

ANNUAL REPORT 2023–2024

Community Enterprise
Queensland (CEQ)





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The State of Queensland (Community Enterprise Queensland) annual report 2023-2024.

10 September 2024

The Honourable Leeanne Enoch MP
Minister for Treaty, Minister for Aboriginal and Torres Strait Islander Partnerships,
Minister for Communities and Minister for the Arts
Level 33, 1 William Street
BRISBANE QLD 4000

Dear Minister Enoch

I am pleased to submit the Annual Report 2023–2024 and financial statements for Community Enterprise Queensland for presentation to the Parliament.

I certify that this Annual Report complies with:

- the prescribed requirements of the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2019*, and
- the detailed requirements set out in the *Annual report requirements for Queensland Government agencies*.

This Annual Report highlights CEQ's resolve to deliver on its legislated functions and strategic plan vision, mission, goals, and values, which relate to providing essential goods and services that support communities in being sustainable and healthy.

Yours sincerely



Joann Schmider
Chairperson of the Board of Management

Requirement for our report

This report details CEQ activities and financial performance for the financial year ending 30 June 2024. It meets the requirements of the *Financial Accountability Act 2009* and is considered a key accountability document for CEQ.

CEQ's current adopted strategic plan is for from 30 June 2024 to 30 June 2027.

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CEQ Introduction

CEQ is a Statutory Body that delivers essential services to remote Indigenous communities within Queensland.

CEQ Legislation

The Aboriginal and Torres Strait Islander Communities (Justice, Land and Other Matters) Act 1984 includes Part 7A Community Enterprise Queensland with Section 60B setting out the prescribed CEQ Functions:

(a) to act as a commercial enterprise for the general convenience or benefit of the residents of the communities in which Community Enterprise Queensland performs its functions;

(b) to provide the communities mentioned in paragraph (a) with access to a range of food, drinks and household items essential for a healthy life at a fair price;

(c) to apply its operating surplus or assets to promote, support and improve its services and the general welfare, including the knowledge and skills, of the Aboriginal and Torres Strait Islander residents of the communities mentioned in paragraph (a).

CEQ Vision

Caring, every day, always.

CEQ Mission

To provide essential goods and services that keep communities healthy and sustainable.

CEQ Pillars

- People – Engage and support our team to achieve greatness.
- Nutrition and Health – Develop food pathways to foster healthy communities.
- Growth – Deliver smart growth and expand our reach.
- Governance – Ensure robust strategic leadership for reliable regulatory performance.
- Reputation – Grow our support networks by caring, every day, always.
- Optimisation – Continually optimise organisational impact.

CEQ Values

Honest - Progressive - Respectful – Collaborative - Inclusive

Executive summary – a quick overview

Continuing operations	2024 \$'000	2023 \$'000
Total revenue	138,599	123,272
Total expenses	132,786	117,853
Operating result	5,813	5,419
Total assets	129,253	119,774
Total liabilities	18,098	17,392
Net assets	111,155	102,382
Accounting rate of return	5%	5%
Debt ratio	14%	15%
Current (Quick) ratio	4.02	3.97

CEQ's Impact

CEQ has extensive infrastructure throughout northern Queensland, from Palm Island in the south to the Boigu Store at Australia's northernmost point. CEQ operations are vital to remote communities' citizenship services, survivability, nutrition-related health, and economic wellbeing.

CEQ provides access to fresh food, including fruit, vegetables, dairy, meat and bakery products. Additionally, CEQ provides variety products and other ancillary services.

Cost of living and actions to support our team and customers has been the catalyst to drive multiple areas of activity over the financial year.

Pricing initiatives and weekly market price checks have become standard practice, ensuring CEQ's pricing remains competitive. In a recent basket comparison of fruit and vegetable items, CEQ's prices were, on average, \$10 cheaper than those of other remote supermarkets. CEQ's fresh produce and meat flat pricing model also ensures that customers in the Outer Torres Strait Islands pay the same as those on Waibene (Thursday Island).

CEQ provides meaningful employment within local communities. Over \$20M annually contributes to local economies through team member salaries.

The 2023-2024 financial year saw the expansion of CEQ's store network, welcoming three new stores to the CEQ family, including ABIS Wujal Wujal, IBIS Mapoon, and IBIS Kirri, bringing the total number of stores in the CEQ network to 30. Additionally, CEQ officially opened a new IBIS Bamaga supermarket, the first-ever concept store in a remote First Nations community in Queensland. All of which have brought a local employment focus and real jobs to each community.

CEQ is a major contributor to the social fabric of remote Indigenous communities where it has a presence. In 2023/24, our activities impacting the social fabric of remote Indigenous communities included supporting significant events like the Lockhart River Dance Festival and NAIDOC celebrations; local cultural and sporting events, including Doomadgee rodeo and the Torres Strait touch football competition; school fruit donations and award nights; church events; health clinics, and local businesses.

We also had partnering activities with NIAA on food security planning and with PBCs, local governments, local disaster management groups, Queensland Health and Foodbank Queensland providing school breakfasts.

CEQ Service Channels

IBIS Channel



IBIS' origins were manifested from the work of Reverend Fred Walker, who established Papuan Industries Limited in 1905, intending to aid the people of Papua and the Torres Straits. This became the Island Industries Board, established in the 1930's by way of the Torres Strait Act, for the charitable function of advancing the welfare of the Torres Strait Islanders.

IBIS provides the basic necessities of daily life to communities that desperately need this service. Not only must the necessities be available, but they must be affordable for the local Indigenous population, with a median annual income almost 50% lower than the state average in the outer Islands.

CEQ pricing is structured to deliver equity to all residents. Due to its comparative size, CEQ is an organisation with expanded purchasing power, which has allowed IBIS to remain price-competitive.

IBIS significantly contributes to the local economy, employing 268 persons within the region. In addition to employment, CEQ invests in infrastructure, providing a modern retail environment and experience.

ABIS Channel



The ABIS channel has similar foundation blocks to IBIS in that ABIS stores offer variety goods, general merchandise, fuel and groceries to remote communities in a triangle from Palm Island (Coral Sea) to Lockhart River in the north to Doomadgee in the Gulf of Carpentaria.

ABIS stores are branded locally as part of a CEQ initiative, such as the Bwgcolman Store on Palm Island. "Bwgcolman" is a deliberately coined word for Palm Island's 'many tribes—one people'.

ABIS stores are remote mainland stores that often experience disrupted supply chains due to inclement weather. This financial year's wet season lasted 26 weeks, requiring airfreight solutions for fresh produce.

CEQ continues to positively impact ABIS stores in their sixth year of operation. Initiatives continue to include expanded weekly 'fresh' deliveries and increased product ranges, helping improve service levels.

ABIS stores like IBIS stores generate economic wealth within their communities, employing 115 persons across 6 locations.

Community Home and Hardware Channel



CHH combines CEQ branded 'Col Jones Homewares', T.I. Hardware and Mona's Bazaar.

Col Jones and Mona's Bazaar are iconic local retail businesses (founded 1978) in the Torres Strait and NPA supplying quality home and giftware, electrical furniture and traditional island clothing. T.I. Hardware is a Mitre 10 supplier of all things hardware related to the domestic and trade segments of the market in the Torres Strait.

The acquisition of T.I. Hardware (2015) and Col Jones (2017) was a natural extension of CEQ's trading. The acquisitions have improved CEQ's ability to enhance social and economic circumstances in the region by providing employment pathways for local Indigenous persons who may not otherwise have experienced them.

The acquisitions bring additional benefits to regional economic development. These benefits include spin-offs from allowing an expanded product range in the outer islands of the Torres Strait, thereby improving service levels to disadvantaged areas and their standard of living.

Wis Wei Café



Wis Wei Café is a new brand that has been established to provide healthy food options at our stores. We currently have two locations and plan to expand to larger stores.

E-Market



CEQ E Market kiosks are being rolled out to provide our customers with a range of goods above the regular store offer via an online shopping portal, purchasing directly from the CEQ distribution centre.

This brings convenience to our customers, enabling them to shop online in our stores for household needs not available in their store location.

Customers can collect their purchases from within the store, and the freight is included in the purchase price, negating the need for customers to shop with online suppliers, arrange delivery themselves, or pay additional freight.

Products currently offered include furniture, whitegoods, household appliances, gardening equipment, camping gear, sporting needs, bulk products and more.

Chairperson's Report on behalf of the Board of Management

Dear Readers,

As Chairperson of this remarkable organisation's Board of Management, I am honoured to share our significant achievements over the past year.

This financial year, we concentrated on the second year of our strategic plan, which was reviewed in January 2024 and is directed through six strategic pillars: People, Reputation, Optimisation, Growth, Nutrition and Health, Governance, and Strategic Integration. The Board and Management teams collaborated closely to integrate and progress the strategic pillars, address risks and sustainable opportunities, and expand CEQ's community footprint.

Our robust and sustainable business model has facilitated considerable growth. We opened four new stores in Bamaga, Kirriri (Hammond Island), Mapoon, and Wujal Wujal, and this expansion reflects our ongoing commitment to increasing our impact.

I am particularly proud of our governance and crisis response capabilities. This year, Cyclone Jasper and flooding severely impacted the north, notably Kowanyama and Wujal Wujal. Our organisation's unity and agility allowed us to respond to communities' needs.

Alongside this growth, we are mindful of our environmental responsibilities to Country, establishing our carbon footprint to drive business optimisation and sustainability; this complements our Environmental Social Governance strategy, which includes supporting community recycling. CEQ has also driven impactful community development projects addressing critical issues such as cost of living, nutrition, and what we can do regarding cultural preservation. Collaborating with community leaders, government agencies, and other stakeholders, we initiated programs to improve residents' quality of life.

One notable achievement is our collaboration with local schools to enhance nutrition and health opportunities for young people. Through our school breakfast program partnership with Foodbank, we ensure our youngest generations have the sustenance needed to

tackle the school day effectively. Our investment in developing young leaders is substantial, and we look forward to celebrating their future successes.

Our advocacy efforts with the Government led to significant developments, including an increase in the Queensland Freight Assistance initiative to 20%. The Power Savvy initiative has provided Torres Strait and Northern Peninsula residents with energy-efficient appliances, often at zero cost. Our newly introduced Good Pasin (Give-back) program supported over 400 families and events.

Our focus on incorporating and adjusting governance practices and business to be culturally sensitive and inclusive of diverse communities further reinforces our business model's strength, resilience and effectiveness. We actively seek to align these practices with the Government's Indigenous commitments, including the Closing the Gap Priority Reforms and Targets and Local Thriving Communities Reform. Embedded in our organisation's approach, these practices help deliver improved community outcomes.

We remain committed to building robust systems. This year, we enhanced our security by addressing organisational threats through investments in innovative technology, dynamic firewall policies, and the implementation of a Smart Retail System. These measures are vital to improve our services.

As we look to the future, we recognise the challenges ahead. Through our strategic plan, governance and management-mindedness about community outcomes alongside our legislated functions and collaboration with partners, I am confident the third year of our strategic plan implementation continues to impact better futures for communities, management and Board team members, and CEQ's business. The Board of Management appreciates the lessons learned from feedback; team members' efforts to take these up strengthen our foundation and determination to achieve quality outcomes for the communities we serve.

With respect,



Joann Schmider, CEQ Chairperson

Chief Executive Officer's Report

Our Performance

A strong sustainable CEQ is good for all. I'm pleased to report a solid financial performance for the year. Sales closed at \$135.9M, 12% increase on the previous year. On a like for like basis, store sales increased by 10.7%.

Our surplus finished the year at \$5.8M, 7% increase on the previous year. \$10.5M was capitalised throughout the year. \$21M has been invested in local wages, demonstrating the contribution our business has to local economies.

Indigenous employment now sits at 87% of our remote teams and we have a strong focus on bringing through local supervisors to prepare for future manager positions.

The organisation's financial success was shared with our team members through a one-off cost-of-living allowance as a way for our organisation to support our team in tough times.

Operational highlights

We launched our Bamaga 'Future Store' which introduced 42 new innovations, many targeted at reducing the cost of living. We opened three new stores at the request of community leaders, Mapoon, Kirriri and Wujal Wujal. The latter being part of the return to country ceremony after the devastating flooding that they experienced.

We kept discreet community stores stocked during one of the longest wet seasons on record by providing \$1.3M in airfreight support over a 26-week period.

We supported families when they need it most through our new Good Pasin (Give-back) programme which seen over \$640,000 be invested back into communities, 6 x more than has been invested historically.

We advocated for and supported Government Partners to introduce the first of its kind freight assistance programme, further reducing the everyday cost-of-living for our customers

In another first for remote retailers, we introduced customer feedback kiosks. Over the year 87,000 customers provided us with feedback on how we are serving.

Looking ahead

The year ahead will be a challenging year for the organisation. In setting our 2024/25 budgets we have absorbed significant sea freight increases, insurance costs, repair and

maintenance increases whilst ensuring our workforce remains secure and our team receive remuneration that supports them and their families in challenging times. I'm proud that our Board of Management has recognised these headwinds and has remained resolute that we must absorb these increases and not pass them on to our customers. This commitment will see CEQ's expected surplus decline significantly on previous years, as we continue to support our customer and team members with their everyday cost-of-living pressures.

Throughout the year we welcomed new Board of Management Members and embarked on internal governance restructures that better fits our strategic direction. The year ahead will see these embed and our learning grow. We have an exciting, refreshed strategic plan which is now anchored on seven key pillars. People, Reputation, Optimisation, Growth, Governance, Strategic Integration and Health & Nutrition.

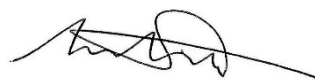
Looking ahead, we remain committed to our goal of "Caring, every day, always." We will continue to listen to and serve our communities, create sustainable opportunities and make a positive impact in the lives of those we employ and serve.

Acknowledgment

I would like to express my gratitude to our dedicated Board of Management, Executive Management Team, team members, community partners, service providers, suppliers and stakeholders for their unwavering support. Without our combined commitment and belief in our vision, none of our achievements would have been possible. I would like to personally thank and acknowledge the support and commitment from Danielle Clark who performed the role of Board Support and Executive Assistant to the CEO. Dani will stay with the organisation and move to an important new role in Risk Management and Procurement. We thank Dani and wish her well in the new position.

Thank you once again for your support, and I look forward to another year of positive outcomes

Caring, Every Day, Always,



Michael Dykes, Chief Executive Officer

CEQ Role and Functions

Statutory Obligations

On 1 September 2016, the Governor-in-Council approved amendments to the Act, which included a name change from Island Industries Board (IIB) to Community Enterprise Queensland (CEQ). Another amendment was the change in financial year for CEQ/IIB to include a financial year ending 30 June.

CEQ has retained the Islanders Board of Industry and Service (IBIS) as a CEQ-registered trading name. In the Torres Strait and Northern Peninsula Area (NPA), CEQ is more commonly known by its trading name 'IBIS'.

On 1 May 2017, the State Government transferred management of its operating stores to CEQ. In consultation with communities, CEQ rebranded the previous Government/Department stores under the ABIS banner to include relevant local names.

The functions of CEQ are:

- (a) *to act as a commercial enterprise for the general convenience or benefit of the residents of the communities in which Community Enterprise Queensland performs its functions;*
- (b) *to provide the communities mentioned in paragraph (a) with access to a range of food, drinks and household items essential for a healthy life at a fair price;*
- (c) *to apply its operating surplus or assets to promote, support and improve its services and the general welfare, including the knowledge and skills, of the Aboriginal and Torres Strait Islander residents of the communities mentioned in paragraph (a).*

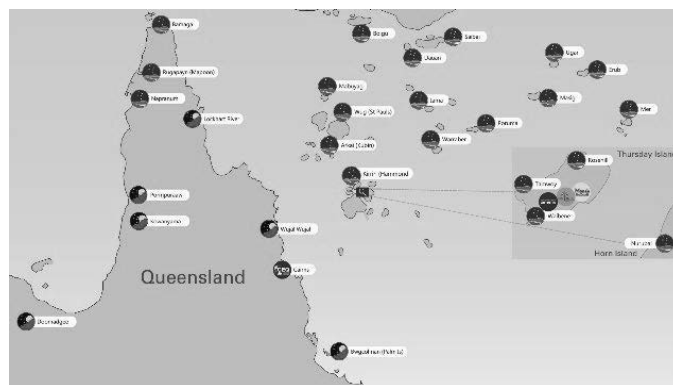
Examples of supporting residents—

- *encouraging the development of trade, commerce and businesses in the communities*
- *supporting trade, commerce and businesses carried out by residents of the communities*
- *providing support for educational or health initiatives, local organisations and community programs or activities*

Operating Environment

Where CEQ operates

CEQ operates stores across the State of Queensland. The majority of stores are located in the Torres Strait and NPA region. Other stores are across mainland Queensland, with one store off the mainland situated on Palm Island, northeast of Townsville in northern Queensland. Generally, IBIS stores align with the Torres Strait and NPA regions, while ABIS stores align with the northern and northwestern Queensland regions.



The Torres Strait is a body of water between Australia and Papua New Guinea. It is approximately 150 kilometres wide at its narrowest point. To the south is Cape York Peninsula (the northernmost continental extremity of the Australian state of Queensland), while to the north is Papua New Guinea. The Torres Strait links the Coral Sea to the east with the Arafura Sea to the west.

Several clusters of islands lie in the Strait, collectively called the Torres Strait Islands. At least 274 islands are grouped into five distinct clusters, 17 of which have present-day permanent settlements. Of these 17 islands, 14 have stores and incorporate a treaty that enables trade practices with Papua New Guinea nationals. IBIS has a store on 13 of the 14 islands.

These clusters exhibit differences in geology and formation and have individual cultural characteristics and language. As the Torres Strait Treaty outlines, thirteen inhabited islands are within the protected zone. The Treaty allows for a cooperative approach to managing the traditional movements of traditional inhabitants across the protected area.

IBIS Stores

In total, IBIS operates nineteen (19) retail convenience stores, two (2) supermarkets, a service station, and five (5) small fuel outlets associated with five of the outer island stores.

The IBIS retail outlets provide a general range of consumer goods, including:

- Dry grocery
- Chilled grocery
- Frozen grocery
- Meat
- Fresh fruit and vegetables
- Large and small electrical appliances
- Variety and seasonal goods
- Fuel and power cards
- Special orders to meet individual needs.

The service station is operated independently of major fuel companies.

ABIS Stores

Like IBIS, ABIS is a full retail operation providing essential services to remote Cape and North Queensland communities. ABIS supermarkets are located in five (6) very remote communities:

- Doomadgee
- Kowanyama
- Lockhart River
- Palm Island
- Pormpuraaw
- Wujal Wujal.

Like IBIS stores, these stores provide fresh and healthy food, drinks, and other supermarket products. Stores tailor their ranges to give remote local communities the best fresh produce and encourage nutritious food choices. Several stores cater to general merchandise such as whitegoods, drapery, manchester, furniture, power cards, and fuel and domestic gas bottles.

CHH Stores

CHH is a retail operation consisting of hardware (both trade and domestic), homeware, electrical, furniture, activewear, everyday wear, traditional clothing, and haberdashery. Three (3) brick-and-mortar stores (Col Jones Homewares, Mona's Bazaar and T.I. Hardware) are currently located on Waibene (Thursday Island). These stores also provide goods and services in the Torres Strait and NPA regions. Growth planning for Col Jones and T.I. Hardware will see satellite stores in locations where space is available.

Wis Wei Cafe

This year, our Wis Wei Café concept was developed to roll out a convenient, mostly healthy, fully operational self-service café into our stores. The cafes will contain family and individual grab-and-go meals for breakfast, lunch, and dinner, freshly squeezed juice, fruit, BBQ chicken, pies and sausage rolls, sandwiches, snacks, tea, and coffee.

Nutritious 'heat and eat' ready meals are being trialled, and we hope this new remote offer will be well accepted.

Supply Chain

The supply of goods and services to the channels incorporates a supply chain of over 3,000 kilometres. Significant challenges arise when the supply of fresh, chilled, and frozen food is combined with the complexity of complicated logistics using rail, road, sea, and air.

The IBIS supply chain involves multiple freight handlers and is quite involved. Goods generally travel first from Brisbane to Cairns by rail (approximately 1,750 kilometres). They are then re-palleted or containerised in Cairns. They are then shipped to Nurupai (Horn Island) (more than 1,000 kilometres), where they are reloaded and shipped to landing barges that finally transport the goods to the island stores (up to 300 kilometres).

We are proud to work with over sixty (60) local produce suppliers who bring locally grown products directly to Cairns, providing fresher products at a lower price.

Many challenges further compound the cost of supplying this service and ensuring that:

- All food products are safe.
- The cold chain for all temperature-sensitive products is unbroken.
- The goods arrive in good condition - undamaged by mishandling and uncontaminated by other products that are co-shipped with them and/or by seawater.
- All food products are reasonably date-coded to allow for the extended shipping period.
- Fresh food products are reasonably date-coded to ensure a supply of fresh products to the communities for the duration between deliveries.

There are different supply runs and challenges for mainland ABIS Stores than the IBIS Stores. In particular, during the wet season, the stores at Doomadgee, Kowanyama, and Pormpuraaw require essential goods to be freighted by aircraft. This adds a significant cost and strain to the store operations, as well as risks viability should the cut-off period be extended. Other stores are serviced by rail and then palletised for trucking to their final destinations. Palm Island is slightly different as the goods are palletised and barged (sea freight).

Associated freight costs incurred in the transportation are subsequently reflected in product pricing.

The CEQ store is often the only food provider on an island or Community. A supply chain failure can be catastrophic, as food cannot be delivered to communities. Failure in the supply chain can be caused by natural disasters, breakdowns, or high or shallow tides, preventing supply barges from docking at the islands. Poor port access to some communities further compounds the supply of goods to some communities.

CEQ actively participates in disaster management planning with the State and Local Governments. With management plans in place, CEQ is prepared for significant weather events.

Far North and Western Queensland experienced substantial flooding throughout 2023/2024 and the most extended wet season on record, with some stores cut off from road freight by twenty-six (26) weeks. CEQ

maintained stock and fresh food supplies in our remote Doomadgee, Pormpuraaw and Kowanyama stores through weekly chartered air freight. CEQ recorded one hundred and forty-four (144) flights and moved approximately 174 tonnes of air freight at \$1.3M. CEQ absorbed these costs and did not pass them on to communities through price increases. Learnings from this year are that we will need to be ready for the wet season sooner, be prepared to run longer, and require additional storage solutions at these locations.

Expanding and Improving CEQ's Footprint

CEQ was approached to assume operation of three (3) remote stores in Kirirri (Hammond Island), Mapoon and Wujal Wujal. CEQ also built and opened a new, larger, modern store at our Bamaga site.

CEQ assumed operation of the Kirirri (Hammond Island) store on 30 November. This was a momentous occasion for the community and stakeholders of Kirirri. CEQ has carried out store refurbishments and equipment upgrades, and the store now stocks a targeted range of products, including fresh fruit and vegetables, negating the community's need to travel to Waibene to buy groceries. The official opening was a wonderful day of celebration and gratitude from the community.

At the request of Mapoon Council, CEQ entered into a 10-year agreement to operate their local store. CEQ assumed the entire operation of the Rugapayn (Red Beach) store, situated on the traditional lands of the Tjungundji people, with an official opening ceremony on 29 February 2024.

The community was overjoyed, and Mayor Addo expressed heartfelt gratitude to the entire CEQ team for their dedication to serving their community and ensuring food security for their residents. The CEQ team is proud of our achievement in providing operational knowledge and quickly improving the store on the Council's request, ensuring Mapoon residents can now always access a reliable and consistent supply of fresh food.

The devastating floods caused by Cyclone Jasper in December 2023 severely damaged Wujal Wujal community infrastructure, delaying the commencement of the CEQ and Council agreement for CEQ to operate the store.

The Queensland State Disaster Recovery Committee initiated repairing and rebuilding community infrastructure, including the store, in January 2024. The CEQ Team then worked hard to fit out and prepare the store for opening at the end of April, when community members were expected to be able to return to their homes.

The store opened for trading on 29 April 2024 as part of the more significant ceremony to welcome the community home. We were proud of the small but essential part we played in supporting the return of community members by presenting them with a retail store that is significantly better than they had previously had.

Under the new store definitions, the store is branded as “ABIS Local” and has been named “Wujal Banyan Mayiji” (the house of food) by Community Elders.

A significant yearly highlight was the official opening of our new Bamaga Remote Retail Store of the Future in October 2023. The store incorporates twenty-nine (29) innovations, including Deadly Deals, bulk pack savings, lower-cost staple products and discounts for seniors. The store signals how CEQ is listening to the needs of the people we serve, and community feedback has been very positive. Our team have delivered a store that CEQ can be proud of, and these new initiatives will be rolled out to other stores as part of our store refresh program.

Other major capital works included purchasing and renovating the Monas Bazaar building and converting CEQ’s old Nurupai (Horn Island) store into two self-contained units.

Cost of Living

CEQ recognises that the biggest issue facing the people of the Torres Strait, NPA and remote Indigenous communities is the rising cost of living. CEQ has pricing policies to mitigate against margin increases on essential goods. CEQ continues to manage price increases on everyday essential items through margin reductions and our Good Pasin (Give-back) program to reduce the impact of cost-of-living increases on community residents.

CEQ has committed (through policy development) to providing healthy food choices at a fair price while operating the business sustainably. Items outside the healthy food choices category are still priced competitively against other local competitors. In all instances, CEQ strives to offer the best value for the communities it serves.

CEQ’s fuel pricing structure is designed to cross-subsidise the Outer Island communities, enabling us to hold their sell price under \$3/litre. CEQ remains the cheapest fuel service in the Torres Strait, which supports families and their fishing practices

Competitive and market alignment price checks (CEQ vs. major retailers) are carried out weekly on fresh produce and monthly on meat. CEQ prices remain significantly lower than those of other remote independent retailers.

CEQ’s year commenced with the team deputising to the Government on the importance of infrastructure maintenance and the need to offset the increasing cost of sea freight, which currently impacts our customers and team members’ cost of living.

The Queensland Government’s Remote Communities Freight Assistance Scheme, aimed at reducing freight-related cost-of-living pressures in the Northern Peninsula Area, Torres Strait and Gulf Region, has resulted in discounts of over \$1.1M being applied at the registers in CEQ IBIS and ABIS Stores to date.

CEQ welcomes the Queensland Government’s announcement that the freight subsidy will increase to 20% in 2024/2025. This is truly an excellent outcome for our communities.

CEQ has also welcomed the Government's commitment of \$96M to support marine infrastructure improvements in our communities.

The Ergon Retail PowerSavvy rebate is being administered through our Col Jones Store. This program will continue until 31 January 2025 for a total rebate of \$1.1M. CEQ customers' savings for the five months to June 2024 are \$210,000.

CEQ is committed to working with other entities, the Queensland and Australian Governments, and their agencies to raise community living standards.

The cost of living was and remains a significant challenge for those who live in remote locations and those who operate businesses in remote locations.

Nutrition and Health Strategy

CEQ is committed to nutrition and health initiatives. During the year, CEQ delivered a revitalised Health and Nutrition strategy. The Board approved this strategy in July 2023 with five (5) key objectives:

1. Ensure the availability of nutritious food and drinks.
2. Address the affordability of nutritious food and drinks.
3. Create and maintain a supportive store environment encouraging customers to make healthier choices.
4. Invest in nutrition and well-being education and promotion within the CEQ team and our communities.
5. Advocate and collaborate to support initiatives that improve nutrition and wellbeing and celebrate culture and tradition.

To support this Strategy, CEQ appointed a second Nutritionist and Nutrition Cadet, who have already made notable contributions through the Gather and Grow Healthy Stores project, a collaboration between CEQ and Health and Wellbeing Queensland.

In a strategic move to combat hunger in Far North Queensland, CEQ partnered with Foodbank Queensland. The first initiative under this partnership is delivering healthy

school breakfasts to 27 schools in remote communities, further reinforcing CEQ's role as a vital support system.

The nutrition team also conducted 31 store visits across remote communities, delivered 63 health promotion and community activities, and represented CEQ as presenters at three National conferences.

Community Engagement, Donations and Sponsorship

Our Enterprise and Engagement Team continues CEQ community information sessions for community residents. These information sessions are designed to share all the great work achieved across CEQ and engage resident voices from across our different regions. We expanded our Enterprise and Engagement Team by appointing a new ABIS & Cape Engagement Manager to facilitate our growing commitment to community engagement and support.

CEQ introduced customer feedback "Happy or Not" kiosks in all stores during the year. This has been an excellent tool for gauging customer feedback on service levels and receiving requests from community members. Results are available in real-time across the organisation, which enables efficient response times. In one year alone, over 86,000 responses were received.

CEQ initiated its Good Pasin (Give-back) program in 2022-23, and the Board formally adopted it for the 2023-24 Financial Year. This program actively demonstrates CEQ's support of the communities in which we operate. Our Good Pasin (Give-back) program framework is aligned with the Queensland Government's Local Thriving Communities Reform Integrated Development categories.

CEQ sponsored local and community events, such as sporting events, cultural activities, and Sorry Business. Over this year, CEQ provided more than \$642,000 in financial and in-kind assistance to not-for-profit organisations and individuals across various communities, with approximately 400 requests to support community initiatives. This financial support is critical in enabling various programs and

events to thrive, empowering community members and ensuring their needs are met.

Good Pasin (Give-back) support extends to crucial cultural practices, such as financing Sorry Business to help families focus on grieving without the burden of financial stress.

CEQ gladly donated to community events, recognising their importance in fostering connections and preserving culture. Our support extended to various religious and community events, festivals, rodeos, recycling programs, and celebrations such as NAIDOC, Mabo Day, and Coming of the Light. These events enriched community members' lives and attracted visitors, boosting local tourism and the economy.

CEQ actively supported economic development initiatives to empower individuals, businesses, and organisations to thrive. This initiative encouraged business startups and expansions, creating employment opportunities and boosting economic development, contributing to the growth and sustainability of businesses in communities.

Understanding the importance of education and skill-building, three recipients have been provided with support to empower them to commence their tertiary education in nursing and nutrition. By facilitating access to training opportunities, we aim to equip community members with the necessary skills to pursue their goals and contribute to the local economy.

To further support the growth and development of young individuals, we actively participated in school-based activities. The provision of fruit for schools continues to be embraced, with \$55,000 in fresh fruit distributed to schools to promote healthy eating habits, boost concentration levels and support overall wellness throughout the school day. By providing resources and financial assistance, CEQ helped schools organise events and programs that enriched students' educational experiences.

Recognising the role sports and cultural events play in community engagement, we funded activities such as junior and senior rugby league, AFL, fishing competitions, touch football carnivals, basketball competitions, volleyball competitions, and initiation

ceremonies. These promoted physical well-being and encouraged community interaction and a sense of pride among participants.

Recognising community residents' financial constraints, the pricing support initiative under Good Pasin (Give-back) enabled us to maintain essential items like bottled water at just \$1, a subsidy that amounted to \$150,000 this year alone.

Threats to Sustainability

CEQ's most challenging issue is ensuring sustainability while continuing to grow the business and provide value to customers. Significant factors impacting our sustainability are:

1. Supply chain dependability
2. Climate change and environmental impacts
3. Supply chain price increases
4. Manufacturer and supplier price increases
5. Labour costs, retention and attraction
6. Maintenance costs
7. Remote cost-of-living pressures
8. Insurance
9. Power
10. Tenure
11. Size of catchment

Supply chain dependability – Significant disruptions to delivery schedules and stock reaching our stores were experienced throughout the year due to weather events, limited fleet availability from repeated vessel and equipment breakdowns, safety compliance matters, barge landing problems, and staffing issues. Concerns about supply chain temperature being compromised required stock write-offs.

Additionally, non-deliveries resulted in many of our stores facing delays in receiving stock, with some needing to receive the full complement and waiting for the next delivery. Due to failed deliveries, some communities were close to running out of fuel.

Barge clearing works that should have occurred were delayed, preventing barges from docking. In the interim, CEQ had to fly essential supplies to some communities; however, these deliveries were restricted to small payloads, again increasing CEQ's costs.

The impact of delivery issues is far-reaching. Communities do not have access to fresh groceries, and if they run out of fuel, this also affects their livelihoods. CEQ faces significant costs from additional freight increases, shrinkage losses and extra wages for team members who must unload deliveries outside of business hours.

Climate change and environmental impacts

– Working with climate experts Stantec over the year, CEQ has finalised our Climate Change Action Strategy and established our base carbon footprint. Stantec undertook a detailed Climate Change Risk Assessment (CCRA) and Greenhouse Gas emissions assessment of our business activities. The outcomes and recommended actions will help CEQ reduce our carbon footprint and mitigate risks to our business operations, assets, supply chains and the communities we support. It will also ensure compliance with legislative requirements.

The CCRA conducted for CEQ highlights the potential impacts of extreme weather events on CEQ's operational activities. Identifying 22 inherent physical risks, with storm surges and increased intense downpours assessed as serious risks, underscores the importance of CEQ adopting and implementing adaptive measures. Ten inherent risks were identified for transitional risks, which will be considered in CEQ's strategic planning to mitigate potential changes to long-term regulatory, technological and market landscapes.

Prioritising 'quick win' actions can support CEQ's progress in rapidly building momentum and achieving the desired outcomes of our climate change action strategy.

By focusing on these actions, CEQ can enhance and strengthen our business resilience, meet our environmental objectives more rapidly, ensure ongoing community services, and improve our sustainability performance. We are excited to proceed with

our planned Strategy and Stantec's recommendations.

Additional environmental projects conducted by CEQ over the year include developing a solution with Containers for Change to roll out across our store footprint and securing a \$312,500 grant to establish collection infrastructure to collect cardboard boxes and clear plastic pallet wrap from our stores and transport them to a collection depot in Cairns for processing.

Supply chain price increases – Freight constitutes thirteen per cent (13%) of CEQ's turnover due to the length of the supply chain and associated costs in delivering goods and services. Unlike most retail practices elsewhere in Australia, suppliers do not deliver free into the store.

CEQ experienced an increase in supply chain costs during the year. The inflationary costs associated with truck, rail, air, and sea freight were experienced in the supply chain. CEQ also experienced a volume increase in the financial year. This sales increase aided in CEQ absorbing these costs within its business, dampening margins.

Sea freight increases were the most significant risk facing CEQ during the financial year. CEQ's sea freight contract with SeaSwift came to an end. CEQ recognises that the region needs a strong and well-performing sea freight operator, and to do that, we must ensure that businesses we operate with are sustainable to a point where they can reinvest in their assets and improve reliability.

CEQ and SeaSwift reached a fair position with contract negotiations that will support performance improvement expectations. This remains a significant cost increase to CEQ which the Board instructed the business to absorb without increasing customer prices. This will significantly impact CEQ's surplus for future years.

Manufacturer and supplier price increases

– During 2023-24, CEQ was not immune to manufacturer price increases. The Board, in the understanding of rising costs of living, held back manufacturer increases on key lines, thereby offering them at lower margins to our customers. Continued price increases from manufacturers threaten sustainability as goods procured (COGS) account for 88% of expenditure on goods and services.

Labour costs, retention and attraction –

The Retention and attraction of team members to the CEQ business threaten sustainability. CEQ has implemented several initiatives to aid in the retention and attraction of skilled team members in the retail sector, such as a team member assistance scheme. Additionally, CEQ provides internal training to grow existing team members into highly skilled workers. This is discussed further in the workforce planning and profile section.

Maintenance – The ongoing maintenance cost significantly impacts the CEQ business because of the extreme environment and the tyranny of distance. Store maintenance is critical for grocery retailing, affecting everything from customer and team member comfort to food safety and public health risks.

Maintaining plant and equipment in remote locations that have aggressive climatic conditions is expensive and a challenge because of:

- Corrosion.
- Lack of local tradespeople to attend to maintenance issues.
- Cost-effective transport options.

CEQ has worked extensively on preventative maintenance programs over the last seven (7) years, with benefits in reducing reactive maintenance and early capital replacement. Internally, CEQ has increased our general repairs and maintenance and has put together a refresh team to visit our stores on a rotational basis to improve their general condition and presentation.

Fleet replacement has been a priority this financial year, with five communities receiving replacement vehicles. A new vehicle purchase policy has been implemented, focusing on

safety, resale, and sustainability. Electric or hybrid cars will be purchased where possible.

A store refresh team was appointed to bolster business development activities, and our maintenance team has been expanded.

Remote cost-of-living pressures – The financial pressures on families leave less disposable income for food consumption, fuel, transport, rent, and power. CEQ is acutely aware of the environment and demographic in which we supply goods and services and strives to ensure that customers have choices under our healthy food choices and pricing approaches.

Insurance – CEQ experiences increasing annual premiums well above CPI, which are absorbed into our operating costs.

Power – Due to the extensive refrigeration requirements of CEQ operations, power consumption is keenly monitored. To reduce overheads and CEQ's carbon footprint, CEQ installs solar panels and energy-saving devices where possible. CEQ has had to install backup on-site generators in some locations to provide uninterrupted food security.

Tenure – The ABIS stores operated by CEQ require investment to improve their condition, and secure tenure is required for the CEQ Board to approve the investment. Tenure in many IBIS stores is also insecure, and CEQ is working through the process with the relevant stakeholders. Some progress has been made on lease matters within the Torres Strait.

CEQ acknowledges the critical roles of Registered Native Title Body Corporates (RNTBCs/PBCs) and local governing authorities (LGAs). We continue to demonstrate our willingness to find workable solutions to a complex and sensitive tenure resolution framework and one that provides clarity and certainty for all stakeholders within our locations in support of the essential service we provide to these communities. Developing a tenure resolution framework that addresses both Native Title and Trustee processes requires careful consideration and collaboration with key Indigenous stakeholders.

Equitable agreements can be structured with good faith negotiations to deliver economic opportunities to Indigenous communities while upholding Indigenous connection to Country.

Connection to Country, cultural traditions, and views on the commercial use of traditional lands will be central in shaping the framework and agreements.

Size of catchment – The cost of doing business on a small scale in communities is significantly higher than in areas with larger populations. This is reflected in the price of goods and services provided. Despite a static to declining market, CEQ has experienced growth in its grocery business. This is based upon CEQ's dedicated pricing policy and providing increased lines and quality goods at value.

Workforce Planning and Profile

CEQ is a not-for-profit statutory body employing 484 team members (headcount) on 30 June 2024.

CEQ is committed to promoting Indigenous employment. As of 30 June 2024, Indigenous representation was 87% within its remote store operations.



Team member retention

Attracting and retaining team members in community stores is an ongoing challenge. In this regard, CEQ has heightened its focus by devoting a strategic pillar to “People” in its new strategic plan. A critical activity is CEQ's migration plan to demonstrate to team members the benefits of permanent employment over casual employment.

Initiatives commenced this year to facilitate a CEQ recruitment booth at various community events to promote career choices and opportunities within CEQ. Organisations such as My Pathway, Rise, Gur A Baradharaw Kod Torres Strait Sea and Land Council (GBK), Busy at Work, and schools were contacted to initiate partnerships.

CEQ's vision for team members is for local Indigenous people to view retail as a career and assume senior management roles. This is achieved by investing in team members through training and development and associated mentoring programs. Training and education form part of the organisation's most significant strategic imperatives.

However, this investment comes at a cost due to the remote nature of the communities and the availability of certified trainers prepared to work in remote locations. CEQ has successfully promoted local team members to store and regional management positions.

One of CEQ's imperatives is for Store Managers to be able to assume a management role in any organisation. The practices that have been adopted at a store level are those that will be accepted in mainstream retail outlets. This also forms the basis of the mentoring program that has continued to be enacted during the year as part of CEQ's succession plan.

Recognising and rewarding team members is integral to CEQ's workplace culture. New format Annual Partnership Plans have also been rolled out to all team members, facilitating honest and constructive feedback and allowing individual career development. CEQ has tendered for an experienced consultant firm to develop our Workforce Leadership and Development Strategy. This will be a focus for our year ahead.

Store operations

The unique management model implemented in IBIS retail operations has existed for over a decade. The uniqueness of this model lies not only in local community members managing the grocery outlets but also ensures that most of our team members are Indigenous.

The IBIS model, now the CEQ model, not only guarantees employment opportunities and a clearly defined career pathway but also

provides a voice for Indigenous people regarding the business's operations. CEQ's mentoring, training, and development model provides existing Managers with business acumen and the ability to role model standards and practices for future aspiring Store Managers.

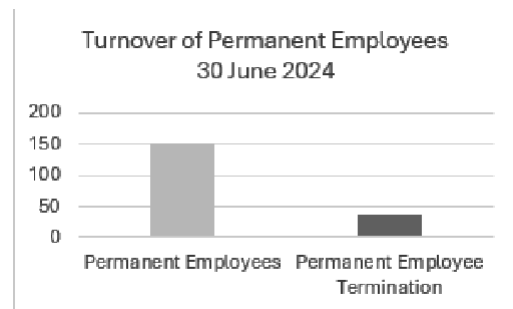
CEQ recognises that our IBIS and ABIS operations are at varying levels of business maturity and that we must tailor our model to meet the needs of team members and customers.

This model has recently been implemented in the merged ABIS stores, with five (5) Indigenous team members appointed to Supervisory positions. Our local Supervisor position is the pipeline to future Store Managers. This year alone, we moved from 32% of our available capacity to over 100%.

At the end of the financial year, CEQ had 484 team members, 153 of whom were permanent. From an FTE perspective, CEQ currently has 260 FTEs.



CEQ, over the last reporting period, experienced an average employee turnover rate of 25%.



CEQ supports gender diversity within its workplace. 54% per cent of all team members identify as female. From a management perspective, there are 52 managers in store operations, of which 54% identify as female.

Also, 57% of managers identify as Aboriginal or Torres Strait Islander.



Training

CEQ invests heavily in training, with the current training strategy encompassing:

- Food and Safety Compliance
- Risk Mitigation
- Employment Compliance
- Business Acumen
- Work Health and Safety

Positive training outcomes are achieved through a structured program that encompasses:

- Mentoring and regular store visits from experienced team members in various disciplines.
- Lunch box sessions.
- Task analysis and task observations.
- Forklift and truck licences.
- Certified training includes retail, first aid, customer service, food safety accreditation, and workplace health and safety.
- Respect at work.

CEQ employs qualified training officers and undertakes workplace health and safety and food and store audits.

Team member development is identified through current performance review processes.

CEQ secured a grant through the Queensland Government 'Skillings Queenslanders for Work' program. This funding will support our training team and wages for up to eight (8) new team members for six (6) months in the hope they enter into full-time employment with our stores.

Team member wellbeing

Team member wellbeing initiatives introduced this year have included:

- 10,000 steps competition.
- Half-yearly workplace engagement surveys.
- Launching Viva Engage, our internal social media platform allowing team members to communicate across the organisation.
- Introducing value cards allowing team members to nominate their colleagues displaying our values through our Team Member of the Month awards.
- Publishing bi-monthly internal newsletters.
- Holding weekly Manager briefings.
- Introducing weekly trading meetings involving inter-departmental discussions at the beginning of each week to summarise the previous week's trade and share information relevant to the week ahead.
- Quarterly business updates by the CEO.

Governance – Management and Structure

Summary of key activities

The model developed by CEQ strives to represent best practices in retail service delivery in remote Indigenous communities through:

1. Delivery of compliant, safe, high-quality food at the lowest possible prices;
2. Operating in a fiscally responsible manner;
3. Providing a source of significant employment for Indigenous Australians (CEQ is one of the largest employers in the Torres Strait), with 87% of team members being Indigenous Australians in remote store operations;
4. Presenting a low-cost, fit-for-purpose model delivering an effective and efficient essential service in a highly remote environment;
5. Arms-length government reporting standards;
6. Complying with best practice consumer retailing and meeting all legislative and regulatory requirements, and operating commercially on a 'not for loss' basis;

7. Managing risk to all stakeholders via a system of risk management – integrated across the organisation through a comprehensive risk management program and accredited food safety program; and
8. Sound governance in that CEQ:
 - Acts legitimately by complying with all required legislation.
 - Actively manages risk via the Risk Framework and Enterprise Risk Register.
 - Observes due process in all business activities (i.e. with documented policies and procedures) and respecting the rights of all stakeholders.
 - Meets and exceeds its publicly declared standards of performance in the economic use of resources, supply of outputs and achievement of desired economic, social and environmental outcomes.

Meet the Board of Management

CEQ's Board of Management has primary responsibility to:

- Set the strategic direction.
- Set the risk appetite.
- Monitor business performance.

The Board is committed to ethical behaviour and works within its charter. The Board, as part of its role, monitors the business and reviews policies, business plans, budgets, and capital expenditures. The Board:

- Sets delegation limits for the executive to work within.
- It uses a committee structure to aid in monitoring compliance matters.
- Evaluates the performance of the CEO.

We welcomed the appointment of our four (4) new Board of Management Members in December 2023. Our new Board Members will continue to accompany the CEO on various upcoming store and community visits to further their understanding of our organisation.

The new Board appointments were also timely, enabling our full Board to attend our annual strategy meeting in January 2024. This meeting was essential for our Board to plan CEQ's strategy and priorities for the year ahead. Work has now been completed on

refreshing our strategy, and it will be rolled out as of 1 July 2024.

Board Members are:

Ms Claire Alexander

Independent Board Member

Member - Finance Audit Risk and Governance Committee

Ms Claire Alexander is a Non-Executive Director and Executive Manager with recognised strategic financial management and development expertise. Ms Alexander brings over 30 years of experience in public and private sectors, including serving hospitals, Local Governments, and major infrastructure projects as an experienced Chair of Audit, Risk and Finance Committees.

A Certified Practising Accountant (CPA), Ms Alexander graduated from Griffith University in 1995 with a Bachelor of Business in Accounting, then received a Master’s degree in Business Administration (MBA) from the University of New England in 2004. Ms Alexander was also awarded the Public Practice Certificate CPA Australia in 2012.

Ms Alexander brings to CEQ a deep understanding of financial management in regional areas. She is currently a Board member of the Southwest Hospital & Health Service. She is also contracted as a strategic financial consultant to the Maranoa Regional Council, Mt. Isa City Council, and Murweh and Torres Shire Councils.

Start Date	End Date	Member since
07/04/2022	06/04/2025	2022

Mr Ted (Fraser) Nai

Independent Board Member

Member – Community, Public Relations and Marketing Committee

Fraser Nai is an identified Traditional Owner of Masig Island and a former Councillor of Torres Strait Island Regional Council (TSIRC). He has a long track record in public service, including being a Board Member of the Torres and Cape Hospital Health Service and a member of the Prime Minister’s Indigenous Advisory Council.

Acknowledged by TSIRC as an Emerging Leader in 2018, Fraser received the ‘Councillor of the Year’ award in 2019 for his ability to influence change through leadership and deliver on the Council’s vision for the region.

Fraser is involved in tourism initiatives across the Torres Strait. Fraser has an extensive tourism network in Queensland, including being a committee member on the First Nations Tourism Working Group for the Queensland Tourism Industry Council (QTIC) and the Tropical North Queensland First Nations Tourism Action Plan with Tropical Tourism North Queensland (TTNQ).

Fraser brings his experience in strategic leadership, communications, facilitation, and negotiation to CEQ.

Start Date	End Date	Member since
07/04/2022	06/04/2025	2022

Mr Mislam Sam

Independent Board Member

Chairperson – People, Workplace Culture and Safety Committee

Member – Community, Public Relations and Marketing Committee

Member – Finance Audit Risk and Governance Committee

Mr Sam has notable business experience and leadership within the Indigenous sector. He has served over ten years as a Director in Indigenous corporations and sporting associations.

Mr Mislam Sam was the Mayor of the Palm Island Aboriginal Shire Council and is the Executive Manager for Economic Development and Workforce Culture at the Palm Island Community Company. Mr Sam also operates Klub Kuda Palm Island Budget Accommodation on Palm Island, which he has progressively grown into a prosperous business over the past ten years.

Before his role in Council, Mr Sam also had over ten years’ experience working within the State Government in Aboriginal and Torres Strait Islander Policy, Education, and Training in Townsville and Palm Island.

Mr Sam is a continuing CEQ Board Member since 2017 and is now serving his third term, with his previous tenure expiring in May 2024.

Start Date	End Date	Member since
06/06/2024	05/06/2028	2017

Dr Mark Wenitong

Independent Board Member

Chairperson – Community, Public Relations and Marketing Committee

Member - People, Workplace Culture and Safety Committee

Dr. Mark Wenitong, a Kabi Kabi man from Southeast Queensland, is one of Australia's first Aboriginal doctors and an influential figure in Indigenous health.

His work focuses on policy, health service planning, and translating research into practice, particularly in primary health care and the cultural determinants of health. He currently serves as the Director of Research Knowledge Translation for the Lowitja Institute and chairs the Queensland Health State-wide Aboriginal and Torres Strait Islander Clinical Network. Dr. Wenitong is also a National Mental Health Commissioner and has extensive experience in public health, having worked with the Apunipima Cape York Health Council, Wuchopperen Health Service and NACCHO.

Dr. Wenitong has received numerous awards, including the National Public Health Award for Aboriginal and Torres Strait Islander Health. He has also contributed to national and international health initiatives, including in East Timor, and has studied at prestigious institutions like Johns Hopkins and Harvard.

Start Date	End Date	Member since
10/10/2019	07/12/2027	2019

Christopher Edwards

Independent Board Member

Christopher Edwards is a seasoned capital delivery specialist and Managing Director at Asia Pacific - Mace Group, where he oversees strategy, design, contracting, procurement, and construction for capital and infrastructure projects across various industries.

He serves on the regulatory boards of the Queensland Building and Construction Commission, Aviation Australia, Racing Queensland, and the Professional Engineers of Queensland, where he chairs the Risk and Audit Committee. He is also a member of the Queensland Government's Ministerial Construction Council Committee.

A graduate of the Australian Institute of Company Directors (AICD) and the Project Management Institute, Christopher has over 25 years of leadership experience in capital projects, particularly in North Queensland and the Torres Strait.

Recognised as a Fellow of AICD in 2010, he brings strong governance, project, and program leadership to CEQ, focusing on operational and transformational success in large, complex programs.

Start Date	End Date	Member since
07/12/2023	07/12/2027	2024

Carrie Starkings

Independent Board Member

Carrie is an FMCG business consultant with experience in Australia, Europe, Africa, South America, and Asia. FMCG stands for Fast-Moving Consumer Goods, which include packaged foods, beverages, cleaning supplies, and other low-cost household items.

With extensive professional experience in commercial strategy, marketing, stakeholder management, complex supply chains, negotiation, and retail insight, Carrie is passionate about supporting the community, charitable organisations, and food trends.

Carrie has a Bachelor of Science degree (Winemaking & Viticulture) from the University of Western Sydney.

Start Date	End Date	Member since
07/12/2023	07/12/2026	2024

Tracey Groves

Independent Board Member

Tracey Groves is a Non-Executive Director and Executive General Manager with an extensive and diverse career spanning over

thirty years in corporate and Board governance.

Tracey holds a Master's degree in Business Administration (MBA) from the University of Western Australia and is a Graduate of the Australian Institute of Company Directors (GAICD).

Tracey combines strategic acumen, cultural diversity, and a collaborative mindset. She offers valuable insights and drives positive change, allowing her to navigate the complexities of a complex business landscape and seize emerging opportunities.

Ms Groves brings to CEQ deep experience in infrastructure, logistics, and retail across diverse and remote footprints, with recent expertise in remote Northern Australia.

Start Date	End Date	Member since
07/12/2023	07/12/2026	2024

Clara Tamu

Independent Board Member

Clara, an Indigenous woman from Warraber (Sue) Island in the Torres Strait, has a diverse professional background. She began her career at 16 with IBIS retail stores and later worked for the Department of Aboriginal & Islanders Affairs, Queensland Health, and the Waibene Hospital Board. With over 20 years in the health sector, she also served as a Medic in the Army Reserve.

Clara was elected to the Torres Strait Island Regional Council (TSIRC), serving 11 years under the Community Services Act and one term under the Local Government Act.

She has volunteered with Mura Kosker, supporting women in domestic violence and child safety, and worked on social security matters. Clara has also held roles with My Pathways as Cluster Manager and Housing Manager and managed CDEP, Capital Works, and Housing for Warraber Island Community Council.

Start Date	End Date	Member since
07/12/2023	07/12/2027	2024

Ms Leah Cameron

Independent Board Member

Deputy Chairperson, CEQ Board

Acting Chairperson – Finance, Audit, Risk and Governance Committee

Member – People, Workplace Culture and Safety Committee

Leah, a Trawlwoolway (Palawa) woman from Tasmania, is a prominent figure in the legal profession and a strong advocate for social change across government and corporate Australia. She founded Marrawah Law in 2013, which is now one of Australia's largest Indigenous-owned law firms and is recognised in Doyle's Guide and Chambers.

Leah's expertise spans property law, native title, and cultural heritage, focusing on providing commercial law services to government, corporates, and Indigenous businesses. Today, Leah provides strategic and technical guidance and advice to manage clients' projects, transactions, and processes.

Her accolades include Indigenous Legal Practitioner of the Year, a top 20s entrepreneur under 40, and multiple awards from Supply Nation. Leah serves on the Australian Heritage Council, the Tasmanian Aboriginal Corporation, and Aboriginal Enterprises in Mining, Exploration, and Energy. She is committed to growing the Indigenous business sector, supporting women in business, and promoting a collaborative approach to legal practice that benefits all stakeholders.

Start Date	End Date	Member since
07/04/2022	06/04/2026	2022

Joann Schmider

Chairperson, CEQ

Member – Community, Public Relations and Marketing Committee

Member – People, Workplace Culture and Safety Committee

Joann Schmider is an Atherton Tablelands rainforest Mamu woman who has lived in northwest, north and southeast Queensland and Canberra, and now in Tropical North Queensland since 2005. She brings 40 years of experience across social, cultural,

economic, and environmental Indigenous-related interests, specifically in connecting policy, programming, resourcing, and outcomes with Indigenous and broader community networks, non-government entities, government, and academia. She has qualifications in education and training, community development, leadership, research, government, and governance (including GAICD). Since 1985, Joann has served on committees and boards, providing social justice, including reconciliation and development roles. Joann’s ongoing interests are culture and heritage for all, more substantial public and industry recognition of Aboriginal and Torres Strait Islander contributions, and First Nations peoples’ opportunities in development, including community services and regional development.

Start Date	End Date	Member since
07/04/2022	07/12/2027	2022

In August 2023, Dr Wenitong resigned from the position of Deputy Chairperson (Acting Chairperson) of the Board. At its Board meeting of 11 August 2023, Joann Schmider was elected Deputy Chairperson (Acting Chairperson).

Joann Schmider was appointed Chairperson of the CEQ Board on 7 December 2023.

Leah Cameron was appointed Deputy Chairperson on 23 April 2024.

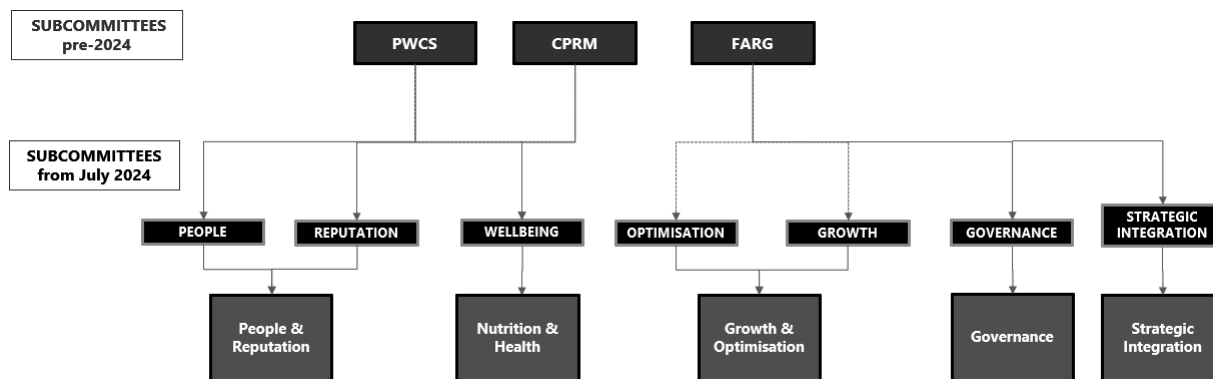
Board Charter

The Board's Charter contains procedures for assessing independence and any disclosure of interests that should be assessed by the Board. Board Members are required at each meeting to declare any material personal interest or conflict.

Board Configuration

In accordance with section 60 of the *Aboriginal and Torres Strait Islander Communities (Justice, Land and Other Matters) Act 1984*, the CEQ Board is comprised of at least five (5), but not more than ten (10) members appointed by the Minister.

The Board has worked on refreshing the organisation’s strategy over the year, developing new strategic pillars and pillar-related Board subcommittees to come into effect from 1 July 2024 as per below.



For the 2023/2024 financial year, the Board had the following subcommittees that reported to it regularly:

Finance, Audit, Risk and Governance Committee – FARG

The FARG ensured that internal control, risk management framework, and governance were compliant and appropriate for the organisation. It monitored the ongoing financial performance of CEQ and was responsible for ensuring audit recommendations were addressed. The Committee was also responsible for reviewing the financial accounts before their release. The FARG had the added task of developing and monitoring the financial section of the CEQ Annual Strategy Action Plan. The FARG fulfilled the statutory role of an Audit Committee.

People, Workplace Culture and Safety Committee – PWCS

The PWCS considered matters concerning safety, the management and remuneration of CEQ team members, human resources, and industrial relations. Its focus was the appropriateness of any new or amended human resource policy, remuneration, performance and appropriate recognition, training programs for team members and termination and recruitment of team members. The PWCS was also tasked with developing and overseeing the People and Workplace Culture section of the CEQ Annual Strategy Action Plan.

Community, Public Relations and Marketing Committee - CPRM

The Community and Public Relations Committee was established to assist the Board in delivering services within an appropriate community understanding and public relations framework. The Committee reviewed specific aspects of community engagement and learning, including the community's engagement in strategic matters and enhancement of health and well-being in the community.

Meeting attendance 1 July 2023 – 30 June 2024

Member	Board	FARG	CPRM	PWCS	Flying Minutes	Total Attended
Claire Alexander	5	10			6	21
Mark Wenitong	4	1	3	1	5	14
Leah Cameron	7	10		2	5	24
Fraser Nai	6		4		5	15
Mislam Sam	4	6	1	1	4	16
Chris Edwards	4	2			4	10
Tracey Groves	4	2		1	4	11
Carrie Starkings	4	1	1	1	4	11
Clara Tamu	4				3	7
Joann Schmider	7	2	4	3	6	22

- The Board subcommittees are committees of review only, with any resolutions requiring ratification by the full Board.
- 'Flying Minutes' are those minutes of the Board that occur when there is no Board meeting, but the majority of the Board gives written agreement.

Payments to Board Members

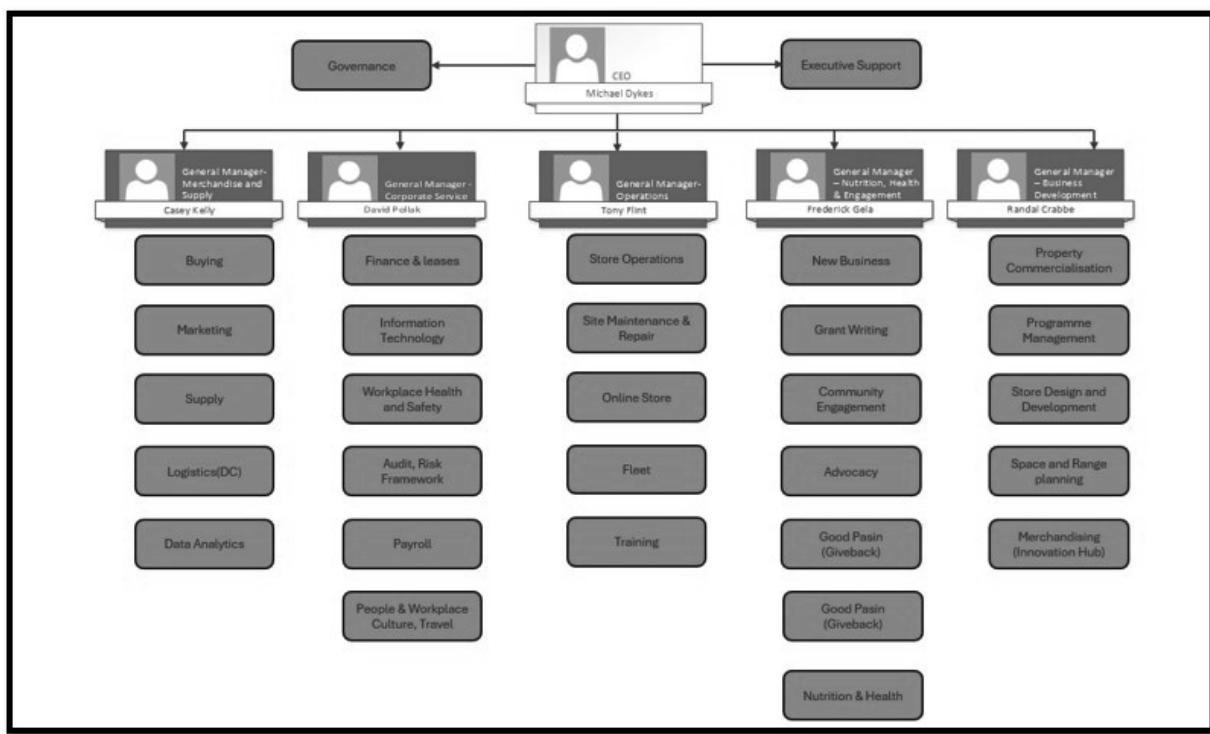
Payments to the CEQ Board are in accordance with the Remuneration Procedures for Part-Time Chairs and Members of Queensland Government Bodies, being:

- Chairperson (Annual Fees): \$35,000 (\$55,000 from 6 June 2024)
- Member (Annual Fees): \$15,000 (\$27,500 from 6 June 2024)
- Sub-Committee Chairperson (Annual Fees): \$2,500 (\$3,250 from 6 June 2024)
- Sub-Committee Member (Annual Fees): \$2,000 (\$2,500 from 6 June 2024).

Family Name	Given Name	Board and Committee Positions	Payments
Alexander	Claire	Member	\$20,039
Cameron	Leah	Member; Chair FARG Committee	\$24,866
Edwards	Christopher	Member since December 2023	\$9,327
Groves	Tracey	Member since December 2023	\$9,356
Nai	Ted (Fraser)	Member	\$20,002
Sam	Mislam	Member; Chair PWCS Committee	\$5,780
Schmider	Joann	Member; Chairperson	\$42,185
Starkings	Carrie	Member since December 2023	\$15,721
Tamu	Clara	Member since December 2023	\$9,327
Wenitong	Mark	Member; Chair CPRM Committee	\$11,453

- Mislam Sam, as Mayor, was ineligible for board remuneration until April 2024 due to being considered a Queensland public sector employee as defined by the remuneration procedures for part-time chairs and members of Queensland Government bodies.
- All payments are at accrued amounts.

Organisational Structure



Executive Management

Mr Michael Dykes

Chief Executive Officer—Michael is passionate about being involved with a community-based organisation and brings extensive experience in senior leadership for many large retail organisations worldwide.

Most recently, Michael worked with the Arnhem Land Progress Association (ALPA) in the Northern Territory and Queensland, serving some of Australia's most remote communities.

Henley Business School – Retail Executive; Diploma of Design Thinking; AICD Member; Advisory Board Member (iLi – Australia); Past Board Director for Manapan Furniture, Island & Cape Retail, 506.

Appointed 2022.

Mr David Pollak

General Manager of Corporate Services – experience in service provision across finance, human resources, transport, asset management and information technology within the private and public sectors.

Bachelor of Business, Accounting; Diploma of Advanced Management Practice.

Appointed 2024.

Mr Anthony (Tony) Flint

General Manager of Operations with over 25 years of retail experience in mainstream and remote communities. Tony also has three years of experience in training and mentoring roles in remote communities.

Certificate IV in Training & Assessment; Certificate IV in Retail.

Appointed 2017.

Mr Fred Gela

General Manager of Nutrition, Health and Engagement. Genealogical connections and bloodline Peidu and Samsep Erub, Kaurareg, Ngela Solomons, Gaidai Parama PNG, Butchulla Fraser Island. Fred is a former CEQ Board Member and the former Mayor of TSIRC, with 19 years of experience in public service advocating at the national, state, regional and local levels, brokering and delivering positive life-changing outcomes for Aboriginal and Torres Strait Islander people.

Advanced Diploma in Business Administration; Certificate II in Housing; Advanced Diploma Local Government.

Appointed 2020.

Ms Casey Kelly

General Manager of Merchandise and Supply with over 22 years of retail experience in mainstream and remote locations, Casey is also experienced in the nuances of logistics and supply to remote retail stores.

Certificate IV in Retail Management; Certificate III in Retail Operations

Appointed 2017.

Mr Randal Crabbe

General Manager of Business Development with over 40 years in mainstream corporate, independent and remote retail.

Diploma in Management; Certificate IV in Retail Management; Certificate IV in Project Management.

Appointed 2010.

Financial Performance

In accordance with the *Financial Accountability Act 2009* and *Financial and Performance Management Standard 2019*, the following applies:

- The financial records of the statutory body have been properly maintained throughout the year ended 30 June 2024 in compliance with prescribed requirements; and
- The risk management and internal compliance and control systems of the statutory body relating to financial management have been operating efficiently, effectively and economically throughout the financial year.

There were several key highlights for the business over the financial year. These highlights included:

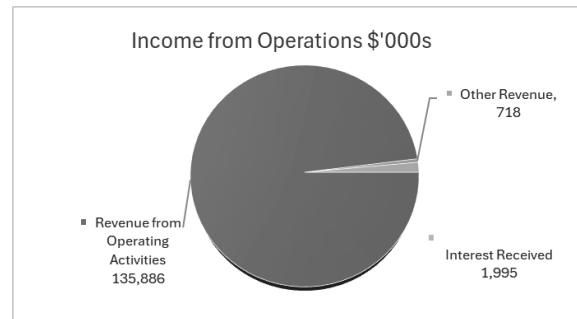
- Strong sales results across several stores.
- Weathering the storms and additional airfreight costs associated with a

particularly challenging and long wet season;

- Completion of capital works; and
- Delivering on CEQ’s commitment to provide goods and services at affordable prices.

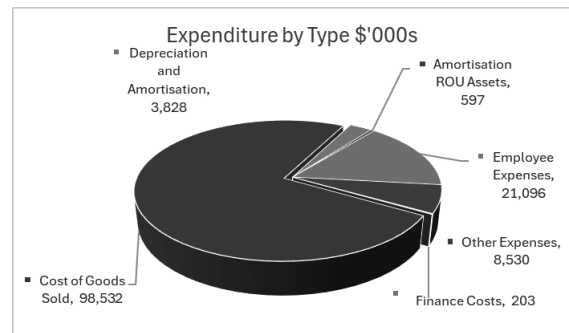
Operating Result

CEQ continues to perform strongly year on year. From an operating result perspective (excluding capital revaluations), CEQ produced a net result of \$5.8M. Strong Income of \$138.6M backed this. This Income figure is up on the previous year and was distributed in the following manner:



Note: other revenue includes property rentals and grants

Expenses were distributed in the following manner:

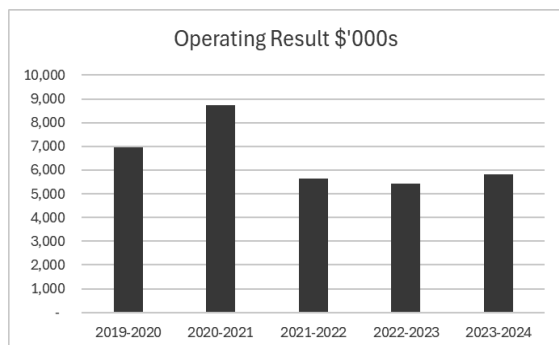


71% of CEQ expenses are Cost of Goods Sold, being \$94.0M. Employee expenses are the next major expense category at \$21.1M, or 16% of total expenses.

Major lines in other expense items and supplies and services include:

Expense Items > \$400K	\$'000
Electricity	2,059
Insurance	697
Rates	443
Repairs and maintenance	3,808
Lease expenses	671

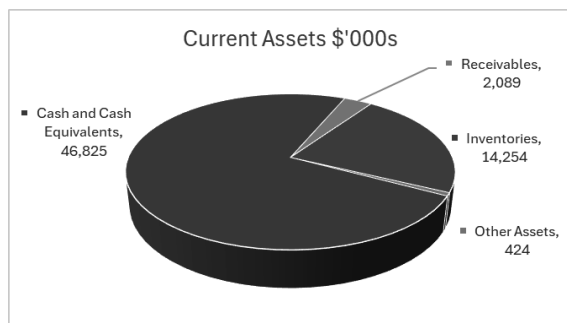
Net Result over Time



The net result of \$5.8M is 4.2% of turnover and in accordance with the business's established norms.

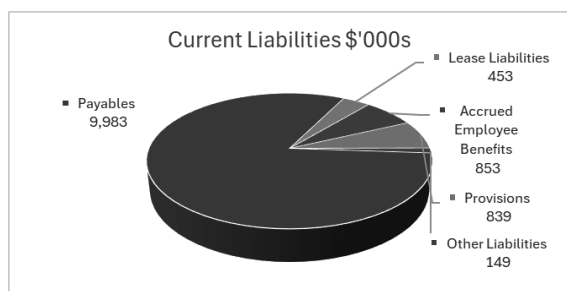
Balance Sheet - Assets

Current assets are \$63.6M, of which \$46.8M is cash and cash equivalents.



Balance Sheet - Liabilities

At the end of the financial year, CEQ had current liabilities of \$12.2M, of which \$9.9M was Trade Creditors



Non-Current Balance Sheet Items

The total non-current assets were \$65.6M, of which \$60.3M was Property, Plant, and Equipment. The total non-current liabilities were \$5.8M, of which \$5.6M were lease liabilities in accordance with accounting standards.

Financial ratios at a glance

Ratio	2024	2023
Liquidity (Quick) – working capital	4.02	3.97
Efficiency – gross profit margin	30%	30%
Efficiency – operating profit margin	4.3%	4.5%
Return on asset	5.2%	5.3%

CEQ continues to exhibit a strong balance sheet (low debt) coupled with stable returns. Due to the community service obligation of CEQ, commercial returns are kept intentionally low due to the targeted pricing of goods and services.

Capital Expenditure

CEQ invested heavily in capital expenditure during the financial year. The table below identifies capital expenditure in the current and previous years.

Year	Capital Expenditure \$'000
2019-20	1,354
2020-21	4,128
2021-22	4,174
2022-23	1,840
2023-24	10,515

Note: Excludes Work in Progress.

Capital expenditure for the financial year was delivered in the following manner

Capital expenditure by asset class: \$'000	
Buildings	8,775
Plant and equipment	1,740
Total Capital Expenditure	10,515

Note: Motor vehicles are classified as Plant and Equipment in the Financial Statements.

Compliance and Audit

Compliance risk and mitigation are at the forefront of CEQ operations. CEQ has several overarching management documents to aid compliance across active risk types; these documents are:

- Financial Management Practice Manual Control Document
- Human Resources Induction Manual
- Human Resources Corporate Manual
- Cultural Awareness Manual
- Operational Plan
- Operations Manual (Retail Computer System Manual)
- Administration Manual (Computerised Administration Manual)
- Enterprise Risk Register

The CEQ Food Safety Program was developed in 2008 to ensure that CEQ complies with the requirements of the *Safe Food Act 2006* and the Food Safety Standards of the Australia New Zealand Food Standards Code. The program is continually refined and updated as per legislative requirements. All CEQ stores have the same compliance requirements integrated into their operations where appropriate.

Internal Audit

During the financial year, Grant Thornton (a provider of independent assurance, tax and advisory services) was engaged as CEQ's Internal Auditor. The role and function of Internal Audit at CEQ is to:

- Provide a risk-weighted Internal Audit Plan for a three-year rolling period.
- Undertake audits in accordance with that plan.

Specifically, Internal Audit is required to:

- Assess the internal control environment and whether systems are controlled and working effectively.
- Assess whether financial, managerial and operating information is accurate, reliable and timely.
- Assess team members' actions comply with policies, procedures and applicable laws and regulations.
- Assess whether resources are acquired economically, used efficiently and adequately protected.
- Assess whether major programs, plans and objectives are achieved.
- Report on systems of quality and provide recommendations for continuous improvement.
- Review management responses to significant legislative and regulatory requirements impacting CEQ for completeness.
- Report on observations or suggestions about any matters arising from audits or related matters that should be brought to the Board's attention.

The Internal Audit Plan was developed based on CEQ's enterprise risk register. During the financial year, a wide-ranging review was completed on Human Resources and Payroll.

Grant Thornton has internal quality processes that are reviewed to ensure no conflicts of interest. Grant Thornton confirmed that they do not have, or are likely to acquire, engagements that may give rise to any actual or perceived conflict of interest with any services required in connection with the CEQ engagement.

In accordance with the provisions of the *Auditor-General Act 2009* and the *Financial Accountability Act 2009*, the Queensland Audit Office is CEQ's external auditor. The Queensland Audit Office is responsible for providing Queensland's Parliament with assurances on the adequacy of CEQ's discharge of its financial and administrative obligations.

Ethical Behaviour

As a public sector entity, CEQ must have its Code of Conduct endorsed by the responsible authority described by the Act. Approval was sought on 14 July 2011, and endorsement was granted on 24 October 2011.

Existing team members are trained to understand the Public Sector Ethics Act 1994 and the CEQ Code of Conduct. New team members are provided with the Code of Conduct as part of the induction process, and it is made available to all team members on the CEQ intranet. CEQ’s focus on our Values reinforces ethical behaviour, showing workplace culture alongside Code of Conduct compliance.

Human Rights

CEQ respects, protects, and promotes the human rights of all Queenslanders. It is building a culture of human rights by changing policies and procedures to highlight them, ensuring that human rights are central to its work in line with the Human Rights Act 2019 (Qld).

During the reporting period, CEQ received no human rights complaints.

Modern Slavery Act 2018

CEQ is committed to ensuring that our suppliers’ employees are provided with good working conditions and treated with dignity and worth. CEQ customers expect high service levels and expect CEQ to act ethically in its behaviours. CEQ requires supplier contracts to include statements on both their employee(s) and supplier chain demonstrating compliance with the Modern Slavery Act legislative compliance.

Other Reporting Requirements

Overseas travel

Neither Board Members nor team members undertook any overseas travel.

Consultants

During this financial year, the following consultants were engaged to provide a range of services:

Consultancy Category	Expenditure (\$'000s)
Consultants – Management including Legal	205
Consultants - Communications	73
Consultants - Finance/accounting	14
Consultants - Professional/technical	297
Total	589

s60V Minister’s power to give direction

CEQ received no directions during the reporting period.

Information Systems and Record-Keeping

As a Queensland Government agency, CEQ meets the accountability requirements of the *Public Records Act 2002*, including the General Retention and Disposal Schedule (GRDS) and Information Standard 31: Retention and Disposal of Public Records.

During the 2023-2024 financial year, CEQ undertook several large ICT projects to improve efficiencies and cyber security:

Cloud Migration Project

CEQ completed the migration of all corporate data and critical server workloads into two new Cloud Computing platforms, Pronto Cloud and Microsoft Azure. This project required incredible effort and focus over 12 months. The business did not experience any outages or downtime during the migration, which is a testament to the project’s planning and management.

Key benefits that CEQ can now leverage through the Microsoft Azure Cloud computing platform:

- High Availability – 99.95% uptime
- High Scalability – scale resources up and down as needed
- Robust Security Profile – aligned with strict security and compliance standards
- Disaster Recovery+Back-Up, end-to-end, secure, resilient disaster recovery services.

Pronto Cloud provides a scalable, resilient, maintenance-free infrastructure and platform-managed

solution. Some key advantages of this solution are:

- Proactive monitoring and support
- Regular system administration
- Database administration
- Patches and upgrades.

Security Platform Upgrade Project

Over the past 12 months, the CEQ IT Team has also been migrating to a new end-to-end Palo Alto security and network platform. The new platform comprises next-generation firewalls, cloud-hosted firewall as a service (FWaaS), physical branch firewall appliances, and the latest endpoint agents with leading-edge threat detection and response technologies.

This project has strengthened CEQ's security position, allowing it to continue working towards its security targets (aligning itself with the Queensland Government's 'Essential 8' and 'Zero Trust' security frameworks). Some key benefits and features of the new Palo Alto security platform include:

- Next-Generation Antivirus and Firewalling
- Endpoint Protection
- Advance Powered Detection and Response
- Fault Tolerant Network
- Application Performance Monitoring
- Advanced Network Insights
- 'Always On' VPN Protection
- Dynamic Vulnerability Assessment.

Server Rollout Project

Another significant project recently completed was the rollout of new back-office server hardware across all CEQ stores. In addition to a new server, stores received a new back-office PC, allowing all stores to use Microsoft Teams and join meetings when required. The new servers have been deployed with resilience and reliability in mind. The servers have the following features:

- Redundant power supplies.
- Redundant hot-swappable hard drives.
- Enterprise management controller for improved remote management.

Smart Retail Launch

March this year saw the beginning of the rollout to all IBIS and ABIS stores of 'Smart Retail'—an upgraded, more functional version of Grocery Manager. The first step involved extensive planning and travelling by the IT Team to install new equipment in preparation for the migration from Grocery Manager to the Smart Retail system. This will be live in all stores by July.

Glossary

Acronym	Description
ABIS	Aboriginal Business Industry and Service
AICD	Australian Institute of Company Directors
CEO	Chief Executive Officer
CEQ	Community Enterprise Queensland
CHH	Community Home and Hardware
COAG	Council of Australian Governments
COGS	Cost of Goods Sold
CPRM	Community, Public Relations and Marketing Committee
PWCS	People, Workplace Culture and Safety Committee
FAA	Financial Accountability Act
FAICD	Fellow of the Australian Institute of Company Directors
FARG	Finance, Audit, Risk and Governance Committee
FMPM	CEQ Financial Management Practice Manual
FMCG	Fast-Moving Consumer Goods
FTE	Full Time Equivalent
GAICD	Graduate of the Australian Institute of Company Directors
GBK	Gur A Baradharaw Kod Torres Strait Sea and Land Council
IBIS	Trading name - Islanders Board of Industry and Service of the IIB
IIB	Island Industries Board
ILUA	Indigenous Land Use Agreement
LGA	Local Government Authority
MBA	Masters Degree in Business Administration
NACCHO	The National Aboriginal Community Controlled Health Organisation
NAIDOC	National Aborigines and Islanders Day Observance Committee
NPA	Northern Peninsula Area, Cape York
PBC	Prescribed Body Corporate
TSC	Torres Shire Council
TSIRC	Torres Strait Island Regional Council

Annexure 1 – Annual Financial Statements

Community Enterprise Queensland

Financial **Statements**
For the **year ended 30 June 2024**

Community Enterprise Queensland
Financial Statements
For the Year Ended 30 June 2024

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General Information

These financial statements cover Community Enterprise Queensland, formerly known as the Island Industries Board.

Community Enterprise Queensland (CEO) is a statutory body established under the *Aboriginal and Torres Strait Islander Communities (Justice, Land and Other Matters) Act 1984*.

The statutory body is controlled by the State of Queensland which is the ultimate parent.

The corporate support office and principal place of business of the statutory body is:

269 Mulgrave Road
WESTCOURT QLD 4870

A description of the nature of the statutory body's operations and its principal activities is included in the notes to the financial statements.

For information in relation to the statutory body's financial statement please call the General Manager Corporate Services on (07) 4050 4300.

Amounts shown in these financial statements may not add to the correct sub-totals due to rounding.

**COMMUNITY ENTERPRISE QUEENSLAND
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2024**

		2024	2023
		\$'000	\$'000
Operating Result			
Income	Note		
Revenue	3(a)	135,886	121,079
Interest		1,995	1,307
Grants and other contributions	3(b)	254	441
Other revenue		424	432
Gains on disposal and remeasurement of assets		40	13
Total Income		138,599	123,272
Expenses			
Supplies and services	4	98,532	87,260
Depreciation on property, plant and equipment (PPE)	10	3,828	3,205
Amortisation of right-of-use assets (ROU)	12	597	713
Employee expenses	5	21,096	19,277
Other expenses	6	8,530	7,173
Finance/borrowing costs	12	203	225
Total Expenses		132,786	117,853
Operating result for the year		5,813	5,419
Other Comprehensive Income			
<i>Items that will not be reclassified subsequently to Operating Result</i>			
Increase in asset revaluation surplus	15	2,961	5,411
Total for items that will not be reclassified to operating result		2,961	5,411
Total other Comprehensive Income		2,961	5,411
Total Comprehensive Income		8,774	10,830

The accompanying notes form part of these statements.

COMMUNITY ENTERPRISE QUEENSLAND
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024

		2024	2023
		\$'000	\$'000
	Note		
Current assets			
Cash and cash equivalents	7	46,825	41,390
Receivables	8	2,089	1,499
Inventories	9	14,254	13,286
Other assets		424	779
Total current assets		63,592	56,954
Non-current assets			
Property, plant and equipment	10	60,294	56,738
Right-of-use assets	12	5367	6,083
Total non-current assets		65,661	62,820
Total assets		129,253	119,774
Current liabilities			
Payables	11	9,983	8,815
Lease liabilities	12	453	518
Accrued employee benefits	13	853	858
Provisions	14	839	694
Other liabilities		149	103
Total current liabilities		12,277	10,988
Non-current liabilities			
Lease liabilities	12	5,624	6,189
Provisions	14	197	215
Total non-current liabilities		5,821	6,404
Total liabilities		18,098	17,392
Net assets		111,155	102,382
Equity			
Accumulated surplus		78,760	72,948
Asset revaluation surplus	15	32,395	29,434
Total equity		111,155	102,382

The accompanying notes form part of these statements.

COMMUNITY ENTERPRISE QUEENSLAND
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2024

	Accumulated Surplus	Asset Revaluation Surplus (Note 15)	TOTAL
	\$'000	\$'000	\$'000
Note			
Balance as at 1 July 2022	67,527	24,023	91,551
Operating result	5,419		5,419
Other comprehensive income			
- Increase in asset revaluation surplus		5,411	5,411
Total comprehensive Income for the year	5,419	5,412	10,831
Balance as at 30 June 2023	72,946	29,435	102,382
Balance as at 1 July 2023	72,946	29,435	102,382
Operating result	5,813	0	5,813
Other comprehensive income			
- Increase in asset revaluation surplus	0	2,961	2,961
Total comprehensive Income for the year	5,813	2,961	8,774
Balance as at 30 June 2024	78,759	32,396	111,155

The accompanying notes form part of these statements.

COMMUNITY ENTERPRISE QUEENSLAND
STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED 30 JUNE 2024

		2024	2023
		\$'000	\$'000
	Note		
C&sh flows from operating activities			
<i>Inflows:</i>			
Receipts from customers		135,107	120,822
GST input tax credits from ATO		7,871	7,489
GST collected from customers		8,591	7,586
Grants and other contributions		254	441
Interest receipts		1,995	1,307
<i>Outflows:</i>			
Employee expenses		(20,974)	(19,391)
Supplies and services		(105,775)	(93,573)
GST paid to suppliers		(8,030)	(7,409)
GST remitted to ATO		(8,458)	(7,579)
Net cash provided by operating activities	19	10,581	9,693
Cash flows from investing activities			
<i>Inflows:</i>			
Sales of property, plant and equipment		72	13
<i>Outflows:</i>			
Payments for property, plant and equipment	10	(4,504)	(7,982)
Net cash (used in) investing activities		(4,432)	(7,969)
Cash flows from financing activities			
<i>Outflows:</i>			
Lease payments	19	(114)	(809)
Net cash (used in) financing activities		(114)	(809)
Net increase in cash and cash equivalents		5,435	914
Cash and cash equivalents at beginning of financial year		41,390	40,476
Cash and cash equivalents at end of financial year	7	46,825	41,390

This accompanying notes form part of these statements.

COMMUNITY ENTERPRISE QUEENSLAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

NOTES TO THE FINANCIAL STATEMENTS

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COMMUNITY ENTERPRISE QUEENSLAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

1. **Basis of Financial Statement Preparation**

a) **General Information**

Community Enterprise Queensland ("CEQ") is a statutory body established under the *Aboriginal and Torres Strait Islander Communities (Justice, Land and Other Matters) Act 1984* and controlled by the State of Queensland, which is the ultimate parent

The corporate support office and principal place of business is 269 Mulgrave Road, Westcourt QLD 4870.

b) **Compliance with Prescribed Requirements**

CEQ has prepared these financial statements in compliance with section 38 of the *Financial and Performance Management Standard 2019*, and the *Australian Charities and Not-for-profits Commission Act 2012*, and the *Australian Charities and Not-for-profits Commission Regulations 2022*. The financial statements comply with Queensland Treasury's Minimum Reporting Requirements for reporting periods beginning on or after 1 July 2023.

CEQ 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.

There were no new standards adopted during the year.

c) **Presentation**

(i) **Currency and Rounding**

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.

(ii) **Comparatives**

Comparative information reflects the audited financial statement for period ended 30 June 2023, except where restated as necessary to be consistent with disclosures in the current reporting period.

Current/Non-Current Classification

Assets and liabilities are classified as either 'current' or 'non-current' in the Statement of Financial Position and associated notes.

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 entity does not have an unconditional right to defer settlement beyond 12 months after the reporting date. Other current assets include prepayments.

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

(iii) **Authorisation of Financial Statements for Issue**

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

(iv) **Basis of Measurement**

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

- Land and buildings 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;
 - Inventories which are measured at the lower of cost or net realisable value; and
- Lease liabilities which are measured at present value of future minimum non-cancellable lease payments including options reasonably expected to be taken up.

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.

COMMUNITY ENTERPRISE QUEENSLAND
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2024

Fair Value

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 (e.g. an exit price) regardless of whether that price is directly derived from observable inputs or estimated using another valuation technique.

Present Value

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

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

2. Objectives

The objective of CEO is to act as an enterprise providing essential services for the general convenience of the Torres Strait region and mainland communities where CEQ has a presence. CEQ provides communities with access to a range of food, drinks and household items essential for a healthy life at a fair price. CEQ goals include promoting, supporting and improving services and the general welfare (including knowledge and skills) of the community members where it operates. CEO achieves its goals through market channels being IBIS grocery (including fuel sales), ABIS grocery and Community Home & Hardware.

3. Revenue

a) Operating Activities

	2024	2023
	\$'000	\$'000
Sale of goods	132,705	119,125
Remote Communities Freight Assistance Scheme	1,171	0
Rebates	1,476	1,374
Commissions received	0	3
Other	534	577
Total	135,886	121,079
	2024	2023
	\$'000	\$'000
Sale of Goods by Market Channels including Freight Assistance		
IBIS - Islanders Board of Industry and Service	80,333	70,347
ABIS - Aboriginal Business, Industry and Service	41,278	37,556
CHH - Community Home and Hardware	12,265	11,222
Total	133,876	119,125

Recognition and Measurement

The Queensland Rural and Industry Development Authority (QRIDA) oversees The Remote Communities Freight Assistance Scheme, that aims to alleviate the financial burden of freight costs on essential goods that are otherwise passed on to consumers in remote North Queensland communities. To achieve this, eligible purchases by consumers at qualified and authorised businesses receive discount assistance as a form of subsidy, which QRIDA subsequently reimburses to the enterprise. CEQ recognises the discount assistance as revenue in the reporting period in which the discount is realised.

**COMMUNITY ENTERPRISE QUEENSLAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

Accounting Policy - Goods Sold and Other Income

Revenue from the sales of goods is recognised on transfer of the goods to the customer, which is the sole performance obligation. Services provided by CEQ are recognised as revenues when the services are performed in accordance with MSB15.

b) Grants and other contributions

	2024	2023
	\$ '000	\$ '000
Revenue from contracts with customers		
State Government Grants	254	174
Specific Purpose Capital Grants		
Commonwealth Grants	0	267
Total	254	441

Accounting Policy - Grants and other contributions

Grants, contributions and donations are non-reciprocal transactions where CEQ does not directly give approximately equal value to the grantor.

Where the grant agreement is enforceable and contains sufficiently specific performance obligations for CEQ 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 MSB 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 or acquire non-financial assets to be controlled by CEQ. Special purpose capital grants are recognised as unearned revenue when received, and subsequently recognised progressively as revenue as CEQ satisfies its obligations under the grant through construction or purchase of the asset.

Disclosure - Grants and other contributions

CEQ has three grant arrangements with the Queensland Government and its related entities.

For the Gather + Grow project that relates to funding of activity-based services.

The Queensland Recycling Modernisation Fund (QRMF) was established in response to the Council of Australian Governments' (COAG) decision to transform Australia's waste and recycling industry, by allocating financial resources specifically for the enhancement and expansion of recycling container infrastructure. The QRMF, serves as a dedicated financial mechanism to drive the transformation of waste management practices and promote sustainable recycling initiatives across the state of Queensland.

The Department of Employment, Small Business and Training of the Queensland State Government provide **paid** employment opportunities to disadvantaged Queenslanders. All three grants have been duly recognized as bearing specific performance obligations within the framework of a legally binding grant agreement.

COMMUNITY ENTERPRISE QUEENSLAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

4. **Supplies and Services**

	2024	2023
	\$'000	\$'000
Bank fees and charges	295	267
Board meeting expenses	162	208
Consultants and contractors	683	686
Employee recruitment/training/relocation expenses	267	201
Employee uniforms	42	32
Freight	166	122
Inventories consumed	94,019	83,353
Lease expenses*	671	542
Legal fees	115	57
Postage	9	8
Stationery	147	74
Telephone and communications	858	958
Travel	1,098	752
Total	98,532	87,260

Lease expenses

*Lease expenses relate to leases of low value assets, short-term and variable lease payments. Refer to Note 12 for disclosures.

5. **Employee Expenses**

	2024	2023
	\$'000	\$'000
Employee Benefits		
Wages and salaries	18,620	16,990
Employer superannuation contributions	1,968	1,770
Other employee benefits	215	282
Employee Related Expenses		
Workers' compensation premium	91	78
Other employee related expenses	202	157
Total	21,096	19,277

The number of employees as at 30 June including both full-time employees and part-time employees measured on a full-time equivalent basis is:

Number of employees	260	248
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Employer superannuation contributions, annual leave and long service leave are regarded as employee benefits.

Accounting Policy - Workers' Compensation Premiums

CEQ pays premiums to WorkCover Queensland in respect of its obligations for employee compensation. Workers' compensation Insurance is not an employee benefit but is recognised separately as an employee related expense.

Accounting Policy - Wages and Salaries

Wages and salaries due but unpaid at the reporting date are recognised in the Statement of Financial Position at the current salary rates. As CEQ expects such liabilities to be wholly settled within 12 months of reporting date, the liabilities are recognised at undiscounted amounts.

COMMUNITY ENTERPRISE QUEENSLAND
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Accounting Polley- Sick Leave

Prior history Indicates that on average, sick leave taken at each reporting period is less than the entitlement accrued. This is expected to continue in future periods. As sick leave is non-vesting, an expense is recognised for this leave as it is taken.

Accounting Policy - Superannuation

The default fund of CEO is QSuper, the superannuation plan for Queensland Government employees. Employees have the right to choose to have their employer contributions paid to other qualifying funds and some employees have exercised this right. Contributions are expensed in the period in which they are paid or payable. CEO's obligation is limited to the superannuation guarantee charge.

Key management personnel and remuneration disclosures are detailed in Note 22(a).

6. Other Expenses	2024	2023
	\$'000	\$'000
Advertising	51	58
Audit fees*	98	74
Bad debts	11	59
Conference costs	0	203
Donations	0	116
Electricity	2,059	1,619
Equipment hire	41	51
Events sponsorships	643	109
Insurance	697	572
Licences and fees	168	175
Net loss from disposal of property, plant and equipment	45	8
Rates	443	414
Repairs and maintenance	3,808	3,254
Security	2	0
Trade expenses	303	313
Vehicle operating expenses	161	148
Total	8,530	7,173

Audit Fees

*Total audit fees incurred by the Queensland Audit Office relating to the financial statements are \$112,510 (2023: \$110,222).

COMMUNITY ENTERPRISE QUEENSLAND
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2024

7. **Cash and Cash Equivalents**

	2024	2023
	\$'000	\$'000
Cash at bank and on hand	14,259	4,812
QTC working capital facility	2	2
QTC cash fund	32,564	36,576
Total	46,825	41,390

Cash deposited with the Queensland Treasury Corporation earned interest at rates of **4.82%** (2023: 4.23%) on the cash fund facility and 4.35% (2023: 4.10%) on the working capital facility.

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. Cash and cash equivalents also include Investments with short periods to maturity that are readily convertible to cash and that are subject to a low risk of change in value.

8. **Receivables**

	2024	2023
	\$'000	\$'000
Trade debtors	1,653	1,218
Less: Loss allowance	(21)	(11)
	<u>1,632</u>	<u>1,207</u>
GST Payable	(779)	(646)
GST Receivable	831	672
	<u>52</u>	<u>26</u>
Other	405	266
Total	2,089	1,499

Accounting **Policy** - Receivables

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

Trade debtors are recognised at the nominal amounts due at the time of sale or service delivery. Settlement of these amounts is required within 30 days from statement date.

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

COMMUNITY ENTERPRISE QUEENSLAND
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Impairment of Receivables

Accounting Policy - Impairment of Receivables

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 CEQ's debtors along with relevant industry and statistical data where applicable.

Where CEO 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 occurs when the debt is over 120 days past due and CEO has ceased enforcement activity. If the amount of debt written off exceeds the loss allowance, the excess is recognised as an impairment loss.

Disclosure - Credit Risk Exposure of Receivables

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 CEO's receivables.

CEO uses a provision matrix to measure the expected credit losses on their trade debtors. The calculations reflect historical observed default rates using credit losses experienced on past sales transactions during the last 3 years preceding 30 June 2024. The historical default rates are then adjusted by reasonable and supportable forward-looking information for expected changes in macroeconomic indicators that affect the future recovery of those receivables. For CEO, a change in the unemployment rate is determined to be the most relevant forward-looking indicator for the receivables. Actual credit losses over the 3 years preceding 30 June 2024 have been correlated against changes in the unemployment rate. Based on those results, the historical default rates are adjusted based on expected changes to that indicator.

CEO has not recognised any loss allowance under MSB 9 for receivables from another Government agency on the basis that Queensland Treasury's expectation that the impairment would be negligible and therefore immaterial.

Set out below is the credit risk exposure on the CEO's trade debtors (excluding receivables from other Government agencies).

Impairment of Receivables

	Gross Receivables	2024 Loss Rate	Expected Credit Losses \$'000	Gross Receivables	2023 Loss Rate	Expected Credit Losses \$'000
Overdue	\$'000	%	\$'000	\$'000	%	\$'000
Less than 30 days	1,000	0.39	4	874	0.60	5
30 to 60 days	203	1.18	2	201	2.03	4
SO to 90 days	38	4.39	2	22	7.03	1
Greater than 90 days	56	24.02	13	3	7.18	0
Total overdue	1,297		21	1,100		11

9. Inventories

	2024	2023
	\$'000	\$'000
Inventories on hand	12,726	12,564
Inventories in transit	1,528	722
Total	14,254	13,286

Accounting Policy - Inventories

Inventories held for sale are valued at the lower of cost or net realisable value.

For non-electrical items included in inventory, cost is assigned on a weighted average basis and includes expenditure incurred in acquiring the inventories and bringing them to their existing location, except for training costs which are expensed as incurred.

**COMMUNITY ENTERPRISE QUEENSLAND
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Costs in respect of electrical items included in inventory through the Beta franchise are assigned on a first in first out basis and includes expenditure incurred in acquiring the inventories and bringing them to their existing location, except for training costs which are expensed as incurred.

Net realisable value is determined on the basis of CEO's normal selling pattern.

Expenses associated with marketing, selling and distribution are deducted to determine net realisable value.

CEO conducts stocktakes throughout the reporting period. Where a stocktake is not conducted at the end of the reporting period, a provision for expected shrinkage is made based on previously achieved stocktake shrinkage results.

Under current arrangements with CEO's suppliers, the risks and rewards of ownership of inventory transfer to CEO at the time the inventory is dispatched from the suppliers' warehouse. Accordingly, goods in transit have been brought to account as at 30 June 2024.

10. Property, Plant and Equipment and Depreciation Expense

(a) Closing Balances and Reconciliation of Carrying Amount

2024	Land	Buildings	Plant & Equipment	Work in Progress	Total
	Fair Value \$'000	Fair Value \$'000	Cost \$'000	Cost \$'000	
Gross	8,350	79,203	19,510	1,695	108,758
Less: Accumulated depreciation		{34,851}	{13,613}		{48,465}
	8,350	44,352	5,897	1,695	60,294
<i>Represented by movement in carrying amount:</i>					
Carrying amount at 1 July 2023	7,300	35,623	5,730	8,085	56,738
Acquisitions	380			4,124	4,504
Transactions expensed					
Disposals			(81)		(81)
Transfers between asset classes		8,775	1,740	(10,515)	
Net revaluation increments/ (decrements) in asset revaluation surplus	670	2,291			2,961
Depreciation expense		{2,336}	{492}		{2,828}
Carrying amount at 30 June 2024	8,350	44,352	5,897	1,694	60,294
2023	Land	Buildings	Plant & Equipment	Work in Progress	Total
	Fair Value \$'000	Fair Value \$'000	Cost \$'000	Cost \$'000	
Gross	7,300	65,837	18,281	8,085	99,503
Less: Accumulated depreciation		{2,143}	{12,551}		{14,694}
	7,300	35,623	5,730	8,085	56,738
<i>Represented by movement in carrying amount:</i>					
Carrying amount at 1 July 2022	8,160	31,091	5,364	1,943	46,558
Acquisitions				8,158	8,158
Transactions expensed				(176)	(176)
Disposals			(8)		(8)
Transfers between asset classes		156	1,684	(1,840)	
Net revaluation increments/ (decrements) in asset revaluation surplus	(860)	6,271			5,411
Depreciation expense		{6,895}	{1,310}		{8,205}
Carrying amount at 30 June 2023	7,300	35,623	5,730	8,085	56,738

CEO has buildings constructed on leasehold Deed of Grant in Trust (DOGIT) land. This land is held in trust by the Torres Strait Island Regional Council (TSIRC) for the benefit of the peoples of the Torres Strait. Tenure to the various parcels of land is secured by way of a long-term lease from the TSIRC for a period of thirty years. Under Section 61 of the *Land Act 1994*, the trustee lease must not contain a covenant, agreement or condition to review the lease. All trustee leases are subject to the approval of the Minister for Resources ("the Minister").

When a lease is due to expire, TSIRC and CEO may negotiate a new lease and approach the Minister for approval of that lease. Such approval is not expected to be unreasonably withheld, provided the current lease has been complied with and the proposed lease is in accordance with the *Land Act 1994*. Of the thirteen stores constructed on DOGIT land, seven stores have

**COMMUNITY ENTERPRISE QUEENSLAND
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had 30 year trustee leases successfully negotiated with the remaining leases at various stages awaiting approval. All existing trustee leases are at peppercorn rates, therefore, no right-of-use asset and lease liability is recorded.

(b) Recognition and Acquisition

Accounting Policy - Recognition

Thresholds

Items of property, plant and equipment with a historical cost or other value equal to or in excess of the following thresholds in the year of acquisition are reported as Property, Plant and Equipment

	\$
Buildings and Infrastructure (including land improvements)	10,000
Land	1
Plant and Equipment	5,000

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

Land improvements undertaken by CEO are included within the building class.

Expenditure is only added to an asset's carrying amount if it increases the service potential or useful life of the existing asset. Maintenance expenditure that merely restores original service potential (lost through ordinary wear and tear) is expensed.

Accounting Policy - Cost of Acquisition

Historical cost is used for the initial recording of all Property, Plant and Equipment acquisitions. Historical cost is determined as the value given as consideration plus costs incidental to the acquisition, including all other costs incurred in getting the assets ready for use, including architects' fees and engineering design fees. However, any training costs are expensed as incurred.

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

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.

Where a non-current physical asset is acquired by means of a finance lease, the asset is recognised at the lower of the fair value of the leased property and the present value of the minimum lease payments. The lease liability is recognised at the same amount.

(c) Measurement using Historical Cost

Accounting Policy

Plant and equipment are measured at historical cost in accordance with Queensland Treasury's Non-Current Asset Accounting Policies. The carrying amounts for such plant and equipment are not materially different from their fair values.

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

(d) Measurement using Fair Value

Accounting Policy

Land, buildings and infrastructure are measured at fair value in accordance with Queensland Treasury's Non-current Asset Accounting Policies. These assets are reported at their revalued amounts, being the fair value at the date of valuation, less any subsequent accumulated depreciation and impairment losses, where applicable.

The cost of items acquired during the financial year has been determined by management of CEO to materially represent their fair value at the end of the reporting period.

Land and buildings at fair value are revalued on an annual basis either by appraisals undertaken by an Independent professional valuer, or by the use of appropriate and relevant indices.

Use of Specific Appraisals (comprehensive revaluations)

Revaluations based on independent valuer appraisals are undertaken at least once every five years. However, if a class of asset experiences significant changes in fair value, that class is subject to a comprehensive valuation in the reporting period, where practicable, regardless of the timing of the previous method of valuation. All classes carrying a fair value were last

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comprehensively valued as at 30 June 2023. A desktop valuation of land and buildings was undertaken as at 30 April 2024 by HelTon Todd White (RO) Pty Ltd (HTW). The results of the valuation are relected in the financial statements.

Materiality is considered in detennining whether the difference between the carrying amount and the fair value of an asset is material (in which case revaluation is wananted).

The fair values reported by CEO are based on appropriate valuation techniques that maximise the use of available and relevant observable inputs and minimise the u e of unobservable inputs (as defined in Note 16).

Use of Indices

Where assem have not been specifically appraised In the reporting period, the previous valuations are materially kept up-to-date via the application of relevant Indices, utilised by a registered valuer as part of an Independent appraisal. Management assesses the relevance and suitability of appraisal and any material movement In the valuation Is disclosed.

Accounting for Changes In Fair Value

Any revaluation increment arising on the revaluation of an asset is credited to the asset 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 class.

On revaluation, accumulated depreciation is re-stated proportionately with the change in the carrying amount of the asset and any change In the estimate of remaining life.

(e) Depreciation Expense

Accounting Policy

Land ii; not depreciated as it has an unlimited useful He.

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

Key Judgement

Straight line depreciation is used as that is consistent with the even consumption of future economic benefits over an assets useful life to CEQ.

For depreciable assets, residual value is determined ta be zero reflecting the estimated amount to be received an disposal at the end of their useful life.

Assets under construction (worl<-in-progress) are not depreciated until they reach service delivery capacity. Service delivery capacity relates to when the construction is complete and the asset is first put to use or is installed ready for use in accordance with its intended application. These assets are then reclassified ta the relevant classes within Property, Plant and Equipment

Where assets have separately identifiable components that are subject to regular replacement, these components are assigned useful lives distinct from the asset to which they relate and are depreciated aceordingly.

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

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 probable. The exception to this are the buildings located on land secured by way of native title trustae lease. These buildings are depreciated on a straight line basis so as to allocate the net cost or revalued amount of each asset, progressively over Its estimated useful life to CEQ, rather than the unexpired term of the native title lease. NaUve title leases are granted to CEQ Inltlatty on a 30 year term. It is expected the leases will be renegotiated at the end of the Initial 30 year term, on the basis the terms of the lease are compUed with.

For each class of depneceable assets, the following depreciation rates are used:

Class	Rate o/o
Buildings	2.6-33.3
Plant and equipment	5-50

**COMMUNITY ENTERPRISE QUEENSLAND
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(f) Impairment

Accounting Policy

All non-current physical assets carried at cost 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. If an indicator of possible impairment exists, CEO 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.

The asset's recoverable amount is determined as the higher of the asset's fair value less costs to sell and depreciated replacement cost.

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

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

When an asset is revalued using either a market or income valuation approach, any accumulated impairment losses at that date are eliminated against the gross amount of the asset prior to restating for the revaluation.

11. Payables

	2024	2023
	\$'000	\$'000
Trade creditors	8,232	6,496
Sundry creditors and accruals	1,751	2,319
Total	9,983	8,815

Accounting Policy - Payables

Trade creditors are recognised upon receipt of the goods or services ordered and are measured at the agreed purchase/contract price, gross of applicable trade and other discounts. Amounts owing are unsecured and are generally settled on 7 to 30 day terms.

12. Right-of-use Assets and Lease Liabilities

Leases as Lessee

Right-of-use assets	2024	2023
	\$'000	\$'000
Buildings		
Opening balance at 1 July	6,083	6,722
Amortisation charge	(597)	(713)
Disposals/derecognition	(118)	
Other adjustments		73
Closing Balance at 30 June	5,367	6,083

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NOTES TO THE FINANCIAL STATEMENTS
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Lease liabilities		
	2024	2023
	\$'000	\$'000
Current		
Lease liabilities	453	518
Non-current		
Lease liabilities	5,624	6,189
Total	6,077	6,707

Accounting Policies - Leases as lessee

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 residual costs.

Right-of-use assets are subsequently depreciated over the lease term and are 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 or a change in lease term.

CEQ 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.

CEQ has elected not to recognise right-of-use assets and lease liabilities arising from short-term leases, and leases of low value assets. Variable lease payments not based on an index are also excluded from right-of-use asset calculations. 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.

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

Impairment of right-of-use assets

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

For the year ending 30 June 2024 there were no indicators of impairment for right-of-use assets.

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 CEQ 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 CEQ under residual value guarantees;
- the exercise price of a purchase option that CEQ is reasonably certain to exercise; and
- payments for termination penalties, if the lease term reflects the early termination.

When measuring the lease liability, CEQ uses its incremental borrowing rate as the discount rate where the interest rate implicit in the lease cannot be readily determined. To determine the incremental borrowing rate, CEQ uses loan rates provided by Queensland Treasury Corporation that correspond to the commencement date and term of the lease.

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.

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Disclosures - Leases as lessee

(i) *Details of leasing arrangements as lessee*

Buildings

CEQ has various leases for buildings used for corporate support office, distribution centre, stores and employee accommodation. Some of these leases are low value leases.

Lease terms are varied, and some have renewal or extension options. The options are not included in the right-of-use asset or lease liability unless CEO is reasonably certain it will renew the lease.

The corporate support office location contains a variable lease component based on overhead's (utility charges). These payments are recognised as lease expenses when incurred (Note 4).

	2024	2023
	\$'000	\$'000
(i1J) Amounts recognised in profit or loss		
Interest expense on lease liabilities	203	225
Breakdown of 'Lease expenses' included in Note 4		
Expenses relating to short term leases	47	388
Expenses relating to leases of low value assets	108	105
Expenses relating to variable lease payments	86	50
(iii) Total cash outflow for leases	<u>874</u>	<u>768</u>

Accounting policies - Leases as lessor

CEQ recognises lease payments from operating leases as income on a periodic straight line basis over the lease term.

Disclosures - **Laasaa** as lessor

(i) *Details of leasing arrangements as lessor*

Land and Property Rentals

Certain components of CEQ owned properties and land are leased out under non-cancellable operating lease arrangements.

Lease income from operating leases is reported as 'Other revenue'. No amounts were recognised in respect of variable lease payments other than CPI or market rent reviews.

CEQ does not have any finance leases.

(ii) *Maturity analysis*

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

	2024	2023
	\$'000	\$'000
Less than 1 year	219	384
1 to 2 years	40	63
2 to 3 years	41	40
3 to 4 years	43	41
4 to 5 years	44	43
More than 5 years	139	182
Total	<u>526</u>	<u>753</u>

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13. Accrued Employee Benefits

	2024	2023
	\$'000	\$'000
Current		
Annual leave	853	858
Total	853	858

Accounting Policy- Annual Leave

Employee entitlements are accrued for annual leave in respect of services provided by employees up to the reporting date, having regard to remuneration rates, employment related on-costs and leave taken prior to the reporting date.

14. Provisions

	2024	2023
	\$'000	\$'000
Current		
Long Service Leave	839	694
Total	839	694
Non-Current		
Long Service Leave	197	215
Total	197	215

Accounting Policy- Provisions

The provision for long service leave represents CEQ's best estimate of the future benefit that employees have earned. The amount and timing of the associated outflows is uncertain and dependant on employees attaining the required years of service. Where CEQ no longer has the ability to defer settlement of the obligation beyond 12 months from the reporting date, liabilities are presented as current. This would usually occur when employees are expected to reach the required years of service in the 12 months from reporting date. The discount rate used to determine the present value of future benefits at 30 June 2024 was 4.24% (2023: 3.92%).

Where employees have met the prerequisite length of service and CEQ does not have an unconditional right to defer this liability beyond 12 months, long service leave is classified as a current liability; otherwise it is classified as non-current.

Disclosure - Provisions

CEQ has identified a potential liability related to the underpayment of wages to employees. Initial calculation by management estimates the underpayment at \$90,000 which is not considered material and has not been recognised as a provision. CEQ is currently in the process of determining the exact amount of underpayment and overpayment. Once this amount is quantified, CEQ will recognise the liability in its financial statements.

**COMMUNITY ENTERPRISE QUEENSLAND
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15. Asset Revaluation Surplus by Class

Accounting Policy

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

	Land \$'000	Buildings \$'000	Total \$'000
Balance 1 July 2022	2,274	21,749	24,023
Revaluation increments		6,271	6,271
Revaluation decrements	1,860		1,860
Balance 30 June 2023	1,414	28,020	29,434
Revaluation increments	67	2,291	2,961
Revaluation decrements			
Total	670	2,291	2,961
Balance 30 June 2024	2,084	30,311	32,395

16. Fair Value Measurement

(a) Accounting Policies and Inputs for Fair Values

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 (eg. an exit price) regardless of whether that price is directly derived from observable inputs or estimated using another valuation technique.

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

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 entity include, but are not limited to, subjective adjustments made to observable data to take account of the characteristics of the entity'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.

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 16(c).

All assets and liabilities of the statutory body 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.

None of CEQ's valuations of assets or liabilities are eligible for categorisation into Level 1 of the fair value hierarchy.

There were no transfers of assets between fair value hierarchy levels during the period.

COMMUNITY ENTERPRISE QUEENSLAND
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2024

(b) **Basis for Fair Values of Assets and Liabilities**

Managed Funds

Managed funds are investments in the Queensland Treasury Corporation's (QTC) cash fund measured at fair value based on the current redemption value of the fund as at 30 June 2024 as advised by OTC and are included in Level 2 of the fair value hierarchy.

Land

CEO's land was last comprehensively revalued in June 2023 based on specific appraisals by an independent valuer, Hemin Todd White (RQ) Pty Ltd (HIW). The effective date of the valuation was 30 June 2023. Level 2 valuation inputs were used to value land in freehold title. Sales prices for comparable land sites in close proximity are adjusted for differences in key attributes such as property size. The most significant inputs into this valuation approach are price per square metre. Valuations represent the replacement cost of the land. Land components not held under freehold title have not been assessed as use is restricted under trustee leases and indigenous land use agreements (ILUA) in place.

For the purpose of assessing the fair value for the CEO's land assets, fair value has been determined by using the Market Approach methodology. The Market Valuation approach concept of value is **derived** from transactions for the same or similar assets. To assist with assessing the movement of land prices an analysis of property sales evidence and property trend charts has been completed. The analysis of the movement in land prices is based on available sales data. In some cases, it *may* be adjusted based on the Valuers' professional judgement which is supported by recent sales data. As at 30 June 2024 the Land Asset Valuation had been primarily based on comparison with actual property sales data, and adjusted for differences between key attributes of the properties.

Buildings

CEO's buildings were last comprehensively revalued in June 2023 based on specific appraisals by an independent valuer, Herron Todd White (RQ). The effective date of the current desktop valuation is 30 June 2024.

Where there is a market for buildings, fair value has been derived from sales prices of comparable properties after adjusting for differences in key attributes such as property size. The most significant inputs into this valuation approach were price per square metre. Currently, there are no buildings valued in this manner.

Where buildings are of a specialist nature and there is no active market for the assets, fair value has been determined on the basis of replacement with a modern equivalent corresponding to the building presently existing. Where there is no depth of market, the net current value of a building asset is the gross current replacement value less accumulated depreciation to reflect the consumed or expired service potential of the asset. The gross current replacement values have been derived from reference to actual costs incurred for some of the subject assets, cost of similar asset improvements constructed within the Far North Queensland region and also supported by reference to available data prepared and provided by construction cost consultants and published building price indices.

In determining the level of accumulated depreciation, the asset has been disaggregated in significant components which exhibit different patterns of consumption or useful lives. Allowance has been made for the typical asset life cycle and renewal treatments of each component, the pattern of consumption of the asset's future economic benefit and the condition of the asset. Condition was assessed taking into account both physical characteristics as well as factors such as functionality, capability, utilisation and obsolescence.

The fair values of all types of buildings were updated using the current replacement cost valuation approach by HIW. The valuer recommended an increase of 7% applicable to this asset class. The increase is mostly due to availability and competition of materials and contractor. In the building industry, impacting the supplies and services required to construct buildings.

CEO management concluded that the desktop valuation completed by HIW is fair and representative of the assets in use.

Assets in this category which were purchased or established during 2023-24 and imported into the fixed asset register after valuations were completed, are valued at cost.

(c) **Categorisation of Assets and Liabilities Measured at Fair Value**

	Level 2		Level 3		Total Carrying Amount	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Land	8,350	7,300	-	-	8,350	7,300
Buildings	-	-	44,352	35,623	44,352	35,623
Managed Funds	32,566	36,578	-	-	32,566	36,578
Total	40,916	43,878	44,352	35,623	88,268	79,501

COMMUNITY ENTERPRISE QUEENSLAND
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED **30 JUNE 2024**

(d) Level 3 Fair Value Measurement - Reconciliation

The changes in level 3 assets with recurring fair value measurements are detailed in Note 10(a).

17. Financial Risk Disclosures

Financial Instrument Categories

Financial assets and financial liabilities are recognised in the Statement of Financial Position when CEO becomes party to the contractual provisions of the financial instrument.

No financial assets and financial liabilities have been offset and presented net in the Statement of Financial Position.

Risks Arising from Financial Instruments

(a) Risk Exposure

Financial risk management is implemented pursuant to Government and CEQ policy. The policies focus on the unpredictability of financial markets and seek to minimise potential adverse effects on the financial performance of CEO.

All financial risk is managed by the corporate support office under policies approved by CEQ. CEQ provides written principles for overall risk management as well as policies covering specific **areas**.

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

Risk Exposure	Definition	Exposure
Credit risk	The risk that CEO may incur financial loss as a result of another party to a financial instrument failing to discharge their obligation.	CEQ is exposed to credit risk in respect of its receivables (Note 8).
Liquidity risk	The risk CEO may encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset	CEQ is exposed to liquidity risk in respect of its payables (Note 11 and Note 12).
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. <i>Interest rate risk</i> is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.	CEQ does not trade in foreign currency and is not materially exposed to commodity price changes or other market prices. CEQ is exposed to interest rate risk through its cash deposited in interest bearing accounts (Note7).

(b) Risk Measurement and Management Strategies

CEQ measures risk exposure using a variety of methods as follows:

Risk Exposure	Measurement Method	Risk Management Strategies
Credit risk	Aging analysis, earnings at risk	CEQ manages credit risk through the use of a credit management strategy. This strategy aims to reduce exposure to credit default by ensuring that CEQ invests in secure assets and monitors all funds owed on a timely basis. Exposure to credit risk is monitored on an ongoing basis.

COMMUNITY ENTERPRISE QUEENSLAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED **30 JUNE 2024**

Risk Exposure	Measurement Method	Risk Management Strategies
Liquidity risk	Cash flow maturity analysis	<p>CEO manages liquidity risk through the use of a liquidity management strategy.</p> <p>This strategy aims to reduce exposure to liquidity risk by ensuring CEO has sufficient funds available to meet employee, supplier and financier obligations as they fall due.</p> <p>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 liabilities.</p>
Market risk	Interest rate sensitivity analysis	CEO does not undertake any hedging in relation to interest risk and manages its risk as per its liquidity risk management strategy.

Liquidity Risk - Contractual Maturity of Financial Liabilities

The following table sets out the liquidity risk of financial liabilities held by CEO. It represents the contractual maturity of financial liabilities, calculated based on undiscounted cash flows relating to liabilities at reporting date.

	Note	2024 Contractual Maturity				2023 Contractual Maturity			
		Total	<1 Yr	1-5 Years	>5 Years	Total	<1 Yr	1-5 Years	>5 Years
Financial Liabilities		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Payables	11	9,983	9,983		8,640	8,640			
Lease liabilities		7,379	700	2,847	3,831	8,222	816	2,829	
Total		17,362	10,683	2,847	3,831	16,862	9,456	2,829	

18. Commitments

	2024	2023
	\$'000	\$'000
Indigenous Land Use Agreements		
Commitments under Indigenous Land Use Agreements (ILUA) at the reporting date (inclusive of anticipated GST) are payable:		
Not later than one year	54	53
Later than one year and not later than five years	222	219
Later than five years	769	827
Total	1,045	1,099

Capital Expenditure Commitments

Commitments for capital expenditure at reporting date (inclusive of anticipated GST) are payable:

Property, Plant and Equipment:		
Not later than one year	786	1,200
Later than one year and not later than five years		
Later than five years		
Total	786	1,200

COMMUNITY ENTERPRISE QUEENSLAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

19. Reconciliation of Operating Results to Net Cash Flows **Provided** by Operating Activities

	2024	2023
	\$'000	\$'000
Operating surplus	5,813	5,419
Depreciation expense	3,828	3,205
Amortisation of ROU Assets	597	713
Interest expense	203	225
{Gain}loss on disposal of property, plant and equipment	10	(5)
(Gain)loss on derecognition of ROU Assets	(1)	
Change in assets and liabilities:		
(Increase)/decrease in trade receivables	(425)	(39)
(Increase)/decrease in GST input tax credits receivable	(159)	81
(Increase)/decrease in other receivables	(139)	(236)
(Increase)/decrease in inventories	(968)	(574)
{Increase}/decrease in prepayments/other	354	(38)
Increase/(decrease) in accounts payable	1,167	1,284
Increase/(decrease) in accrued employee benefits	121	(114)
Increase/(decrease) in unearned revenue	47	(235)
Increase/(decrease) in GST payable	132	7
Net cash from operating activities	10,581	9,693

Changes In Liabilities Arising from Financing Activities

2024	Note	Opening Balance 2023 \$'000	Non-cash Changes		Cash Flows Cash Repayments \$'000	Closing Balance 2024 \$'000
			New Leases Acquired \$'000	Other \$'000		
Lease Liabilities	12	6,707		84	14	6,077
Total		6,707		84	14	6,077

2023	Note	Opening Balance \$'000	Non-cash Changes		Cash Flows Cash Repayments \$'000	Closing Balance \$'000
			New Leases Acquired \$'000	Other \$'000		
Lease Liabilities	12	7,218		298	809	6,707
Total		7,218		298	(809)	6,707

20. Contingent Assets and Liabilities

Contingent liabilities and contingent assets

Contingent liabilities and assets are not recognised in the statement of financial position but are reported in the notes. They may arise from uncertainty as to the existence of a liability or asset or represent an asset or liability in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is quantifiable and probable but not virtually certain and contingent liabilities are disclosed when settlement is quantifiable and greater than remote.

CEO had no administered contingent liabilities or contingent assets at 30 June 2024.

21. Future Impact of Accounting Standards Not Yet Effective

At the date of authorisation of the financial report, all Australian accounting standards and interpretations with future effective dates are not likely to have a material impact on the financial statements of CEO.

COMMUNITY ENTERPRISE QUEENSLAND
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2024

22. Related Parties

(a) Key Management Personnel Disclosures

(i) Details of Key Management Personnel

CEQ's responsible Minister is identified as part of its KMP, consistent with additional guidance included in the revised version of MSB 124 *Related Party Disclosures*. That Minister is the Minister for Treaty, Minister for Aboriginal and Torres Strait Islander Partnerships, Minister for Communities and Minister for the Arts.

Non-ministerial KMP include those positions that had authority and responsibility for planning, directing and controlling the activities of CEO during 2023-24 and 2022-23. These positions include CEQ's Board of Management, as well as certain executive management positions. For those members of management that have been determined as KMP, further details have been included in the below table.

Position	Responsibilities
Chief Executive Officer (CEO)	The Chief Executive Officer provides strategic leadership of the statutory body's service delivery and is responsible for the efficient, effective and economic administration of the statutory body.
General Manager Corporate Services (GMCS)	The General Manager Corporate Services is accountable for technical oversight for the areas of finance, workplace health and safety, information and technology, risk management and payroll.
General Manager Operations (GMO)	The General Manager Operations provides strategic leadership and management of the statutory body's retail and maintenance service delivery.
General Manager People & Workplace Culture (GMHR) Only applicable 2022-23	The General Manager People & Workplace Culture provides executive leadership for the organisation's people and culture strategies and ensures the organisation's people and culture initiatives attract, retain, and build the capabilities of the CEQ workforce.
General Manager Business Development (GMBD)	The General Manager Business Development is accountable to drive CEQ business and growth through continual development of existing business, plus development and execution of new strategies, to deliver sustainable and profitable growth.
General Manager Merchandise & Supply (GMMS)	The General Manager Merchandise & Supply is responsible for coordination, management, purchasing and logistics of all retail goods, materials, and components (excluding IT and maintenance equipment) for the CEO stores to effect efficient and economic operations for CEQ.
General Manager Stakeholder Engagement (GMSE)	The General Manager Stakeholder Engagement is accountable for the support and maintenance of strategic relationships and partnerships with the community, local government, community service organisations and other key stakeholder groups to effect positive outcomes for CEO.

All KMP are appointed under common law employment contracts.

**COMMUNITY ENTERPRISE QUEENSLAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

(ii) Remuneration Policies

Remuneration policy for CEQ KMP is set by CEQ's Employment, Training and Safety Committee, a sub-committee of the Board, in conjunction with the CEO. The remuneration and other terms of employment for the KMP are specified in employment contracts.

Remuneration expenses for KMP comprise the following components:

Short term employee expenses which include:

meeting attendance fees, salaries, allowances (including salary sacrifice arrangements) 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 expense during the year; and
non-monetary benefits - consisting of provision of memberships and vehicle together with fringe benefits tax applicable to the benefit.

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

Post-employment expenses include amounts expensed in respect of employer superannuation obligations.

Termination benefits 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.

Risk performance payments may be paid or payable annually depending on satisfaction of key criteria, as described in part (iv) *Performance Payments*. The amounts are approved by the CEQ Board in conjunction with the Employment, Training and Safety Committee, a sub-committee of the CEQ Board, and the CEO.

Total fixed remuneration is calculated on a 'total cost' basis and includes the base and non-monetary benefits, long term employee benefits and post-employment benefits.

(iii) Remuneration Expense

The following disclosures focus on the expenses incurred by CEQ that are attributable to KMP during the respective reporting periods. Therefore, the amounts disclosed are determined on the same basis as expenses recognised in the Statement of Comprehensive Income.

2023-24

Position	Short Term Employee Expenses		Long Term Employee Expenses	Post-Employment Expenses	Total Expenses
	Monetary Expenses \$'000	Non-Monetary Benefits \$'000	\$'000	\$'000	\$'000
Board of Management	168	1	-	18	187
Chief Executive Officer	341	2	-	32	375
General Manager Corporate Services (to 12/01/2024)	164	-	-	14	178
General Manager Corporate Services (from 22/04/2024)	41	-	-	4	46
General Manager Retail Operations	230	-	16	24	270
General Manager Business Development	219	-	10	24	253
General Manager Merchandise & Supply	232	-	3	24	259
General Manager Stakeholder Engagement	214	-	1	23	238
Total	1,809	3	30	164	1,806

- Executive positions were in effect for the full year unless otherwise disclosed

**COMMUNITY ENTERPRISE QUEENSLAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

2022-2023

Position	Short Term Employee Expenses		Long Term Employee Expenses	Post-Employment Expenses	Termination Benefits	Total Expenses
	Monetary Expenses \$'000	Non-Monetary Benefits \$'000				
Board of Management	147	-2	-	15	-	164
Chief Executive Officer (to 30/06/2022)	73	-	-	-	-	73
Chief Executive Officer (from 01/07/2022)	325	1	5	45	-	376
General Manager Corporate Services	228	-	4	24	-	256
General Manager Operations	198	-	3	21	-	222
General Manager People & Workplace Culture (to 15/06/2023)	211	1	3	30	152	397
General Manager Business Development	203	-	3	22	-	228
General Manager Merchandise & Supply	206	-	3	21	-	230
General Manager Stakeholder Engagement	164	-	4	17	-	185
Total	1,755	4	25	195	152	2,131

(iv) Performance Payments

Details of Performance Payment Entitlements by KMP:

Position	Summary of basis for entitlement and assessment	12 Months ended 30 June 2024		12 Months ended 30 June 2023	
		Date Paid	Amount \$'000	Date Paid	Amount \$'000
Chief Executive Officer (CEO)	<p>The remuneration package for the CEO 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 Management.</p> <p>Achievement of each KPI is measured on an annual basis against deliverables linked to the CEO strategic plan. Eligibility for performance payments only occurs where deliverables have been met and the assessment process is completed. As the assessment process and eligibility is confirmed after year end the amounts paid relate to performance for the previous year.</p>	31 May 2024	25	7 July 2022	70

COMMUNITY ENTERPRISE QUEENSLAND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

Position	Summary of basis for entitlement and assessment	12 Months ended 30 June 2024		12 Months ended 30 June 2023	
		Date Paid	Amount \$'000	Date Paid	Amount \$'000
General Manager Corporate Services (GMCS),	<p>The remuneration package for the GMCS 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 CEO.</p> <p>Achievement of each KPI is measured on an annual basis against deliverables linked to the CEQ strategic plan. Eligibility for performance payments only occurs where deliverables have been met and the assessment process is completed. As the assessment process and eligibility is confirmed after year end the amounts paid relate to performance for the previous year.</p>	16 Nov 2023	19	7 July 2022	20
General Manager Operations (GMO)	<p>The remuneration package for the GMO 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 CEO.</p> <p>Achievement of each KPI is measured on an annual basis against deliverables linked to the CEQ strategic plan. Eligibility for performance payments only occurs where deliverables have been met and the assessment process is completed. As the assessment process and eligibility is confirmed after year end the amounts paid relate to performance for the previous year.</p>	16 Nov 2023	14	7 July 2022	17
General Manager People Workplace Culture (GMHR)	<p>The remuneration package for the GMP&WC 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 CEO.</p> <p>Achievement of each KPI is measured on an annual basis against deliverables linked to the CEQ strategic plan. Eligibility for performance payments only occurs where deliverables have been met and the assessment process is completed. As the assessment process and eligibility is confirmed after year end the amounts paid relate to performance for the previous year.</p>			7 July 2022	1B

COMMUNITY ENTERPRISE QUEENSLAND
NOTES TO THE **FINANCIAL** STATEMENTS
FOR THE YEAR ENDED **30 JUNE 2024**

Position	Summary of basis for entitlement and assessment	12 Months ended 30June2024		12 Months ended 30June2023	
		Date Paid	Amount \$'000	Date Paid	Amount \$'000
General Manager Business Development (GMBD)	<p>The remuneration package for the GMBD 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 CEO.</p> <p>Achievement of each KPI is measured on an annual basis against deliverables linked to the CEQ strategic plan. Eligibility for performance payments only occurs where deliverables have been met and the assessment process is completed. As the assessment process and eligibility is confirmed after year end the amounts paid relate to performance for the previous year.</p>	16 Nov 2023	14	7 July2022	18
General Manager Merchandise &Supply (GMMS)	<p>The remuneration package for the GMMS 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 CEO.</p> <p>Achievement of each KPI is measured on an annual basis against deliverables linked to the CEQ strategic plan. Eligibility for performance payments only occurs where deliverables have been met and the assessment process is completed. As the assessment process and eligibility is confirmed after year end the amounts paid relate to performance for the previous year.</p>	16 Nov2023	14	7 July2022	17
General Manager Stakeholder Engagement (GMSE)	<p>The remuneration package for the GMSE 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 CEO.</p> <p>Achievement of each KPI is measured on an annual basis against deliverables linked to the CEQ strategic plan. Eligibility for performance payments only occurs where deliverables have been met and the assessment process is completed. As the assessment process and eligibility is confirmed after year end the amounts paid relate to performance for the previous year.</p>	16 Nov2023	12	7 July2022	
Total Performance Payments			98		175

Performance Payments at 30 June 2024

As at the date of management certification of these financial statements, the eligibility to a performance payment for the CEO in respect of 2023-24 has not been confirmed. The basis of the entitlement and assessment process is determined in accordance with the guidelines specified above. Eligibility will be determined only once the assessment process is completed and a recommendation is made by the Board of Management. Therefore, any performance payment ultimately approved will be reported as an expense within 2024-25.

COMMUNITY ENTERPRISE QUEENSLAND
NOTES TO THE **FINANCIAL** STATEMENTS
FOR THE YEAR ENDED **30 JUNE 2024**

(b) Transactions with People/Entities Related to KMP

A number of KMP, or their related parties, hold positions in other entities that result in them having control or significant influence over those entities.

There were no transactions or outstanding balances relating to **KMP** or their related parties during the 2023-2024 financial year.

(c) Transactions with Other Queensland Government-Controlled Entities

The Department of Treaty, Aboriginal and Torres Strait Islander Partnerships, Communities and the Arts (DTATSIPCA) and CEQ have entered into a Memorandum of Understanding (MoU) in relation to the relevant roles and responsibilities by the parties including the use of the store buildings previously managed by (DTATSIPCA). "The purpose of this MoU is to provide the parties with clear guidance for roles, responsibilities and costs attributable to functions and services provided or utilised by CEQ during the transition period." Under the MoU, CEO has incurred costs in relation to the properties located at Doomadgee, Kowanyama, Pormpuraaw, Lockhart River, and Palm Island communities included in short-term lease payments Note 12).

23. Taxation

CEQ is a statutory 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 CEQ. GST credits receivable from, and GST payable to the ATO are recognised (refer to Note 8).

In June 2015, CEO was registered as a Charitable Institution under the *Taxation Administration Act 2001 (Qld)*. As a registered Charitable Institution, CEQ is eligible for an exemption under the *Queensland Duties Act 2001*, *Land Tax Act 2010* and *Payroll Tax Act 1971* for activities which meet the criteria for qualifying exempt purposes.

24. Climate Risk Disclosure

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 CEQ.

CEQ continues to monitor the emergence of material climate-related risks that may impact the financial statements, including those arising under the Queensland Government Climate Action Plan 2020-2030 and other Government publications or directives.

**COMMUNITY ENTERPRISE QUEENSLAND
MANAGEMENT CERTIFICATE
FOR THE YEAR ENDED 30 JUNE 2024**

These general purpose financial statements have been prepared pursuant to section 62(1) of the *Financial Reporting Act 2009* (the Act), section 38 of the *Financial and Performance Management Standard 2019*, the *Australian Charities and Not-for-profits Commission Act 2012*, the *Australian Charities and Not-for-profits Commission Regulation 2022* and other prescribed requirements. In accordance with section 62(1)(b) of the Act we certify that in our opinion:

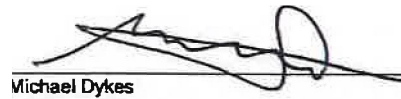
- (a) the prescribed requirements for establishing and keeping the accounts have been complied with in all material respects;
- (b) the financial statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of Community Enterprise Queensland for the financial year ended 30 June 2024 and of the financial position of the statutory body at the end of year; and

We acknowledge 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.



Ms Joann Schaefer
Chairperson

Date 21/08/2024



Michael Dykes

Chief Executive Officer

Date dJ., / 176/tf1,g3,'f

INDEPENDENT AUDITOR'S REPORT

To the Board of Community Enterprise Queensland

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of Community Enterprise Queensland.

In my opinion, the financial report:

- a) gives a true and fair view of the entity's financial position as at 30 June 2024, and its financial performance for the year then ended; and
- b) complies with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2019, the *Australian Charities and Not-for-profits Commission Act 2012*, the Australian Charities and Not-for-profits Commission Regulations 2022 and Australian Accounting Standards.

The financial report comprises the statement of financial position as at 30 June 2024, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including summaries of material accounting policies, and the management certificate.

Basis for opinion

I conducted my audit in accordance with the *Auditor-General Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

I am independent of the entity in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including independence standards)* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General Auditing Standards*.

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

Responsibilities of the entity for the financial report

The Board is responsible for the preparation of the financial report that gives a true and fair view in accordance with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2019, the *Australian Charities and Not-for-profits Commission Act 2012*, the Australian Charities and Not-for-profits Commission Regulations 2022 and Australian Accounting Standards, and for such internal control as the Board determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

- **Queensland**
- **Audit Office**

Better public services

The Board is also responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless it is intended to abolish the entity or to otherwise cease operations.

Auditor's responsibilities for the audit of the financial report

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

A further description of my responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

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

This description forms part of my auditor's report.

Statement

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2024:

- a) I received all the information and explanations I required.
- b) I consider that, the prescribed requirements in relation to the establishment and keeping of accounts were complied with in all material respects.

Prescribed requirements scope

The prescribed requirements for the establishment and keeping of accounts are contained in the *Financial Accountability Act 2009*, any other Act and the Financial and Performance Management Standard 2019. The applicable requirements include those for keeping financial records that correctly record and explain the entity's transactions and account balances to enable the preparation of a true and fair financial report.



26 August 2024

William Cunningham
as delegate of the Auditor-General

Queensland Audit Office
Brisbane

