB 101.125

During the 2025-26 financial year, the remaining useful life of the three departmental ACME assets was reduced from 30 years to 15 years to align their useful life with current Government climate action policy responses. The total reduction in useful life reduced the recorded fair value of the assets by $x with a reduction in the asset revaluation reserve by the same amount. No other adjustments to the useful life or fair value were recognised during the financial year.

~OR~

Option 2: The department has identified a material climate-related risk impacting current accounting estimates in relation to the useful life assessment adopted for the department's three ACME assets. The useful life assessment is determined by reference to **[insert specific climate-related risks and the impact of accounting estimates/judgments as appropriate]**.

AASB 101.122
AASB 101.125

During the 2025-26 financial year, the remaining useful life of the three departmental ACME assets was reviewed in light of current Government climate action policies. In line with those requirements, no change in the useful life of these assets was required to be made in 2025-26.

~OR~

Option 3: No adjustments to the carrying value of assets were recognised during the financial year as a result of climate-related risks impacting current accounting estimates and judgements. No other transactions have been recognised during the financial year specifically due to climate-related risks impacting the department. **[Note: agencies will need to tailor this accordingly if material climate-related risks have resulted in other transactions being recorded. Any such transactions should reflect the material climate-related risks of the agency and be consistent with the guidance in FRR 1A.]**.

Sunshine Department and Controlled Entities
Management Certificate
for the year ended 30 June 2026

FRR 2I
FA Act s62(1)
FPMS s38

These general purpose financial statements have been prepared pursuant to s.62(1) of the *Financial Accountability Act 2009* (the Act), section 38 of the *Financial and Performance Management Standard 2019* and other prescribed requirements. In accordance with s.62(1)(b) of the Act we certify that in our opinion:

a) the prescribed requirements for establishing and keeping the accounts have been complied with in all material respects; and

b) the financial statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of the Sunshine Department* for the financial year ended 30 June 2026 and of the financial position of the department* at the end of that year; and

FRR 2I.1

[*The Director-General, as the Accountable Officer of the Department*]**, acknowledge(s) responsibility under s.7 and s.11 of the *Financial and Performance Management Standard 2019* for the establishment and maintenance, in all material respects, of an appropriate and effective system of internal controls and risk management processes with respect to financial reporting throughout the reporting period.

** Statutory Bodies can replace with "We"

NOTE TO AGENCIES:

Regarding the reference to the FPMS, agencies should tailor this according to the circumstances. For example, a statutory body should instead refer to paragraph 39 of the FPMS, and final financial statements of a department or statutory body should instead refer to paragraph 44/45 (as the case may be) of the FPMS.

Statutory bodies registered with the Australian Charities and Not-for-profits Commission (ACNC) should also include any certification required by the ACNC Regulation.

FRR 2I.1	*Signature*	*Signature*
FRR 2I.1	*(NAME OF OFFICER RESPONSIBLE FOR FINANCIAL MANAGEMENT OF DEPARTMENT)*	*(NAME OF ACCOUNTABLE OFFICER)*
FRR 2I.1	Relevant Post Nominals	Relevant Post Nominals
	Designation of Officer	Designation of Officer
	Date / /	Date / /