

2022-2023 Annual Report



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The Heart of the Channel Country



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SHIRE PROFILE

Barcoo is a remote rural shire located in Western Queensland in the heart of the Channel Country. It includes the towns of Stonehenge, Jundah and Windorah as well as surrounding properties, and a population of approximately 308 people (Australia Bureau of Statistics 2021 Census).

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

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

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

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

You can visit Council's website at www.barcoo.qld.gov.au.



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 22/23 FY Annual Report. Following on from the decent rainfall in April 2022 Barcoo Shire experienced unseasonal winter rain through July and August of 2022 leading into good summer rain. It soon fizzled out leading into winter 2023 with small to zero falls in the Shire. This did impact the start of the tourist season with visitor numbers low initially but soon ramping into a reasonable flow of traffic.

As a result of the decent falls received in the Shire, the Minister for Agricultural Industry Development and Fisheries, and the Minister Rural Communities, Mark Furner, announced he had accepted the recommendation of the Local Drought Committees (LDCs) to revoke several regions' drought status from 1 March 2023, with Barcoo being one of them. The department recognised the scale of Queensland and the rainfall and seasonal variability between regions and allowed producers who believed they were still experiencing difficult conditions in an area no longer drought declared to apply for an Individually Droughted Property (IDP) declaration.

Barcoo Shire has certainly turned it on this year in the arts and events space, we have welcomed various travelling artists completing shows and workshops and the usual sporting events that were all very supported right across the region. These events are only achieved through the hard work and dedication of our community groups all pulling together making our towns a destination for visitors far and wide.

The wet season resulted in \$140k flood damage package which will need to be completed by June 2025. Additionally, we received the initial payment of Works 4 Qld (W4Q) 2021-2024 of \$287k, SES Grant of \$33k, Local Roads and Community Infrastructure Program (LRCIP) \$818k, Roads to Recovery (R2R) of \$384k, Qld Resilience and Risk Reduction Fund (QRRRF) of \$137k and Local Government Grants and Subsidies Program (LGGSP) of \$329k.

Significant achievements for the year included the completion of several flood damage packages dating back to 2020, with a value in excess of \$3M, 28 Dickson St restumping and renovations, kerb and channel on Maryborough, Cecil and Victoria Streets in Windorah, 4km resheet on Arrabury Rd, replace Mt Felix floodway on Jundah Winton Rd, multiple floodway replacements on Yaraka Retreat Rd, reseals of Maryborough and Virtue Streets in Windorah and a small section of Perkins Street in Jundah and 650kl ground tanks at the water treatment plant in Jundah.

Throughout this financial year Council continued implementing the outcomes from the QTC business improvement program. Our financial position has improved significantly ending the year with approximately \$6.3M improvement in cash on the previous year keeping in mind this included an additional \$2.9M financial assistance grant payment. We received operational grants such as flood damage and FA Grant for 22/23 FY totalling \$12.2M as opposed to the previous year of \$12.1M. Capital grants such as W4Q, LRCIP and R2R totalled \$2.1M compared to \$2.7M the previous year. Contract and recoverable works, which is mainly Department of Transport and Main Roads, totalled \$12.2M versus \$14.2M the previous year.

The fluctuations seen in previous years appear to have stabilised in the 22/23 FY. Council will continue to work with all levels of Government advocating for the Barcoo Shire.

In conclusion I would like to thank all our staff for their commitment and hard work throughout the year. The team has been led since August 2022 by CEO Mike Lollback, 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 is comprised of four Councillors and a Mayor, who were elected by eligible voters in the Barcoo Shire.

CR DIANNE PIDGEON
DEPUTY MAYOR



CR ROGER BATT



CR TONY JACKSON



CR ANDREW MILLER



Message from the Chief Executive Officer

Council delivered a total budget for the 2022/23 financial year in excess of \$35 million dollars. This included significant capital and operational programs, funded in partnership with the State and Commonwealth Government to undertake significant flood damage works and roads maintenance programs.

During the year the successful capacity of the Barcoo Shire to advocate for critical works came to the fore, with state and federal funding secured for the upgrades to the Windorah airstrip and airport terminal, and the upgrades to the Bimerah-Isisford Road. Both those jobs have now commenced.

The state-of-the-art Windorah Water Treatment Plant commenced operation and entered its builders liability period of operation. Amongst the core responsibilities of this Council is the delivery of a clean and sustainable supply of water for our community.

Work with the Queensland Treasury Corporation continued in the 2022/23 financial year, further consolidating councils secure financial position. An underpinning achievement of the business improvement program has been to seek improvements in operational capacity whilst ensuring that the delivery of services to the community remains of the highest standard. Challenges facing the present and future Council will be the need to balance asset renewal with the delivery of strong infrastructure and programs that meet community expectations.

Maintaining Councils financial position to support long-term financial sustainability remains a priority. The business improvement program is now business as usual for the Barcoo Shire Council. I am proud to share that our current position allows Council to meet its obligations and community expectations into the foreseeable future. I encourage you to read the Financial Report that appears later in this Annual Report.

Councillors and Executive staff continue to focus on delivering outcomes against the Barcoo Shire Corporate Plan. The outcomes achieved during the 2022/23 financial year accord with the organisations vision of serving our community through sustainable infrastructure and service delivery. By valuing **simplicity** in our service design, **transparency** in governance and operations, **accountability** in our performance and **respect** for ourselves, our community and our environment, this council has forged ahead in its efforts to make the Barcoo Shire a more livable and enjoyable place to live in or visit.

A major focus in delivering the outcomes espoused in the corporate plan is the delivery of an operational planning program. In 2022/23 over 95% of operational programs were delivered on time and within budget. The small percentage of non-completed work relate directly to global supply chain issues in obtaining goods and services and are all scheduled to be completed before the end the 2023 calendar year.

I am proud of how much has been achieved this financial year. Importantly, I see a genuine desire in the employees of the Barcoo Shire Council to provide the best possible service.

Progress, innovation and success cannot happen without the strategic guidance of our Mayor and Councillors, strong input from our Council employees and the commitment of local businesses and community organisations. It remains my absolute honor to be a part of this community and share in continuing to make the Barcoo Shire a wonderful place to be.



Mike Lollback
Chief Executive Officer



COMMUNITY FINANCIAL REPORT

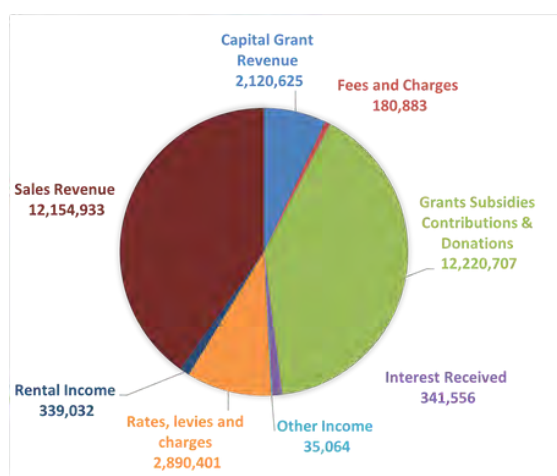
About the Community Financial Report

The formal financial statements included in this annual report explain what happened in financial terms during the year and what Council's financial position was at the end of the financial year, 30 June 2023. 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?

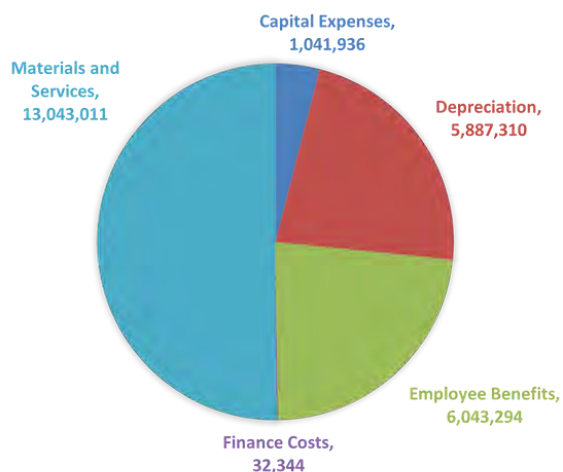
Total income for the year was \$30.2m, up from \$27.3m last year. The graph below provides an analysis of this income received by Council.



This graph demonstrates that approximately \$2.1m (7%) of income came from capital funding. Additionally, \$12.2m (40%) was from general purpose and other operating grants, which were significantly increased from the previous year. This is primarily as a result of changes to the payment cycle of Financial Assistance Grants. The other main sources of income were Council rates, contributing \$2.9m (10%) of the overall revenue, and sales (contract works), which contributed to \$12.2m (40%).

Expenditure: where does the money go?

Total expenses for the year were \$26m, which decreased from \$29.7m last year. The graph below provides an analysis of these expenses incurred by Council.



Employee costs associated with running Council made up 23% (\$6m) 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 \$12.6m to \$13m and contributed to 50% of the overall operating expenditure. These materials and services costs included general operation expenses and repairs and maintenance to the shire's assets (including community facilities, houses and other infrastructure).

Depreciation of Council's assets totalled \$5.9m (23%), which was a decrease from the previous year of \$6.5m (22%) . Depreciation represents the rate our assets – roads, buildings and plant and equipment etc. – deteriorate through normal wear and ageing. Each asset has its own depreciation expense, which is put aside to replace the asset when it is required.

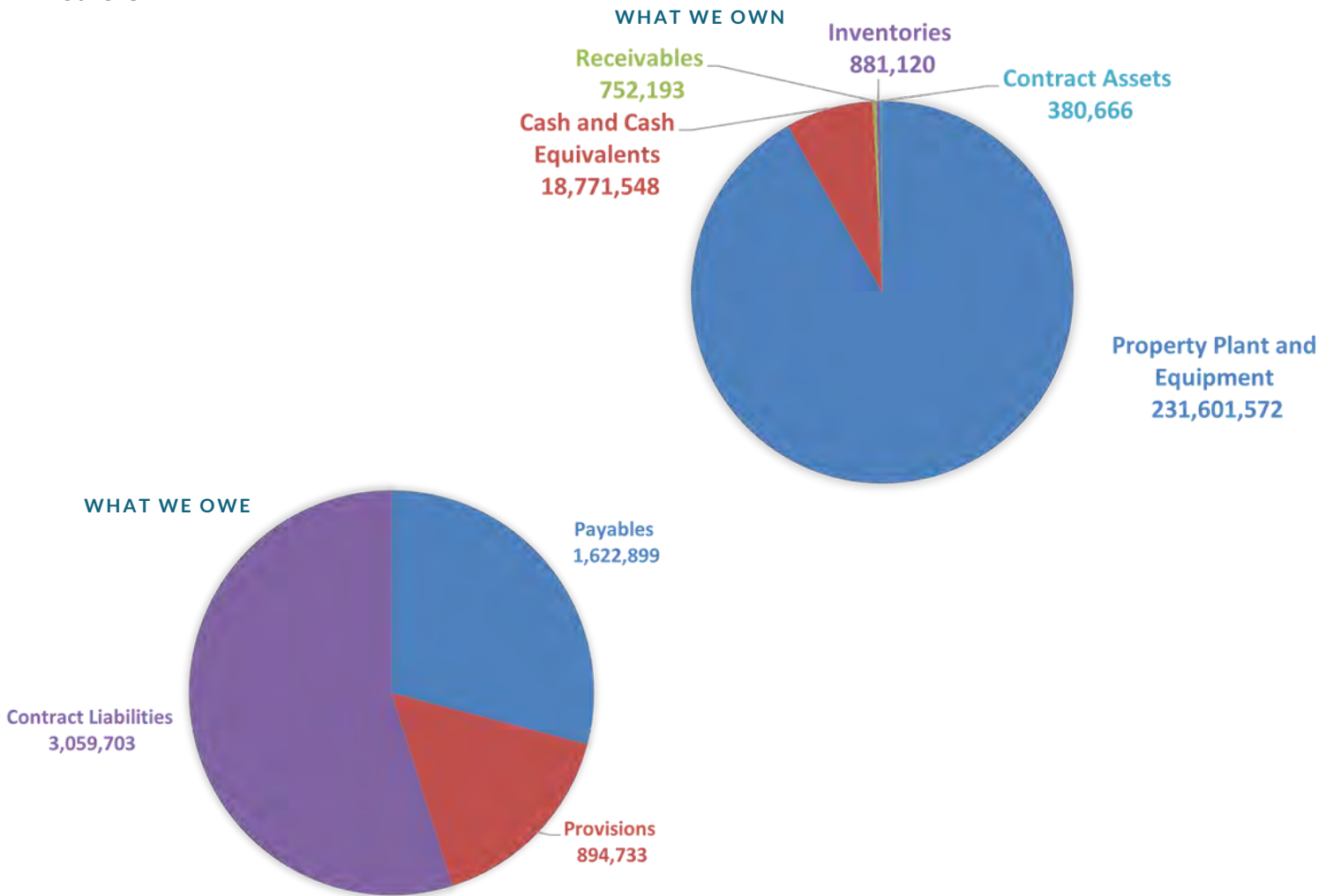
Overall performance

Our total income of \$30,283,201 less total expenses of \$26,047,895 provided us with a net result of a \$4,235,306 surplus.

In addition to this Council completed an indexation of its asset values which has lead to an increase in the Asset Revaluation reserve of \$26,377,513.

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 \$252,387,099 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 \$5,577,335 comprise of employee provisions, rehabilitation provisions and sundry creditors.

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

Statement of Cashflows

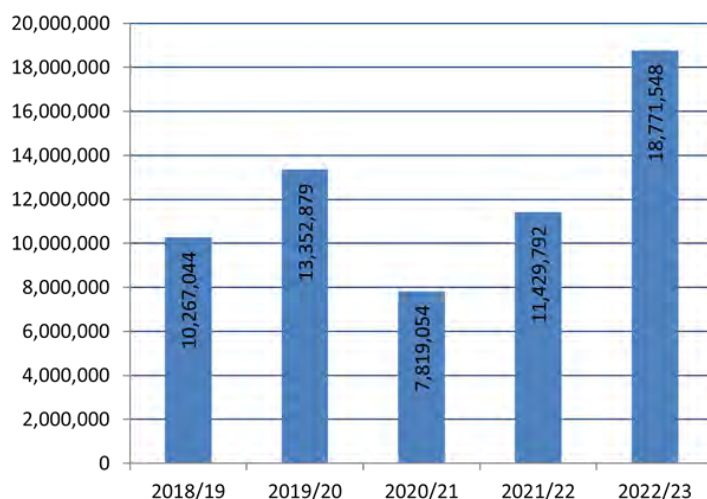
The cashflow statement is like your bank statement. If you did a summary of your statements for 12 months, it would be a cashflow statement.

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.

	2018/19 \$	2019/20 \$	2020/21 \$	2021/22 \$	2022/23 \$
Opening Cash Balance	9,867,891	10,267,044	13,352,879	7,819,054	11,429,792
Net cash flow from operating activities	9,014,583	7,227,166	-3,921,682	7,639,367	9,816,485
Net cash flow from investing activities (capital purchases)	-8,604,108	-3,861,835	-1,575,848	-4,022,121	-2,474,729
Net cash flow from financial activities (loan repayments)	-11,322	-279,497	-36,295	-6,508	0
Closing cash balance	10,267,044	13,352,879	7,819,054	11,429,792	18,771,548

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.

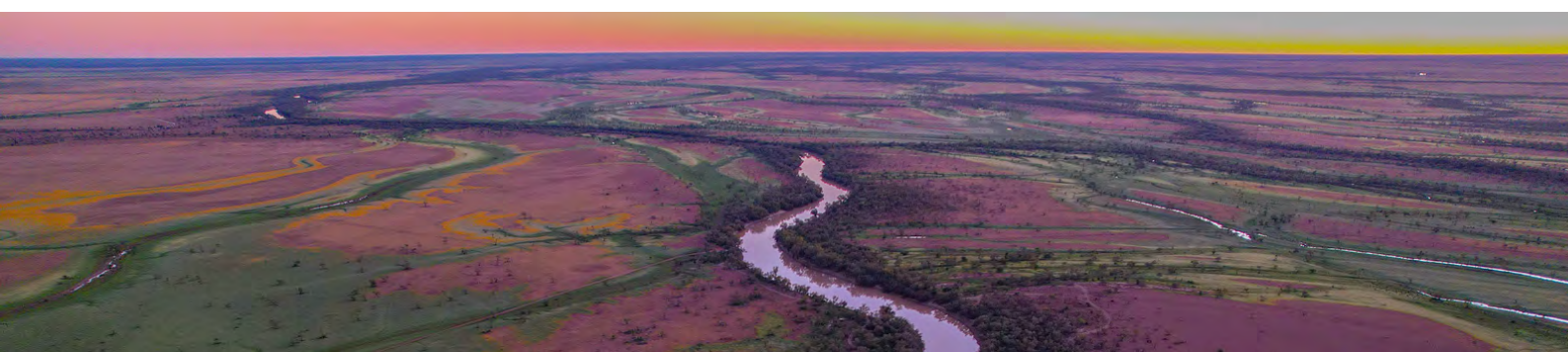
Business Activities

During the 2022-23 financial year council was involved in a wide range of business activities that involve “trading goods and services” as defined by the *Local Government Act 2009* which include:

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



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



Commercial Business Unit

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

Competitive Neutrality

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

Pursuant to Section 190(1)(i) and (j) of the Local Government Regulation 2012 council has not received any competitive neutrality complaints or an investigation notice under Section 49 of the Local Government Act 2009 during the 2022/23 Financial Year.

Senior Contract Employee Remuneration

The total of all remuneration packages payable in 2022-2023 to the senior management of the Council was \$859,590.23.

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

Overseas Travel

Pursuant to section 188 of the Local Government Regulation 2012, no overseas travel occurred during 2022/23 Financial Year.

Particular Resolutions

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

Section	Description	Resolution								
250(1)	Expense Resolution Policy	NIL BSC 0-19 - RESOLUTION NUMBER 2022.03.004 remains the governing policy with regard to Council expenses.								
206(2)	Valuation of non-current Physical Assets	NIL BSC-034 - REOLUTION NUMBER 2022.06.006 remains the governing policy: <table><tr><td>Land</td><td>No threshold</td></tr><tr><td>Buildings</td><td>\$5,000.00</td></tr><tr><td>Fleet, Plant and Equipment</td><td>\$5,000.00</td></tr><tr><td>Infrastructure Assets</td><td>\$5,000.00</td></tr></table>	Land	No threshold	Buildings	\$5,000.00	Fleet, Plant and Equipment	\$5,000.00	Infrastructure Assets	\$5,000.00
Land	No threshold									
Buildings	\$5,000.00									
Fleet, Plant and Equipment	\$5,000.00									
Infrastructure Assets	\$5,000.00									

COUNCILLORS' REMUNERATION

Expenses reimbursements & provision of facilities for Mayor and Councillors

	Remuneration Gross Payment (includes the following allowances Councillor; Phone/Internet and Travel)	Superannuation	Facilities
Mayor Sally O'Neil	\$111,586.08	\$0.00	Laptop, Car and Office space
Deputy Mayor Dianne Pidgeon	\$66,605.64	\$0.00	Laptop
Cr Andrew Miller	\$55,791.96	\$0.00	Laptop
Cr Anthony Jackson	\$58,210.94	\$0.00	Laptop
Cr Roger Batt	\$56,977.58	\$0.00	Laptop

MEETING ATTENDANCE

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



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	0
• matters, mentioned in section 150P (3) of the LGA, notified to the Crime and Corruption Commission	0
• notices given under section 150R (2) of the LGA	0
• notices given under section 150S(2)(a) of the LGA	0
• decisions made under section 150W(1)(a), (b) and (e) of the LGA	0
• referral notices accompanied by a recommendation mentioned in section 150AC(3)(a) of the LGA	0
• occasions information was given under section 150AF(4)(a) of the LGA	0
• occasions the local government asked another entity to investigate, under chapter 5A, part 3, division 5 of the LGA for the local government, the suspected inappropriate conduct of a councillor	0
• applications heard by the conduct tribunal	0
a. under chapter 5A, part 3, division 6 of the Act about whether a councillor engaged in misconduct or inappropriate conduct.	0



ADMINISTRATIVE ACTION COMPLAINTS

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

Number of administrative action complaints made to Council during 2022/23 financial year	0
Number of administrative action complaints resolved by Council under the complaints management process during 2022/23 financial year	0
Number of administrative action complaints not resolved by Council under the complaints management process during 2022/23 financial year	0
Number of administrative action complaints not resolved by Council under the complaints management process that were made in a previous financial year.	0

GRANTS TO COMMUNITY ORGANISATIONS

During the 2022/23 financial year Council provided the following grants and/or in-kind support under its Community Grants Policy:

Community Group	CASH	IN KIND
Channel Country Ladies Day	\$0.00	\$5,465.90
Jundah Community Bronco Branding & Team Penning Assn Inc	\$0.00	\$3,926.02
Jundah Race Club	\$0.00	\$4,069.47
Jundah Social Sports Club Assn	\$1,000.00	\$87.80
Stonehenge Bushman's Carnival	\$0.00	\$11,665.92
Stonehenge Action Group	\$1,000.00	\$0.00
Windorah Development Board	\$0.00	\$1,159.71
Windorah Rodeo Club	\$0.00	\$2,131.09
Windorah State School P&C Assn Inc	\$3,954.55	\$4,532.52
TOTAL	\$5,954.55	\$33,038.43



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 and section 94 of the Local Government Regulation, Council shall levy a special charge for the provision of pest control services to rural properties in the region.

It is considered that the properties subject of the charge specially benefit from the provision of pest control services. These services assist with the control of wild dogs which can reduce the threat to livestock and the control of Weeds of National Significance which are a restricted and invasive group of plants that threaten agricultural activities.

A special charge shall be levied and no discount will apply:

Description	Charge 2022/23
per hectare on all rural land within the Council area, having an area in excess of 1,000 hectares	2.675 cents per hectare

Overall Plan for the Pest Plant and Animal Control special charge is as follows:

1. The service, facility or activity is 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 apply is 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 estimated cost of carrying out the overall plan is \$171,027.
4. The timeframe for carrying out the overall plan is 12 months ending 30 June 2023.

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 2022/23 financial year.

INTERNAL AUDIT

A three year program for internal audits was updated during 2021-22. Council completed two internal audits during the 2022-23.

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 – Community Organisations

Section 73 of the Local Government Regulation 2012 provides for further exemptions for land held for religious, recreation, sporting, hospital, educational and other charitable purposes.

Assessment	Owner	Amount
272-00000-000	Jundah Golf Club Incorporated	\$559
304-00000-000	Windorah Rodeo Club Incorporated	\$559
197-00000-000	Windorah Development Board Incorporated (Court House)	\$559
183-10000-000	Windorah Development Board Incorporated (Post Office)	\$559
189-00000-000	Roman Catholic Diocese of Toowoomba	\$559
63-50000-000	Roman Catholic Trust corporation for the Roman Catholic diocese of Rockhampton	\$559
172-00000-000	St Clairs Anglican Church	\$559
35-00000-000	The Corporation of the Synod of the Diocese of Rockhampton	\$559
0067-00000-000	The Corporation of the Synod	\$559
156-50000-000	Mithaka Aboriginal Corporation	\$559

LYN • GEOFF • 8704
BRYAN • LIBBY
CE
PHIL JIM
MARTY
TIM • POLLE
DORSEY
WARRNS
MCCULLOCH
MALIZY CREE
MICHAEL A S
ALAN • LORRAI
BARRY
VALERIE
NIC
DAN • JOY • GLENYS
ELIZA • ALKIRA
ROD • MEL
ANN • PHILIP
OD
LYN
CROADY
MICK • JANE



Barcoo Shire Council

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2023

General Purpose Financial Statements

for the year ended 30 June 2023

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Statement of Comprehensive Income

for the year ended 30 June 2023

\$	Notes	2023	2022
Income			
Revenue			
Recurrent revenue			
Rates, levies and charges	3a	2,890,401	1,585,917
Fees and charges	3b	180,883	166,322
Sales revenue	3c	12,154,933	14,245,228
Grants, subsidies, contributions and donations	3d	12,220,707	8,269,331
Total recurrent revenue		27,446,924	24,266,798
Capital revenue			
Grants, subsidies, contributions and donations	3d	2,120,625	2,639,297
Total capital revenue		2,120,625	2,639,297
Other income			
Rental income		339,032	313,311
Interest received		341,556	42,430
Other income		35,064	51,930
Total other income		715,652	407,671
Total income		30,283,201	27,313,766
Expenses			
Recurrent expenses			
Employee benefits	4	6,043,294	6,483,657
Materials and services	5	13,043,011	12,636,005
Finance costs		32,344	5,610
Depreciation and amortisation:			
- Property, plant and equipment	10	5,887,310	6,445,440
Total recurrent expenses		25,005,959	25,570,712
Other expenses			
Capital Expenses	6	1,041,936	4,151,096
Total other expenses		1,041,936	4,151,096
Total expenses		26,047,895	29,721,808
Net Result		4,235,306	(2,408,042)
Other comprehensive income			
Amounts which will not be reclassified subsequently to the operating result			
Increase/(decrease) in asset revaluation surplus	10	26,377,513	8,136,035
Total other comprehensive income for the year		26,377,513	8,136,035
Total comprehensive income for the year		30,612,819	5,727,993

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

Statement of Financial Position

as at 30 June 2023

\$	Notes	2023	2022
Assets			
Current assets			
Cash and cash equivalents	7	18,771,548	11,429,792
Receivables	8	752,193	792,302
Inventories	9	881,120	659,578
Contract assets	11	380,666	833,688
Total current assets		20,785,527	13,715,360
Non-current assets			
Receivables	8	1,000	2,000
Property, plant and equipment	10	231,600,572	207,084,120
Total non-current assets		231,601,572	207,086,120
Total Assets		252,387,099	220,801,480
Liabilities			
Current liabilities			
Payables	12	1,622,899	1,912,735
Contract liabilities	11	3,059,703	2,349,346
Provisions	14	894,733	853,342
Total current liabilities		5,577,335	5,115,423
Non-current liabilities			
Payables	12	—	19,722
Provisions	14	1,193,988	1,145,554
Total non-current liabilities		1,193,988	1,165,276
Total Liabilities		6,771,323	6,280,699
Net community assets		245,615,776	214,520,781
Community equity			
Asset revaluation surplus		203,582,320	177,204,807
Retained surplus		42,033,456	37,315,974
Total community equity		245,615,776	214,520,781

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

Statement of Changes in Equity

for the year ended 30 June 2023

\$	Notes	Asset revaluation surplus	Retained surplus	Total equity
2023				
Balance as at 1 July		177,204,807	37,315,974	214,520,781
Assets not previously recognised		—	482,176	482,176
Net result		—	4,235,306	4,235,306
Other comprehensive income for the year				
- Increase/(decrease) in asset revaluation surplus	10	26,377,513	—	26,377,513
Other comprehensive income		26,377,513	—	26,377,513
Total comprehensive income for the year		26,377,513	4,235,306	30,612,819
Balance as at 30 June		203,582,320	42,033,456	245,615,776
2022				
Balance as at 1 July		169,068,772	39,724,016	208,792,788
Net result		—	(2,408,042)	(2,408,042)
Other comprehensive income for the year				
- Increase/(decrease) in asset revaluation surplus	10	8,136,035	—	8,136,035
Other comprehensive income		8,136,035	—	8,136,035
Total comprehensive income for the year		8,136,035	(2,408,042)	5,727,993
Balance as at 30 June		177,204,807	37,315,974	214,520,781

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

Statement of Cash Flows

for the year ended 30 June 2023

\$	Notes	2023	2022
Cash flows from operating activities			
Receipts from customers		15,226,729	17,687,425
Payments to suppliers and employees		(19,501,440)	(21,915,587)
		<u>(4,274,711)</u>	<u>(4,228,162)</u>
Receipts			
Interest received		341,556	42,430
Rental income		339,032	313,311
Non capital grants and contributions		13,482,903	10,602,427
Other		(23,156)	804,449
Payments			
Borrowing costs		(32,344)	(5,610)
Other		(16,795)	110,522
Net cash inflow/(outflow) from operating activities	19	<u>9,816,485</u>	<u>7,639,367</u>
Cash flows from investing activities			
Receipts			
Proceeds from sale of property, plant and equipment		687,257	192,893
Grants, subsidies, contributions and donations		2,120,625	2,639,297
Payments			
Payments for property, plant and equipment		(5,282,611)	(6,854,311)
Net cash inflow/(outflow) from investing activities		<u>(2,474,729)</u>	<u>(4,022,121)</u>
Cash flows from financing activities			
Payments			
Repayment of borrowings		—	(6,508)
Net cash flow inflow/(outflow) from financing activities		<u>—</u>	<u>(6,508)</u>
Net increase/(decrease) in cash and cash equivalents held		<u>7,341,756</u>	<u>3,610,738</u>
plus: cash and cash equivalents - beginning		11,429,792	7,819,054
Cash and cash equivalents at the end of the financial year	7	<u>18,771,548</u>	<u>11,429,792</u>

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

Notes to the Financial Statements

for the year ended 30 June 2023

Note 1. Information about these financial statements

(a) Basis of preparation

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

These general purpose financial statements are for the period 1 July 2022 to 30 June 2023 and have been prepared in compliance with the requirements of the *Local Government Act 2009* and the *Local Government Regulation 2012*.

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

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

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

Council adopted all standards which became mandatorily effective for annual reporting periods beginning on 1 July 2022. 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 2023, these standards have not been adopted by Council and will be included in the financial statements on their effective date. These standards are not expected to have a material impact upon adoption.

(d) Estimates and Judgements

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

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

(e) Rounding and Comparatives

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

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

(f) Taxation

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

Notes to the Financial Statements

for the year ended 30 June 2023

Note 2. Analysis of results by function

(a) Council functions – component descriptions

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

Corporate services

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

Executive

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

Works and services

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

Notes to the Financial Statements

for the year ended 30 June 2023

Note 2. Analysis of results by function (continued)

(b) Council functions - analysis of results by function

Functions \$	Gross program income		Capital grants	Total income	Gross program expenses		Total expenses	Net result from recurring operations	Net result	Total assets
	Recurring grants	Recurring other			Recurring	Capital				
2023										
Corporate services	6,273,326	2,614,191	—	8,887,517	(5,580,657)	—	(5,580,657)	3,306,860	3,306,860	53,559,271
Executive	26,219	11,592	33,000	70,811	(968,787)	—	(968,787)	(930,976)	(997,976)	396,885
Works and services	5,921,162	13,316,086	2,087,625	21,324,873	(18,456,515)	(1,041,936)	(19,498,451)	780,733	1,826,422	198,430,943
Total	12,220,707	15,941,869	2,120,625	30,283,201	(25,005,959)	(1,041,936)	(26,047,895)	3,156,617	4,235,306	252,387,099
2022										
Corporate services	4,207,573	3,621,128	601,134	8,429,835	(6,197,362)	(2,798)	(6,200,160)	1,631,339	2,229,675	41,213,387
Executive	4,306	—	—	4,306	(869,122)	—	(869,122)	(864,816)	(864,816)	—
Works and services	4,057,452	12,784,010	2,038,163	18,879,625	(18,504,228)	(4,148,298)	(22,652,526)	(1,662,766)	(3,772,901)	179,588,093
Total	8,269,331	16,405,138	2,639,297	27,313,766	(25,570,712)	(4,151,096)	(29,721,808)	(896,243)	(2,408,042)	220,801,480

Notes to the Financial Statements

for the year ended 30 June 2023

Note 3. Revenue

\$	2023	2022
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(a) Rates, levies and charges

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

General rates	2,715,134	1,406,999
Water	279,758	263,348
Garbage charges	80,239	65,404
Total rates and utility charge revenue	3,075,131	1,735,751
Less: discounts	(173,509)	(137,548)
Less: pensioner remissions	(11,221)	(12,286)
Total rates, levies and charges	2,890,401	1,585,917

(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.

\$	2023	2022
Aerodrome fees	18,975	18,424
Caravan park fees	102,391	89,263
Agistment fees	30,643	34,790
Other fees and charges	28,874	23,845
Total fees and charges	180,883	166,322

(c) Sales revenue

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

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

Contract and recoverable works	10,412,000	12,678,452
Jundah general store / roadhouse sales	1,742,933	1,566,776
Total sales revenue	12,154,933	14,245,228

Notes to the Financial Statements

for the year ended 30 June 2023

Note 3. Revenue (continued)

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

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

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

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

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

Grant income under AASB 1058

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

Capital Grants

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

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

Donations and contributions

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

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

\$	2023	2022
(i) Operating		
State government subsidies and grants	263,672	272,367
General purpose grants	8,009,105	5,484,890
Flood damage grants	3,935,930	2,512,074
Contributions	12,000	—
Total recurrent grants, subsidies, contributions and donations	12,220,707	8,269,331

(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	851,773	647,923
Commonwealth government subsidies and grants	1,268,852	1,991,374
Total capital grants, subsidies, contributions and donations	2,120,625	2,639,297

Notes to the Financial Statements

for the year ended 30 June 2023

Note 3. Revenue (continued)

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

\$	2023		2022	
	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	8,248,697	6,092,635	5,757,257	5,151,371
	<u>8,248,697</u>	<u>6,092,635</u>	<u>5,757,257</u>	<u>5,151,371</u>

Note 4. Employee benefits

\$	Notes	2023	2022
Employee benefit expenses are recorded when the service has been provided by the employee.			
Wages and salaries		4,885,073	4,865,462
Councillors remuneration		339,646	332,987
Annual, sick and long service leave entitlements		773,440	839,804
Superannuation	18	530,162	545,834
		<u>6,528,321</u>	<u>6,584,087</u>
Other employee related expenses		140,288	91,765
		<u>6,668,609</u>	<u>6,675,852</u>
Less: capitalised employee expenses		(625,315)	(192,195)
Total Employee benefits		<u>6,043,294</u>	<u>6,483,657</u>

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

	2023 Number	2022 Number
Additional information:		
Total number of Council employees at the reporting date:		
Elected members	5	5
Administration staff	18	35
Depot and outdoors staff	33	33
Total full time equivalent employees	<u>56</u>	<u>73</u>

Notes to the Financial Statements

for the year ended 30 June 2023

Note 5. Materials and services

\$	2023	2022
Expenses are recorded on an accruals basis as Council receives the goods or services.		
Advertising and marketing	89,990	87,590
Administration supplies and consumables	433,786	517,803
Audit of annual financial statements by the Auditor-General of Queensland	66,792	81,711
Communications and IT	419,744	469,951
Repairs and maintenance	3,939,891	1,693,281
Insurance	264,164	260,284
Rates (Council Housing)	51,759	42,727
Parks and gardens	112,910	142,517
Plant operating expenses and recoverable works	4,954,098	5,634,047
Gravel extraction expenses	415,215	371,310
Retail store cost of goods sold & operating expenses	1,510,271	1,439,294
Utility Services	336,124	385,046
Other materials and services	448,267	1,510,444
Total materials and services	13,043,011	12,636,005

Total audit fees quoted by the Queensland Audit Office relating to the 2022-23 financial statements are \$65,000 (2022: \$63,500).

Note 6. Capital expenses

\$	Notes	2023	2022
(a) Loss on disposal of non-current assets			
Proceeds from the disposal of property, plant and equipment		687,257	192,893
Less: carrying value of disposed property, plant and equipment	17	(509,797)	(449,985)
Loss on disposal of non-current assets		(177,460)	257,092
(b) Provision for restoration of land			
Recognition of provision - quarry provision		—	—
Increase/Decrease in quarry provision due to change in assumptions		37,979	(262,010)
Increase/Decrease in refuse restoration provision due to change in assumptions		(47,324)	46,095
	14	(9,345)	(215,915)
(c) Other capital expenses			
Loss on write-off of assets		1,228,741	4,109,919
		1,228,741	4,109,919
Total capital expenses		1,041,936	4,151,096

Notes to the Financial Statements

for the year ended 30 June 2023

Note 7. Cash, cash equivalents and financial assets

\$	2023	2022
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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 and cash equivalents

Cash at bank and on hand	7,696,854	2,427,284
Deposits at call	11,074,694	9,002,508
Balance per Statement of Financial Position	18,771,548	11,429,792
Balance per Statement of Cashflows	18,771,548	11,429,792

Restricted and internally allocated cash and cash equivalents

Council is exposed to credit risk through its investments in the QTC Cash Fund. The QTC Cash Fund is an asset management portfolio investing in a wide range of high credit rated counterparties. Deposits with the QTC Cash Fund are capital guaranteed.

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

These include:

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

Flood damage grants	1,943,779	2,062,477
Other grants	1,115,924	761,321
Total externally imposed restrictions on cash assets	3,059,703	2,823,798
Total unspent restricted cash	3,059,703	2,823,798

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

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

Trust Funds

Security deposits	1,278	1,144
	1,278	1,144

Notes to the Financial Statements

for the year ended 30 June 2023

Note 8. Receivables

Receivables 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.

\$	2023	2022
Current		
Rateable revenue and utility charges	50,244	149,573
Other debtors	711,146	642,229
Loans and advances	1,000	1,000
Total	762,390	792,802
less: Provision for impairment		
Less: loss allowance	(10,197)	(500)
Total provision for impairment - receivables	(10,197)	(500)
Total current receivables	752,193	792,302
Non-current		
Loans and advances	1,000	2,000
Total non-current receivables	1,000	2,000

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 8.17% per annum (2022: 8.03%). No interest is charged on other debtors.

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

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

\$	2023	2022
Property charges	50,244	149,573
State and Commonwealth Government	115,118	470,928
Community organisations	1,000	1,000
Other	585,831	170,801
Total	752,193	792,302

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

Notes to the Financial Statements

for the year ended 30 June 2023

Note 9. Inventories

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

Inventories held for distribution are:

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

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

\$	2023	2022
Current Inventories		
(a) Inventories held for sale		
Jundah general store / roadhouse trading stock	134,844	78,310
	<u>134,844</u>	<u>78,310</u>
(b) Inventories held for distribution		
Stores and raw materials	746,276	581,268
	<u>746,276</u>	<u>581,268</u>
Total current inventories	<u>881,120</u>	<u>659,578</u>

Notes to the Financial Statements

for the year ended 30 June 2023

Note 10. Property, plant and equipment

\$	Land	Buildings	Major plant and equipment	Other plant and equipment	Road, drainage and bridge network	Water infrastructure	Furniture and fittings	Other structures	Work in progress	Total
	Fair Value	Fair Value	Fair Value	Cost	Fair Value	Fair Value	Cost	Fair Value	Cost	–
2023										
Measurement basis										
Fair value category										
Opening gross balance	973,000	42,658,368	888,000	12,906,532	190,903,238	14,476,555	592,094	19,269,906	4,664,935	287,332,628
Additions - new	–	178,076	–	2,103,220	1,787,384	156,336	–	196,526	861,069	5,282,611
Disposals	–	–	(255,300)	(779,475)	–	–	–	–	–	(1,034,775)
Write-offs	–	(68,574)	–	(173,750)	(1,617,814)	–	(313,744)	–	–	(2,173,882)
Revaluation adjustment to asset revaluation surplus	–	7,270,538	–	–	28,218,748	1,681,189	–	1,936,825	–	39,107,300
Transfers between classes through capitalisation	–	–	–	–	2,383,579	2,179,002	–	14,822	(4,577,403)	–
Adjustments and other transfers	–	–	–	224,693	–	–	144,777	53,530	–	423,000
Total gross value of property, plant and equipment	973,000	50,038,408	632,700	14,281,220	221,675,135	18,493,082	423,127	21,471,609	948,601	328,936,882
Opening accumulated depreciation and impairment	–	18,330,442	412,887	5,764,818	43,180,530	5,556,380	471,274	6,532,177	–	80,248,508
Depreciation expense	–	640,398	21,067	1,047,190	3,114,992	253,740	23,257	786,666	–	5,887,310
Depreciation on disposals	–	(21)	(122,396)	(402,563)	–	–	–	–	–	(524,980)
Depreciation on write-offs	–	(66,566)	–	(148,101)	(449,267)	–	(281,207)	–	–	(945,141)
Revaluation adjustment to asset revaluation surplus	–	3,213,723	–	–	8,171,965	581,012	–	763,087	–	12,729,787
Adjustments and other transfers	–	–	–	8,117	–	2	(94,063)	26,770	–	(59,174)
Total accumulated depreciation and impairment property, plant and equipment	–	22,117,976	311,558	6,269,461	54,018,220	6,391,134	119,261	8,108,700	–	97,336,310
Total net book value of property, plant and equipment	973,000	27,920,432	321,142	8,011,759	167,656,915	12,101,948	303,866	13,362,909	948,601	231,600,572
Other information										
Range of estimated useful life (years)	Land: not depreciated	10-120	13-25	2-25	3-200	10-100	3-55	13-100	WIP: not depreciated	
*Asset additions comprise										
Asset renewals	–	178,076	–	2,103,220	3,190,977	6,052	–	40,745	(434,881)	5,084,189
Other additions	–	–	–	–	979,986	2,329,285	–	170,603	(3,281,452)	198,422
Total asset additions	–	178,076	–	2,103,220	4,170,963	2,335,337	–	211,348	(3,716,333)	5,282,611

Notes to the Financial Statements

for the year ended 30 June 2023

Note 10. Property, plant and equipment (continued)

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

Notes to the Financial Statements

for the year ended 30 June 2023

Note 10. Property, plant and equipment (continued)

(a) Recognition

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

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

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

Land under roads

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

(b) Measurement

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

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

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

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

(c) Depreciation

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

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

Where assets have separately identifiable components that are subject to regular replacement, these components are assigned useful lives distinct from the asset to which they relate. Any expenditure that increases the originally assessed capacity or service potential of an asset is capitalised and the new depreciable amount is depreciated over the remaining useful life of the asset to Council.

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

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

Notes to the Financial Statements

for the year ended 30 June 2023

Note 10. Property, plant and equipment (continued)

Estimated useful lives are disclosed earlier in note 10.

Key judgements and estimates:

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

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

(d) Impairment

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

(e) Valuation

Key judgements and estimates:

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

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

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

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

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

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

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

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

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

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

Council engaged APV Valuers with Site & Civil consulting to complete a desktop revaluation over roads, drainage and bridge network as at 30 June 2023 which resulted in an increment to fair value of \$20,046,783. The key drivers of this revaluation movement are outlined below:

- Costs increases for materials and labour.

Notes to the Financial Statements

for the year ended 30 June 2023

Note 10. Property, plant and equipment (continued)

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

Asset class and fair value hierarchy	Valuation approach	Last comprehensive valuation date	Valuer engaged	Index applied (change in index recognised this year)	Other interim revaluation adjustment
Land (level 2) 2023: \$872,500 2022: \$872,500	Market	30/06/2020	AssetVal	Nil	Nil

Key assumptions and estimates (related data sources)

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

Land (level 3) 2023: \$100,500 2022: \$100,500	Current replacement cost	30/06/2020	AssetVal	Nil	Nil
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Key assumptions and estimates (related data sources)

Price per square meter taking into account condition.

Buildings (level 2) 2023: \$486,507 2022: \$415,818	Market	30/06/2020	AssetVal	17%	Nil
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Key assumptions and estimates (related data sources)

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

Buildings (level 3) 2023: \$27,433,925 2022: \$23,912,109	Current replacement cost	30/06/2020	AssetVal	17%	Nil
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Key assumptions and estimates (related data sources)

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

Major plant and equipment (level 2)	Market	30/06/2018	Assessment with consultation from Crowe Australasia	0%	Nil
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Key assumptions and estimates (related data sources)

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

Roads, drainage and bridge network (level 3)	Current replacement cost	30/06/2021	APV Valuers	12%	Nil
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Notes to the Financial Statements

for the year ended 30 June 2023

Note 10. Property, plant and equipment (continued)

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

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

Water infrastructure (level 3)	Current replacement cost	30/06/2020	AssetVal	10%	Nil
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Key assumptions and estimates (related data sources)

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

Other structures (level 2) 2023: \$263,664 2022: \$252,896	Market	30/06/2020	AssetVal	19%	Nil
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Key assumptions and estimates (related data sources)

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

Other structures (level 3) 2023: \$13,099,245 2022: \$12,484,833	Current replacement cost	30/06/2020	AssetVal	19%	Nil
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Key assumptions and estimates (related data sources)

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

Notes to the Financial Statements

for the year ended 30 June 2023

Note 11. Contract balances

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

\$	2023	2022
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(a) Contract assets

Current

Contract assets	380,666	833,688
Total current contract assets	380,666	833,688

(b) Contract liabilities

Current

Funds received upfront to construct Council controlled assets	1,115,924	306,750
Non-capital performance obligations not yet satisfied	1,943,779	2,042,596
Total current contract liabilities	3,059,703	2,349,346

Revenue recognised that was included in the contract liability balance at the beginning of the year

Funds to construct Council controlled assets	286,754	781,619
Non-capital performance obligations not yet satisfied	98,818	292,036
Total revenue included in the contract liability	385,572	1,073,655

(c) Significant changes in contract balances

Of the contract assets and liabilities noted above, flood damage contracts with the Queensland Reconstruction Authority total \$171,710 and \$1,943,779 respectively. At 30 June 2022, the balance of contract assets and liabilities under this program totalled \$586,250 and \$2,042,596 respectively. Changes in contract balances are anticipated year on year as they are dependant on the timing of the flood event, the receipt of grant monies and the timing of works carried out.

Note 12. Payables

\$	2023	2022
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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	1,139,569	1,432,332
Other entitlements	463,608	460,403
Gravel royalties	19,722	20,000
Total current payables	1,622,899	1,912,735

Non-current

Gravel royalties	–	19,722
Total non-current payables	–	19,722

Notes to the Financial Statements

for the year ended 30 June 2023

Note 13. Borrowings

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

All borrowings are in \$A denominated amounts and carried at amortised cost, interest being expensed as it accrues. No interest has been capitalised during the current or comparative reporting period.

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.

\$	2023	2022
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Reconciliation of Loan Movements for the year

Loans - Queensland Treasury Corporation

Opening balance at beginning of financial year	—	6,508
Principal repayments	—	(6,508)
Book value at end of financial year	—	—

Note 14. Provisions

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

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

Long Service Leave

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

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

Refuse dump restoration and quarry rehabilitation

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

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

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

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

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

Notes to the Financial Statements

for the year ended 30 June 2023

Note 14. Provisions (continued)

\$	2023	2022
Current		
Annual leave	407,614	402,547
Long service leave	487,119	450,795
Total current provisions	894,733	853,342
Non-current		
Long service leave	161,087	103,308
Quarry restoration	649,152	611,173
Refuse restoration	383,749	431,073
Total non-current provisions	1,193,988	1,145,554

Details of movements in provisions

Quarry restoration

Balance at beginning of financial year	611,173	873,183
Increase in provision due to unwinding of discount rate	10,499	13,522
Increase/(decrease) due to change in discount rate	4,949	(103,780)
Increase/(decrease) due to change in inflation rate	4,366	110,535
Increase/(decrease) due to change in timing of cost estimates	(24,145)	(43,872)
Increase/(decrease) due to revision in cost estimates	42,310	(238,415)
Balance at end of financial year	649,152	611,173

Refuse restoration

Balance at beginning of financial year	431,073	384,978
Increase in provision due to unwinding of discount rate	8,126	14,821
Increase/(decrease) due to change in discount rate	50,152	(188,528)
Increase/(decrease) due to change in inflation rate	(89,606)	216,399
Increase/(decrease) due to change in timing of cost estimates	(16,000)	(20,753)
Increase/(decrease) due to revision in cost estimates	4	24,156
Balance at end of financial year	383,749	431,073

Notes to the Financial Statements

for the year ended 30 June 2023

Note 15. Asset revaluation surplus

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

Note 16. Commitments for expenditure

\$	2023	2022
Capital commitments (exclusive of GST)		
Commitment for the construction of the following assets contracted for at the reporting date but not recognised as liabilities:		
Property, plant and equipment		
Water treatment plant	78,299	243,647
Plant purchases	1,732,151	850,098
Total capital commitments	1,810,450	1,093,745

All commitments are payable within one year.

Note 17. Contingent liabilities

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

Local Government Mutual

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

As at 30 June 2022 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 \$187,337 (2022: \$173,744).

Notes to the Financial Statements

for the year ended 30 June 2023

Note 18. Superannuation

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

\$	Notes	2023	2022
Superannuation contributions made to the Brighter Super Accumulated Benefits Fund		374,520	388,127
Superannuation contributions to other Accumulated Benefits Funds		155,642	157,707
Total superannuation contributions paid by Council for employees	4	530,162	545,834

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

\$	2023	2022
Net operating result from income statement	4,235,306	(2,408,042)
Non-cash items		
Depreciation and amortisation	5,887,310	6,445,440
Changes in assumptions on quarry and refuse restoration provisions	(9,345)	(215,915)
	5,877,965	6,229,525
Investing and development activities		
Net (profit)/loss on disposal of assets	(177,460)	257,092
Loss on write-off of assets	1,228,741	4,109,919
Capital grants and contributions	(2,120,625)	(2,639,297)
	(1,069,344)	1,727,714
Changes in operating assets and liabilities:		
(Increase)/decrease in receivables	31,412	649,325
Increase/(decrease) in provision for doubtful debts	9,697	(7,200)
(Increase)/decrease in inventories	(221,542)	(75,697)
(Increase)/decrease in contract assets	453,022	2,807,965
(Increase)/decrease in other assets	—	49,792
Increase/(decrease) in payables	(309,558)	(2,643,093)
Increase/(decrease) in contract liabilities	710,357	1,275,691
Increase/(decrease) in employee leave entitlements	99,170	33,387
	772,558	2,090,170
Net cash provided from/(used in) operating activities from the statement of cash flows	9,816,485	7,639,367

Note 20. Events after the reporting period

There were no material adjusting events after the balance date.

Notes to the Financial Statements

for the year ended 30 June 2023

Note 21. Financial instruments and financial risk management

(a) Financial assets and financial liabilities

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

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

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

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

Council does not enter into derivatives.

Credit risk

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

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

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

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

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

Liquidity risk

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

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

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

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

Notes to the Financial Statements

for the year ended 30 June 2023

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

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

\$	0 to 1 year	1 to 5 years	Over 5 years	Total contractual cash flows	Carrying amount
2023					
Trade and other payables	1,622,899	–	–	1,622,899	1,622,899
	<u>1,622,899</u>	<u>–</u>	<u>–</u>	<u>1,622,899</u>	<u>1,622,899</u>
2022					
Trade and other payables	1,912,735	19,722	–	1,932,457	1,932,457
	<u>1,912,735</u>	<u>19,722</u>	<u>–</u>	<u>1,932,457</u>	<u>1,932,457</u>

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

Market risk

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

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

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

Council does not undertake any hedging of interest rate risk.

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

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

Notes to the Financial Statements

for the year ended 30 June 2023

Note 22. Transactions with related parties

(a) Key management personnel

Transactions with key management personnel

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

\$	2023	2022
The compensation paid to key management personnel comprises:		
Short-term employee benefits	1,226,805	1,087,034
Post-employment benefits	95,063	86,091
Long-term benefits	(2,985)	5,520
Total	1,318,883	1,178,645

Detailed remuneration disclosures are provided in the annual report.

(b) Other Related Parties

Transactions with other related parties

	Subnote	2023	2022
Purchases from related parties			
Payment for mechanical services	(ii)	678,862	483,262
Payment of exclusion fencing subsidy	(iii)	-	36,570
Purchase of electrical and maintenance services	(iv)	118,110	171,276
Employee expenses for close family members of key management personnel	(v)	472,956	469,459
Other		-	310
		1,269,928	1,160,877
Sales to related parties			
Workshop stores and materials	(vi)	4,796	6,075
Aviation fuel sales	(vi)	-	6,132
Private works	(vi)	4,565	1,097
Other sales	(vi)	5,648	11,404
		15,009	24,708

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

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

(i). Council purchased materials and services from entities controlled by Key Management Personnel or other related parties. These transactions were on an arm's length basis and were in the course of normal council operations.

(ii). Payment for mechanical services for related entity of a member of key management personnel.

(iii). Council made payment to related entities of Councillor R Batt for construction of exclusion fences within the shire.

(iv). A related entity of Councillor R Batt provided electrical contracting services to Council.

Notes to the Financial Statements

for the year ended 30 June 2023

Note 22. Transactions with related parties (continued)

(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 2023 the amount of \$1,096 (2022: \$0) was owing to Council from related parties.

(viii). As at 30 June 2023 the amount of \$0 (2022: \$400) was owing by Council to related parties.

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

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

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

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

(d) Other

Council employs 51 full-time equivalent staff (68 in 2022) of which only 15 (10 in 2022) are close family members of key management personnel. Total remuneration paid to these close family members was \$472,956 (2022: \$469,459).

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

General Purpose Financial Statements

for the year ended 30 June 2023

Management Certificate

for the year ended 30 June 2023

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

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

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



Sally O'Neil

Mayor

12 October 2023



Michael Lollback

Chief Executive Officer

12 October 2023

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 2023, 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 2023, 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 material accounting policy 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 2023 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 formed 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 forming an opinion on the effectiveness of the council's internal control.
- Evaluate the appropriateness of material accounting policy information 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 2023:

- 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*, 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

18 October 2023
Queensland Audit Office
Brisbane

Current Year Financial Sustainability Statement

	Actual 2023	Target
Measures of financial sustainability		
1. Operating surplus ratio		
Net result (excluding capital items) ¹		
Total operating revenue (excluding capital items) ²	11.21%	0% - 10%
An indicator of which the extent to which revenues raised cover operational expenses only or are available for capital funding purposes or other purposes.		
2. Asset sustainability ratio		
Capital expenditure on the replacement of assets (renewals) ³		
Depreciation expense	62.16%	> 90.00%
An approximation of the extent to which the infrastructure assets managed are being replaced as these reach the end of their useful lives.		
3. Net financial liabilities ratio		
Total liabilities less current assets		
Total operating revenue (excluding capital items) ²	(49.76)%	< 60.00%
An indicator of the extent to which the net financial liabilities can be serviced by its operating revenue.		

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

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

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

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 2023.

Certificate of Accuracy

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.



Sally O'Neil
Mayor
12 October 2023



Michael Lollback
Chief Executive Officer
12 October 2023

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 2023, 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 2023 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 2023 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 formed 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 forming an opinion on the effectiveness of the council's internal control.
- Evaluate the appropriateness of material accounting policy information 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

18 October 2023
Queensland Audit Office
Brisbane

Unaudited Long Term Financial Sustainability Statement

	Target	Actual 2023	2024	2025	2026	2027	Forecast		2030	2031	2032	2033
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Measures of financial sustainability

1. Operating surplus ratio

Net result (excluding capital items) ¹												
Total operating revenue (excluding capital items) ²	0% - 10%	11.21%	(12.00)%	(11.00)%	(10.00)%	(9.00)%	(8.00)%	(7.00)%	(6.00)%	(4.00)%	(5.00)%	8.00%

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

2. Asset sustainability ratio

Capital expenditure on the replacement of assets (renewals) ³												
Depreciation expense	> 90.00%	62.16%	201.00%	201.00%	201.00%	201.00%	201.00%	201.00%	201.00%	201.00%	201.00%	100.00%

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

3. Net financial liabilities ratio

Total liabilities less current assets												
Total operating revenue (excluding capital items) ²	< 60.00%	(49.76)%	(29.00)%	(19.00)%	(14.00)%	(11.00)%	(10.00)%	(10.00)%	(12.00)%	(16.00)%	2.00%	4.00%

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

- (1) Includes only recurrent revenue and recurrent expenditure disclosed in the income statement. Excludes capital revenue grants, contributions, donations and subsidies received for capital acquisitions, capital income items such as profit from the sale of: property, plant and equipment, financial assets, capital expenditure such as write-off of assets, movements in provisions for restoration and rehabilitation and revaluation decrements that hit the statement of comprehensive income.
- (2) Includes only recurrent revenue disclosed in the income statement. Excludes capital revenue grants, contributions donations and subsidies received for capital acquisitions. Also excludes any capital income items such as profit from the sale of: property, plant and equipment and financial assets.
- (3) Asset renewals are defined as the replacement or refurbishment of an existing asset (or component) with a new asset (or component) capable of delivering the same level of service as the existing asset.

Barcoo Shire Council Financial Management Strategy

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

Certificate of Accuracy - Long Term Financial Sustainability Statement

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.



Sally O'Neil
Mayor
12 October 2023



Michael Lollback
Chief Executive Officer
12 October 2023

