



# 2021-2022 Annual Report



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*The Heart of the Channel Country*

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# SHIRE PROFILE

Barcoo is a remote rural shire located in Western Queensland in the heart of the Channel Country. It includes the towns of Stonehenge, Jundah and Windorah as well as surrounding properties, and a population of approximately 267 people (Australia Bureau of Statistics 2016 Census).

Barcoo Shire covers an expanse of 61,974 square kilometres and shares borders with Longreach Regional Council, the shires of Winton, Diamantina, Quilpie and Bulloo, and the border of South Australia. The shire's primary river systems are the Thomson and Barcoo, which amalgamate above Windorah to become Cooper's Creek. All rivers and creeks within the shire flow southwest towards South Australia, terminating at Lake Eyre.

The shire's main economic output is beef production and, to a lesser extent, wool production, opal mining, earthmoving works, tourism and hospitality. Recent times have seen the discovery of reserves of oil and gas within the shire, which has led to considerable development in these industries.

Our residents say they enjoy living in the shire because of our strong sense of community, the opportunity to stand out from the crowd, low crime, quality lifestyle and wide-open spaces.

Visitors to our region discover scenic lookouts, red sand dunes, and spectacular wildflowers, the unique water labyrinths of the Channel Country in flood and, above all, the wonderful hospitality of the people who live here.

You can visit Council's website at [www.barcoo.qld.gov.au](http://www.barcoo.qld.gov.au) to download a copy.

## COUNCIL OVERVIEW

Barcoo Shire Council was established on 31 March 1903 after the previous Barcoo Divisional Board was abolished. It administers local government within the shire as required by the *Local Government Act 2009*. Council provides public municipal and rural services, is responsible for local planning and policy, fosters regional social and economic development, and maintains a significant road construction and maintenance business.

# VISION AND MISSION

**Vision** - A professional organisation creating a better future for our community.

**Mission** - To serve our community through sustainable infrastructure and service delivery.

## VALUES

### Simplicity

We will simplify things for ourselves and our community and focus our efforts on the things that matter most.

### Transparency

We will meaningfully engage with our community in our decision-making processes and in the delivery of our projects, services and infrastructure.

### Accountability

We are all accountable for our actions, inactions, professionalism, performance and behaviour which will drive our culture of continuous improvement.

### Respect

We will respect each other, our organisation, our community and our environment.



# Message from the Mayor

I appreciate this opportunity to present the 21/22 FY Annual Report. Things have certainly calmed as we progressed our way through the second year of COVID with communities becoming vaccinated and the virus affecting some, but not others. This has not deterred the Barcoo Shire with many projects being accomplished and yet again our workforce making us proud.

Once the COVID restrictions were eased we welcomed the tourists back. This time not only did we have our traditional grey nomads, but a wave of young families visiting the region, many for the first time. This occurred through the second half of 2021, then unseasonably wet weather arrived in March/April 2022 slowing the start of the next tourist season. We would never say no to rain, but it has certainly had an effect on the number of visitors.

Once again, remaining drought declared, we had a couple of small wet weather events in November 2021 and January 2022, followed by a more significant event in April/May 2022. These events resulted in a \$10M flood damage package which will need to be completed by June 2024. Additionally, we received a new round of Works For Qld (W4Q) 2021-2024 of \$1M, SES Grant of \$115k, Local Roads and Community Infrastructure (LRCIP) \$410k, Roads to Recovery (R2R) of \$700k and Qld Resilience and Risk Reduction Fund (QRRRF) of \$67K.

Significant achievements for the year included completion of the stage 2 upgrade of the Jundah Hall, including community funding for the purchase of new stage curtains. Other achievements include:

- Jundah town streets resurfacing program,
- Arrabury Rd resheet, Flood damage repairs,
- McPhellamys Crossing upgrade commencement,
- Haughtonvale Rd floodway improvement,
- Jundah Water Treatment Plant pump upgrade and planning for plant renewal.
- Continuation (Stage 2) rural addressing signage program,
- Concept design for new units at 25 Garrick St Jundah.

As a result of the review of the Financial Assistance Grants (FAGs) by the Local Government Grants Commission, Barcoo Shire received a 26% increase which equates to approximately \$1M over the next financial year. These additional funds are welcomed by Council and will be of great assistance in improving Councils long term financial sustainability.

Throughout this financial year Council consolidated the learnings from the Queensland Treasury Corporation (QTC) business improvement program. Our financial position has improved significantly ending the year with approximately \$1.8M improvement in Councils cash position from the previous year. We received operational grants, including flood damage restoration and FAGS for 21/22 FY totalling \$12.1M, an increase of \$1.7M from the previous year. Capital grants such as W4Q, LRCIP and R2R totalled \$2.7M. Contract and recoverable works, which is mainly Department of Transport and Main Roads funded, totalled \$14.2M, an increase of \$6.6M from the previous year.

This continuous fluctuation in funding from year to year, continues to impact our ability to plan into the future. Council will continue to work with all levels of Government, advocating for the Barcoo Shire.

I would like to thank our community for their participation in the 2021 census. This year the population of the Barcoo Shire increased by 13%. All levels of Government use population data to assist in determining the needs of our community as well as contributing to the funds we receive through FAGs.

In conclusion I would like to thank all our staff for their commitment and hard work throughout the year. I would like to thank Paul Hockings for his leadership as the Chief Executive Officer, and welcome our new CEO, Mike Lollback.

I look forward to another successful year in this unique part of the world, the Barcoo Shire.



Sally O'Neil  
Mayor



# COUNCILLORS

The current Council is comprised of four Councillors and a Mayor, who were elected by eligible voters in the Barcoo Shire.

**CR DIANNE PIDGEON**  
**DEPUTY MAYOR**



**CR ROGER BATT**



**CR TONY JACKSON**



**CR ANDREW MILLER**



# Message from the Chief Executive Officer

This report for the 2021-2022 financial year is largely reflective of the work undertaken by the Barcoo Councillors, staff and the former CEO, Paul Hockings, who has implemented business improvements that have set the foundations for next decade. I would like to acknowledge Paul and thank him on behalf of all the staff at Barcoo Shire for his leadership, knowledge and commitment over his 3-year tenure. I wish Paul, Michelle and their family all the very best.

In 2021 council invited the Queensland Treasury Corporation (QTC) to assist council in the development of a Business Improvement Program. This program has become an underpinning value in the operation of council. Barcoo Shire, together with a number of our neighboring councils, have requested QTC to further assist, recognising the uniqueness and challenges of the more remote, rural councils of Western Queensland. As the major employer in the Barcoo region, it is important that we provide job security, whilst providing a safe, happy and efficient workplace. Council will continue to work with the QTC to explore new and better ways of delivering our vast array of service to the community in the most cost effective and efficient way possible.

In July 2021, a flatter organisation structure was approved by council. This structure has been designed around council's core values of simplicity, transparency, accountability and respect. The senior managers within the organisation provide leadership, not only to their teams, but combine as an Executive Leadership Team (ELT) to ensure that councils corporate direction is being achieved. Since my commencement at Barcoo Shire Council, I have found the structure to be highly successful and a model of best practice in improving efficiency whilst reducing costs.

As I write this report, the \$2.4M Windorah Water Treatment Plant reaches its full commissioning stage. After rigorous testing and staff training throughout the year, it is delivering high quality drinking water to the community that meets the states stringent water regulations.

The Windorah Water Treatment plan is only one area of success the council has had in proactively seeking funding from both the State and Federal Government. We have funding commitments linked to upgrading the Windorah Airport runway (\$1.4M) and the Isisford-Bimerah Road upgrade (\$4M). Both projects are scheduled to commence in 2023.

A major focus during the year was the flood damage program. The mayor has provided an overview of the \$10M program that will run until June 2024. Councils Roads Maintenance Performance Contract (RMPC) with the state government continued throughout the financial year to provide reinstatement and improvement to our shire's road network. Major drainage and culvert work on the Stonehenge Access Road, the Romula Floodway, the Haughtonvale Road, the Yaraka Retreat Road and the Trafalgar Floodway have been completed.

The Jundah Roadhouse failed to attract a suitable tender result on combining both fuel and roadhouse service provision. Council will continue to provide Roadhouse services to the community and our tourism sector. The Roadhouse is a critical part of the Jundah community and council is applying its ethos of continuous improvement to its operations.

Your Community Services team also delivered a community engagement strategy and assisted council in reviewing the Community Grants Policy.

The establishment of a Rural Lands Advisory Committee resulted in the delivery of the Shires Rural Lands Services Plan. The commencement of a 'Flying Gang' within council has also meant that town and rural works are able to be completed much quicker and efficiently. The Signage project on the Jundah-Longreach Road has been completed, with a schedule of rolling works to see the commencement of signage works on the Windorah-Bedourie Road, due for completion in early 2023. Signage improvements on the Windorah-Quilpie Road will commence, also in early 2023. Your Town Services Crews across the three townships of Jundah, Windorah and Stonehenge ensure the maintenance, cleanliness, water quality and livability of our towns.

Throughout the year, your Corporate Services Team provided strong business improvement and financial management of the highest standard. This included a review and renewal of Council's Customer Service Charter. External audits conducted continue to reveal direct and measurable improvements in both councils' operational effectiveness and financial sustainability. Included in this report is councils 2021/2022 financial statements that will provide great confidence across the community.

# Message from the Chief Executive Officer

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The operational delivery of council services is directly linked to councils corporate and operational plan. Council staff continue to implement key identified priorities and report regularly to your council on progress.

My sincere thanks to Mayor Sally O'Neill and our Barcoo Councillors for their leadership, vision and invaluable support to the Executive Leadership Team, our employees and our partners. I also want to thank the Barcoo Community for their passion, commitment and love of the Barcoo Region.



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Mike Lollback  
Chief Executive Officer





# COMMUNITY FINANCIAL REPORT

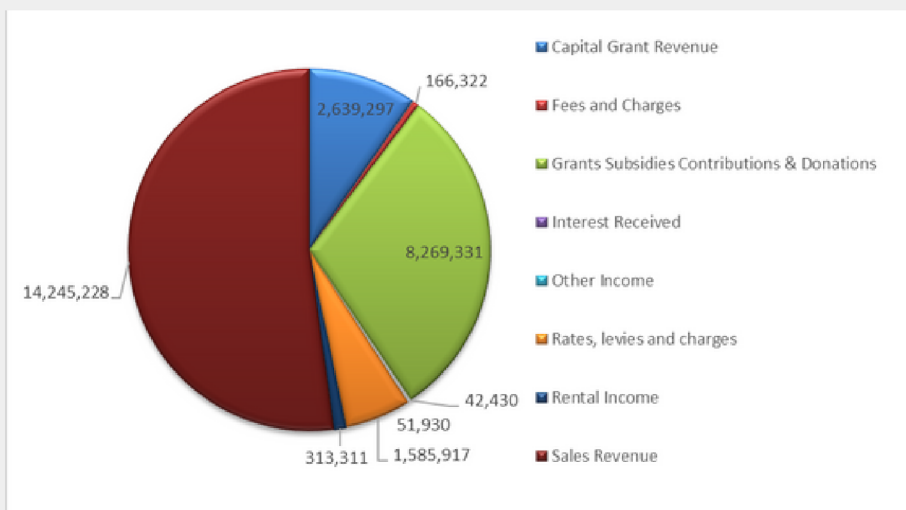
## About the Community Financial Report

The formal financial statements included in this annual report explain what happened in financial terms during the year and what council's financial position was at the end of the financial year, 30 June 2022. They include a wide range of information about council's operating performance and financial position and are prepared to meet financial reporting and disclosure requirements as prescribed by accounting requirements and legislation.

The purpose of the Community Financial Report is to reduce the complexity of these documents, providing the same information in a format that is less technical, more 'reader friendly' and able to be better understood by the general community.

### Revenue: where does our money come from?

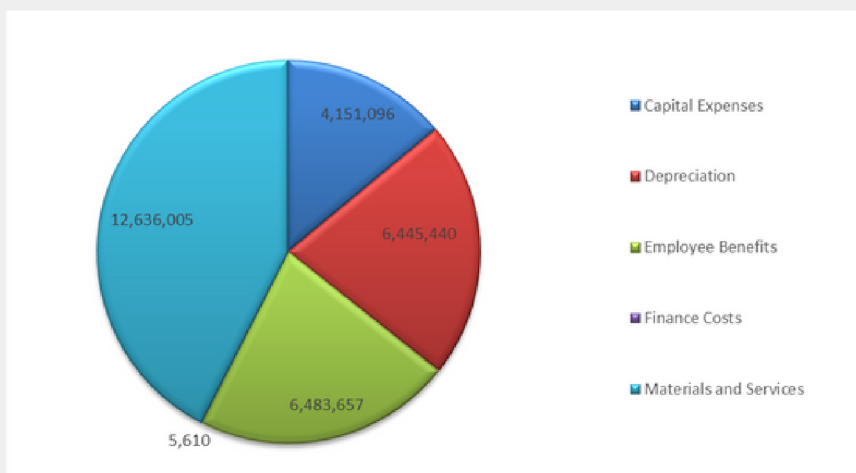
Total income for the year was \$27.3M, down from \$28.9M last year. The graph below provides an analysis of this income received by council.



Key parts of this graph indicate that approximately \$2.6M (10%) of income came from capital funding. Additionally, \$8.2M (30%) was from general purpose and other operating grants, which were significantly reduced from the previous year. This is primarily following the completion of flood recovery work in the 20-21 financial year. The other main sources of income were council rates, contributing \$1.6M (6%) of the overall revenue, and sales (contract works), which contributed to \$14.2M (52%).

### Expenditure: where does the money go?

Total expenses for the year were \$29.7M, which decreased from \$33.4M last year. The graph below provides an analysis of this expenses incurred by council.



Employee costs associated with running council made up 22% (\$6.5M) of council's operating expenditure for the year. This includes wages and salaries, annual leave, long service leave, allowances and superannuation. Employee costs are paid to councillors, senior executives, administration and depot/outdoor staff and are inclusive of staff at tourism and information centres, parks & gardens, general store, post office and cleaning staff.

Expenditure on materials and services decreased from \$18.8M to \$12.6M and contributed to 43% of the overall operating expenditure. These materials and services costs included general operation expenses and repairs and maintenance to the shire's assets (including community facilities, houses and other infrastructure).

Depreciation of council's assets totalled \$6.5M (22%), which was a decrease from the previous year of \$7.5M (22%). Depreciation represents the rate our assets – roads, buildings and plant and equipment etc. – deteriorate through normal wear and ageing. Each asset has its own depreciation expense, which is put aside to replace the asset when it is required.

### Overall performance

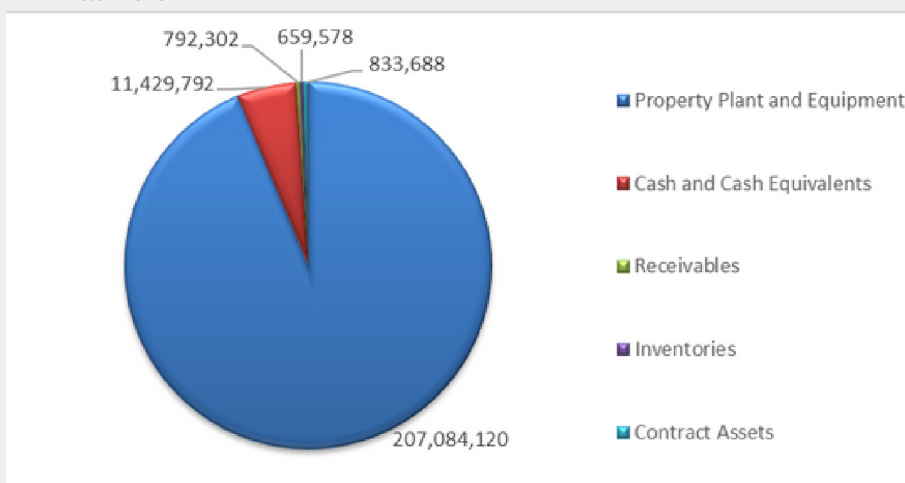
Our total income of \$27,313,766 less total expenses of \$29,721,808 provided us with a net result of a \$2,408,042 deficit.

In addition to this council completed an indexation of its asset values which has lead to an increase in the Asset Revaluation reserve of \$8,136,035.

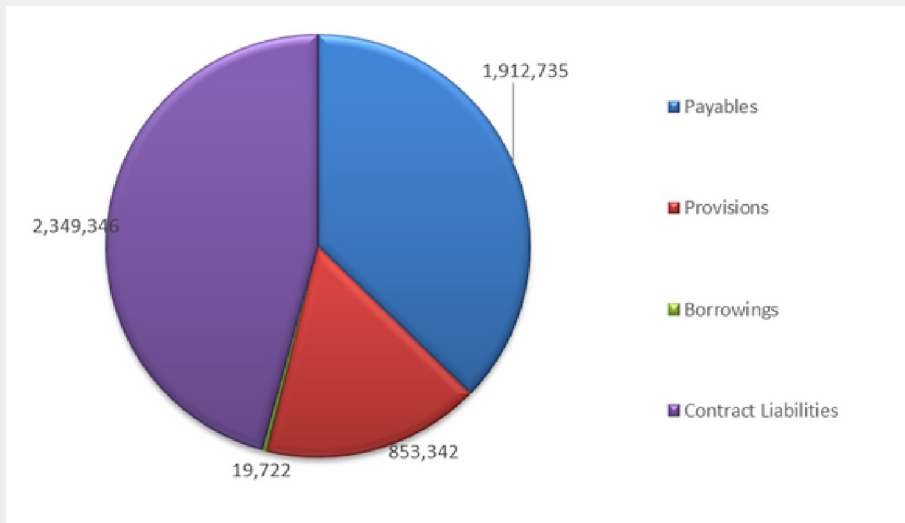
### Our position at year end

The graphs on the following page summarises what council owns and what council owes to others.

**What we own**



**What we owe**



The Statement of Financial Position (Balance Sheet) reports on council's position for the year. It shows the value of what council owns, for example cash, investments, money owing to council, inventories and other assets such as land, buildings, roads and water infrastructure. It also shows the value of what council owes to creditors, employee entitlements and any loans.

Council's assets of \$220,801,480 are made up of investments in community assets such as buildings, water and road infrastructure, as well as cash investments, receivables and inventories. Council's liabilities of \$6,280,699 comprise of employee provisions, sundry creditors and Queensland Treasury Corporation loans.

The financial position (total community equity) is \$214,520,781 which is made up by the value of what we own, less the value of what we owe.

### Statement of cash flows

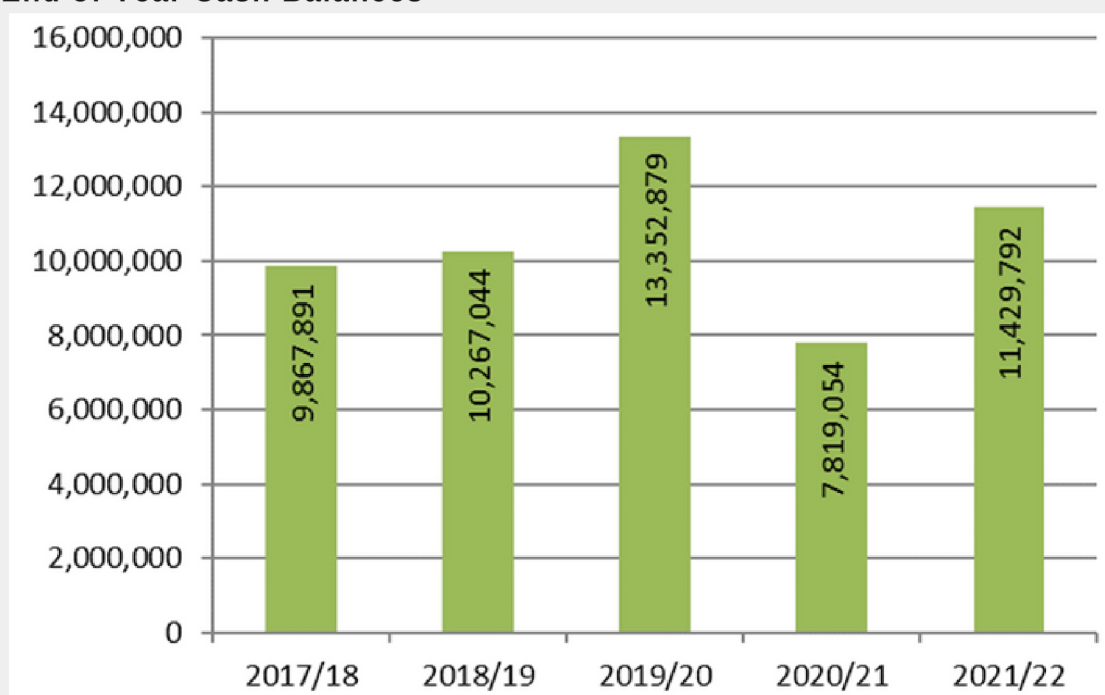
The cash flow statement is like your bank statement. If you did a summary of your statements for 12 months, it would be a cash flow statement.

The following statement, however, only reports on and shows:

- how much money we started the year with
- where any incoming money came from
- what money was spent on
- how much money we have left at the end of the year.

	2017/18	2018/19	2019/20	2020/21	2021/22
	\$	\$	\$	\$	\$
Opening cash balance	10,757,481	9,867,891	10,267,044	13,352,879	7,819,054
Net cash flow from operating activities	2,692,046	9,014,583	7,227,166	-3,921,682	7,839,367
Net cash flow from investing activities (capital purchases)	-3,570,877	-8,604,108	-3,881,836	-1,575,848	-4,022,121
Net cash flow from financial activities (loan repayments)	-10,761	-11,322	-279,497	-36,295	-6,508
Closing cash balance	9,867,891	10,267,044	13,352,879	7,819,054	11,429,792

### Historical End of Year Cash Balances



## Statutory Information

Council must report and disclose particular information about its performance, policies and operations as required by the *Local Government Act 2009* and *Local Government Regulation 2012*.

## Beneficial Enterprises

Under section 41 of the *Local Government Act 2009*, council has no beneficial enterprises.

## Business Activities

During the 2021-22 financial year council was involved in a wide range of business activities that involve “trading goods and services” as defined by the *Local Government Act 2009* which include:

1. Water Services
2. Waste Management
3. Aerodromes
4. Jundah Post Office
5. Libraries and Visitor Information Centres
6. Jundah Roadhouse
7. Windorah Caravan Park
8. Minor housing maintenance (State Government properties)
9. Accommodation Services
10. Road contracting services
11. Building certification and land use planning activities
12. Bus hire

In accordance with the threshold of expenditure and the methodology prescribed by section 19 and 20 of the *Local Government Regulation 2012* council does not have any significant business activities.

## Commercial Business Unit

Pursuant to section 190(1)(c) council does not operate a Commercial Business Unit.

## Competitive Neutrality

During the financial year council did not apply the principles of competitive neutrality embodied in the Code of Competitive Conduct (National Competition Policy) in accordance with section 45(c) of the *Local Government Act 2009*.

Pursuant to Section 190(1)(i) and (j) of the *Local Government Regulation 2012* council has not received any competitive neutrality complaints or an investigation notice under Section 49 of the *Local Government Act 2009* during the 2021/22 Financial Year.

## Senior Contract Employee Remuneration

The table below shows the remuneration packages payable in 2021-22 Financial Year to the senior management of council, in increments of \$100,000 and the number of employees who are paid each band of remuneration. The senior management consists of the chief executive officer, director of corporate services and director of works & services.

Total of all remuneration packages payable	\$916,955.00
\$100,000 - \$200,000	4
\$200,000 - \$300,000	1

## Overseas Travel

Pursuant to section 188 of the Local Government Regulation 2012, no overseas travel occurred during 2021/22 Financial Year.

## Particular Resolutions

Pursuant to section 185 of the *Local Government Regulation 2012* set out below are the following resolutions:

Section	Description	Resolution								
250(1)	Expenses reimbursement policy	Nil Last resolution being April 2020 set out below								
206(2)	Valuation of non-current physical assets	Nil Asset Recognition Thresholds are set out in the Non-Current Asset Policy and were last adopted in June 2022 see below. Current Asset Recognition Thresholds are:  <table><tbody><tr><td>Land</td><td>No threshold</td></tr><tr><td>Buildings</td><td>\$5,000</td></tr><tr><td>Fleet, Plant and Equipment</td><td>\$5,000</td></tr><tr><td>Infrastructure Assets</td><td>\$5,000</td></tr></tbody></table>	Land	No threshold	Buildings	\$5,000	Fleet, Plant and Equipment	\$5,000	Infrastructure Assets	\$5,000
Land	No threshold									
Buildings	\$5,000									
Fleet, Plant and Equipment	\$5,000									
Infrastructure Assets	\$5,000									

### 3.12 ADOPTION OF EXPENSES REIMBURSEMENT & PROVISION OF FACILITIES FOR MAYOR & COUNCILLORS POLICY

In accordance with the *Local Government Regulation 2012*, Division 2, Section 250, Council must adopt an Expenses Reimbursement Policy. This report presents the Expenses Reimbursement and Provision of Facilities for Mayor & Councillors Policy, policy BSC-019.

#### **RESOLUTION NO: SM2020.04.007**

***That Council adopt the Expenses Reimbursement and Provision of Facilities for Mayor & Councillors Policy, policy BSC-019.***

**MOVED: Cr A Miller**

**SECONDED: Cr Batt**

**CARRIED: 5/0**

### 14.2 NON-CURRENT ASSET ACCOUNTING POLICY

As part of the annual external financial audit process Council's auditors identified the need for a policy position on the accounting treatment for flood damaged assets. The update of this policy will address this management letter point and provide guidance for consistency of accounting treatment for non-current assets.

#### **RESOLUTION NO: 2022.06.006**

***That Council adopt the Non-Current Asset Accounting Policy No BSC-034 as presented.***

**MOVED: Cr T Jackson**

**SECONDED: Cr A Miller**

**CARRIED: 5/0**

## COUNCILLORS' REMUNERATION

Name	Councillor Allowance	Phone / Internet Allowance	Superannuation	Car Km Allow	Totals
Cr Dianne Pidgeon	\$62,435.04	\$600.00	0	\$1,012.50	<b>\$64,047.54</b>
Cr Roger Batt	\$54,110.04	\$600.00	0	\$301.50	<b>\$55,011.54</b>
Cr Andrew Miller	\$54,110.04	\$600.00	0		<b>\$54,710.04</b>
Mayor Sally O'Neil	\$108,222.00	\$1,200.00	0		<b>\$109,422.00</b>
Cr Anthony Jackson	\$54,110.04	\$600.00	0	\$1,308.00	<b>\$56,018.04</b>
<b>Totals</b>	<b>\$332,987.16</b>	<b>\$3,600.00</b>	<b>0</b>	<b>\$2,622.00</b>	<b>\$339,209.16</b>

### Expenses reimbursements & provision of facilities for Mayor and Councillors

As per Section 250 of the *Local Government Regulation 2012* council must adopt an expenses reimbursement policy.

Council adopted the 'Reimbursement of Expenses and Provision of Facilities for the Mayor and Councillor Policy' in April 2020 and there were no amendments made to this policy in the 2021-22 Financial Year.

The objective of the policy is to ensure accountability and transparency in the reimbursement of expenses incurred, or to be incurred, by the Mayor, Deputy Mayor and Councillors. This Policy will also ensure that elected members are provided with reasonable facilities to assist them in carrying our council business.

Facilities provided for Mayor and Councillors are as follows:

Mayor Sally O'Neil	Laptop, Car, Office Space	Cr Andrew Miller	Laptop
Deputy Mayor Dianne Pidgeon	Laptop	Cr Tony Jackson	Laptop
Cr Roger Batt	Laptop		

## MEETING ATTENDANCE

Name	Total Ordinary Meetings	Total Special Meetings
Mayor Sally O'Neil	<b>12</b>	<b>1</b>
Deputy Mayor Dianne Pidgeon	<b>12</b>	<b>1</b>
Cr Roger Batt	<b>12</b>	<b>1</b>
Cr Andrew Miller	<b>12</b>	<b>1</b>
Cr Tony Jackson	<b>12</b>	<b>1</b>

# CONDUCT AND PERFORMANCE OF COUNCILLORS

The total number of the following during the financial year:	
a. orders made under section 150I (2) of the LGA	0
b. orders made under section 150AH (1) of the LGA	0
c. decisions, orders and recommendations made under section 150AR (1) of the LGA	0
Each of the following during the financial year:	
a. the name of each councillor for whom a decision, order or recommendation under section 150(I (2), 150AH(1) or 150 AR(1) of the LGA was made	Not Applicable
b. a description of the unsuitable meeting conduct, inappropriate conduct or misconduct engaged in by each of the Councillors;	Not Applicable
c. a summary of the decision, order or recommendation made for each councillor;	Not Applicable
For Councillors, the annual report must also contain the number of each of the following during the financial year:	
• complaints referred to the assessor under section 150P(2)(a) of the LGA by the local government, a councillor of the local government or the chief executive officer of the local government	0
• matters, mentioned in section 150P (3) of the LGA, notified to the Crime and Corruption Commission	0
• notices given under section 150R (2) of the LGA	0
• notices given under section 150S(2)(a) of the LGA	0
• decisions made under section 150W(1)(a), (b) and (e) of the LGA	0
• referral notices accompanied by a recommendation mentioned in section 150AC(3)(a) of the LGA	0
• occasions information was given under section 150AF(4)(a) of the LGA	0
• occasions the local government asked another entity to investigate, under chapter 5A, part 3, division 5 of the LGA for the local government, the suspected inappropriate conduct of a councillor	0
• applications heard by the conduct tribunal	0
a. under chapter 5A, part 3, division 6 of the Act about whether a councillor engaged in misconduct or inappropriate conduct.	0



## Administrative Action Complaints

Pursuant to section 187 of the *Local Government Regulation 2012*, Council has adopted a Complaints (Administrative Actions), Customer Requests & Feedback Policy on 15 July 2020 and undertakes to make sure that complaints about administrative actions of Council or Council employees will be resolved in a fair, efficient, consistent and timely manner, strengthened by principles of natural justice and procedural fairness.

Number of administrative action complaints made to Council during 2021/22 financial year	1
Number of administrative action complaints resolved by Council under the complaints management process during 2021/22 financial year	1
Number of administrative action complaints not resolved by Council under the complaints management process during 2021/22 financial year	0
Number of administrative action complaints not resolved by Council under the complaints management process that were made in a previous financial year.	0

## Grants to Community Organisations

During the 2021/22 financial year Council provided the following grants and/or in-kind support under its Community Grants Policy:

	CASH VALUE	IN KIND VALUE
Stonehenge Campdraft and Rodeo Association Inc.	\$0.00	\$2,365.13
Windorah Rodeo Club Inc.	\$0.00	\$4,351.91
Jundah Race Club Inc.	\$0.00	\$2,507.01
Windorah State School P&C Association Inc.	\$1,450.00	\$0.00
Windorah Development Board	\$0.00	\$863.16
Jundah State School	\$500.00	\$877.65
Jundah Community Bronco Branding & Team Penning Association Inc.	\$0.00	\$1,294.78
Jundah Social Sports Club Association	\$1,000.00	\$0.00
Jundah Rural Fire Brigade	\$422.00	\$0.00
Stonehenge Action Group	\$1,000.00	\$0.00
Windorah Rural Fire Service	\$0.00	\$525.45
<b>TOTAL</b>	<b>\$4,372.00</b>	<b>\$12,785.09</b>



## Discretionary Funds

Pursuant to section 189(2) of the Local Government Regulation 2012 there were no discretionary fund expenditure by Councillors.

## Joint Local Government

Pursuant to section 190(1)(d)(i) Council does not operate a joint local government activity.

## Special Rates or Charges

### Special Charge for Pest Animal Control

In accordance with Section 94 of the *Local Government Act 2009* and section 94 of the *Local Government Regulation 2012*, Council levied a special charge for the provision of pest control services to rural properties in the region.

It was considered that the properties subject of the charge specially benefited from the provision of pest control services, because the services assist with the control of wild dogs which can reduce the threat to livestock.

A special charge was levied and no discount applied:

Decription	Charge 2021/2022
per hectare on all rural land within the Council area, having an area in excess of 1,000 hectares	2.15 cents per hectare up to a maximum of \$15,830 per assessment.

The Overall Plan for the Pest Animal Control special charge was as follows:

1. The service, facility or activity was provision of pest control services to the rural parts of the Council area. These pest control services serve to assist with the control of wild dogs and wild pigs which, in turn, improves the viability of, and therefore benefits, the land being levied. A panel will continue to manage the process and act as an advisory committee to Council on wild animal control within the Shire.
2. The rateable land to which the special charge was applied was all rural land within the Council area, having an area in excess of 1,000 hectares. Council considers that the rateable land described above derives a special benefit from the service, facility and activity funded by the special charge at differential levels reflecting the degree to which the land or its occupier is considered to derive benefit.
3. The cost of carrying out the overall plan was \$134,265.
4. The timeframe for carrying out the overall plan is twelve (12) months ending 30 June 2022.

## Change of Tenders

Pursuant to section 190(1)(e) of the *Local Government Regulation 2012*, Council advises that there was no change to a tender made as per section 228(8) of the *Local Government Regulation 2012* during the 2021/22 financial year.

## Registers held by Council

In accordance with section 190(1)(f) of the *Local Government Regulation 2012*, the following registers are kept by Council:

- Register of Assets
- Register of Contact with Lobbyists
- Register of Councillor Conduct
- Register of Delegations by CEO to Officers
- Register of Delegations by Council to CEO
- Register of Pre-Qualified Suppliers
- Register of Development Applications
- Register of Interests for Chief Executive Officer and Senior Executive Employees
- Register of Interests of a Councillor and their Related Persons
- Register of Roads
- Register of Gifts and Benefits
- Register of Local Laws
- Register of Fees and Charges

## Summary of rebates and concessions

### Remissions – Pensioner

Eligible pensioners who submit an application as required will be granted a 50% remission on all rates and charges. Remissions will only apply to rating categories 1, 2 and 3 being for the townships of Jundah, Windorah and Stonehenge respectively. This provision does not apply to anyone except pensioners. Council processed 15 applications for pensioners' rebates in 2021/22 Financial Year.

### Remissions – Community Organisations

Assessment no	Name	Remission
00035-00000-000	The Corporation of the Synod	General rate not paid
00063-50000-000	The Roman Catholic Trust Corporation	General rate not paid
00067-00000-000	The Corporation of the Synod	General rate not paid
00172-00000-000	St Clair's Anglican Church	General rate not paid
00189-00000-000	Roman Catholic Diocese of Toowoomba	General rate not paid
00272-00000-000	Jundah Golf Club	General rate not paid
00183-10000-000	Windorah Development Board	General rate not paid
00197-00000-000	Windorah Development Board	General rate not paid
00304-00000-000	Windorah Rodeo Club	General rate not paid
00156-50000-000	Mithaka Aboriginal Corporation	General rate not paid

## Audit Committee

Council's Finance Risk and Audit Committee ceased operation on 17 March 2021 after consultation with the external independent committee members.

## Internal Audit

Council updated its 3 year internal audit plan during the 21/22 financial year.

## Annual Report Checklist

The Department of State Development, Infrastructure, Local Government and Planning publish the checklist below for Queensland councils governed by the *Local Government Act 2009 (LGA)* and *Local Government Regulation 2012 (LGR)*.

Requirement	Reference	✓	Page No
<p>Council must prepare an annual report for each financial year and:</p> <ul style="list-style-type: none"> <li>adopt it within one month after the day the auditor-general gives their audit report about council's financial statements for the financial year to council, (unless the Minister, by notice to the council, extends this time); and</li> <li>publish the report on council's website within two weeks of adoption. LGR s182(4)</li> </ul>	LGR s182(2) & (3)	✓ - Adopted at Council Meeting on 16/11/2022	
<b>Content</b>			
<p>The annual report must:</p> <ul style="list-style-type: none"> <li>contain a list of all the beneficial enterprises that the local government conducted during the financial year</li> </ul>	LGA s41	✓	12
<ul style="list-style-type: none"> <li>contain a list of all the business activities that the local government conducted during the financial year</li> </ul>	LGA s45(a)	✓	12
<ul style="list-style-type: none"> <li>identify the business activities that are significant business activities</li> </ul>	LGA s45(b)	✓	12
<ul style="list-style-type: none"> <li>state whether or not the competitive neutrality principle was applied to the significant business activities, and if the principle was not applied, the reason why it was not applied</li> </ul>	LGA s45 (c)	✓	12
<ul style="list-style-type: none"> <li>state whether any of the significant business activities were not conducted in the preceding financial year, i.e. whether there are any new significant business activities.</li> </ul>	LGA s45(d)	N/A	12
<b>The annual report must state:</b>			
<ul style="list-style-type: none"> <li>the total of all remuneration packages that are payable (in the year to which the annual report relates) to the senior management of the local government</li> </ul> <p>The senior management, of a local government, consists of the chief executive officer and all senior executive employees of the local government.</p>	LGA s201(1)(a)	✓	12
<ul style="list-style-type: none"> <li>the number of employees in senior management who are being paid each band of remuneration</li> </ul> <p>Each band of remuneration is an increment of \$100,000.</p> <p><i>There is no requirement to disclose the exact salary of any employee in senior management separately in the annual report.</i></p>	LGA s201(1)(b)	✓	12
<b>The annual report must contain:</b>			
<ul style="list-style-type: none"> <li>the general purpose financial statement for the financial year, audited by the auditor-general</li> </ul>	LGR s183(a)	✓	24

Requirement	Reference	✓	Page No
• the current-year financial sustainability statement for the financial year, audited by the auditor-general	LGR s183(b)	✓	66
• the long term financial sustainability statement for the financial year	LGR s183 c	✓	64
• the auditor-general's audit reports about the general purpose financial statement and the current year financial sustainability statement	LGR s183(d)	✓	61
• the community financial report for the financial year	LGR s184	✓	9
• a copy of the resolutions made during the financial year under s250(1) of the LGR (adoption of an expenses reimbursement policy);	LGR s185(a)	✓	13
• a list of any resolutions made during the financial year under s206(2) of the LGR (threshold for non-current physical asset to be treated as an expense)	LGR s185(b)	✓	13
<b>In relation to Councillors, the annual report must contain:</b>			
• the total remuneration, including superannuation contributions, paid to each councillor during the financial year	LGR s186(a)	✓	14
• the expenses incurred by, and the facilities provided to, each councillor during the financial year under the local government's expenses reimbursement policy	LGR s186(b)	✓	14
• the number of local government meetings that each councillor attended during the financial year	LGR s186 (c)	✓	14
<b>The total number of the following during the financial year:</b>			
a. orders made under section 150I(2) of the LGA	LGR s186(d)(i)	✓	15
b. orders made under section 150AH(1) of the LGA	LGRs186(d)(ii)	✓	15
c. decisions, orders and recommendations made under section 150AR(1) of the LGA	LGR s186(d)(iii)	✓	15
<b>Each of the following during the financial year:</b>			
a. the name of each councillor for whom a decision, order or recommendation under section 150I(2), 150AH(1) or 150 AR(1) of the LGA was made	LGRs186 (e) (i)	✓	15
b. a description of the unsuitable meeting conduct, inappropriate conduct or misconduct engaged in by each of the Councillors;	LGRs186(e) (ii)	✓	15
c. a summary of the decision, order or recommendation made for each councillor;	LGRs186 (e) (iii)	✓	15
<b>For Councillors, the annual report must also contain the number of each of the following during the financial year:</b>			
• complaints referred to the assessor under section 150P(2)(a) of the LGA by the local government, a councillor of the local government or the chief executive officer of the local government	LGRs186(1)(f)(i)	✓	15
• matters, mentioned in section 150P (3) of the LGA, notified to the Crime and Corruption	LGRs186(1)(f)(ii)	✓	15

Requirement	Reference	✓	Page No
Commission			
• notices given under section 150R (2) of the LGA	LGRs186(1)(f)(iii)	✓	15
• notices given under section 150S(2)(a) of the LGA	LGRs186(1)(f)(iv)	✓	15
• decisions made under section 150W(1)(a), (b) and (e) of the LGA	LGR s186 (1)(f)(v)	✓	15
• referral notices accompanied by a recommendation mentioned in section 150AC(3)(a) of the LGA	LGRs186 (1)(f)(vi)	✓	15
• occasions information was given under section 150AF(4)(a) of the LGA	LGRs186(1)(f)(vii)	✓	15
• occasions the local government asked another entity to investigate, under chapter 5A, part 3, division 5 of the LGA for the local government, the suspected inappropriate conduct of a councillor	LGRs186(1)(f)(viii)	✓	15
• applications heard by the conduct tribunal a. under chapter 5A, part 3, division 6 of the Act about whether a councillor engaged in misconduct or inappropriate conduct.	LGR s186(1)(f)(ix)	✓	15
<b>In relation to administrative action complaints the annual report for a financial year must contain:</b>			
• a statement about the local government's commitment to dealing fairly with administrative action complaints; and	LGR s187(1)(a)	✓	15
• a statement about how the local government has implemented its complaints management process, including an assessment of the local government's performance in resolving complaints under the process	LGR s187(1)(b)	✓	15
<b>The number of the following during the financial year:</b>			
a. administrative action complaints made to the local government;	LGR s187(2)(a)(i)	✓	15
b. administrative action complaints resolved by the local government under the complaints management process;	LGR s187(2)(a)(ii)	✓	15
c. administrative action complaints not resolved by the local government under the complaints management process; and	LGR s187(2)(a)(iii)	✓	15
The number of administrative action complaints not resolved by the local government under the complaints management process that were made in a previous financial year.	LGR s187(2)(b)	✓	15
<b>The annual report for a financial year must contain the following information about any overseas travel made by a councillor or local government employee in an official capacity during the financial year:</b>			
• for a councillor - the name of the councillor	LGR s188(1)(a)	✓	13
• for a local government employee – that person's name and position held	LGR s188(1)(b)	✓	13

Requirement	Reference	✓	Page No
• the destination of the overseas travel	LGR s188(1)( c)	✓	13
• the purpose of the overseas travel	LGR s188(1)(d)	✓	13
• the cost of the overseas travel.	LGR s188(1)( e)	✓	13
The annual report may also contain any other information about the overseas travel the local government considers relevant.	LGR s188(2)	✓	13
<b>The annual report for a financial year must contain:</b>			
• a summary of the local government's expenditure for the financial year on grants to community organisations	LGR s189(1)	✓	16
• the following information about the local government's discretionary funds— LGR s189(2)	LGR s189(2)	N/A	
a. the total amount budgeted for the financial year as the local government's discretionary funds;	LGR s189(2)(a)	N/A	
b. the prescribed amount (0.1% of the local government's revenue from general rates for the previous financial year) for the local government for the financial year;	LGR s189(2)(b) LGR s201B(5)	N/A	
c. the total amount of discretionary funds budgeted for the financial year for Councillors to allocate for each of the following purposes:	LGR s189(2)(c)	N/A	
i. capital works of the local government that are for a community purpose	LGR s189(2)(c)(i)	N/A	
ii. other community purposes;	LGR s189(2)(c)(ii)	N/A	
d. the amount of discretionary funds budgeted for use by each councillor for the financial year;	LGR s189(2)(d)	N/A	
e. if a councillor allocates discretionary funds in the financial year:	LGR s189(2)(e)	N/A	
i. the amount allocated; and	LGR s189(2)(e)(i)	N/A	
ii. the date the amount was allocated; and	s189(2)(e)(ii)	N/A	
iii. the way mentioned in section 202(1) in which the amount was allocated; and	LGR s189(2)(e)(iii)	N/A	
iv. if the amount was allocated to a person or organisation—the name of the person or organisation to whom the allocation was made; and	LGR s189(2)(e)(iv)	N/A	
v. the purpose for which the amount was allocated, including sufficient details to identify how the funds were, or are to be, spent.	LGR s189(2)(e)(v)	N/A	
<b>The annual report for a financial year must also contain the following information:</b>			
• the chief executive officer's assessment of the local government's progress towards implementing its 5-year corporate plan and annual operational plan	LGR s190(1)(a)	✓ CEO's Report	7
• particulars of other issues relevant to making an informed assessment of the local government's operations and performance in the financial year	LGR s190(1)(b)	✓ CEO's Report	8

Requirement	Reference	✓	Page No
<ul style="list-style-type: none"> <li>• an annual operations report for each commercial business unit, which means a document that contains the following information for the previous financial year:               <ul style="list-style-type: none"> <li>o information that allows an informed assessment of the unit's operations, including a comparison with the unit's annual performance plan</li> <li>o particulars of any changes made to the unit's annual performance plan for the previous financial year, including the impact the changes had on the unit's financial position, operating surplus or deficit and prospects.</li> <li>o particulars of any directions the local government gave the unit.</li> </ul> </li> </ul>	LGR s190(1)(c)	N/A	
<ul style="list-style-type: none"> <li>• details of any action taken for, and expenditure on, a service, facility or activity:               <ul style="list-style-type: none"> <li>o supplied by another local government under an agreement for conducting a joint government activity</li> <li>o for which the local government levied special rates or charges for the financial year;</li> </ul> </li> </ul>	LGR s190(1)(d)	✓	17
<ul style="list-style-type: none"> <li>• the number of invitations to change tenders under section 228(7) of the LGR during the financial year;</li> </ul>	s190(1)(d)(i)	✓	17
<ul style="list-style-type: none"> <li>• a list of the registers kept by the local government;</li> </ul>	s190(1)(d)(ii)	✓	17
<ul style="list-style-type: none"> <li>• a summary of all concessions for rates and charges granted by the local government</li> </ul>	LGR s190(1)(e)	✓	17
<ul style="list-style-type: none"> <li>• the report on the internal audit for the financial year;</li> </ul>	LGR s190(1)(f)	✓	18
<ul style="list-style-type: none"> <li>• a summary of investigation notices given in the financial year under S49 of the LGR for competitive neutrality complaints;</li> </ul>	LGR s190(1)(g)	✓	18
<ul style="list-style-type: none"> <li>• the local government's responses in the financial year on the QCA's recommendations on any competitive neutrality complaints under S52(3) of the LGR.</li> </ul>	LGR s190(1)(h)	✓	19
	LGR s190(1)(i)	✓	12
	LGR s190(1)(j)	✓	12

# Barcoo Shire Council

## GENERAL PURPOSE FINANCIAL STATEMENTS

for the year ended 30 June 2022

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# General Purpose Financial Statements

for the year ended 30 June 2022

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## Statement of Comprehensive Income

for the year ended 30 June 2022

\$	Notes	2022	2021
<b>Income</b>			
<b>Revenue</b>			
<b>Recurrent revenue</b>			
Rates, levies and charges	3a	1,585,917	1,338,551
Fees and charges	3b	166,322	247,241
Sales revenue	3c	14,245,228	8,848,817
Grants, subsidies, contributions and donations	3d	8,269,331	13,888,047
<b>Total recurrent revenue</b>		<u>24,266,798</u>	<u>24,322,656</u>
<b>Capital revenue</b>			
Grants, subsidies, contributions and donations	3d	2,639,297	3,986,822
<b>Total capital revenue</b>		<u>2,639,297</u>	<u>3,986,822</u>
<b>Other income</b>			
Rental income		313,311	343,514
Interest received		42,430	71,286
Other income		51,930	133,362
<b>Total other income</b>		<u>407,671</u>	<u>548,162</u>
<b>Total income</b>		<u>27,313,766</u>	<u>28,857,640</u>
<b>Expenses</b>			
<b>Recurrent expenses</b>			
Employee benefits	4	6,483,657	5,395,279
Materials and services	5	12,636,005	18,762,944
Finance costs		5,610	17,213
Depreciation and amortisation:			
- Property, plant and equipment	10	6,445,440	7,473,434
- Right of use assets		-	20,096
<b>Total recurrent expenses</b>		<u>25,570,712</u>	<u>31,668,966</u>
<b>Other expenses</b>			
Capital Expenses	6	4,151,096	1,765,290
<b>Total other expenses</b>		<u>4,151,096</u>	<u>1,765,290</u>
<b>Total expenses</b>		<u>29,721,808</u>	<u>33,434,256</u>
<b>Net Result</b>		<u>(2,408,042)</u>	<u>(4,576,616)</u>
<b>Other comprehensive income</b>			
<b>Amounts which will not be reclassified subsequently to the operating result</b>			
Increase / (decrease) in asset revaluation surplus	10	8,136,035	24,490,924
<b>Total other comprehensive income for the year</b>		<u>8,136,035</u>	<u>24,490,924</u>
<b>Total comprehensive income for the year</b>		<u>5,727,993</u>	<u>19,914,308</u>

The above statement should be read in conjunction with the accompanying notes and Significant Accounting Policies.

## Statement of Financial Position

as at 30 June 2022

\$	Notes	2022	2021
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	7	11,429,792	7,819,054
Receivables	8	792,302	1,433,427
Inventories	9	659,578	583,881
Contract assets	11	833,688	3,641,653
Other assets		–	49,792
<b>Total current assets</b>		<b>13,715,360</b>	<b>13,527,807</b>
<b>Non-current assets</b>			
Receivables	8	2,000	3,000
Property, plant and equipment	10	207,084,120	203,099,118
<b>Total non-current assets</b>		<b>207,086,120</b>	<b>203,102,118</b>
<b>Total Assets</b>		<b>220,801,480</b>	<b>216,629,925</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Payables	12	1,912,735	4,535,828
Contract liabilities	11	2,349,346	1,073,655
Borrowings	13	–	6,508
Provisions	14	853,342	728,470
<b>Total current liabilities</b>		<b>5,115,423</b>	<b>6,344,461</b>
<b>Non-current liabilities</b>			
Payables	12	19,722	39,722
Provisions	14	1,145,554	1,452,954
<b>Total non-current liabilities</b>		<b>1,165,276</b>	<b>1,492,676</b>
<b>Total Liabilities</b>		<b>6,280,699</b>	<b>7,837,137</b>
<b>Net community assets</b>		<b>214,520,781</b>	<b>208,792,788</b>
<b>Community equity</b>			
Asset revaluation surplus	15	177,204,807	169,068,772
Retained surplus		37,315,974	39,724,016
<b>Total community equity</b>		<b>214,520,781</b>	<b>208,792,788</b>

The above statement should be read in conjunction with the accompanying notes and Significant Accounting Policies.

## Statement of Changes in Equity

for the year ended 30 June 2022

\$	Notes	Asset revaluation surplus	Retained surplus	Total equity
<b>2022</b>				
Balance as at 1 July		169,068,772	39,724,016	208,792,788
<b>Net result</b>		–	(2,408,042)	(2,408,042)
<b>Other comprehensive income for the year</b>				
- Increase/(decrease) in asset revaluation surplus	10	8,136,035	–	8,136,035
<b>Other comprehensive income</b>		8,136,035	–	8,136,035
<b>Total comprehensive income for the year</b>		8,136,035	(2,408,042)	5,727,993
<b>Balance as at 30 June</b>		177,204,807	37,315,974	214,520,781
<b>2021</b>				
Balance as at 1 July		144,577,848	44,300,632	188,878,480
<b>Net result</b>		–	(4,576,616)	(4,576,616)
<b>Other comprehensive income for the year</b>				
- Increase/(decrease) in asset revaluation surplus	10	24,490,924	–	24,490,924
<b>Other comprehensive income</b>		24,490,924	–	24,490,924
<b>Total comprehensive income for the year</b>		24,490,924	(4,576,616)	19,914,308
<b>Balance as at 30 June</b>		169,068,772	39,724,016	208,792,788

The above statement should be read in conjunction with the accompanying notes and Significant Accounting Policies.

## Statement of Cash Flows

for the year ended 30 June 2022

\$	Notes	2022	2021
<b>Cash flows from operating activities</b>			
Receipts from customers		17,687,425	14,411,331
Payments to suppliers and employees		(21,915,587)	(23,382,392)
		<u>(4,228,162)</u>	<u>(8,971,061)</u>
<b>Receipts</b>			
Interest received		42,430	71,286
Rental income		313,311	343,514
Non capital grants and contributions		10,602,427	4,518,430
Other		804,449	133,362
<b>Payments</b>			
Borrowing costs		(5,610)	(17,213)
Other		110,522	-
<b>Net cash inflow/(outflow) from operating activities</b>	19	<u>7,639,367</u>	<u>(3,921,682)</u>
<b>Cash flows from investing activities</b>			
<b>Receipts</b>			
Proceeds from sale of property, plant and equipment		192,893	637,603
Grants, subsidies, contributions and donations		2,639,297	3,986,822
<b>Payments</b>			
Payments for property, plant and equipment		(6,854,311)	(6,200,273)
<b>Net cash inflow/(outflow) from investing activities</b>		<u>(4,022,121)</u>	<u>(1,575,848)</u>
<b>Cash flows from financing activities</b>			
<b>Payments</b>			
Repayment of borrowings		(6,508)	(12,531)
Repayments made on leases (principal only)		-	(23,764)
<b>Net cash flow inflow/(outflow) from financing activities</b>		<u>(6,508)</u>	<u>(36,295)</u>
<b>Net increase/(decrease) in cash and cash equivalents held</b>		<u>3,610,738</u>	<u>(5,533,825)</u>
plus: cash and cash equivalents - beginning		7,819,054	13,352,879
<b>Cash and cash equivalents at the end of the financial year</b>	7	<u>11,429,792</u>	<u>7,819,054</u>

The above statement should be read in conjunction with the accompanying notes and Significant Accounting Policies.

# Barcoo Shire Council

## Notes to the Financial Statements

for the year ended 30 June 2022

### Note 1. Information about these financial statements

#### (a) Basis of preparation

The Barcoo Shire Council is constituted under the Queensland *Local Government Act 2009* and is domiciled in Australia.

These general purpose financial statements are for the period 1 July 2021 to 30 June 2022 and have been prepared in compliance with the requirements of the *Local Government Act 2009* and the *Local Government Regulation 2012*.

These financial statements comply with the Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB). Council is a not-for-profit entity for financial purposes and these financial statements comply with Australian Accounting Standards and Interpretations as applicable to not-for-profit entities.

These financial statements have been prepared under the historical cost convention, except for the revaluation of certain classes of property, plant and equipment.

#### (b) New and revised Accounting Standards adopted during the year

Council adopted all standards which became mandatorily effective for annual reporting periods beginning on 1 July 2021. None of the standards had a material impact on reported position, performance and cash flows.

#### (c) Standards issued by the AASB not yet effective

The AASB has issued Australian Accounting Standards and Interpretations which are not effective at 30 June 2022, these standards have not been adopted by Council and will be included in the financial statements on their effective date. These standards are not expected to have a material impact upon adoption.

#### (d) Estimates and Judgements

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

- Revenue recognition - Note 3
- Valuation, impairment and depreciation of property, plant and equipment – Note 10
- Provisions - Note 14
- Contingent liabilities - Note 17
- Financial instruments and financial risk management - Note 21

#### (e) Rounding and Comparatives

The financial statements are in Australian Dollars that have been rounded to the nearest \$1.

Comparative information is prepared on the same basis as the prior year, unless otherwise stated.

#### (f) Taxation

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

#### (g) COVID-19

Council has not had to consider any rates or charges remissions or deferrals as a result of the economic impact of COVID-19 and has not made any changes to its operations during this financial year.

Council has incurred minimal direct additional costs of operations to comply with COVID-19 legislation and health directives. Additional external contract resources have been required to deliver projects funded by Government stimulus funding. Council has identified extended timeframes for some deliveries which impacts on project delivery timeframes.

The ratepayer base which is largely primary producers have been experiencing record or near record livestock prices and are not under any additional economic or financial pressure as a result of the COVID-19 pandemic.

Council, along with the majority of Western Queensland council areas have experienced very little negative impacts as a result of the COVID-19 pandemic.

## Notes to the Financial Statements

for the year ended 30 June 2022

### Note 2a. Council functions – component descriptions

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

#### **Corporate services**

The objective of Corporate Services is to be open, accountable, transparent and to deliver value for money community outcomes. This function includes strategic and operational planning, risk management and legal and administrative support. This will involve the provision of the following services to Council: financial and administrative, information technology, human resources and payroll, libraries, entertainment, sporting and recreational venues, roadhouse and post office facilities, provision of engineering and operational support, private works, animal control and rural services, assist with promotion and development of local tourism, provide leadership for growth of local industry and procure Council's plant fleet.

#### **Executive**

The objective of the Executive function is to provide support functions for the Mayor and Councillors, Council and committee meetings and statutory requirements including disaster management, civic receptions and environmental health services. This function also includes town planning and building development and includes all costs associated with executive salaries and Councillor costs.

#### **Works and services**

The objective of Works and Services is to ensure the community is serviced by a high quality, appropriate and effective road network and aerodrome infrastructure, sustainably managed waste disposal and ensure a safe community through sustainable water services. This function also includes activities relating to recoverable works, workplace health and safety and quality assurance.

## Notes to the Financial Statements

for the year ended 30 June 2022

## Note 2b. Council functions - analysis of results by function

Functions \$	Recurring grants	Gross program income		Capital other	Total income	Gross program expenses		Total expenses	Net result from recurring operations	Net result	Total assets
		Recurring other	Capital grants			Recurring	Capital				
<b>Functions</b>											
<b>2022</b>											
Corporate services	4,207,573	3,621,128	601,134	–	8,429,835	(6,197,362)	(2,798)	(6,200,160)	1,631,339	2,229,675	41,213,387
Executive	4,306	–	–	–	4,306	(869,122)	–	(869,122)	(864,816)	(864,816)	–
Works and services	4,057,452	12,784,010	2,038,163	–	18,879,625	(18,504,228)	(4,148,298)	(22,652,526)	(1,662,766)	(3,772,901)	179,588,093
<b>Total</b>	<b>8,269,331</b>	<b>16,405,138</b>	<b>2,639,297</b>	<b>–</b>	<b>27,313,766</b>	<b>(25,570,712)</b>	<b>(4,151,096)</b>	<b>(29,721,808)</b>	<b>(896,243)</b>	<b>(2,408,042)</b>	<b>220,801,480</b>
<b>2021</b>											
Corporate services	3,030,792	3,141,748	129,447	–	6,301,987	(6,563,764)	–	(6,563,764)	(391,224)	(261,777)	35,944,698
Executive	4,528	–	–	–	4,528	(783,265)	–	(783,265)	(778,737)	(778,737)	–
Works and services	10,852,727	7,841,022	3,857,375	–	22,551,124	(24,321,936)	(1,765,290)	(26,087,226)	(5,628,187)	(3,536,102)	180,685,227
<b>Total</b>	<b>13,888,047</b>	<b>10,982,770</b>	<b>3,986,822</b>	<b>–</b>	<b>28,857,639</b>	<b>(31,668,965)</b>	<b>(1,765,290)</b>	<b>(33,434,255)</b>	<b>(6,798,148)</b>	<b>(4,576,616)</b>	<b>216,629,925</b>



## Notes to the Financial Statements

for the year ended 30 June 2022

## Note 3. Revenue

\$	2022	2021
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**(a) Rates, levies and charges**

Rates, levies and charges are recognised as revenue at the beginning of the rating period to which they relate. Prepaid rates are recognised as a financial liability until the beginning of the rating period.

General rates	1,406,999	1,160,267
Water	263,348	246,224
Garbage charges	65,404	47,815
<b>Total rates and utility charge revenue</b>	<b>1,735,751</b>	<b>1,454,306</b>
Less: discounts	(137,548)	(105,363)
Less: pensioner remissions	(12,286)	(10,392)
<b>Total rates, levies and charges</b>	<b>1,585,917</b>	<b>1,338,551</b>

**(b) Fees and charges**

Revenue arising from fees and charges are recognised at the point in time when the performance obligation is completed and the customer receives the benefit of the goods/services being provided.

The performance obligation relates to the specific services which are provided to the customers and generally the payment terms are within 30 days of the provision of the service or in some cases, the customer is required to pay on arrival, for example caravan parks.

Aerodrome fees	18,424	18,132
Caravan park fees	89,263	185,073
Agistment fees	34,790	23,339
Other fees and charges	23,845	20,697
<b>Total fees and charges</b>	<b>166,322</b>	<b>247,241</b>

**(c) Sales revenue**

Sale of goods revenue is recognised at the point in time that the customer obtains control of the goods, generally at delivery. Revenue from services is recognised when the service is rendered.

Revenue from contracts and recoverable works generally comprise of the recoupment of material costs together with an hourly charge for the use of equipment and employees. This revenue and associated costs are recognised by reference to the stage of completion of the contract activity based on costs incurred at the reporting date. Where consideration is received for the service in advance it is included in other liabilities and is recognised as revenue in the period when the service is performed. The contract work carried out is not subject to retentions.

Contract and recoverable works	12,678,452	7,525,542
Jundah general store / roadhouse sales	1,566,776	1,323,275
<b>Total sales revenue</b>	<b>14,245,228</b>	<b>8,848,817</b>

## Notes to the Financial Statements

for the year ended 30 June 2022

## Note 3. Revenue (continued)

**(d) Grants, subsidies, contributions and donations****Grant income under AASB 15**

Where grant income arises from an agreement which is enforceable and contains sufficiently specific performance obligations then the revenue is recognised when control of each performance obligations is satisfied.

The performance obligations are varied based on the agreement. Payment terms vary depending on the terms of the grant, cash is received upfront for some grants and on the achievement of certain payment milestones for others.

Each performance obligation is considered to ensure that the revenue recognition reflects the transfer of control and within grant agreements there may be some performance obligations where control transfers at a point in time and others which have continuous transfer of control over the life of the contract.

Where control is transferred over time, revenue is recognised using either costs or time incurred.

**Grant income under AASB 1058**

Where Council receives an asset for significantly below fair value, the asset is recognised at fair value, related liability (or equity items) are recorded and income is then recognised for any remaining asset value at the time that the asset is received.

**Capital Grants**

Capital grants received to enable Council to acquire or construct an item of property, plant and equipment to identified specifications which will be under Council's control and which is enforceable are recognised as revenue as and when the obligation to construct or purchase is completed.

For construction projects, this is generally as the construction progresses in accordance with costs incurred since this is deemed to be the most appropriate measure of the completeness of the construction project as there is no profit margin.

**Donations and contributions**

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

Donations and contributions are generally recognised on receipt of the asset since there are no enforceable performance obligations.

\$	2022	2021
<b>(i) Operating</b>		
State government subsidies and grants	272,367	953,137
General purpose grants	5,484,890	3,708,919
Flood damage grants	2,512,074	9,220,665
Other subsidies, grants and contributions	-	5,326
<b>Total recurrent grants, subsidies, contributions and donations</b>	<b>8,269,331</b>	<b>13,888,047</b>

**(ii) Capital**

Capital revenue includes grants and subsidies received which are tied to specific projects for the replacement or upgrade of existing non-current assets and/or investment in new assets.

State government subsidies and grants	647,923	2,620,706
Commonwealth government subsidies and grants	1,991,374	1,366,116
<b>Total capital grants, subsidies, contributions and donations</b>	<b>2,639,297</b>	<b>3,986,822</b>

## Notes to the Financial Statements

for the year ended 30 June 2022

## Note 3. Revenue (continued)

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

\$	2022		2021	
	Revenue recognised at a point in time	Revenue recognised over time	Revenue recognised at a point in time	Revenue recognised over time
Grants and subsidies	5,757,257	5,151,371	4,662,056	13,207,487
Contributions	–	–	5,326	–
	<u>5,757,257</u>	<u>5,151,371</u>	<u>4,667,382</u>	<u>13,207,487</u>

## Note 4. Employee benefits

\$	Notes	2022	2021
Employee benefit expenses are recorded when the service has been provided by the employee.			
Wages and salaries		4,865,462	3,936,711
Councillors remuneration		332,987	290,876
Annual, sick and long service leave entitlements		839,804	729,254
Superannuation	18	545,834	495,224
		<u>6,584,087</u>	<u>5,452,065</u>
Other employee related expenses		91,765	129,470
		<u>6,675,852</u>	<u>5,581,535</u>
Less: capitalised employee expenses		(192,195)	(186,256)
<b>Total employee benefits</b>		<u><b>6,483,657</b></u>	<u><b>5,395,279</b></u>

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

	2022 Number	2021 Number
<b>Additional information:</b>		
Total number of Council employees at the reporting date:		
Elected members	5	5
Administration staff	35	21
Depot and outdoors staff	33	34
<b>Total full time equivalent employees</b>	<u><b>73</b></u>	<u><b>60</b></u>

## Note 5. Materials and services

\$	2022	2021
Expenses are recorded on an accruals basis as Council receives the goods or services.		
Advertising and marketing	87,590	112,306
Administration supplies and consumables	517,803	837,582
Audit of annual financial statements by the Auditor-General of Queensland	81,711	82,525

## Notes to the Financial Statements

for the year ended 30 June 2022

## Note 5. Materials and services (continued)

\$	2022	2021
Communications and IT	353,513	489,180
Repairs and maintenance	1,693,281	10,827,807
Insurance	260,284	278,677
Rates (Council Housing)	42,727	36,797
Parks and gardens	142,517	132,309
Plant operating expenses and recoverable works	5,634,047	1,401,686
Gravel extraction expenses	371,310	1,281,673
Retail store cost of goods sold & operating expenses	1,439,294	1,418,268
Other materials and services	2,011,928	1,864,134
<b>Total materials and services</b>	<b>12,636,005</b>	<b>18,762,944</b>

Total audit fees quoted by the Queensland Audit Office relating to the 2021-22 financial statements are \$63,500 (2021: \$62,500).

## Note 6. Capital expenses

\$	Notes	2022	2021
<b>(a) Loss on disposal of non-current assets</b>			
Proceeds from the disposal of property, plant and equipment		192,893	637,603
Less: carrying value of disposed property, plant and equipment	17	(449,985)	(1,372,967)
<b>Loss on disposal of non-current assets</b>		<b>257,092</b>	<b>735,364</b>
<b>(b) Provision for restoration of land</b>			
Recognition of provision - quarry provision		-	873,183
Decrease in quarry provision due to change in assumptions		(262,010)	-
Increase in refuse restoration provision due to change in assumptions		46,095	156,743
	14	(215,915)	1,029,926
<b>(c) Other capital expenses</b>			
Loss on write-off of assets		4,109,919	-
		4,109,919	-
<b>Total capital expenses</b>		<b>4,151,096</b>	<b>1,765,290</b>

## Notes to the Financial Statements

for the year ended 30 June 2022

## Note 7. Cash, cash equivalents and financial assets

\$	2022	2021
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Cash and cash equivalents in the Statement of Cash Flows includes cash on hand, all cash and cheques received but not banked at the year end, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

**Cash and cash equivalents**

Cash at bank and on hand	2,427,284	2,237,745
Deposits at call	9,002,508	5,581,309
<b>Balance per Statement of Financial Position</b>	<b>11,429,792</b>	<b>7,819,054</b>
<b>Balance per Statement of Cashflows</b>	<b>11,429,792</b>	<b>7,819,054</b>

**Restricted and internally allocated cash and cash equivalents**

Council is exposed to credit risk through its investments in the QTC Cash Fund. The QTC Cash Fund is an asset management portfolio investing in a wide range of high credit rated counterparties. Deposits with the QTC Cash Fund are capital guaranteed. Council also had access to a \$2,000,000 Working Capital Facility with QTC which had not been drawn down on as at 30 December 2021 when it was closed.

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

These include:

**(i) Externally imposed expenditure restrictions at the reporting date relate to the following cash assets:**

Advance Financial Assistance Grant	-	-
Flood damage grants	2,062,477	292,036
Other grants	761,321	781,619
<b>Total externally imposed restrictions on cash assets</b>	<b>2,823,798</b>	<b>1,073,655</b>
<b>Total unspent restricted cash</b>	<b>2,823,798</b>	<b>1,073,655</b>

Cash and deposits at call are held with the Queensland Treasury Corporation and Westpac Bank in normal cash funds and business cheque accounts. QTC has a rating of AA+; Westpac currently has a Standard & Poor's short term credit rating of A-1+ and a long term rating of AA-.

In accordance with the *Local Government Act 2009* and the *Local Government Regulation 2012*, a separate trust bank account and separate accounting records are maintained for funds held on behalf of outside parties. Funds held in the trust account include those funds from key deposits, social clubs and monies held on behalf of other organisations. The Council performs only a custodian role in respect of these monies and because the monies cannot be used for Council purposes, they are not considered revenue nor brought to account in the financial statements since Council has no control over the assets.

**Trust Funds**

Security deposits	1,144	1,061
	<b>1,144</b>	<b>1,061</b>

## Notes to the Financial Statements

for the year ended 30 June 2022

## Note 8. Receivables

Receivables, loans and advances are amounts owed to Council at year end. They are recognised at the amount due at the time of sale or service delivery or advance. Settlement of receivables (with the exception of loans and advances) is required within 30 days after the invoice is issued. Receivables are measured at amortised cost which approximates fair value at reporting date.

Loans relate to advances made to ratepayers under the Rural Electrification Scheme for new solar based generators on their properties, and loans to community organisations. Council reclaims the costs and interest by invoicing the respective ratepayers semi annually.

\$	2022	2021
<b>Current</b>		
Rateable revenue and utility charges	149,573	88,971
Other debtors	642,229	1,345,326
Loans and advances	1,000	6,830
<b>Total</b>	<b>792,802</b>	<b>1,441,127</b>
<b>less: Provision for impairment</b>		
Less: loss allowance	(500)	(7,700)
<b>Total provision for impairment - receivables</b>	<b>(500)</b>	<b>(7,700)</b>
<b>Total current receivables</b>	<b>792,302</b>	<b>1,433,427</b>
<b>Non-current</b>		
Loans and advances	2,000	3,000
<b>Total non-current receivables</b>	<b>2,000</b>	<b>3,000</b>

Debts are regularly assessed for collectability and allowance is made, where appropriate, for impairment. All known bad debts were written-off at 30 June. If an amount is recovered in a subsequent period it is recognised as revenue.

Because Council is empowered under the provisions of the *Local Government Act 2009* to sell an owner's freehold property to recover outstanding rate debt, the expected credit loss is immaterial. Impairment of rates and charges will occur only if arrears are deemed to be greater than the proceeds Council would receive from the sale of the respective property.

Interest is charged on outstanding rates at a rate of 8.03% per annum (2021: 8.53%). No interest is charged on other debtors.

Council applies normal business credit protection procedures prior to providing goods or services to minimise credit risk. There is a concentration of credit risk for rates and utility charges, fees and other receivables within the agricultural sector..

At year end the exposure to credit risk for receivables by type of counter party was as follows:

\$	2022	2021
Property charges	149,573	88,971
State and Commonwealth Government	470,928	696,423
Community organisations	1,000	16,634
Other	170,801	634,399
<b>Total</b>	<b>792,302</b>	<b>1,436,427</b>

Council has not disclosed details of the credit loss allowance as the amount assessed by Council is immaterial.

## Notes to the Financial Statements

for the year ended 30 June 2022

## Note 9. Inventories

Inventories held for resale are valued at the lower of cost and net realisable value and include, where applicable, direct material, direct labour and an appropriate portion of variable and fixed overheads. Costs are assigned on the basis of weighted average cost.

Inventories held for distribution are:

- goods to be supplied at no or nominal charge, and
- goods to be used for the provision of services at no or nominal charge.

These goods are valued at cost, adjusted, when applicable, for any loss of service potential.

\$	2022	2021
<b>Current Inventories</b>		
<b>(a) Inventories held for sale</b>		
Jundah general store / roadhouse trading stock	78,310	101,678
	<u>78,310</u>	<u>101,678</u>
<b>(b) Inventories held for distribution</b>		
Stores and raw materials	581,268	482,203
	<u>581,268</u>	<u>482,203</u>
<b>Total current inventories</b>	<u>659,578</u>	<u>583,881</u>

## Notes to the Financial Statements

for the year ended 30 June 2022

### Note 10. Property, plant and equipment

\$	Land	Buildings	Major plant and equipment	Other plant and equipment	Road, drainage and bridge network	Water infrastructure	Furniture and fittings	Other structures	Work in progress	Total
<b>2022</b>										
Measurement basis	Fair Value	Fair Value	Fair Value	Cost	Fair Value	Fair Value	Cost	Fair Value	Cost	–
<b>Opening gross balance</b>	973,000	38,261,198	800,000	12,323,059	189,158,361	13,362,965	689,130	17,963,024	3,524,067	277,054,804
Additions - new	–	387,830	–	1,214,838	2,398,952	9,707	9,022	214,994	2,733,943	6,969,286
Disposals	–	(479,120)	–	(789,389)	(7,140,857)	–	(106,058)	–	(116,783)	(8,632,207)
Revaluation adjustment to asset revaluation surplus	–	4,227,406	88,000	–	5,560,288	819,428	–	1,091,888	–	11,787,010
Transfers between classes through capitalisation	–	261,054	–	6,096	924,687	284,455	–	–	(1,476,292)	–
Adjustments and other transfers	–	–	–	151,928	1,807	–	–	–	–	153,735
<b>Total gross value of property, plant and equipment</b>	973,000	42,658,368	888,000	12,906,532	190,903,238	14,476,555	592,094	19,269,906	4,664,935	287,332,628
<b>Opening accumulated depreciation and impairment</b>	–	15,995,683	362,103	5,231,919	41,298,258	5,004,088	550,496	5,513,139	–	73,955,686
Depreciation expense	–	887,708	9,868	1,081,153	3,556,523	237,780	26,836	645,572	–	6,445,440
Disposals	–	(359,837)	–	(700,182)	(2,789,443)	–	(106,058)	–	–	(3,955,520)
Revaluation adjustment to asset revaluation surplus	–	1,806,888	40,917	–	1,115,192	314,512	–	373,466	–	3,650,975
Adjustments and other transfers	–	–	(1)	151,928	–	–	–	–	–	151,927
<b>Total accumulated depreciation and impairment property, plant and equipment</b>	–	18,330,442	412,887	5,764,818	43,180,530	5,556,380	471,274	6,532,177	–	80,248,508
<b>Total net book value of property, plant and equipment</b>	973,000	24,327,926	475,113	7,141,714	147,722,708	8,920,175	120,820	12,737,729	4,664,935	207,084,120
<b>Other information</b>										
Range of estimated useful life (years)	Land: not depreciated	10-120	13-25	2-25	3-200	10-100	3-55	13-100	WIP: not depreciated	–
<b>*Asset additions comprise</b>										
Asset renewals	–	458,354	–	985,178	2,698,097	–	9,022	–	1,257,651	5,408,302
Other additions	–	190,530	–	235,756	625,542	294,162	–	214,994	–	1,560,984
<b>Total asset additions</b>	–	648,884	–	1,220,934	3,323,639	294,162	9,022	214,994	1,257,651	6,969,286



## Notes to the Financial Statements

for the year ended 30 June 2022

## Note 10. Property, plant and equipment (continued)

\$	Land	Buildings	Major plant and equipment	Other plant and equipment	Road, drainage and bridge network	Water infrastructure	Furniture and fittings	Other structures	Work in progress	Total
<b>2021</b>										
Measurement basis	Fair Value	Fair Value	Fair Value	Cost	Fair Value	Fair Value	Cost	Fair Value	Cost	–
<b>Opening gross balance</b>	973,000	38,227,600	1,890,000	11,164,771	188,631,976	13,174,940	689,130	18,778,247	741,370	274,271,034
Additions - new	–	–	–	–	–	–	–	–	6,200,273	6,200,273
Disposals	–	(92,000)	(1,090,000)	(485,419)	(1,278,910)	(44,570)	–	(92,000)	–	(3,082,899)
Revaluation adjustment to asset revaluation surplus	–	–	–	–	793,571	–	–	(1,127,175)	–	(333,604)
Transfers between classes through capitalisation	–	125,598	–	1,643,707	1,011,724	232,595	–	403,952	(3,417,576)	–
<b>Total gross value of property, plant and equipment</b>	<b>973,000</b>	<b>38,261,198</b>	<b>800,000</b>	<b>12,323,059</b>	<b>189,158,361</b>	<b>13,362,965</b>	<b>689,130</b>	<b>17,963,024</b>	<b>3,524,067</b>	<b>277,054,804</b>
<b>Opening accumulated depreciation and impairment</b>	–	15,140,574	993,326	4,556,199	60,740,609	4,792,466	521,840	6,271,700	–	93,016,714
Depreciation expense	–	898,126	17,912	1,067,990	4,471,353	248,911	28,656	740,486	–	7,473,434
Disposals	–	(43,017)	(649,135)	(392,270)	(511,828)	(37,289)	–	(76,392)	–	(1,709,931)
Revaluation adjustment to asset revaluation surplus	–	–	–	–	(23,401,876)	–	–	(1,422,655)	–	(24,824,531)
<b>Total accumulated depreciation and impairment property, plant and equipment</b>	<b>–</b>	<b>15,995,683</b>	<b>362,103</b>	<b>5,231,919</b>	<b>41,298,258</b>	<b>5,004,088</b>	<b>550,496</b>	<b>5,513,139</b>	<b>–</b>	<b>73,955,686</b>
<b>Total net book value of property, plant and equipment</b>	<b>973,000</b>	<b>22,265,515</b>	<b>437,897</b>	<b>7,091,140</b>	<b>147,860,103</b>	<b>8,358,877</b>	<b>138,634</b>	<b>12,449,885</b>	<b>3,524,067</b>	<b>203,099,118</b>
<b>Other information</b>										
Range of estimated useful life (years)	Land: not depreciated	10-120	13-25	2-25	3-200	10-100	3-55	13-100	WIP: not depreciated	–
<b>*Asset additions comprise</b>										
Asset renewals	–	226,370	–	–	1,372,711	59,178	–	–	–	1,658,259
Other additions	–	157,526	–	1,578,219	1,001,378	1,701,119	–	103,772	–	4,542,014
<b>Total asset additions</b>	<b>–</b>	<b>383,896</b>	<b>–</b>	<b>1,578,219</b>	<b>2,374,089</b>	<b>1,760,297</b>	<b>–</b>	<b>103,772</b>	<b>–</b>	<b>6,200,273</b>

## Notes to the Financial Statements

for the year ended 30 June 2022

### Note 10. Property, plant and equipment (continued)

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#### (a) Recognition

Purchases of property, plant and equipment are recognised as assets unless they are below the asset recognition threshold (\$5,000 for all classes except for land which does not have a threshold) or maintenance expenditure. Individual assets valued below the asset recognition threshold are recognised as an asset if connected to a larger network, for example the components of parks.

Replacement of a major component of an asset in order to maintain its service potential is treated as the acquisition of a new asset. However, routine operating maintenance, repair costs and minor renewals to maintain the operating capacity and useful life of the non current asset are expensed as incurred.

Expenditure incurred in accordance with Disaster Recovery Funding Arrangements (DRFA) on road assets is analysed to determine whether the expenditure is capital in nature. The analysis of the expenditures requires Council engineers to review the nature and extent of expenditure on a given asset. For example, expenditure that patches a road is generally maintenance in nature, whereas a kerb to kerb rebuild is treated as capital. Material expenditure that extends the useful life or renews the service potential of the asset is capitalised.

#### Land under roads

Land under the road network within the Council area that has been dedicated and opened for public use under the *Land Act 1994* or the *Land Title Act 1994* is not controlled by Council but is controlled by the state pursuant to the relevant legislation. Therefore this land is not recognised in these financial statements.

#### (b) Measurement

Property, plant and equipment assets are initially recorded at cost. Subsequently, each class of property, plant and equipment is stated at cost or fair value (as shown in the previous table) less, where applicable any accumulated depreciation and accumulated impairment loss.

Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition, including freight in, architect's fees and engineering design fees and all other establishment costs.

Direct labour and materials and an appropriate proportion of overheads incurred in the acquisition or construction of assets are also included in their cost.

Property, plant and equipment received in the form of contributions or for significantly less than fair value are initially recognised at their fair value.

#### (c) Depreciation

Assets are depreciated from the date of acquisition or, in respect of internally constructed assets, from the time an asset is completed and commissioned ready for use, at which time they are reclassified from work in progress to the appropriate asset class.

Land, work in progress and road formation assets are not depreciated. Depreciation on other property, plant and equipment assets is calculated on a straight-line basis so as to write-off the net cost or revalued amount of each depreciable asset, less its estimated residual value, progressively over its estimated useful life to Council. Management believe that the straight-line basis appropriately reflects the pattern of consumption of all Council assets.

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

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

Depreciation methods, estimated useful lives and residual values of property, plant and equipment assets are reviewed at the end of each reporting period and adjusted where necessary to reflect any changes in the pattern of consumption, physical wear and tear, technical or commercial obsolescence, or management intentions. The condition assessments performed as part of the annual valuation process for assets measured at written down current replacement cost are used to estimate the useful lives of these assets at each reporting date.

## Notes to the Financial Statements

for the year ended 30 June 2022

### Note 10. Property, plant and equipment (continued)

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Estimated useful lives are disclosed earlier in note 10.

**Key judgements and estimates:**

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

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets.

#### (d) Impairment

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

#### (e) Valuation

**Key judgements and estimates:**

Some of Council's assets and liabilities are measured at fair value for financial reporting purposes.

In estimating the fair value of an asset or a liability, Council uses market-observable data to the extent it is available and other inputs as necessary.

Council's valuation policies and procedures are set by the executive management team. They are reviewed regularly taking into consideration an analysis of movements in fair value and other relevant information.

Non-current physical assets measured at fair value are revalued, where required, so that the carrying amount of each class of asset does not materially differ from its fair value at the reporting date. This is achieved by engaging independent, professionally qualified valuers to determine the fair value for each class of property, plant and equipment assets at least every 3 - 5 years. This process involves the valuer physically sighting a representative sample of Council assets across all asset classes and making their own assessments of the condition of the assets at the date of inspection.

In the intervening years, Council uses both internal engineers and external valuers to assess the condition and cost assumptions associated with all asset classes, the results of which are considered in combination with an appropriate cost index for the region. Together these are used to form the basis of a management valuation for infrastructure asset classes in each of the intervening years. The valuer then determines suitable indices which are applied to each of these asset classes.

Any revaluation increment arising on the revaluation of an asset is credited to the appropriate class of the asset revaluation surplus, 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 of that asset class.

On revaluation, accumulated depreciation is restated proportionately with the change in the carrying amount of the asset and any change in the estimate of remaining useful life. Separately identifiable components of assets are measured on the same basis as the assets to which they relate.

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

- Fair value based on quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- Fair value based on inputs that are directly or indirectly observable for the asset or liability (level 2)
- Fair value based on unobservable inputs for the asset and liability (level 3)

There were no material transfers between levels of the hierarchy during the year.

Council engaged APV Valuers to complete a desktop revaluation over their land, building, major plant, water infrastructure, roads, drainage and bridge network as at 30 June 2022 which resulted in an increment to fair value of \$8,136,035. The key drivers of this revaluation movement are outlined below:

- Costs increases for materials and labour.

## Notes to the Financial Statements

for the year ended 30 June 2022

## Note 10. Property, plant and equipment (continued)

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

Asset class and fair value hierarchy	Valuation approach	Last comprehensive valuation date	Valuer engaged	Index applied (change in index recognised this year)	Other interim revaluation adjustment
Land (level 2) 2022: \$872,500 2021: \$872,500	Market	30/06/2020	AssetVal	Nil	Nil

## Key assumptions and estimates (related data sources)

Comparison to recently sold properties of a similar type, adjusted for size, zoning, topography and configuration. Price per square metre is the most significant input.

Land (level 3) 2022: \$100,500 2021: \$100,500	Current replacement cost	30/06/2020	AssetVal	Nil	Nil
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## Key assumptions and estimates (related data sources)

Price per square meter taking into account condition.

Buildings (level 2) 2022: \$415,818 2021: \$461,330	Market	30/06/2020	AssetVal	11%	Nil
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## Key assumptions and estimates (related data sources)

Comparison to recently sold properties of a similar type, adjusted for size, zoning, topography and configuration. Price per square metre is the most significant input.

Buildings (level 3) 2022: \$23,912,109 2021: \$21,804,185	Current replacement cost	30/06/2020	AssetVal	11%	Nil
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## Key assumptions and estimates (related data sources)

Estimation of replacement cost by component, including consideration of the cost of construction, pattern of consumption and asset condition.

Major plant and equipment (level 2)	Market	30/06/2018	Assessment with consultation from Crowe Australasia	11%	Nil
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## Key assumptions and estimates (related data sources)

Comparison to assets recently sold of a similar type and market.

Roads, drainage and bridge network (level 3)	Current replacement cost	30/06/2021	APV Valuers	3%	Nil
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## Notes to the Financial Statements

for the year ended 30 June 2022

## Note 10. Property, plant and equipment (continued)

Asset class and fair value hierarchy	Valuation approach	Last comprehensive valuation date	Valuer engaged	Index applied (change in index recognised this year)	Other interim revaluation adjustment
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**Key assumptions and estimates (related data sources)**

Replacement cost calculated by reference to asset linear and area specifications, estimated labour and material inputs and service costs sourced from recently completed projects. Remaining life of assets based on condition, taking into account functionality, capability, utilisation and obsolescence.

Water infrastructure (level 3)	Current replacement cost	30/06/2020	AssetVal	6%	Nil
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**Key assumptions and estimates (related data sources)**

Unit rates established through quoted prices from suppliers, cost guides such as Rawlinson's Construction Handbook and prices supplied by Council. Remaining useful life based on condition or age, adjusted for obsolescence.

Other structures (level 2) 2022: \$252,896 2021: \$242,568	Market	30/06/2020	AssetVal	9%	Nil
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**Key assumptions and estimates (related data sources)**

Comparison to recently sold properties of a similar type, adjusted for size, zoning, topography and configuration. Price per square metre is the most significant input.

Other structures (level 3) 2022: \$12,484,833 2021: \$12,207,317	Current replacement cost	30/06/2020	AssetVal	9%	Nil
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**Key assumptions and estimates (related data sources)**

Estimation of replacement cost by component, including consideration of the cost of construction, pattern of consumption and asset condition.

## Notes to the Financial Statements

for the year ended 30 June 2022

## Note 11. Contract balances

Contract assets represents the excess costs incurred in relation to a contract with the customer or construction of an asset over the amounts that Council has invoiced the customer or the grantor. Where Council has invoiced the customer or the grantor amounts in excess of what it has incurred in relation to a contract or in constructing an asset, this gives rise to a contract liability.

\$	2022	2021
<b>(a) Contract assets</b>		
<b>Current</b>		
Contract assets	833,688	3,641,653
<b>Total current contract assets</b>	<b>833,688</b>	<b>3,641,653</b>
<b>(b) Contract liabilities</b>		
<b>Current</b>		
Funds received upfront to construct Council controlled assets	306,750	781,619
Non-capital performance obligations not yet satisfied	2,042,596	292,036
<b>Total current contract liabilities</b>	<b>2,349,346</b>	<b>1,073,655</b>
<b>Revenue recognised that was included in the contract liability balance at the beginning of the year</b>		
Funds to construct Council controlled assets	781,619	655,686
Non-capital performance obligations not yet satisfied	292,036	3,868,636
<b>Total revenue included in the contract liability</b>	<b>1,073,655</b>	<b>4,524,322</b>

**(c) Significant changes in contract balances**

Of the contract assets and liabilities noted above, flood damage contracts with the Queensland Reconstruction Authority total \$2,042,596 and \$586,250 respectively. At 30 June 2021, the balance of contract assets and liabilities under this program totalled \$2,562,020 and \$292,036 respectively. Changes in contract balances are anticipated year on year as they are dependant on the timing of the flood event, the receipt of grant monies and the timing of works carried out.

## Note 12. Payables

\$	2022	2021
<b>Current</b>		
Creditors and accruals	1,432,332	4,185,947
Other entitlements	460,403	329,881
Gravel royalties	20,000	20,000
<b>Total current payables</b>	<b>1,912,735</b>	<b>4,535,828</b>
<b>Non-current</b>		
Gravel royalties	19,722	39,722
<b>Total non-current payables</b>	<b>19,722</b>	<b>39,722</b>

## Notes to the Financial Statements

for the year ended 30 June 2022

## Note 13. Borrowings

Borrowings are initially recognised at fair value plus any directly attributable transaction costs. Thereafter, they are measured at amortised cost. Principal and interest repayments are made semi annually.

All borrowings are in \$A denominated amounts and carried at amortised cost, interest being expensed as it accrues. No interest has been capitalised during the current or comparative reporting period. The final repayment date was 15 December 2021. There have been no defaults or breaches of the loan agreement during the period, which was paid out.

Council adopts an annual debt policy that sets out Council's planned borrowings for the next nine years. Council's current policy is to only borrow for capital projects and for a term no longer than the expected life of the asset. Council also aims to comply with the Queensland Treasury Corporation's borrowing guidelines and ensure that sustainability indicators remain within acceptable levels at all times.

\$	2022	2021
<b>Current</b>		
Loans - Queensland Treasury Corporation	-	6,508
<b>Total current borrowings</b>	<b>-</b>	<b>6,508</b>

## Reconciliation of Loan Movements for the year

## Loans - Queensland Treasury Corporation

Opening balance at beginning of financial year	6,508	19,039
Principal repayments	(6,508)	(12,531)
<b>Book value at end of financial year</b>	<b>-</b>	<b>6,508</b>

The QTC loan market value at the reporting date was \$0 (2021: \$6,651). This represents the value of the debt if Council repaid it at that date. As it is the intention of Council to hold the debt for its term, no provision is required to be made in these accounts.

No assets have been pledged as security by the Council for any liabilities, however all loans are guaranteed by the Queensland Government. There have been no defaults or breaches of the loan agreement during the 2022 or 2021 financial years.

## Note 14. Provisions

Liabilities are recognised for employee benefits such as annual and long service leave in respect of services provided by the employees up to the reporting date.

Short-term benefits which are expected to be wholly settled within 12 months are calculated on wage and salary levels which are expected to be paid and includes related employee on-costs. Amounts not expected to be wholly settled within 12 months are calculated on projected future wage and salary levels and related employee on-costs, and are discounted to present values.

*Long Service Leave*

A liability for long service leave is measured as the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date. The value of the liability is calculated using current pay rates and projected future increases in those rates and includes related employee on-costs. The estimates are adjusted for the probability of the employee remaining in Council's employment or other associated employment which would result in Council being required to meet the liability. Adjustments are then made to allow for the proportion of the benefit earned to date, and the result is discounted to present value. The provision is discounted using the Commonwealth Bond yield rates published on the Department of State Development, Infrastructure, Local Government and Planning website.

Where employees have met the prerequisite length of service and Council 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.

## Notes to the Financial Statements

for the year ended 30 June 2022

## Note 14. Provisions (continued)

*Refuse dump restoration and quarry rehabilitation*

Council recognises provisions for the estimated cost of restoration in respect of refuse dumps (landfills) and quarries where it is probable the Council will be liable, or required, to incur such a cost on the cessation of use of these facilities.

Council engineers have estimated the amount of expected restoration work based on current known restoration costs inflated using relevant cost indices and then discounted to current day values.

Refuse restoration provision represents the present value of anticipated future costs associated with the closure of the dump sites, decontamination and monitoring of historical residues and leaching on these sites.

Quarry rehabilitation provision represents the present value of the anticipated future costs associated with the closure of the quarries, refilling the basin, and reclamation and rehabilitation of these sites.

Changes to the value of the provision are reviewed annually with any changes charged as an expense.

\$	2022	2021
<b>Current</b>		
Annual leave	402,547	394,872
Long service leave	450,795	333,598
<b>Total current provisions</b>	<b>853,342</b>	<b>728,470</b>
<b>Non-current</b>		
Long service leave	103,308	194,793
Quarry restoration	611,173	873,183
Refuse restoration	431,073	384,978
<b>Total non-current provisions</b>	<b>1,145,554</b>	<b>1,452,954</b>

## Details of movements in provisions

**Quarry restoration**

Balance at beginning of financial year	873,183	–
Additional provision	–	873,183
Increase in provision due to unwinding of discount rate	13,522	–
Increase/(decrease) due to change in discount rate	(103,780)	–
Increase/(decrease) due to change in inflation rate	110,535	–
Increase/(decrease) due to change in timing of cost estimates	(43,872)	–
Increase/(decrease) due to revision in cost estimates	(238,415)	–
<b>Balance at end of financial year</b>	<b>611,173</b>	<b>873,183</b>

**Refuse restoration**

Balance at beginning of financial year	384,978	228,235
Additional provision	–	156,743
Increase in provision due to unwinding of discount rate	14,821	–
Increase/(decrease) due to change in discount rate	(188,528)	–
Increase/(decrease) due to change in inflation rate	216,399	–
Increase/(decrease) due to change in timing of cost estimates	(20,753)	–
Increase/(decrease) due to revision in cost estimates	24,156	–
<b>Balance at end of financial year</b>	<b>431,073</b>	<b>384,978</b>



## Notes to the Financial Statements

for the year ended 30 June 2022

## Note 15. Asset revaluation surplus

The asset revaluation surplus comprises revaluation movements on property, plant and equipment. Increases and decreases on revaluation are offset within a class of assets.

## Note 16. Commitments for expenditure

\$	2022	2021
<b>Capital commitments (exclusive of GST)</b>		
<b>Commitment for the construction of the following assets contracted for at the reporting date but not recognised as liabilities:</b>		
<b>Property, plant and equipment</b>		
Water treatment plant	243,647	1,769,273
Plant purchases	850,098	309,331
<b>Total capital commitments</b>	<b>1,093,745</b>	<b>2,078,604</b>

All commitments are payable within one year.

## Note 17. Contingent liabilities

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

**Local Government Mutual**

The Council is a member of the local government mutual liability self-insurance pool, LGM Queensland. In the event of the pool being wound up or it is unable to meet its debts as they fall due, the trust deed and rules provide that any accumulated deficit will be met by the individual pool members in the same proportion as their contribution is to the total pool contributions in respect to any year that a deficit arises.

As at 30 June 2021 the financial statements reported an accumulated surplus and it is not anticipated any liability will arise.

**Local Government Workcare**

The Council is a member of the Queensland local government worker's compensation self-insurance scheme, Local Government Workcare. Under this scheme the Council has provided an indemnity towards a bank guarantee to cover bad debts which may remain should the self insurance licence be cancelled and there was insufficient funds available to cover outstanding liabilities. Only the Queensland Government's workers compensation authority may call on any part of the guarantee should the above circumstances arise. The Council's maximum exposure to the bank guarantee is \$173,744 (2021: \$186,129).

## Notes to the Financial Statements

for the year ended 30 June 2022

## Note 18. Superannuation

Council contributes to the Brighter Super previously known as the LGIA Super (the scheme). Brighter Super is a Multiemployer Plan as defined in Australian Accounting Standard AASB 119 *Employee Benefits*. The scheme has a number of elements including defined benefits funds and an accumulated benefits fund. Council does not have any employees who are members of the defined benefits fund and so it is not exposed to the obligations, assets or costs associated with these funds. Council has employees who are members of the accumulated benefits fund.

\$	Notes	2022	2021
Superannuation contributions made to the LGIA Accumulated Benefits Fund		388,127	415,073
Superannuation contributions to other Accumulated Benefits Funds		157,707	80,151
<b>Total superannuation contributions paid by Council for employees</b>	4	<b>545,834</b>	<b>495,224</b>

## Note 19. Reconciliation of net result for the year to net cash inflow/(outflow) from operating activities

\$	2022	2021 Restated
<b>Net operating result from income statement</b>	(2,408,042)	(4,576,616)
<b>Non-cash items</b>		
Depreciation and amortisation	6,445,440	7,493,530
Changes in assumptions on quarry and refuse restoration provisions	(215,915)	1,029,926
	<b>6,229,525</b>	<b>8,523,456</b>
<b>Investing and development activities</b>		
Net (profit)/loss on disposal of assets	257,092	735,364
Loss on write-off of assets	4,109,919	-
Capital grants and contributions	(2,639,297)	(3,986,822)
	<b>1,727,714</b>	<b>(3,251,458)</b>
<b>Changes in operating assets and liabilities:</b>		
(Increase)/decrease in receivables	649,325	(138,858)
Increase/(decrease) in provision for doubtful debts	(7,200)	-
(Increase)/decrease in inventories	(75,697)	43,108
(Increase)/decrease in contract assets	2,807,965	(2,835,271)
(Increase)/decrease in other assets	49,792	31,191
Increase/(decrease) in payables	(2,643,093)	2,124,020
Increase/(decrease) in contract liabilities	1,275,691	(3,817,454)
Increase/(decrease) in employee leave entitlements	33,387	(23,800)
	<b>2,090,170</b>	<b>(4,617,064)</b>
<b>Net cash provided from/(used in) operating activities from the statement of cash flows</b>	<b>7,639,367</b>	<b>(3,921,682)</b>

## Note 20. Events after the reporting period

There were no material adjusting events after the balance date.

## Notes to the Financial Statements

for the year ended 30 June 2022

### Note 21. Financial instruments and financial risk management

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#### (a) Financial assets and financial liabilities

Council's activities expose it to a variety of financial risks including credit risk, liquidity risk and market risk.

Council is responsible for the establishment and oversight of the risk management framework, together with developing and monitoring risk management policies.

Council approves policies for overall risk management, as well as specifically for managing credit, liquidity and market risk. The Council's risk management policies are established to identify and analyse the risks faced, to set appropriate limits and controls and to monitor these risks and adherence against these limits. Council aims to manage volatility to minimise potential adverse effects on the financial performance of Council.

Council's executive management team monitor compliance with risk management policies and procedures and review the adequacy of the risk management framework in relation to the risks faced by Council. This team is assisted by internal audit.

Council does not enter into derivatives.

#### Credit risk

Credit risk is the risk of financial loss if a counterparty to a financial instrument fails to meet its contractual obligations. These obligations arise principally for Council's investments and receivables from customers.

Exposures to credit risk is managed through regular analysis of credit counterparty ability to meet payment obligations.

Investments in financial instruments are required to be made with Queensland Treasury Corporation (QTC) or similar commonwealth bodies or financial institutions in Australia, in line with the requirements of the *Statutory Bodies Financial Arrangements Act 1982*.

No collateral is held as security relating to the financial assets held by Council.

The carrying amounts of financial assets at the end of the reporting period represent the maximum exposure to credit risk for Council.

#### Liquidity risk

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

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

Council is exposed to liquidity risk through its normal course of business and through its borrowings with QTC, when they have them.

Council manages its exposure to liquidity risk by maintaining sufficient cash deposits and undrawn credit facilities (Working Capital Facility), both short and long term, to cater for unexpected volatility in cash flows. These facilities are now closed as at 31st December 2021.

The following table sets out the liquidity risk of financial liabilities held by Council. It represents the remaining contractual cashflows (principal and interest) of financial liabilities at the end of the reporting period, excluding the impact of netting agreements.

## Notes to the Financial Statements

for the year ended 30 June 2022

## Note 21. Financial instruments and financial risk management (continued)

The following lines of credit were available at the end of the reporting period:

\$	0 to 1 year	1 to 5 years	Over 5 years	Total contractual cash flows	Carrying amount
<b>2022</b>					
Trade and other payables	1,912,735	19,722	–	1,932,457	1,932,457
Loans - QTC	–	–	–	–	–
	<u>1,912,735</u>	<u>19,722</u>	<u>–</u>	<u>1,932,457</u>	<u>1,932,457</u>
<b>2021</b>					
Trade and other payables	4,205,947	39,722	–	4,245,669	4,575,550
Loans - QTC	6,661	–	–	6,661	6,508
	<u>4,212,608</u>	<u>39,722</u>	<u>–</u>	<u>4,252,330</u>	<u>4,582,058</u>

The outflows in the above table are not expected to occur significantly earlier and are not expected to be for significantly different amounts than indicated in the table.

### Market risk

Market risk is the risk that changes in market indices, such as interest rates will affect Council's income or the value of its holdings of financial instruments. Council currently has minimal exposure to market risk.

Council is exposed to interest rate risk through its investments held with financial institutions and the Queensland Treasury Corporation (QTC).

Council has access to a mix of variable and fixed rate funding options through QTC so that interest rate risk exposure can be minimised.

Council does not undertake any hedging of interest rate risk.

Council does not account for any fixed-rate financial assets or financial liabilities at Fair Value through Profit or Loss, therefore a change in interest rates at the reporting date would not affect profit or loss.

Council has conducted an interest rate sensitivity analysis calculating the impact of a 1% change in interest rates. Council has however elected not to separately disclose this table as its overall impact has been determined not to be material in amount.

## Notes to the Financial Statements

for the year ended 30 June 2022

## Note 22. Transactions with related parties

## (a) Key management personnel

## Transactions with key management personnel

In the context of Barcoo Shire Council, KMP includes the Mayor and Councillors, Chief Executive Officer and some executive management. The compensation paid to KMP comprises:

\$	2022	2021
<b>The compensation paid to key management personnel for comprises:</b>		
Short-term employee benefits	1,087,034	867,878
Post-employment benefits	86,091	58,003
Long-term benefits	5,520	10,101
<b>Total</b>	<b>1,178,645</b>	<b>935,982</b>

Detailed remuneration disclosures are provided in the annual report.

## (b) Other Related Parties

## Transactions with other related parties

	Subnote	2022	2021
<b>Purchases from related parties</b>			
Payment for mechanical services	(ii)	483,262	-
Payment of exclusion fencing subsidy	(iii)	36,570	60,340
Purchase of electrical and maintenance services	(iv)	171,276	171,600
Employee expenses for close family members of key management personnel	(v)	469,459	361,722
Other		310	26,196
		<u>1,160,877</u>	<u>619,858</u>
<b>Sales to related parties</b>			
Workshop stores and materials	(vi)	6,075	550
Aviation fuel sales	(vi)	6,132	-
Private works	(vi)	1,097	918
Other sales	(vi)	11,404	1,215
		<u>24,708</u>	<u>2,683</u>

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

Details of transactions between Council and other related parties are disclosed above.

- (i). Council purchased materials and services from entities controlled by Key Management Personnel or other related parties. These transactions were on an arm's length basis and were in the course of normal council operations.
- (ii). Payment for mechanical services for related entity of a member of key management personnel.
- (iii). Council made payment to related entities of Councillor R Batt for construction of exclusion fences within the shire.
- (iv). A related entity of Councillor R Batt provided electrical contracting services to Council.
- (v). All close family members of key management personnel were employed through an arm's length process. They are paid in accordance with the Award for the job they perform.

## Notes to the Financial Statements

for the year ended 30 June 2022

### Note 22. Transactions with related parties (continued)

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(vi). The fees and charges charged to Key Management Personnel and their controlled entities were on an arm's length basis in accordance with schedule of fees and charges adopted by Council.

(vii). As at 30 June 2022 the amount of \$0 (2021: \$1,102) was owing to Council from related parties.

(viii). As at 30 June 2022 \$400 (2021: No amount) was owing by Council to related parties.

#### (c) Transactions with related parties that have not been disclosed

Most of the entities and people that are related parties of Council live and operate within the Barcoo Shire. Therefore, on a regular basis ordinary citizen transactions occur between Council and its related parties. Some examples include:

- Payment of rates
- Jundah General Store/Roadhouse purchases
- Dog registration
- Use of public facilities (swimming pools and sporting facilities)

Council has not included these types of transactions in its disclosure, where they are made on the same terms and conditions available to the general public.

#### (d) Other

Council employs 68 full-time equivalent staff (60 in 2021) of which only 10 (8 in 2021) are close family members of key management personnel. Total remuneration paid to these close family members was \$469,459 (2021: \$361,722).

No expense has been recognised in the current year or prior year for bad or doubtful debts in respect of amounts owed by related parties.

## General Purpose Financial Statements for the year ended 30 June 2022

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### Management Certificate

for the year ended 30 June 2022

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

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

- i. the prescribed requirements of the *Local Government Act 2009* and *Local Government Regulation 2012* for the establishment and keeping of accounts have been complied with in all material respects; and
- ii. the General Purpose Financial Statements, as set out on pages 1 to 38, present a true and fair view, in accordance with Australian Accounting Standards, of the Council's transactions for the financial year and financial position at the end of the year.



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Sally O'Neil

**Mayor**

18 October 2022



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Michael Lollback

**Chief Executive Officer**

18 October 2022

## INDEPENDENT AUDITOR'S REPORT

To the councillors of Barcoo Shire Council

### Report on the audit of the financial report

#### Opinion

I have audited the financial report of Barcoo Shire Council.

In my opinion, the financial report:

- a) gives a true and fair view of the council's financial position as at 30 June 2022, and of its financial performance and cash flows for the year then ended
- b) complies with the *Local Government Act 2009*, the Local Government Regulation 2012 and Australian Accounting Standards.

The financial report comprises the statement of financial position as at 30 June 2022, 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 significant accounting policies and other explanatory information, and the certificate given by the Mayor and Chief Executive Officer.

#### Basis for opinion

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

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

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

#### Other information

Other information comprises financial and non-financial information (other than the audited financial report) in an entity's annual report.

At the date of this auditor's report, the available other information in Barcoo Shire Council's annual report for the year ended 30 June 2022 was the current year financial sustainability statement and long-term financial sustainability statement.

The councillors are responsible for the other information.



My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon. However, as required by the Local Government Regulation 2012, I have expressed a separate opinion on the current year financial sustainability statement.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report and my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this information, I am required to report that fact. I have nothing to report in this regard.

### **Responsibilities of the councillors for the financial report**

The councillors are responsible for the preparation of the financial report that gives a true and fair view in accordance with the *Local Government Act 2009*, the Local Government Regulation 2012 and Australian Accounting Standards, and for such internal control as the councillors determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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

### **Auditor's responsibilities for the audit of the financial report**

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

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of the council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the council.

- Conclude on the appropriateness of the council's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the council's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the council to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

### **Report on other legal and regulatory requirements**

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2022:

- 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 *Local Government Act 2009*, any other Act and the Local Government Regulation 2012. The applicable requirements include those for keeping financial records that correctly record and explain the council's transactions and account balances to enable the preparation of a true and fair financial report.



Michael Claydon  
as delegate of the Auditor-General

19 October 2022

Queensland Audit Office  
Brisbane

## Current Year Financial Sustainability Statement

	Actual 2022	Target 2022
<b>Measures of financial sustainability</b>		
<b>1. Operating surplus ratio</b>		
Net result (excluding capital items) <sup>1</sup>	<b>(3.63)%</b>	0% - 10%
Total operating revenue (excluding capital items) <sup>2</sup>		
An indicator of which the extent to which revenues raised cover operational expenses only or are available for capital funding purposes or other purposes.		
<b>2. Asset sustainability ratio</b>		
Capital expenditure on the replacement of assets (renewals) <sup>3</sup>	<b>83.91%</b>	> 90.00%
Depreciation expense		
An approximation of the extent to which the infrastructure assets managed are being replaced as these reach the end of their useful lives.		
<b>3. Net financial liabilities ratio</b>		
Total liabilities less current assets	<b>(30.13)%</b>	< 60.00%
Total operating revenue (excluding capital items) <sup>2</sup>		
An indicator of the extent to which the net financial liabilities can be serviced by its operating revenue.		

(1) Includes only recurrent revenue and recurrent expenditure disclosed in the income statement. Excludes capital revenue grants, contributions, donations and subsidies received for capital acquisitions, capital income items such as profit from the sale of: property, plant and equipment, financial assets, capital expenditure such as write-off of assets, movements in provisions for restoration and rehabilitation and revaluation decrements that hit the statement of comprehensive income.

(2) Includes only recurrent revenue disclosed in the income statement. Excludes capital revenue grants, contributions donations and subsidies received for capital acquisitions. Also excludes any capital income items such as profit from the sale of: property, plant and equipment and financial assets.

(3) Asset renewals are defined as the replacement or refurbishment of an existing asset (or component) with a new asset (or component) capable of delivering the same level of service as the existing asset.

**Note 1 - basis of preparation**

The current year financial sustainability statement is a special purpose statement prepared in accordance with the requirements of the *Local Government Regulation 2012* and the Financial Management (Sustainability) Guideline 2013. The amounts used to calculate the three reported measures are prepared on an accrual basis and are drawn from the Council's audited general purpose financial statements for the year ended 30 June 2022.

## Certificate of Accuracy

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

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



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Sally O'Neil  
**Mayor**  
18 October 2022



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Michael Lollback  
**Chief Executive Officer**  
18 October 2022

## INDEPENDENT AUDITOR'S REPORT

To the councillors of Barcoo Shire Council

### Report on the current-year financial sustainability statement

#### Opinion

I have audited the accompanying current-year financial sustainability statement of Barcoo Shire Council for the year ended 30 June 2022, comprising the statement, explanatory notes, and the certificate of accuracy given by the Mayor and the Chief Executive Officer.

In accordance with s.212 of the Local Government Regulation 2012, in my opinion, in all material respects, the current-year financial sustainability statement of Barcoo Shire Council for the year ended 30 June 2022 has been accurately calculated.

#### Basis of opinion

I conducted my audit in accordance with the *Auditor-General Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the current-year financial sustainability statement* section of my report.

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

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

#### Emphasis of matter – basis of accounting

I draw attention to Note 1 which describes the basis of accounting. The current-year financial sustainability statement has been prepared in accordance with the Financial Management (Sustainability) Guideline 2013 for the purpose of fulfilling the council's reporting responsibilities under the Local Government Regulation 2012. As a result, the statement may not be suitable for another purpose. My opinion is not modified in respect of this matter.

#### Other Information

Other information comprises financial and non-financial information (other than the audited financial report) in an entity's annual report.

At the date of this auditor's report, the available other information in Barcoo Shire Council's annual report for the year ended 30 June 2022 was the general purpose financial statements and long-term financial sustainability statement.

The councillors are responsible for the other information.

My opinion on the current-year financial sustainability statement does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

However, as required by the Local Government Regulation 2012, I have expressed a separate opinion on the general purpose financial report.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report and my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this information, I am required to report that fact. I have nothing to report in this regard.

### **Responsibilities of the councillors for the current-year financial sustainability statement**

The councillors are responsible for the preparation and fair presentation of the current-year financial sustainability statement in accordance with the Local Government Regulation 2012. The councillors' responsibility also includes such internal control as the councillors determine is necessary to enable the preparation and fair presentation of the statement that is accurately calculated and is free from material misstatement, whether due to fraud or error.

### **Auditor's responsibilities for the audit of the current-year financial sustainability statement**

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

My responsibility does not extend to forming an opinion on the appropriateness or relevance of the reported ratios, nor on the council's future sustainability.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the council.

- Evaluate the overall presentation, structure and content of the statement, including the disclosures, and whether the statement represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



Michael Claydon  
as delegate of the Auditor-General

19 October 2022

Queensland Audit Office  
Brisbane

Unaudited Long Term Financial Sustainability Statement

	Target 2022	Actual 2022	2023	2024	2025	2026	Forecast					
							2027	2028	2029	2030	2031	2032

Measures of financial sustainability

**1. Operating surplus ratio**

Net result (excluding capital items) <sup>1</sup>												
<u>Total operating revenue (excluding capital items) <sup>2</sup></u>	0% - 10%	<b>(3.63)%</b>	(12.00)%	(12.00)%	(11.00)%	(10.00)%	(9.00)%	(8.00)%	(7.00)%	(6.00)%	(4.00)%	(5.00)%

An indicator of which the extent to which revenues raised cover operational expenses only or are available for capital funding purposes or other purposes.

**2. Asset sustainability ratio**

<u>Capital expenditure on the replacement of assets (renewals) <sup>3</sup></u>	> 90.00%	<b>83.91%</b>	201.00%	201.00%	201.00%	201.00%	201.00%	201.00%	201.00%	201.00%	201.00%	201.00%
Depreciation expense												

An approximation of the extent to which the infrastructure assets managed are being replaced as these reach the end of their useful lives.

**3. Net financial liabilities ratio**

<u>Total liabilities less current assets</u>												
<u>Total operating revenue (excluding capital items) <sup>2</sup></u>	< 60.00%	<b>(30.13)%</b>	(39.00)%	(29.00)%	(19.00)%	(14.00)%	(11.00)%	(10.00)%	(10.00)%	(12.00)%	(16.00)%	2.00%

An indicator of the extent to which the net financial liabilities can be serviced by its operating revenue.

(1) Includes only recurrent revenue and recurrent expenditure disclosed in the income statement. Excludes capital revenue grants, contributions, donations and subsidies received for capital acquisitions, capital income items such as profit from the sale of: property, plant and equipment, financial assets, capital expenditure such as write-off of assets, movements in provisions for restoration and rehabilitation and revaluation decrements that hit the statement of comprehensive income.

(2) Includes only recurrent revenue disclosed in the income statement. Excludes capital revenue grants, contributions donations and subsidies received for capital acquisitions. Also excludes any capital income items such as profit from the sale of: property, plant and equipment and financial assets.

(3) Asset renewals are defined as the replacement or refurbishment of an existing asset (or component) with a new asset (or component) capable of delivering the same level of service as the existing asset.



**Barcoo Shire Council Financial Management Strategy**

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

## Certificate of Accuracy - Long Term Financial Sustainability Statement

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

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



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Sally O'Neil  
**Mayor**  
18 October 2022



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Michael Lollback  
**Chief Executive Officer**  
18 October 2022