



2020-2021 Annual Report



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The Heart of the Channel Country

2021

CONTENTS

Shire Profile	4
Council Overview	4
Vision and Mission.....	4
Message from the Mayor	5
Councillors	6
Message from the Chief Executive Officer (CEO)	7
Community Financial Report	9
Statutory Information	12
Beneficial Enterprises.....	12
Business Activities	12
Commercial Business Unit	13
Competitive Neutrality	13
Senior Contract Employee Remuneration	13
Particular Resolutions	13
Councillors' Remuneration	15
Expenses Reimbursements & Provision of Facilities for Mayor and Councillors	15
Meeting Attendance	15
Conduct and Performance of Councillors	15
Administrative Action Complaints	16
Overseas Travel	16
Grants to Community Organisations	16
Discretionary Funds	17
Joint Local Government	17
Special Rates or Charges	17
Change of Tenders	18
Registers held by Council	19
Summary of Rebates and Concessions	19
Remissions – Pensioner	19
Remissions – Community Organisations	19
Audit Committee	20
Internal Audit	20
Annual Report Checklist	21
General Purpose Financial Statements	26

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.

Alternatively, you can visit Council's website at 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 2020/21 Financial Year Annual Report. It has certainly been a year of unprecedented challenges through the COVID-19 Pandemic, but once again Barcoo Shire has been able to deliver many projects giving a sense of achievement for Council.

Throughout the year we had the resignation of Cr Ingrid Miller, following this a by-election was held. The successful candidate was Cr Tony Jackson who I would like to welcome on board. I look forward to working with the newly formed team for another successful financial year.

I previously mentioned the COVID-19 Pandemic and recall last year hoping for a full and busy tourist season. Well, we got cut short again as it started out looking like the best tourist season ever to soon being brought to a halt due to lock downs in the SE corner and southern states. Here's to hoping the 2021/22 Financial Year brings a tourist season like no other as the population becomes vaccinated and all are free to move again.

Despite still being drought declared we had a couple of small wet weather events, one in late December 2020 followed by a March 2021 event. Both events resulted in a \$6.8M flood damage package which will need to be completed by June 2023. Additionally, we received some COVID-19 stimulus funding which secured another two pave and seals on the Morney Birdsville Rd, one at about chainage 23km and the other at the shire boundary. We also received an additional round of Works for Queensland (W4Q) and two rounds of Local Roads and Community Infrastructure Program (LRCIP) funding, these funds will contribute to projects such as the Windorah Water Treatment Plant over the next two financial years.

Significant achievements for the year include the previous round of Drought Communities Program (DCP), W4Q and Local Government Grants Subsidy Program (LGGSP) funded projects. These included the Perkins Street culverts, Jundah Hall upgrade, Jundah Post Office upgrade, Stonehenge Tennis Court, Stonehenge Hall painting, Stonehenge Water Treatment Plant shed, McPhellamys Crossing, rural addressing, road closure signage, Connemara Bridge replacement, Windorah 600kL water storage and kerb and channel in Windorah.

It is encouraging to see the Queensland Local Government Grants Commission conducting a methodology review of the allocation of the Commonwealth Financial Assistance Grants (FAGS). It is hoped as a result of this review there is a more equitable distribution of funding to small remote councils such as the Barcoo Shire. Our inability to create enough revenue to be sustainable is the reason we are so reliant on external funding such as FAGS, W4Q, LGGSP. The Barcoo Shire punches well above their weight as contributors to the Australian economy, and are deserving, as we continue to advocate Government at all levels to obtain the funding required to maintain the level of service that would be expected elsewhere in the country.

Even though the 2020/21 Financial Year was ridden with instability and not knowing what was next with the pandemic, there is a positive side that left us better off due to the stimulus packages the Governments were handing out to keep the economy going. We received operational grants such as flood damage and FAGS for 2020/21 Financial Year totalling \$13.8M as opposed to the previous year of \$9.3M. Capital grants such as W4Q and DCP totalled \$4M compared to \$1.4M the previous year. Contract and recoverable works which is mainly from Department of Transport and Main Roads totalled \$7.6M versus \$6M the previous year.

That being said, I don't believe this is sustainable and I have concerns about the future of funding with the current state and federal government debt levels.

In conclusion, I would like to thank all our staff for their commitment and hard work throughout the year. The team has been led by Chief Executive Officer, Paul Hockings, thank you for your contributions. I look forward to another successful year in this unique part of the world, Barcoo Shire.

Sally O'Neil
Mayor



COUNCILLORS

The current Council was sworn in on 15 April 2020 and is comprised of four Councillors and a Mayor, who were elected by eligible voters in the Barcoo Shire. Cr Ingrid Miller resigned effective 20 January 2021 and a by-election was conducted with Cr Tony Jackson being sworn into office on 17 March 2021.

CR DIANNE PIDGEON
DEPUTY MAYOR



CR ROGER BATT



CR TONY JACKSON



CR ANDREW MILLER



Message from the CEO

It's a pleasure to present this report to you looking back at what I would describe as a tumultuous year where we have had to question every expense and service. After adoption of an Annual Budget early in the Financial Year which forecast an overdraft cash position as at 30 June 2021, I took the decision to invite Queensland Treasury Corporation (QTC) into our business. Looking back they did an outstanding job initially via their liquidity review in August 2020 followed by Council taking up their offer of a Business Improvement Programme. I feel this has really focused Councillors and Council Officers on doing what is important.

Once again Council has delivered a long list of capital and main roads projects as outlined above in Mayor O'Neil's report, which shows that for the smallest mainstream Council in Queensland we punch above our weight and residents / ratepayers should be proud of our Council's achievements.

A major focus during the financial year was the very large 2019 QRA flood damage road works programme which was initially completed by our road construction crews and in the second half of the financial year contracted out in 2 packages. Sadly, after all of this work and effort we came up approximately \$415K short not being able to finish the approved works by 30 June 2021. This was mainly gravel resheeting and grading work which was co-ordinated with 2020 flood damage and complementary maintenance works.

Ensuring Council has a pipeline of road projects to ensure employment security is an ongoing focus as we only ever seem to have 12 months work in front of our crews. I wish to thank our road construction crews for the level of work accomplished and the commitment shown in working up to 12 hours per day, ably supported by a skilled group of local contractors.

Once again, the Jundah Roadhouse occupied a lot of management time with the contract operator resigning in November 2020. Council appointed a Manager Community Services via a contract arrangement to manage this business activity in house whilst Council conducted a tender process for the Roadhouse and our 3 caravan parks. In the end we only received complying tenders for the Jundah and Stonehenge Caravan Parks and it is good to see Council stepping out of this space and some local businesses stepping up to manage these facilities. Council has resolved to continue operating the Jundah Roadhouse for another 2 years and the Windorah Caravan Park for another year.

In February 2021 Council conducted a community survey which helped inform the development of our 2021-26 Corporate Plan. We received 135 responses to the survey, which represented ~64% of our shire's adult population. This was an outstanding response rate for such a survey and indicated the community's desire to have meaningful input into Council's planning. Following this survey Council has had a renewed focus on economic development, community engagement and customer service.

A draft Corporate Plan was prepared based upon this survey and circulated to residents for comments in March 2021. Ultimately a cut down focused plan was adopted in April 2021. As a result this annual report will be the last report against the old 2016-2021 Corporate Plan. Please see the table below which is the CEO's assessment of Council's progress towards implementing its 5 year corporate plan and annual operational plan. You can see from the very long list of initiatives that it was a broad approach with Council achieving a little, across a lot of areas.

Status	Executive	Community Development	Works & Services	Land, Water & Animal Management	Total
Ongoing	16	38	21	13	88
Not commenced	1	11	9	2	23
Commenced	1	13	4	1	19
As required	0	1	1	0	2
Completed	5	7	0	0	12
In progress	17	0	0	0	17
Total	40	70	35	16	161

Message from the CEO cont.

Further this report has embodied one of our new values – simplicity - being a smaller report that meets legislative compliance as evidenced by the new Annual Report Checklist.

Whilst financially, we recorded a \$4.6M deficit in 2020/21, due to our lack of own source revenue it will be difficult for Barcoo to achieve an operating surplus. The focus of Councillors and Management is to improve the deficit position which I feel we have taken steps towards, in this financial year.

I would like to thank Kerry Whiting, Director of Corporate Services and Francis Norku, Director of Works & Services who both left Council in April and July 2021 respectively. Post the financial year Council has worked to implement a lower flatter structure where 5 managers will report to the CEO.

Once again, I put on record my appreciation for the contributions made by all Council staff that has assisted in delivering services day in day out, continuing maintenance and a significant construction schedule. Further, I wish to thank the Mayor and Councillor's for providing direction to Council Officers throughout the year.



Paul Hockings
Chief Executive Officer

COMMUNITY FINANCIAL REPORT

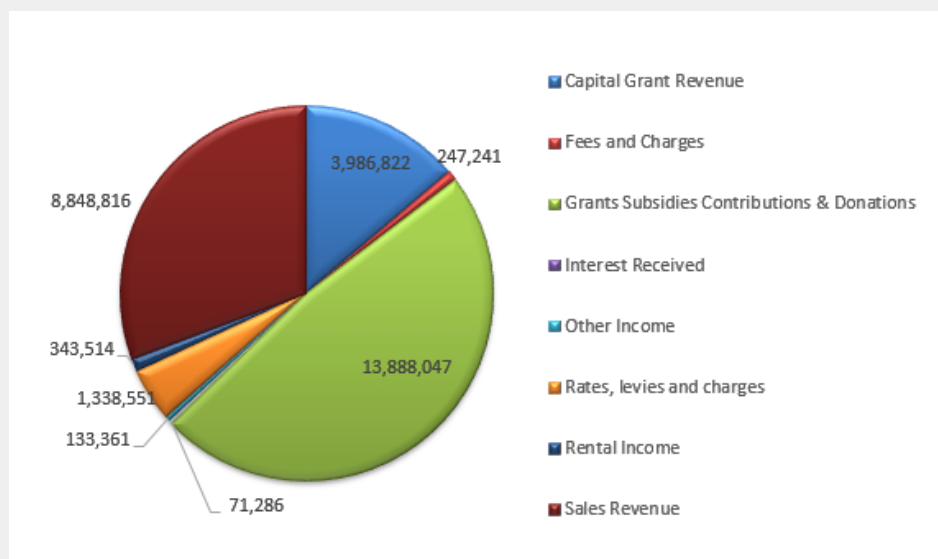
About the Community Financial Report

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 2021. 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?

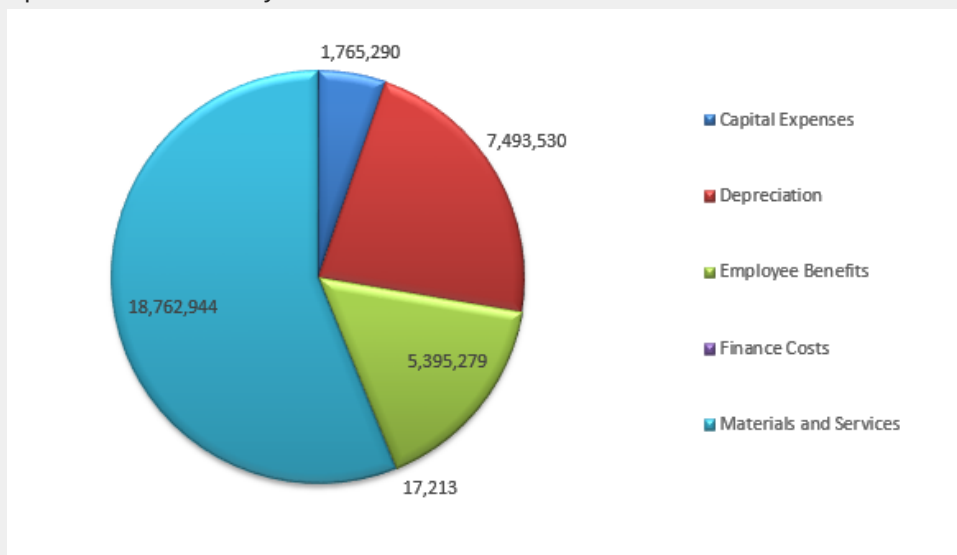
Total income for the year was \$28.9M, up from \$19.9M last year. The graph below provides an analysis of this income received by Council.



This graph demonstrates that approximately \$4M (14%) of income came from capital funding. Additionally, \$14M (48%) was from general purpose and other operating grants, which were significantly increased from the previous year. The other main sources of income were Council rates, contributing \$1.3M (5%) of the overall revenue, and sales (contract works), which contributed to \$8.8M (31%).

Expenditure: where does the money go?

Total expenses for the year were \$33.4M, increased from \$27M last year. The graph below provides an analysis of this expenses incurred by Council.



Employee costs associated with running Council made up 16% (\$5.4M) 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 increased from \$13.2M to \$18.8M and contributed to 56% of the overall operating expenditure. These materials and services also 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 \$7.5M (22%), which was a decrease from the previous year of \$8.1M (31%). Depreciation represents the rate our assets – roads, plant and equipment, buildings and water – 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.

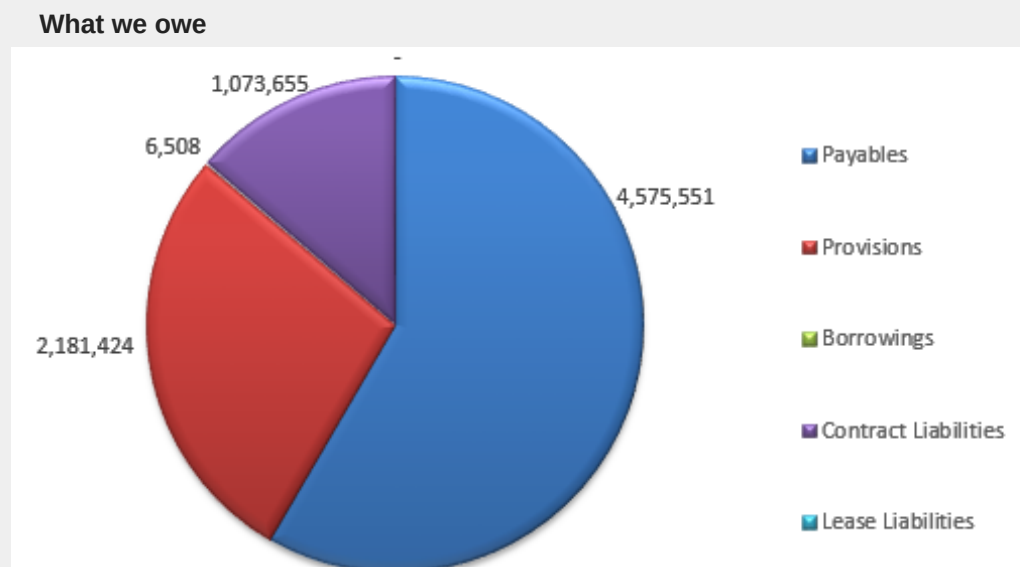
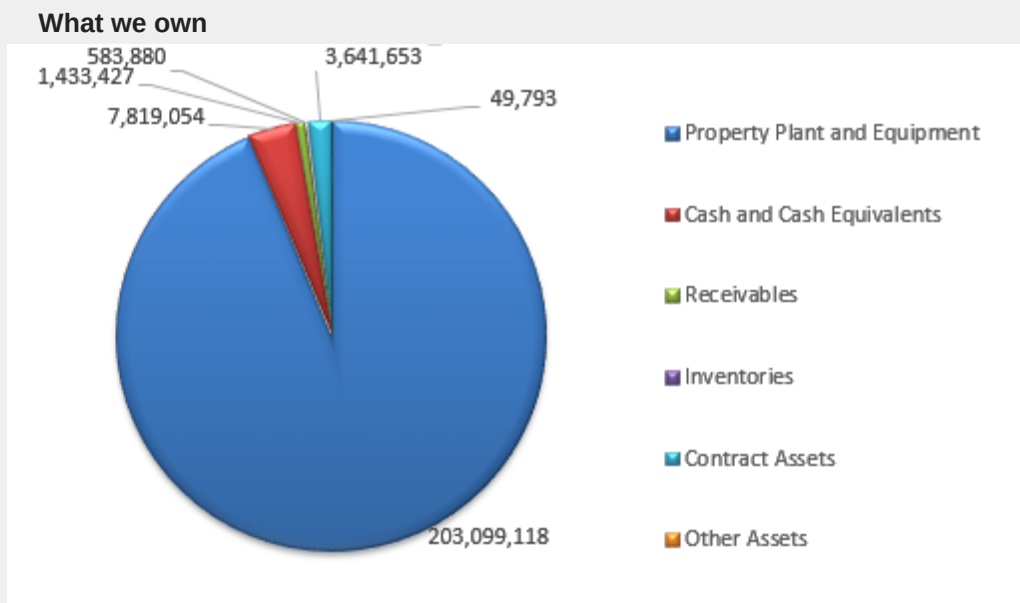
Overall performance

Our total income of \$28.9M less total expenses of \$33.5M provided us with a net result of a \$4.6M deficit.

In addition to this Council completed a full valuation on its Road network which has led to an increase in the Asset Revaluation reserve of \$24.5M.

Our position at year end

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



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 \$216.6M 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 \$7.8M comprise of employee provisions, sundry creditors and Queensland Treasury Corporation loans.

The financial position (total community equity) is \$209M which is made up by the value of what we own, less the value of what we owe.

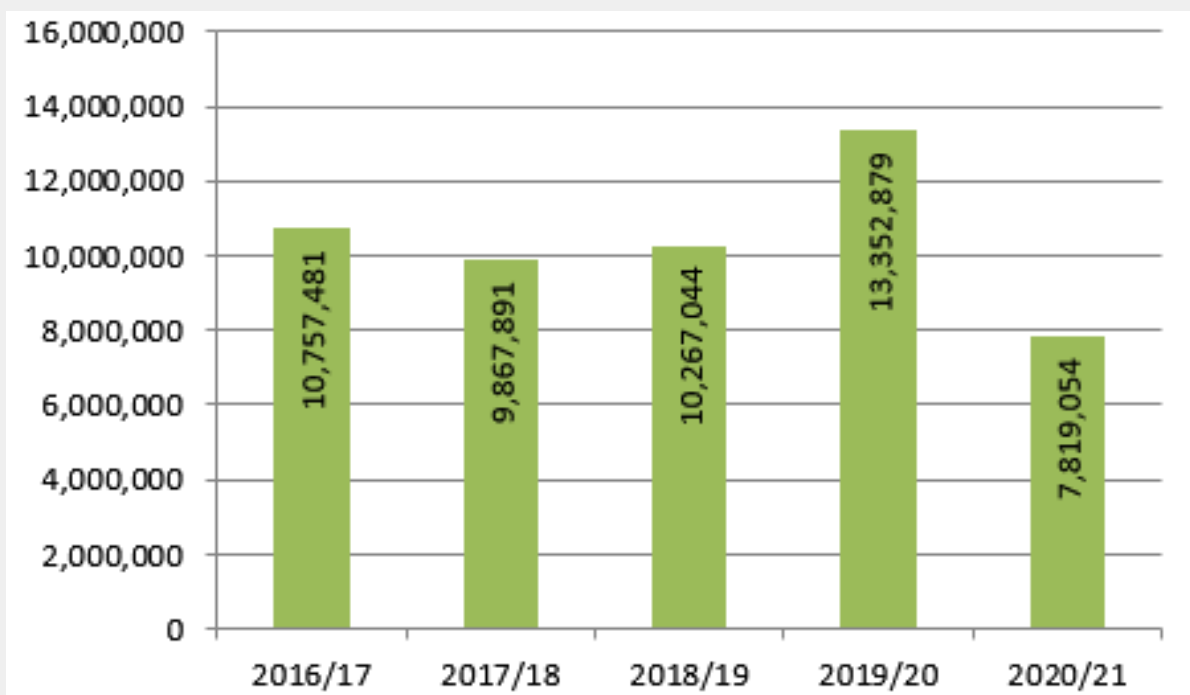
The Statement of Cash Flows is like your bank statement. If you did a summary of your statements for 12 months, it would be a cash flow statement.

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.

	2016/17	2017/18	2018/19	2019/20	2020/21
	\$	\$	\$	\$	\$
Opening cash balance	16,268,704	10,757,481	9,867,891	10,267,044	13,352,879
Net cash flow from operating activities	-4,235,330	2,692,046	9,014,583	7,227,166	65,140
Net cash flow from investing activities (capital purchases)	-1,265,656	-3,570,877	-8,604,108	-3,861,835	-5,562,670
Net cash flow from financial activities (loan repayments)	-10,237	-10,761	-11,322	-279,497	-36,295
Closing cash balance	10,757,481	9,867,891	10,267,044	13,352,879	7,819,054

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 2020-21 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. Roadhouse
7. Caravan Parks
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 2020/21 Financial Year.

Senior Contract Employee Remuneration

The table below shows the remuneration packages payable in 2020-21 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	\$643,468
\$100,000 - \$200,000	1
\$200,000 - \$300,000	2

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 May 2018 see below. Current Asset Recognition Thresholds are: 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

10.1(b) Barcoo Shire Council – Procurement Policy, Records Management Policy, Non-Current Asset Accounting Policy

Council was deficient with two policies, which were recommended to be considered by the external auditor, namely the Records Management Policy and Non-Current Asset Accounting Policy. The author has also reviewed the Procurement Policy.

The three policies were reviewed by the Finance, Risk and Audit Committee at its April meeting, and recommended for adoption by Council.

RESOLUTION NO: 2018.05.08

That Council adopt the following policies as presented:

- 1. Procurement Policy;***
- 2. Records Management Policy; and***
- 3. Non-Current Asset Accounting Policy.***

MOVED: Cr Pratt

SECONDED: Cr Pidgeon

CARRIED: 4/0

COUNCILLORS' REMUNERATION

Name	Councillor Allowance	Phone / Internet Allowance	Superannuation	Car Km Allow	Totals
Mayor Sally O'Neil	\$108,222	\$1,200	-		\$109,422
Cr Dianne Pidgeon	\$62,435	\$600	-	\$1,125	\$64,160
Cr Roger Batt	\$54,110	\$600	-		\$54,710
Cr Andrew Miller	\$54,110	\$600	-		\$54,710
Cr Ingrid Miller (*)	\$31,564	\$350	-	\$735	\$32,649
Cr Tony Jackson (*)	\$16,414	\$100	-		\$16,514
Totals	\$326,855	\$3,450	-	\$1,860	\$332,165

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 2020-21 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 Ingrid Miller	Laptop
Cr Roger Batt	Laptop	Cr Tony Jackson	Laptop

MEETING ATTENDANCE

Name	Total Ordinary Meetings	Total Special Meetings
Mayor Sally O'Neil	12	7
Deputy Mayor Dianne Pidgeon	12	7
Cr Roger Batt	11	7
Cr Andrew Miller	12	6
Cr Ingrid Miller(*)	7	3
Cr Tony Jackson(*)	4	1

* Cr Ingrid Miller resigned effective 20 January 2021 and a by-election was conducted with Cr Tony Jackson being sworn into office on 17 March 2021.

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 150I (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	6
• 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 2020/21 financial year	7
Number of administrative action complaints resolved by Council under the complaints management process during 2020/21 financial year	7
Number of administrative action complaints not resolved by Council under the complaints management process during 2020/21 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

Overseas Travel

Pursuant to section 188 of the *Local Government Regulation 2012*, it is reported that no overseas travel occurred during 2020/21 financial year.

Grants to Community Organisations

During the 2020/21 financial year Council provided the following grants and/or in-kind support under its Community Grants Policy:

	CASH VALUE	IN KIND VALUE
Jundah Race Club	\$3,000	\$126.54
Red Ridge Internal Qld Inc	\$1,000	
Windorah State School	\$1,000	
Windorah Development Board	\$1,825	
Jundah State School	\$1,000	\$73.64
Stonehenge Action Group	\$1,000	
Jundah Social Sports Club	\$1,000	
Jundah Rural Fire Brigade	\$512.50	
TOTAL	\$9,837.50	\$200.18

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 2020/2021
per hectare on all rural land within the Council area, having an area in excess of 1,000 hectares	2.05 cents per hectare up to a maximum of \$15,076 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 rate shall 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 \$122,452.
4. The timeframe for carrying out the overall plan is twelve (12) months ending 30 June 2021.

Special Charge Rural Electrification Scheme

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 cost of borrowing to reimburse Ergon Energy for the construction of electrical infrastructure for certain rural properties in the shire.

It is considered that the properties subject to the special charge specially benefited from the provision of the electricity for operating their business and attracting and retaining quality staff.

The amount of special charge shall differ according to the level of benefit that the property receives from the provision of the electricity. Once all electrical infrastructure was installed the level of benefit was determined according to the costs agreed with Ergon Energy for construction of electrical infrastructure to be repaid over the agreed period. To determine the amount of special charge it was the total cost divided by the repayment years noting that principal and interest. No discount was applied.

Set out below is a list of applications and the related assessment numbers together with the special charge levied:

Schedule 1	
Assessment No	Charge 2020/2021
315-00000-000	\$12,707

Overall plan for the Rural Electrification Scheme special charge as follows:

1. The service, facility or activity is the borrowing of the necessary funds to reimburse Ergon Energy for implementing the project, purchase of materials and construction of electrical infrastructure for the rateable land to which the special charge shall apply.
2. The rateable land to which the special charge was applied are the properties listed in Schedule 1.
3. The cost of carrying out the overall plan was \$103,606. This figure includes all of the costs associated with the installation of the infrastructure which the special rate shall fund.
4. The estimated time for carrying out the overall plan is 9 years, concluding 30 June 2022.
5. The levying of the special charge commenced in 2012.

The Annual Implementation Plan for the 2020/21 financial year pertained to the rural ratepayer who entered into a contract with Ergon Energy for the provision of electricity repaying the principal and interest funds via a schedule of repayments supplied from Queensland Treasury Corporation.

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 2020/21 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 2020/21 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 Timba	General rate not paid
00272-00000-000	Jundah Golf Club	General rate not paid
00183-10000-000	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
00197-00000-000	Windorah Development Board	General rate not paid

Audit Committee

During the reporting period, Council's Finance Risk and Audit Committee consisted of 4 persons being Mr Peter Bowler (Chairperson), Mr Jared Favero as external independent members together with Mayor Sally O'Neil and Cr Andrew Miller.

This committee met once during the financial year.

The committee ceased operation on 17 March 2021 after consultation with the external independent committee members, and Council endorsed the development of a terms of reference for the Performance and Productivity Advisory Committee. At the time of writing the annual report Council Officers had not taken any further action to establish this committee.

Internal Audit

Walsh Accounting conducted an internal audit project on Information Technology Services and Grant Administration during June 2021.

The report including its recommendations was received by Council's executive and included for review as part of the annual external audit process. Council will continue to implement the recommendations in the coming 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"> • 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 • publish the report on council's website within two weeks of adoption. LGR s182(4) 	LGR s182(2) & (3)	✓ - Adopted at Council Meeting on 17/11/2021	
Content			
<p>The annual report must:</p> <ul style="list-style-type: none"> • contain a list of all the beneficial enterprises that the local government conducted during the financial year 	LGA s41	✓	12
<ul style="list-style-type: none"> • contain a list of all the business activities that the local government conducted during the financial year 	LGA s45(a)	✓	12
<ul style="list-style-type: none"> • identify the business activities that are significant business activities 	LGA s45(b)	✓	12
<ul style="list-style-type: none"> • 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 	LGA s45 (c)	✓	13
<ul style="list-style-type: none"> • 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. 	LGA s45(d)	N/A	12
The annual report must state:			
<ul style="list-style-type: none"> • 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 <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)	✓	13
<ul style="list-style-type: none"> • the number of employees in senior management who are being paid each band of remuneration <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)	✓	13

Requirement	Reference	✓	Page No
The annual report must contain:			
• the general purpose financial statement for the financial year, audited by the auditor-general	LGR s183(a)	✓	26
• the current-year financial sustainability statement for the financial year, audited by the auditor-general	LGR s183(b)	✓	54
• the long term financial sustainability statement for the financial year	LGR s183 c	✓	53
• the auditor-general's audit reports about the general purpose financial statement and the current year financial sustainability statement	LGR s183(d)	✓	50
• 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
In relation to Councillors, the annual report must contain:			
• 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)	✓	15
• the number of local government meetings that each councillor attended during the financial year	LGR s186 (c)	✓	15
The total number of the following during the financial year:			
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
Each of the following during the financial year:			
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
For Councillors, the annual report must also contain the number of each of the following during the financial year:			

Requirement	Reference	✓	Page No
• 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 Commission	LGRs186(1)(f)(ii)	✓	15
• 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
In relation to administrative action complaints the annual report for a financial year must contain:			
• a statement about the local government's commitment to dealing fairly with administrative action complaints; and	LGR s187(1)(a)	✓	16
• 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)	✓	16
The number of the following during the financial year:			
a. administrative action complaints made to the local government;	LGR s187(2)(a)(i)	✓	16
b. administrative action complaints resolved by the local government under the complaints management process;	LGR s187(2)(a)(ii)	✓	16
c. administrative action complaints not resolved by the local government under the complaints management process; and	LGR s187(2)(a)(iii)	✓	16
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)	✓	16

Requirement	Reference	✓	Page No
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:			
• for a councillor - the name of the councillor	LGR s188(1)(a)	✓	16
• for a local government employee – that person’s name and position held	LGR s188(1)(b)	✓	16
• the destination of the overseas travel	LGR s188(1)(c)	✓	16
• the purpose of the overseas travel	LGR s188(1)(d)	✓	16
• the cost of the overseas travel.	LGR s188(1)(e)	✓	16
The annual report may also contain any other information about the overseas travel the local government considers relevant.	LGR s188(2)	✓	16
The annual report for a financial year must contain:			
• 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)	✓	17
a. the total amount budgeted for the financial year as the local government’s discretionary funds;	LGR s189(2)(a)	✓	17
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	
The annual report for a financial year must also contain the following information:			

Requirement	Reference	✓	Page No
<ul style="list-style-type: none"> 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)	✓	6
<ul style="list-style-type: none"> 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)	✓	6
<ul style="list-style-type: none"> 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"> o information that allows an informed assessment of the unit's operations, including a comparison with the unit's annual performance plan 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. o particulars of any directions the local government gave the unit. 	LGR s190(1)(c)	N/A	
<ul style="list-style-type: none"> details of any action taken for, and expenditure on, a service, facility or activity: <ul style="list-style-type: none"> o supplied by another local government under an agreement for conducting a joint government activity o for which the local government levied special rates or charges for the financial year; 	LGR s190(2)(a)	N/A	
<ul style="list-style-type: none"> the number of invitations to change tenders under section 228(7) of the LGR during the financial year; 	LGR s190(2)(b)&(c)	N/A	
<ul style="list-style-type: none"> a list of the registers kept by the local government; 	LGR s190(2)(d)	N/A	
<ul style="list-style-type: none"> a summary of all concessions for rates and charges granted by the local government 	LGR s190(1)(d)	✓	17
<ul style="list-style-type: none"> the report on the internal audit for the financial year; 	s190(1)(d)(i)	✓	17
<ul style="list-style-type: none"> a summary of investigation notices given in the financial year under S49 of the LGR for competitive neutrality complaints; 	s190(1)(d)(ii)	✓	17
<ul style="list-style-type: none"> 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. 	LGR s190(1)(e)	✓	18
	LGR s190(1)(f)	✓	19
	LGR s190(1)(g)	✓	19
	LGR s190(1)(h)	✓	20
	LGR s190(1)(i)	✓	13
	LGR s190(1)(j)	✓	13

BARCOO SHIRE COUNCIL

Financial statements

For the year ended 30 June 2021

Table of contents

Statement of Comprehensive Income	
Statement of Financial Position	
Statement of Changes in Equity	
Statement of Cash Flows	
Notes to the financial statements	
1	Information about these financial statements
2	Analysis of results by function
3	Revenue
4	Interest received
5	Employee benefits
6	Superannuation
7	Materials and services
8	Capital expenses
9	Cash and cash equivalents
10	Receivables
11	Inventories
12	Property, plant and equipment
13	Contract balances
14	Payables
15	Borrowings
16	Provisions
17	Asset revaluation surplus
18	Commitments for expenditure
19	Contingent liabilities
20	Reconciliation of net result for the year to net cash inflow (outflow) from operating activities
21	Events after the reporting period
22	Financial instruments and financial risk management
23	Transactions with related parties
Management Certificate	
Independent Auditor's Report (General Purpose Financial Statements)	
Current Year Financial Sustainability Statement	
Certificate of Accuracy - for the Current Year Financial Sustainability Statement	
Independent Auditor's Report (Current Year Financial Sustainability Statement)	
Unaudited Long-Term Financial Sustainability Statement	
Certificate of Accuracy - for the Long Term Financial Sustainability Statement	

Barcoo Shire Council
Statement of Comprehensive Income
For the year ended 30 June 2021

	Note	2021 \$	2020 \$
Income			
Revenue			
Recurrent revenue			
Rates, levies and charges	3(a)	1,338,551	1,293,543
Fees and charges	3(b)	247,241	228,832
Sales revenue	3(d)	8,848,816	7,122,505
Grants, subsidies, contributions and donations	3(e)(i)	13,888,047	9,304,977
Total recurrent revenue		<u>24,322,656</u>	<u>17,949,858</u>
Capital revenue			
Grants, subsidies, contributions and donations	3(e)(ii)	3,986,822	1,409,619
Total capital revenue		<u>3,986,822</u>	<u>1,409,619</u>
Rental income	3(c)	343,514	290,627
Interest received	4	71,286	189,893
Other income		133,361	80,538
Total income		<u>28,857,639</u>	<u>19,920,534</u>
Expenses			
Recurrent expenses			
Employee benefits	5	(5,395,279)	(5,138,265)
Materials and services	7	(18,762,944)	(13,178,957)
Finance costs		(17,213)	(40,609)
Depreciation			
Property, plant and equipment	12	(7,473,434)	(7,832,400)
Right of use assets		(20,096)	(241,155)
		<u>(31,668,966)</u>	<u>(26,431,386)</u>
Capital expenses	8	(1,765,290)	(260,527)
Total expenses		<u>(33,434,256)</u>	<u>(26,691,912)</u>
Net result		<u>(4,576,616)</u>	<u>(6,771,378)</u>
Other comprehensive income			
Items that will not be reclassified to net result			
Increase / (decrease) in asset revaluation surplus	12	24,490,924	7,436,304
Total other comprehensive income for the year		<u>24,490,924</u>	<u>7,436,304</u>
Total comprehensive income for the year		<u>19,914,308</u>	<u>664,925</u>

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

Barcoo Shire Council
Statement of Financial Position
as at 30 June 2021

	Note	2021 \$	2020 \$
Current assets			
Cash and cash equivalents	9	7,819,054	13,352,879
Receivables	10	1,433,427	1,285,076
Inventories	11	583,880	626,989
Contract assets	13	3,641,653	806,381
Other assets		49,793	80,984
Total current assets		<u>13,527,807</u>	<u>16,152,309</u>
Non-current assets			
Receivables	10	3,000	12,494
Property, plant and equipment	12	203,099,118	181,254,321
Right of use assets		-	20,096
Total non-current assets		<u>203,102,118</u>	<u>181,286,911</u>
Total assets		<u>216,629,925</u>	<u>197,439,220</u>
Current liabilities			
Payables	14	4,535,829	2,451,530
Contract liabilities	13	1,073,655	4,891,109
Borrowings	15	6,508	12,545
Lease liabilities		-	23,764
Provisions	16	728,470	701,694
Total current liabilities		<u>6,344,462</u>	<u>8,080,642</u>
Non-current liabilities			
Payables	14	39,722	-
Borrowings	15	-	6,494
Provisions	16	1,452,954	473,604
Total non-current liabilities		<u>1,492,676</u>	<u>480,098</u>
Total liabilities		<u>7,837,138</u>	<u>8,560,740</u>
Net community assets		<u>208,792,788</u>	<u>188,878,480</u>
Community equity			
Asset revaluation surplus	17	169,068,772	144,577,848
Retained surplus		39,724,016	44,300,633
Total community equity		<u>208,792,788</u>	<u>188,878,480</u>

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

Barcoo Shire Council
Statement of Changes in Equity
For the year ended 30 June 2021

	Asset revaluation surplus	Retained Surplus	Total
Note	17		
	\$	\$	\$
Balance as at 1 July 2020	144,577,848	44,300,632	188,878,480
Net result	-	(4,576,616)	(4,576,616)
Other comprehensive income for the year			
Increase / (decrease) in asset revaluation surplus	12 24,490,924	-	24,490,924
Total comprehensive income for the year	24,490,924	(4,576,616)	19,914,308
Balance as at 30 June 2021	169,068,772	39,724,016	208,792,788
Balance as at 1 July 2019	137,141,544	50,338,088	187,479,632
Adjustment on initial application of AASB 15 / 1058	-	764,020	764,020
Adjustment on initial application of AASB 16	-	(30,097)	(30,097)
Restated balance at 1 July 2019	137,141,544	51,072,011	188,213,555
Net result	-	(6,771,378)	(6,771,378)
Other comprehensive income for the year			
Increase / (decrease) in asset revaluation surplus	12 7,436,304	-	7,436,304
Total comprehensive income for the year	7,436,304	(6,771,378)	664,926
Balance as at 30 June 2020	144,577,848	44,300,632	188,878,480

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

Barcoo Shire Council
Statement of Cash Flows
For the year ended 30 June 2021

	Note	2021 \$	2020 \$
Cash flows from operating activities			
Receipts from customers		23,049,945	26,507,467
Payments to suppliers and employees		(23,382,392)	(19,720,212)
		<u>(332,447)</u>	<u>6,787,255</u>
Interest received		71,286	189,893
Rental income		343,514	290,627
Borrowing costs		(17,213)	(40,609)
Net cash inflow (outflow) from operating activities	20	<u>65,140</u>	<u>7,227,166</u>
Cash flows from investing activities			
Payments for property, plant and equipment	12	(6,200,273)	(4,685,334)
Proceeds from sale of property, plant and equipment	8	637,603	823,499
Net cash inflow (outflow) from investing activities		<u>(5,562,670)</u>	<u>(3,861,835)</u>
Cash flows from financing activities			
Repayment of borrowings	15	(12,531)	(11,911)
Repayment of leases		(23,764)	(267,586)
Net cash inflow (outflow) from financing activities		<u>(36,295)</u>	<u>(279,497)</u>
Net increase (decrease) in cash and cash equivalent held		<u>(5,533,825)</u>	<u>3,085,835</u>
Cash and cash equivalents at the beginning of the financial year		13,352,879	10,267,044
Cash and cash equivalents at end of the financial year	9	<u>7,819,054</u>	<u>13,352,879</u>

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

Barcoo Shire Council
Notes to the financial statements
For the year ended 30 June 2021

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 2020 to 30 June 2021 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 complies with Australian Accounting Standards 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 2020. 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 2021, these standards have not been adopted by Council and will be included in the financial statements on their effective date.

(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 12
- Provisions - Note 16
- Contingent liabilities - Note 19
- Financial instruments and financial risk management - Note 22

(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.

Barcoo Shire Council
Notes to the financial statements
For the year ended 30 June 2021

2 Analysis of results by function
(a) Components of Council functions

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.

(b) Income and expenses defined between recurring and capital are attributed to the following functions:

Year ended 30 June 2021

Functions	Gross program income				Total income	Gross program expenses		Total expenses	Net result from recurrent operations	Net Result	Assets
	Recurrent		Capital			Recurrent	Capital				
	Grants	Other	Grants	Other							
	2021	2021	2021	2021	2021	2021	2021	2021	2021	2021	2021
Corporate services	\$ 3,030,792	\$ 3,141,748	\$ 129,447	\$ -	\$ 6,301,987	\$ 6,563,764	\$ -	\$ (391,224)	\$ (261,777)	\$ 35,944,698	
Executive	4,528	-	-	-	4,528	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	(5,628,187)	(3,536,102)	180,685,227	
Total Council	13,888,047	10,982,770	3,986,822	-	28,857,639	31,668,966	1,765,290	(6,798,148)	(4,576,616)	216,629,925	

Year ended 30 June 2020

Functions	Gross program income				Total income	Gross program expenses		Total expenses	Net result from recurrent operations	Net Result	Assets
	Recurrent		Capital			Recurrent	Capital				
	Grants	Other	Grants	Other							
	2020	2020	2020	2020	2020	2020	2020	2020	2020	2020	2020
Corporate services	\$ 3,098,303	\$ 3,058,960	\$ 39,684	\$ -	\$ 6,196,946	\$ 6,629,997	\$ 210,536	\$ (472,734)	\$ (643,586)	\$ 41,973,077	
Executive	814	35,019	62,500	-	98,333	952,629	-	(916,796)	(854,296)	-	
Works and services	6,205,860	6,111,960	1,307,435	-	13,625,255	18,848,760	49,991	(6,530,940)	(5,273,496)	155,466,143	
Total Council	9,304,977	9,205,939	1,409,619	-	19,920,534	26,431,386	260,527	(7,920,470)	(6,771,378)	197,439,220	

Barcoo Shire Council
Notes to the financial statements
For the year ended 30 June 2021

	<u>2021</u>	<u>2020</u>
	\$	\$
3 Revenue		
(a) Rates, levies and charges		
Rates and annual 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	1,160,266	1,148,637
Water	246,224	228,299
Garbage charges	<u>47,815</u>	<u>43,688</u>
Total rates and utility charge revenue	1,454,306	1,420,625
Less: Discounts	(105,363)	(116,052)
Less: Pensioner remissions	<u>(10,392)</u>	<u>(11,030)</u>
	<u><u>1,338,551</u></u>	<u><u>1,293,543</u></u>
(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.		
Caravan park fees	185,073	162,701
Aerodrome fees	18,132	17,842
Agistment fees	23,339	31,825
Other fees and charges	<u>20,697</u>	<u>16,464</u>
	<u><u>247,241</u></u>	<u><u>228,832</u></u>
(c) Rental income		
Rent from council housing is recognised as income on a periodic straight line basis over the lease term.		
Housing rent	<u>343,514</u>	<u>290,627</u>
	<u><u>343,514</u></u>	<u><u>290,627</u></u>
(d) 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.		
Rendering of services - contracts and recoverable works	7,525,541	6,013,773
Sale of goods - Jundah general store / roadhouse sales	<u>1,323,275</u>	<u>1,108,732</u>
	<u><u>8,848,816</u></u>	<u><u>7,122,505</u></u>
(e) 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.		

Barcoo Shire Council
Notes to the financial statements
For the year ended 30 June 2021

	<u>2021</u>	<u>2020</u>
	\$	\$
(e) Grants, subsidies, contributions and donations (continued)		
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.		
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.		
(i) Operating		
General purpose grants	3,708,919	3,915,957
Flood damage grants	9,220,665	4,932,759
State government subsidies and grants	953,137	456,261
Other subsidies, grants and contributions	5,326	-
	<u>13,888,047</u>	<u>9,304,977</u>

(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	2,620,705	251,319
Commonwealth government subsidies and grants	1,366,116	1,158,300
	<u>3,986,822</u>	<u>1,409,619</u>

	2021		2020	
	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	4,662,056	13,207,487	4,372,218	6,342,378
Contributions	5,326	-	-	-
	<u>4,667,382</u>	<u>13,207,487</u>	<u>4,372,218</u>	<u>6,342,378</u>
			<u>2021</u>	<u>2020</u>
			\$	\$

4 Interest received		
Interest received from cash funds is accrued over the term of the investment.		
Interest received from cash funds	64,337	178,290
Interest from overdue rates and utility charges	6,949	11,603
	<u>71,286</u>	<u>189,893</u>

Barcoo Shire Council
Notes to the financial statements
For the year ended 30 June 2021

	<u>Note</u>	<u>2021</u> \$	<u>2020</u> \$
5 Employee benefits			
Employee benefit expenses are recorded when the service has been provided by the employee.			
Total staff wages and salaries		3,936,711	4,314,956
Councillors' remuneration		290,876	324,774
Annual, sick and long service leave expenses		729,254	715,362
Superannuation	6	495,224	501,243
		<u>5,452,064</u>	<u>5,856,336</u>
Other employee related expenses		129,470	147,689
		<u>5,581,534</u>	<u>6,004,025</u>
Less: capitalised employee expenses		<u>(186,256)</u>	<u>(865,760)</u>
		<u><u>5,395,279</u></u>	<u><u>5,138,265</u></u>

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

Total Council employees at the reporting date:

	<u>2021</u> No.	<u>2020</u> No.
Elected members	5	5
Administration staff	21	21
Depot and outdoors staff	34	32
Total full time equivalent employees	<u>60</u>	<u>58</u>
	<u>2021</u> \$	<u>2020</u> \$

6 Superannuation

Council contributes to the LGIASuper previously known as the Local Government Superannuation Scheme (Qld) (the scheme). LGIASuper 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.

Superannuation contributions made to the LGIA Accumulated Benefits Fund	415,073	427,883
Superannuation contributions to other Accumulated Benefits Funds	80,151	73,360
Total superannuation contributions paid by Council for employees	<u>495,224</u>	<u>501,243</u>

7 Materials and services

Expenses are recorded on an accruals basis as Council receives the goods or services.

Advertising and marketing	112,306	108,316
Administration supplies and consumables	837,582	871,989
Audit of financial statements by the Auditor General of Queensland *	82,525	66,180
Communications and IT	489,180	452,976
Rates (Council Housing)	36,797	37,605
Insurance	278,677	271,585
Parks and gardens	132,309	203,063
Plant operating expenses and recoverable works	1,401,686	842,939
Gravel extraction expenses	1,281,673	301,366
Repairs and maintenance	10,827,807	6,656,717
Retail store operating expenses	1,418,268	1,258,962
Other materials and services	1,864,134	2,107,258
	<u>18,762,944</u>	<u>13,178,957</u>

* The audit fees quoted by Queensland Audit Office relating to the 2020-21 financial statements are \$62,500 (2020: \$60,200).

Barcoo Shire Council
Notes to the financial statements
For the year ended 30 June 2021

	Note	2021 \$	2020 \$
8 Capital expenses			
Loss on disposal of non-current assets			
Proceeds from the sale of property, plant and equipment		(637,603)	(823,499)
Less: carrying value of disposed property, plant and equipment	12	<u>1,372,967</u>	<u>1,084,026</u>
		<u>735,364</u>	<u>260,527</u>
Provision for quarry and refuse restoration			
Recognition of provision - quarry restoration	16	873,183	-
Increase in refuse restoration provision due to change in timing	16	<u>156,743</u>	<u>-</u>
		<u>1,029,926</u>	<u>-</u>
Total capital expenses		<u><u>1,765,290</u></u>	<u><u>260,527</u></u>

9 Cash and cash equivalents

Cash and cash equivalents in the Statement of Cash Flows includes cash on hand, all cash and cheques receipted 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 at bank and on hand	2,237,745	3,360,067
Deposits at call	<u>5,581,309</u>	<u>9,992,812</u>
Balance per Statement of Cash Flows	<u><u>7,819,054</u></u>	<u><u>13,352,879</u></u>

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 have access to a \$2,000,000 Working Capital Facility with QTC which has not been drawn down on as at 30 June 2021.

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

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

Unspent government grants and subsidies

Advance Financial Assistance Grant	1,924,481	1,493,993
Flood damage grants	292,036	3,868,636
Other grants	<u>781,619</u>	<u>1,022,473</u>
Total unspent restricted cash	<u><u>2,998,136</u></u>	<u><u>6,385,102</u></u>

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 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.

(ii) Trust funds held for outside parties

Monies collected or held on behalf of other entities yet to be paid out	-	4,950
Security deposits	<u>1,061</u>	<u>1,022</u>
	<u><u>1,061</u></u>	<u><u>5,972</u></u>

Barcoo Shire Council
Notes to the financial statements
For the year ended 30 June 2021

	<u>2021</u>	<u>2020</u>
	\$	\$
10 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.		
Current		
Rateable revenue and utility charges	88,971	123,983
Other debtors	1,345,326	1,153,248
Less loss allowance	(7,700)	(7,700)
Loans and advances	6,830	15,545
	<u>1,433,427</u>	<u>1,285,076</u>
Non-current		
Loans and advances	3,000	12,494
	<u>3,000</u>	<u>12,494</u>

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 8.53% per annum (2020: 9.83%). 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 counterparty was as follows:

Property Charges	88,971	123,983
State & Commonwealth Government	696,423	58,132
Community organisations	16,634	3,723
Other	634,399	1,111,732
Total	<u>1,436,427</u>	<u>1,297,570</u>

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

11 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.

Inventories held for sale

Jundah general store / roadhouse trading stock	101,678	83,304
Inventories held for distribution		
Stores and raw materials	482,203	543,684
Total inventories	<u>583,880</u>	<u>626,989</u>

Barcoo Shire Council
Notes to the financial statements
For the year ended 30 June 2021

12 (a) Property, plant and equipment

Basis of measurement Fair value category	Land	Buildings		Major plant & equipment		Other plant & equipment		Roads, drainage and bridge network		Water infrastructure		Furniture & fittings		Other structures		Work in progress		Total
		Fair Value Level 2 & 3	Fair Value Level 2 & 3	Fair Value Level 2	Cost	Fair Value Level 3	Fair Value Level 3	Fair Value Level 3	Cost	Fair Value Level 2 & 3	Fair Value Level 3	Cost	Fair Value Level 2 & 3	Cost				
Asset values																		
Opening gross value as at 1 July 2020	973,000	38,227,600	1,890,000	11,164,770	188,631,976	13,174,940	689,130	18,778,247	741,370	274,271,034								
Additions	-	-	-	-	-	-	-	-	-	6,200,273								
Transfers between classes through capitalisation	-	125,598	-	1,643,707	1,011,724	232,595	-	403,952	(3,417,576)									
Disposals	-	(92,000)	(1,090,000)	(485,419)	(1,278,910)	(44,570)	-	(92,000)	-	(3,082,898)								
Revaluation adjustment to asset revaluation surplus	-	-	-	-	793,571	-	-	(1,127,175)	-	(333,604)								
Closing gross value as at 30 June 2021	973,000	38,261,198	800,000	12,323,059	189,158,361	13,362,965	689,130	17,963,024	3,524,066	277,054,804								

Note

8

Accumulated depreciation and impairment

Opening balance as at 1 July 2020	-	15,140,574	993,326	4,556,199	60,740,609	4,792,466	521,840	6,271,700	-	93,016,713
Depreciation expense provided in period	-	898,126	17,912	1,067,990	4,471,353	248,911	28,656	740,486	-	7,473,434
Depreciation on 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)	-	-	(1,422,654)	-	(24,824,530)
Accumulated depreciation as at 30 June 2021	-	15,995,683	362,103	5,231,919	41,298,258	5,004,088	550,496	5,513,139	-	73,955,686

8

Total written down value as at 30 June 2021

Range of estimated useful life in years	973,000	22,265,515	437,897	7,091,140	147,860,103	8,358,876	138,634	12,449,885	3,524,066	203,099,118
Land: Not depreciated,		10 - 120	13 - 25	2 - 25	3 - 200	10 - 100	3 - 55	13 - 100	WIP: Not depreciated,	

Additions comprise:

\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
-	226,370	-	-	1,372,711	59,178	-	-	-	-	1,658,259
-	157,526	-	1,578,219	1,001,378	1,701,119	-	-	103,772	-	4,542,014
-	383,896	-	1,578,219	2,374,089	1,760,297	-	-	103,772	-	6,200,273

Renewals

Other additions

Total additions

Barcoo Shire Council
Notes to the Financial Statements
For the year ended 30 June 2021

12 (a) Property, plant and equipment

Note	Land	Buildings		Major plant & equipment		Other Plant & Equipment		Roads, drainage and bridge network		Water infrastructure		Furniture & fittings		Other structures		Work in progress		Total
		Fair Value Level 2 & 3	Fair Value Level 2 & 3	Fair Value Level 2	Cost	Fair Value Level 3	Fair Value Level 3	Cost	Fair Value Level 3	Fair Value Level 2 & 3	Cost	Fair Value Level 2 & 3	Cost	Fair Value Level 2 & 3	Cost			
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
	933,777	35,118,193	2,965,000	9,846,686	187,054,929	9,574,109	691,221	15,177,151	2,832,255	4,685,334	264,193,321							
	-	-	-	-	-	-	-	-	-	-	4,685,334							
	1	2,718,183	-	2,063,412	1,994,622	-	-	-	-	-	(6,776,219)							
	(9,000)	(585,182)	(1,075,000)	(860,311)	-	-	-	(34,886)	-	-	(2,564,379)							
	48,222	5,924,560	-	-	(402,093)	3,600,831	-	(1,214,762)	-	-	7,956,758							
	-	(4,948,154)	-	114,983	(15,482)	-	(2,091)	4,850,744	-	-	-							
	973,000	38,227,600	1,890,000	11,164,770	188,631,976	13,174,940	689,130	18,778,247	741,370	274,271,034								

8

Basis of measurement
Fair value category
Asset values
Opening gross value as at 1 July 2019
Additions
Transfers between classes through capitalisation
Disposals
Revaluation adjustment to asset revaluation surplus
Transfers between classes through revaluation
Closing gross value as at 30 June 2020

Accumulated depreciation and impairment

Opening balance as at 1 July 2019
Depreciation expense provided in period
Disposals
Revaluation adjustment to asset revaluation surplus
Transfers between classes
Accumulated depreciation as at 30 June 2020

8

-	14,426,019	1,529,705	4,101,403	55,876,016	3,969,850	493,566	5,747,653	86,144,212
-	769,172	25,045	897,696	5,393,204	223,666	30,036	493,582	7,832,400
-	(340,217)	(561,424)	(551,620)	-	-	-	(27,092)	(1,480,353)
-	3,044,236	-	-	(519,297)	598,950	-	(2,603,435)	520,454
-	(2,758,636)	-	108,720	(9,314)	-	(1,762)	2,660,992	-
-	15,140,574	993,326	4,556,199	60,740,609	4,792,466	521,840	6,271,700	93,016,713

Total written down value as at 30 June 2020

Range of estimated useful life in years

973,000	23,087,026	896,674	6,608,571	127,891,367	8,382,474	167,290	12,506,547	741,370	181,254,321
Land: Not depreciated.	10 - 120	13 - 25	2 - 25	3 - 200	10 - 100	3 - 50	13 - 100	WIP: Not depreciated.	

Barcoo Shire Council
Notes to the financial statements
For the year ended 30 June 2021

12 Property, plant and equipment (continued)

(b) 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 Natural Disaster Relief and Recovery Arrangements (NDRRA) 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.

(c) 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.

(d) 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.

Estimated useful lives are disclosed earlier in note 12(a).

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.

Barcoo Shire Council
Notes to the financial statements
For the year ended 30 June 2021

(e) 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.

(f) 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.

(i) Valuation process

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 comprehensive revaluation over their roads, drainage and bridge network as at 30 June 2021 which resulted in an increment to fair value of \$22,608,305. The key drivers of this revaluation movement are outlined below:

- APV have assessed the long life component of assets. Previously, the valuation was age based and assumed the entire value of the assets were based on a single short life only
- Assets have also been valued based on their consumption score rather than predominantly age based. The consumptions scores identified as part of the revaluation have also been updated to reflect Council's renewal and reseal programs
- Updates to the useful life assumption for the gravel pavement component of Council's assets have also caused an increase in fair value and an approximate decrease of 28.8% to depreciation expense for future years.

BARCOO SHIRE COUNCIL
Notes to the financial statements
For the year ended 30 June 2021

(ii) Valuation techniques used to derive fair values for level 2 and level 3 valuations

Asset class and fair value hierarchy	Valuation approach	Last comprehensive valuation date	Valuer engaged	Key assumptions and estimates (related data sources)	Index applied (change in index recognised this year)	Other interim revaluation adjustment
Land (level 2) 2021: \$872,500 2020: \$872,500	Market	30 June 2020	AssetVal	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.	Nil	Nil
Land (level 3) 2021: \$100,500 2020: \$100,500	Current replacement cost	30 June 2020	AssetVal	Price per square meter taking into account condition.	Nil	Nil
Buildings (level 2) 2021: \$461,330 2020: \$531,155	Market	30 June 2020	AssetVal	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.	Nil	Nil
Buildings (level 3) 2021: \$21,804,185 2020: \$22,555,871	Current replacement cost	30 June 2020	AssetVal	Estimation of replacement cost by component, including consideration of the cost of construction, pattern of consumption and asset condition.	Nil	Nil
Major plant and equipment (level 2)	Market	30 June 2018	Internal assessment with consultation from Nasco Auctioneers and Pickles Auctions	Current replacement cost of modern equivalent asset, asset condition, useful life and residual value	Nil	Nil
Roads, drainage and bridge network (level 3)	Current replacement cost	30 June 2021	APV Valuers	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.	Nil	Nil
Water infrastructure (level 3)	Current replacement cost	30 June 2020	AssetVal	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.	Nil	Nil
Other structures (level 2) 2021: \$242,568 2020: \$253,125	Market	30 June 2020	AssetVal	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.	Nil	Nil
Other structures (level 3) 2021: \$12,207,317 2020: \$12,253,422	Current replacement cost	30 June 2020	AssetVal	Estimation of replacement cost by component, including consideration of the cost of construction, pattern of consumption and asset condition.	Nil	Nil

Barcoo Shire Council
Notes to the financial statements
For the year ended 30 June 2021

	2021 \$	2020 \$
13 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.		
(a) Contract assets	<u>3,641,653</u>	<u>806,381</u>
(b) Contract liabilities		
Non-capital performance obligations not yet satisfied (flood damage repairs)	292,036	3,868,636
Funds received upfront to construct Council controlled assets	<u>781,619</u>	<u>1,022,473</u>
	<u>1,073,655</u>	<u>4,891,109</u>
Revenue recognised that was included in the contract liability balance at the beginning of the year:		
Non-capital performance obligations not yet satisfied (flood damage repairs)	3,868,636	584,607
Funds to construct Council controlled assets	<u>655,686</u>	<u>79,798</u>
	<u>4,524,322</u>	<u>664,405</u>
(c) Significant changes in contract balances		
Of the contract assets and liabilities noted above, flood damage contracts with the Queensland Reconstruction Authority total \$2,562,020 and \$292,036 respectively. At 30 June 2020, the balance of contract assets and liabilities under this program totalled \$620,389 and \$3,868,636 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.		
14 Payables		
Creditors are recognised when goods or services are received, at the amount owed. Amounts owing are unsecured and are generally settled on 30 day terms, with the exception of the gravel royalties where payment is made annually.		
Current		
Creditors and accruals	4,185,948	2,114,539
Gravel royalties	20,000	-
Other entitlements	<u>329,881</u>	<u>336,991</u>
	<u>4,535,829</u>	<u>2,451,530</u>
Non-current		
Gravel royalties	<u>39,722</u>	<u>-</u>
	<u>39,722</u>	<u>-</u>
15 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 expected final repayment date will be 15 December 2021. There have been no defaults or breaches of the loan agreement during the period.		
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.		
Current		
Loans - Queensland Treasury Corporation	<u>6,508</u>	<u>12,545</u>
	<u>6,508</u>	<u>12,545</u>
Non-current		
Loans - Queensland Treasury Corporation	<u>-</u>	<u>6,494</u>
	<u>-</u>	<u>6,494</u>
Loans - Queensland Treasury Corporation		
Opening balance at beginning of financial year	19,039	30,950
Principal repayments	<u>(12,531)</u>	<u>(11,911)</u>
Book value at end of financial year	<u>6,508</u>	<u>19,039</u>

The QTC loan market value at the reporting date was \$6,651 (2020: \$19,884). 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 2021 or 2020 financial years.

Barcoo Shire Council
Notes to the financial statements
For the year ended 30 June 2021

	2021	2020
	\$	\$
16 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.		
<i>Long Service Leave</i>		
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.		
<i>Refuse dump restoration and quarry rehabilitation</i>		
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.		
Current		
Annual leave	394,872	408,229
Long service leave	333,598	293,465
	<u>728,470</u>	<u>701,694</u>
Non-current		
Long service leave	194,793	245,369
Quarry restoration	873,183	-
Refuse restoration	384,978	228,235
	<u>1,452,954</u>	<u>473,604</u>
Refuse restoration		
Balance at beginning of financial year	228,235	228,235
Additional provisions	156,743	-
Balance at end of financial year	<u>384,978</u>	<u>228,235</u>
Quarry restoration		
Balance at beginning of financial year	-	-
Initial recognition of provision	873,183	-
Balance at end of financial year	<u>873,183</u>	<u>-</u>

17 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.

Barcoo Shire Council
Notes to the financial statements
For the year ended 30 June 2021

	<u>2021</u>	<u>2020</u>
	\$	\$
18 Commitments for expenditure		
<i>Contractual commitments</i>		
Contractual commitments at the end of financial year but not recognised in the financial statements are as follows:		
Road construction, repairs and maintenance	2,633,521	-
Other commitments	70,000	-
New IT system	-	90,469
	<u>2,703,521</u>	<u>90,469</u>
<i>Capital commitments</i>		
Commitments for the construction of the following assets contracted for at the reporting date but not recognised as liabilities:		
Water treatment plant	1,769,273	-
Plant purchases	309,331	-
	<u>2,078,604</u>	<u>-</u>
All commitments are payable within one year.		
19 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 2020 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 \$186,129 (2020: \$191,441).		
20 Reconciliation of net result for the year to net cash inflow (outflow) from operating activities		
Net result	<u>(4,576,616)</u>	<u>(6,771,378)</u>
Non-cash items:		
Depreciation and amortisation	7,493,530	8,073,555
Net (profit)/loss on disposal of property, plant and equipment	735,364	260,527
	<u>8,228,894</u>	<u>8,334,082</u>
Changes in operating assets and liabilities:		
(Increase) / decrease in receivables	(138,858)	354,649
(Increase) / decrease in inventory	43,108	(35,881)
(Increase) / decrease in other assets	31,192	(2,693)
(Increase) / decrease in contract assets	(2,835,271)	1,058,880
Increase / (decrease) in payables	2,124,021	463,903
Increase / (decrease) in provisions	1,006,126	35,736
Increase / (decrease) in contract liabilities	<u>(3,817,454)</u>	<u>3,789,868</u>
	<u>(3,587,137)</u>	<u>5,664,462</u>
Net cash inflow from operating activities	<u>65,140</u>	<u>7,227,166</u>
21 Events after the reporting period		
There were no material adjusting events after the balance date.		

Barcoo Shire Council
Notes to the financial statements
For the year ended 30 June 2021

22 Financial instruments and financial risk management
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.

(a) 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.

(b) 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.

Council manages its exposure to liquidity risk by maintaining sufficient cash deposits and undrawn credit facilities, both short and long term, to cater for unexpected volatility in cash flows. These facilities are disclosed in note 9.

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.

Liabilities

	0 to 1 year	1 to 5 years	Over 5 years	Total contractual cash flows	Carrying amount
	\$	\$	\$	\$	\$
2021					
Trade and other payables	4,205,948	39,722	-	4,245,670	4,245,670
Loans - QTC	6,661	-	-	6,661	6,508
	<u>4,212,609</u>	<u>39,722</u>	<u>-</u>	<u>4,252,331</u>	<u>4,252,178</u>
2020					
Trade and other payables	2,114,539	-	-	2,114,539	2,114,539
Loans - QTC	13,323	6,661	-	19,984	19,039
	<u>2,127,861</u>	<u>6,661</u>	<u>-</u>	<u>2,134,523</u>	<u>2,133,578</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.

Barcoo Shire Council
Notes to the financial statements
For the year ended 30 June 2021

22 Financial instruments and financial risk management (continued)
Financial assets and financial liabilities (continued)

(c) 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.

Interest rate 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.

Barcoo Shire Council
Notes to the financial statements
For the year ended 30 June 2021

23 Transactions with related parties

(a) Transactions with other related parties

	Subnote	2021 \$	2020 \$
Purchases from related parties			
Bursary awarded	(ii)	-	4,250
Payment of exclusion fencing subsidy	(iii)	60,340	296,985
Purchase of electrical and maintenance services	(iv)	171,600	166,435
Employee expenses for close family members of key management personnel	(v)	361,722	265,457
Other		26,196	3,325
		619,858	736,452
Sales to related parties			
Workshop stores and materials	(vi)	550	3,808
Aviation fuel sales	(vi)	-	7,815
Private works	(vi)	918	6,506
Other sales	(vi)	1,215	4,342
		2,683	22,471

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). A bursary for education purposes was awarded to the daughter of Councillor Fitzgerald.

(iii). Council made payments to related entities of Councillor R Batt for the 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.

(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 2021 the amount of \$1,102 (2020: \$997) was owing to Council from related parties.

(viii). As at 30 June 2021 no amount (2020: \$2,796) was owing by Council to related parties.

(b) Transactions with key management personnel (KMP)

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:

	2021 \$	2020 \$
Short-term employee benefits	867,878	877,982
Post-employment benefits	58,003	88,584
Long-term benefits	10,101	(2,962)
Total	935,982	963,604

Detailed remuneration disclosures are provided in the annual report.

(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 60 full-time equivalent staff (58 in 2020) of which only 8 (5 in 2020) are close family members of key management personnel. Total remuneration paid to these close family members was \$361,722 (2020: \$265,457).

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.

**Barcoo Shire Council
Financial statements
For the year ended 30 June 2021**

**Management Certificate
For the year ended 30 June 2021**

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 22, 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.



Mayor
Cr Sally O'Neil

Date: 19, 10, 2021



Chief Executive Officer
Paul Hockings

Date: 19, 10, 2021

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 2021, 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 2021, 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 2021 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 determine 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 2021:

- 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.



Lisa Fraser
as delegate of the Auditor-General

21 October 2021

Queensland Audit Office
Brisbane

Barcoo Shire Council
Current-year Financial Sustainability Statement
For the year ended 30 June 2021

Measures of Financial Sustainability	How the measure is calculated	Actual - Council	Target
Council's performance at 30 June 2021 against key financial ratios and targets:			
Operating surplus ratio	Net result (excluding capital items) divided by total operating revenue (excluding capital items)	-27.33%	Between 0% and 10%
Asset sustainability ratio	Capital expenditure on the replacement of assets (renewals) divided by depreciation expense.	26.08%	greater than 90%
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue (excluding capital items)	-22.88%	not greater than 60%

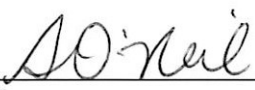
Note 1 - Basis of Preparation

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 2021.

Certificate of Accuracy
For the year ended 30 June 2021

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.



Mayor
Cr Sally O'Neil
Date: 19, 10, 2021



Chief Executive Officer
Paul Hockings
Date: 19, 10, 2021

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 2021, 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 2021 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 2021 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.



Lisa Fraser
as delegate of the Auditor-General

21 October 2021

Queensland Audit Office
Brisbane

Barcoo Shire Council
Unaudited Long-Term Financial Sustainability Statement
Prepared as at 30 June 2021

Measures of Financial Sustainability	Measure	Target	Projected for the years ended										
			Actuals at 30 June 2021	30 June 2022	30 June 2023	30 June 2024	30 June 2025	30 June 2026	30 June 2027	30 June 2028	30 June 2029	30 June 2030	30 June 2031
Operating surplus ratio	Net result divided by total operating revenue	Between 0% and 10%	-27.33%	-43.00%	-38.00%	-43.00%	-30.00%	-28.00%	-26.00%	-24.00%	-22.00%	-20.00%	-18.00%
Asset sustainability ratio	Capital expenditure on the replacement of assets (renewals) divided by depreciation expense.	greater than 90%	26.08%	90.00%	90.00%	90.00%	89.00%	88.00%	87.00%	86.00%	85.00%	84.00%	83.00%
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue	not greater than 60%	-22.88%	-36.00%	-39.00%	-29.00%	-19.00%	-14.00%	-11.00%	-10.00%	-10.00%	-12.00%	-16.00%

Barcoo Shire Council's 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

For the long-term financial sustainability statement prepared as at 30 June 2021

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.

 Mayor
 Cr Sally O'Neil
 Date: 19.10.2021

 Chief Executive Officer
 Paul Hockings
 Date: 19.10.2021