

# Annual Report

2020-2021



**CARPENTARIA SHIRE**  
*Outback by the Sea<sup>®</sup>*

Each year, Carpentaria Shire Council produces an annual report as required by the state government.

This report has been prepared in accordance with Chapter 5, Part 3 of the *Local Government Regulation 2012*. The annual report is an important document by which Council is transparently accountable for its financial and operational performance throughout the year. It contains important information for all stakeholders (residents, Councillors, staff, community groups, other levels of government, developers/investors and other interested parties) on Council's operations, achievements, challenges, culture, purpose and plans for the future.

To request a copy of this report, please contact Council or, alternatively, you can download a copy from our website [www.carpentaria.qld.gov.au](http://www.carpentaria.qld.gov.au)

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### **Welcome to Country**

Carpentaria Shire is the traditional country of many Indigenous groups and the townships of Normanton and Karumba are the traditional land of the Gkuthaarn, Kukatj and Kurtjar people. Carpentaria Shire Council would like to respectfully acknowledge the traditional owners of the lands and waters that form the Region. Council pays its respect to elders' past, present and emerging and welcomes the ongoing role that indigenous people play within the Carpentaria community.



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# Mayor's message

## **Another year has flown by and it is my pleasure to present Carpentaria's 2020-2021 Annual Report, albeit amid the uncertainty of Covid-19 once again.**

With a normal operating expense budget of around \$17 million and a rate base of approximately \$8 million, it always is, and always will be, a challenge to balance the books. As Councillors, we are the "guardians of the vault" as such, and we consider ourselves lucky to have staff who are likeminded in all our discussions and planning.

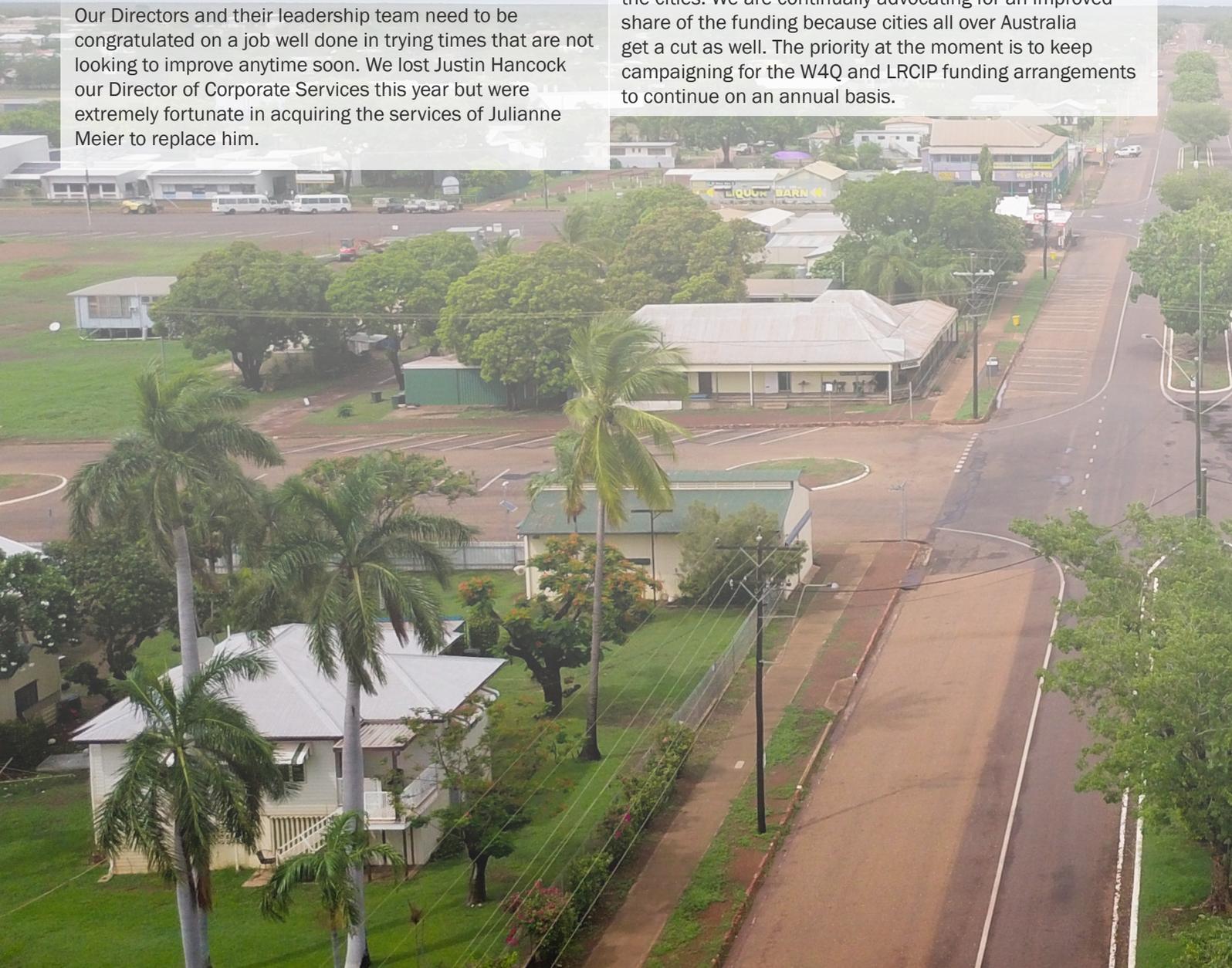
When I became Mayor I always worried that our operating expenses were too high. But this year I learned that the smallest council in Queensland cannot open its' doors for anything less than \$11 million dollars, so I feel better knowing that, in the general scheme of things, Carpentaria is doing ok in that regard.

Our Directors and their leadership team need to be congratulated on a job well done in trying times that are not looking to improve anytime soon. We lost Justin Hancock our Director of Corporate Services this year but were extremely fortunate in acquiring the services of Julianne Meier to replace him.

We also lost one of our Councillors, Peter Wells, but again were fortunate in having Doug Thomas come on board. On behalf of Council, I would like to wish Justin and Peter all the best for the future and again, welcome Julianne and Doug onto the team and into the mix.

Our operating costs and rate base income show how funding is integral to our survival in small councils. This year, our job was made easier by the State and Federal Governments providing stimulus packages in Works for Queensland (W4Q) (State) and Local Roads and Community Infrastructure Program (LRCIP) (Federal). These funding deals are uncompetitive and unmatched which make them invaluable to a small council such as ours with everyone in the community getting a share.

The Financial Assistance Grants (FAGS) are an absolute necessity to our operational expenses and allow (supposedly) the same living conditions in the bush as in the cities. We are continually advocating for an improved share of the funding because cities all over Australia get a cut as well. The priority at the moment is to keep campaigning for the W4Q and LRCIP funding arrangements to continue on an annual basis.



Advocating and campaigning is becoming more organised these days with the North West Queensland Regional Organisation of Councils (NWQROC) forging ahead in leaps and bounds with a lot of hard work on the part of our executive officer Greg Hoffman. Greg also played a huge role in getting the Western Queensland Alliance of Councils (WQAC) up and running, which is also proving to be a great success story.

We have learnt that 'hunting in a pack' as it were, provides a much better result, so for all our common issues we use these alliances to progress them. Regional Development Australia (RDA) is another organisation going through change with a new executive officer and a new committee. So our own councillor Ashley Gallagher is now a member, we can expect development with them as well. I still remain Chair of the NWQROC and part of the management team of the WQAC. This keeps our CEO Mark Crawley, Deputy Mayor Bradley Hawkins and me quite busy throughout the year but the results make it all worthwhile.

I have deliberately left 'flood damage' works out of my summary this year because I don't see it as part of Council's core business. Flood damage provides a lot of employment and income in this shire, but it is still reliant on weather events that are unpredictable and unreliable. In reality the ratepayers (i.e. Carpentaria) actually run at a loss with Disaster Recovery Funding Arrangement (DRFA)

works and the larger the damage bill, the larger our loss. It is contracted works with the Department of Transport and Main Roads (TMR) and others that provide an income for Council and for this reason we spend time building relationships with the different departments such as TMR. The engineering department, under the guidance of our Director of Engineering Michael Wanrooy, needs to be acknowledged for their efforts in this regard.

To sum up, it has been an interesting year, with new challenges along the way, but Carpentaria still remains as the number one place to work, live, and play. I thank the CEO and his team, all the indoor staff, all the outdoor staff and all my Councillors for their efforts throughout the year and look forward to the next one and all the surprises that come our way in 2021-22.



Keep safe in these uncertain times

Jack Bawden  
Mayor



# From the CEO's desk

## It is with pleasure that I present this report for inclusion in the 2020-2021 Annual Report.

Throughout 2020-2021, Council and the community continued to deal with the impacts of the worldwide pandemic – Novel Coronavirus COVID-19. However, we got on with business as usual and set about delivering services to the community and completing the capital works program set by Council.

Council continued to receive financial stimulus from the State and Federal Government by way of Works 4 Queensland (State) money to be spent on projects that stimulated the economy and Local Roads and Community Infrastructure (Federal) stimulus money. The projects identified for completion in 2020-2021 were completed within the 2020-2021 financial year and we thank the other levels of government for these funding programs. The works would not be able to be undertaken without this additional stimulus and the continuation of these programs into future years.

Work also continued with the restoration of public assets work to restore the road network following the flood event in 2019 and we set about preparing submissions for damage caused during events in 2020 and 2021. These works, when approved, will be undertaken over the next 2 years.

Council started the 2020-2021 period with a budgeted capital works program of \$18,016 million. This was to be allocated across the following assets:

Buildings	\$277,000
Housing	\$60,000
Other infrastructure	\$3,855,000
Plant and equipment	\$1,397,000
Roads	\$6,675,000
Water	\$4,997,000
Sewerage	\$755,000

Expenditures on the Capital Works Program were concentrated on delivery of upgrades (\$5.846m) and renewal of assets (\$9.719m), with only a small percentage of the overall spend being on new assets (\$2.451m). Council's focus is on reducing the depreciation expense by increasing the useful life of our assets rather than adding to the depreciation expense by just building new assets.

During the year, the Mayor, Councillors, CEO and Directors went on a road trip across most of the road network to inspect the roads and engage with the property owners to get an appreciation for the works being undertaken and the level of use the network gets on a regular basis with transport of cattle and material, including tourist traffic. In the advocacy space, the Mayor, Deputy Mayor and Chief Executive Officer met with various ministers to discuss the Savannah Way and, in particular, the sealing of the remaining unsealed section in the Carpentaria Shire between Normanton and Burketown. Council is also a member of a new group, the Western Queensland Alliance of Councils, which includes membership of the councils under the 3 Regional Organisations of Councils (namely the NWQROC, RAPAD and SWQROC) representing 23 councils across the western part of the State. This group is a strong advocacy group and has the attention of the State and Federal Government.

Several strategies and strategic documents were prepared and adopted during the reporting period. We adopted an Economic Development Strategy that was developed with the community and with assistance from the Department of State Development officers from Mount Isa and Rockhampton. Council also adopted a Tourism Strategy and completed the Coastal Hazard Adaptation Strategy (CHAS), the CHAS will be an important document as we start to further monitor and protect the foreshore at Karumba and Karumba Point.

Council adopted a new Corporate Plan during the reporting period. This will be a 5-year plan to guide the Council over those 5 years. A copy of the new plan is available on Council's website. Speaking of our website, we included a new section titled 'Have Your Say' and we will use this when we are seeking feedback from the community on strategy and important issues that impact the community. We used it twice during the year for the CHAS and the Corporate Plan.

During the year, we replenished some of the beach erosion in the vicinity of the boat ramp at Karumba Point. However, quite a bit of this was again lost during Tropical Cyclone Imogen, which impacted the Gulf on 3 January 2021. Some building damage was sustained at the Les Wilson Barramundi Discovery Centre and a few other locations, but most of the damage was restricted to fallen trees in people's yards, in parks and along roadways.

Council completed projects that were funded under the Department of Communities, FNQ and NQ Monsoon Flexible Funding Grants by way of the development of a Community Recovery Sub Plan, a study in relation to levees for Karumba and a pictorial representation – Capturing Carpentaria's Oral and Pictorial History of Disasters. During the reporting period, we welcomed a new Director, Julianne Meier who joined Council in March 2021 as the Director of Corporate Services. We also had a vacancy in the elected member ranks and Councillor Doug Thomas joined us on 12 May 2021.

One of our other big achievements during the reporting period was receiving our pre-qualification status for Department of Transport and Main Roads works. Council received its Certificate of Prequalification on 31 March 2021. This certification provides prequalification at the status of R2 for Roadworks and B1 for Bridgeworks. Carpentaria Shire is one of only 8 councils in Queensland with this certification.

2021-2022 is shaping up to be a bigger year than 2020-2021 and Council looks forward to continuing to progress many projects for community benefit and will continue to advocate on your behalf for our share of the funding pools available to councils.

I would like to place on the public record my appreciation and thanks for the work the Leadership Team and all staff have undertaken on your behalf over the past year.



I would also like to thank the Mayor and Councillors for their support and look forward to a very busy and productive year in 2021-2022.

Mark Crawley  
Chief Executive Officer

# Shire profile

Carpentaria Shire is located on the Savannah Way in North Western Queensland in the South Eastern region of the Gulf of Carpentaria. The region is uniquely placed to offer residents and visitors opportunities and experiences in lifestyle, holidays, employment and investment opportunities.

Carpentaria Shire has a friendly, laid-back lifestyle and is a place where children still ride their bikes down to the river to go fishing after school without parents having to worry as they would in larger towns and cities.

Carpentaria Shire is the traditional country of many Indigenous groups and the townships of Normanton and Karumba are the traditional land of the Gkuthaarn, Kukatj and Kurtijar people.

The Shire covers an area of approximately 65,000 square kilometres and has a population of 1,974. The countryside ranges from vast inland plains to mangrove forests, deltas and salt pans along the coastal areas of the Gulf. Carpentaria Shire has a diverse industry base with agriculture, fishing, mining, tourism and government administration providing the majority of the Shire's income. Normanton is the region's government and administrative centre.

Much of the Shire's commercial activity comes through Karumba, which has an active port based around export of zinc and lead and live cattle to Asia. It also has a substantial fishing industry that targets prawns, barramundi, Spanish mackerel, salmon and mud crabs. The region offers good infrastructure and facilities, with sealed access roads, well-serviced airports, developed freight routes, primary and secondary schools, medical services, recreational and sporting facilities and the standard infrastructure expected in a modern community.

## History

The Carpentaria Divisional Board was constituted on 11 January 1883 and amalgamated with the Shire of Carpentaria in 1903. The Council of the Shire of Carpentaria was constituted in 1903. The Municipality of Normanton was constituted on 6 February 1886, and amalgamated with Shire of Carpentaria in 1910.

### POPULATION (2016 Census)

Normanton	1,257
Karumba	531

### Distance to major centres

	Normanton	Karumba
Mount Isa	484 km	556 km
Cairns	707 km	779 km
Townsville	938 km	1,010 km



# About Council

## OUR VISION

We are unique in Queensland. We are the only place where the 'Outback meets the Sea'. We are the only place in the Gulf where it is possible to drive on a bitumen road to a major port that has ready access to Asian markets.

We are the only place where tourists can experience both the Outback and the majesty of sunsets over the Gulf. It is a place where residents can still go down to the river after work and catch a fish. It is a place that our children can grow up still experiencing the safe lifestyle that we enjoyed in earlier generations while still accessing modern town facilities.

**'Outback by the Sea<sup>®</sup> –  
It's a great place to work, live and play.'**

## OUR MISSION

In particular:

- We will work hard for our community.
- We will provide strong leadership to our community.
- We will provide open and transparent governance for our community.
- We will ensure that we are accountable to our community.

**'Working for our community.'**

## OUR VALUES

Our key values that will govern our behaviour as a Council are:

<b>Strong leadership</b>	Our community has every right to expect leadership that has integrity, unity and consistency.
<b>Respect and teamwork</b>	We know that we can only achieve great outcomes for our region by working together as a team.
<b>Good governance</b>	We need to deliver good governance for our region which is based on honesty, openness and transparency of local government.
<b>Pride in our work</b>	We aim to do the best for our community all the time, every time.
<b>Positive and professional</b>	We are not interested in blame but we want to find the best solutions to problems.
<b>Informed decision making</b>	We need to make sure that we have the best information available when making decisions.
<b>Realistic goals</b>	We believe in dreaming with our eyes open and focusing on what is available.

# THE COUNCIL

Council operates under the *Local Government Act 2009* (the Act), and Councillors are elected to provide leadership and good governance to the Carpentaria Shire.

Our 7 elected members together form the Council. The Mayor and 6 Councillors were elected on 19 March 2020 for a 4-year term. Due to the resignation of Councillor Wells, a by-election was held on the 8 May 2021. Councillor Doug Thomas was elected to office.

Council does not have divisions, and therefore the Mayor and Councillors are elected representatives of all residents and ratepayers across the region. Council has a duty to ensure the system of local government is accountable, effective, efficient and sustainable in accordance with the principles under the Act.

The local government principles are:

- transparent and effective processes, and decision-making in the public interest
- sustainable development and management of assets and infrastructure, and delivery of effective services
- democratic representation, social inclusion and meaningful community engagement
- good governance of, and by, local government
- ethical and legal behaviour of councillors and local government employees.

Collectively, the Councillors set the strategic direction for Council, identifying service standards and monitoring performance of the organisation.

Front Row (left to right): Cr Bradley Hawkins (Deputy Mayor), Mayor Jack Bawden, Cr Ashley Gallagher  
Back Row (left to right): Cr Amanda Scott, Cr Craig Young, Cr Andrew Murphy, Cr Doug Thomas





## ROLE OF COUNCILLORS

A Councillor must represent the current and future interests of the residents of the local government area. In summary, all Councillors, including the Mayor, are responsible for:

- a. ensuring the local government:
  - i. discharges its responsibilities under this Act
  - ii. achieves its corporate plan
  - iii. complies with all laws that apply to local governments
- b. providing high quality leadership to the local government and the community
- c. participating in Council meetings, policy development, and decision making, for the benefit of the local government area
- d. being accountable to the community for the local government's performance.

Each Councillor participates in the process of formulating, adopting and reviewing our corporate and operational plans. Councillors have regular meetings to make decisions and to discuss local issues.

Councillors focus on the policy directions of the local government area, not the internal day-to-day administration. The Councillors' role is to collectively make decisions that the Chief Executive Officer and employees then implement on behalf of the Council.

## ROLE OF THE MAYOR

The Mayor has the duties of a Councillor with the added responsibility of:

- (a) leading and managing meetings of the local government at which the Mayor is the chairperson, including managing the conduct of the participants at the meetings
- (b) leading, managing, and providing strategic direction to the Chief Executive Officer in order to achieve the high quality administration of the local government
- (c) directing the Chief Executive Officer of the local government under Section 170.
- (d) conducting a performance appraisal of the Chief Executive Officer, at least annually, in the way that is decided by the local government (including as a member of a committee, for example)
- (e) ensuring that the local government promptly provides the Minister with the information about the local government area, or the local government, that is requested by the Minister
- (f) being a member of each standing committee of the local government
- (g) representing the local government at ceremonial or civic functions.

## STATUTORY INFORMATION IN RELATION TO COUNCILLORS

In accordance with (Section 186 *Local Government Regulation 2012*), the following information is presented in the tables below:

(a) for each Councillor, the total remuneration, including superannuation contributions, paid to the Councillor during the financial year

(b) the expenses incurred by, and the facilities provided to, each Councillor during the financial year under the local government's expenses reimbursement policy

(c) the number of local government meetings that each Councillor attended during the financial year.

Total remuneration paid to Councillors				
Councillor	Remuneration	Superannuation	Expenses incurred	Total
Jack Bawden	\$108,221	\$12,986	\$2,918	\$124,125
Craig Young	\$54,109	\$6,493	\$3,172	\$63,774
Amanda Scott	\$54,109	\$6,493	\$442	\$61,044
Ashley Gallagher	\$54,109	\$6,493	\$621	\$61,223
Bradley Hawkins	\$62,435	\$7,492	\$185	\$70,112
Andrew Murphy	\$54,109	\$6,493	\$0	\$60,602
Peter Wells	\$42,779	\$4,064	\$898	\$47,741
Douglas Thomas	\$10,058	\$1,208	\$0	\$11,266

Councillor	Facilities provided
Jack Bawden	Vehicle, Surface Pro, mobile
Craig Young	Surface Pro
Amanda Scott	Surface Pro
Ashley Gallagher	iPad
Bradley Hawkins	Nil
Andrew Murphy	Surface Pro
Peter Wells	iPad
Douglas Thomas	Surface Pro

Number of meetings attended by each Councillor		Ordinary Meeting	Special Meetings
Number of meeting held during the year		12	3
Jack Bawden	Mayor	12	3
Craig Young	Councillor	12	3
Amanda Scott	Councillor	12	2
Ashley Gallagher	Councillor	12	2
Bradley Hawkins	Deputy Mayor	12	2
Andrew Murphy	Councillor	12	3
Peter Wells	Councillor	8	2
Douglas Thomas	Councillor	2	1

Council meetings are held on the third Wednesday and Thursday of each month (subject to alteration in special circumstances). Members of the public are welcome to attend all Council meetings.

During the year Council held 12 General Meetings, as well as other special meetings that Councillors attended.

Councillor Wells granted Leave of Absence for 17 February 2021 Ordinary Meeting. Resolution No. 0221/001

Councillor Gallagher granted Leave of Absence for 30 June 2021 Special Budget Meeting. Resolution No. SM0621/001

Councillor Hawkins granted Leave of Absence for 30 June 2021 Special Budget Meeting. Resolution No. SM0621/001

Councillor Scott granted Leave of Absence for 30 June 2021 Special Budget Meeting. Resolution No. SM0621/001

Councillor Wells resigned as a Councillor on the 30 March 2021. Council By-Election held 8 May 2021.

Councillor Thomas was sworn in on the 12 May 2021 Ordinary Meeting of Council.



# Community Financial Report

The Community Financial Report is a plain English summary of Council's Financial Statements. It has been prepared as required by Section 179 of the *Local Government Regulation 2012* and is designed to provide an easy to understand summary and analysis of Council's financial results and financial position.

For a more detailed understanding of Council's financial results and financial position, refer to the Financial Statements and accompanying notes included in the Appendices section of this annual report.

## FINANCIAL PERFORMANCE

The finances of Carpentaria Shire Council were again very strong at year end, even though we funded the bulk of capital projects through our cash reserves. Council is and will continually be looking at alternative revenue streams to provide the services our community needs and expects.

Key highlights of the financial year include:

- unqualified audit
- low risk sustainability.

SIMPLIFIED INCOME STATEMENT		\$'000
Operating revenue		78,260
- less discounts and remissions		-876
- less expenses		-79,870
- less Interest and finance charges		-455
<b>Surplus/(deficit) from operations</b>		<b>-2,941</b>
- add capital grants and contributed assets		7,282
- add capital income		15
- less capital expenses		0
Net result for the period		4,356

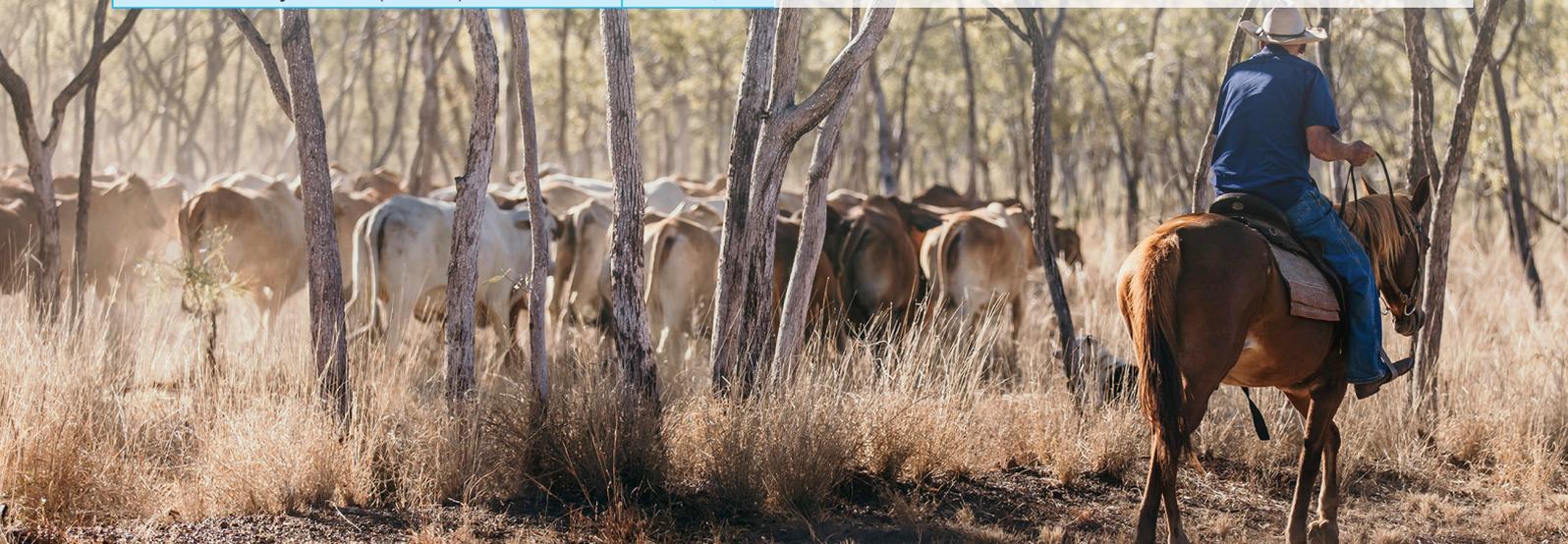
SIMPLIFIED BALANCE SHEET		\$'000
What we have in the bank		36,767
What we own		272,058
What we are owed		11,747
<b>Our total assets</b>		<b>320,572</b>
What we owe our suppliers and employees		24,804
What we have borrowed		7,445
<b>Our total liabilities</b>		<b>32,249</b>
Net community assets (wealth)		288,323

## STATEMENT OF COMPREHENSIVE INCOME

The Statement of Comprehensive Income (often referred to as the Profit and Loss Statement) shows how Council has performed for the past 12-month period. The Income Statement illustrates what we have earned (revenue) and what we have spent (expenses) maintaining and operating the community services and assets Council provides.

## STATEMENT OF FINANCIAL POSITION

The Statement of Financial Position (often referred to as the Balance Sheet) summarises the financial position of Council at the end of the Financial Year. The statement measures what Council owns (assets) and what Council owes (liabilities) at the end of the financial year, with the difference between these two components being the net community wealth (equity) of Council.



## OUR OPERATING REVENUE

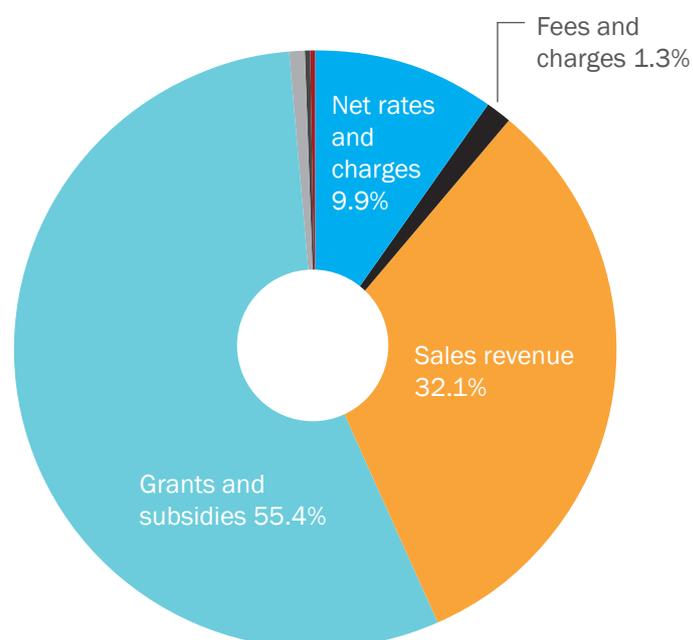
Council achieved an operating income of \$77,385 (after discounts and remissions) during the financial year.

### How we earned our operating revenues

Operating revenue	%	\$'000
Net rates and charges	9.9%	7,692
Fees and charges	1.3%	1,039
Sales revenue	32.1%	24,875
Grants and subsidies	55.4%	42,871
Rental income	0.7%	563
Interest received	0.3%	211
Other income	0.2%	134
<b>Total</b>	<b>100.0%</b>	<b>77,385</b>

Council endeavours to maximise its revenue from sources other than rates by actively pursuing grants and subsidies, and seeking appropriate contributions from the property development sector (where applicable). A significant portion of Council's revenue, \$24.7m, relates to main roads recoverable works. Road construction represents 28% of Council's operating revenue in the financial year and provided an opportunity for Council to use its plant and staff across funded operations.

Fees and charges and utility charges are generally applied on a full cost recovery basis to ensure the user pays for the service they are using as much as possible. These strategies help to minimise the reliance on the general rate to fund Council's operations.

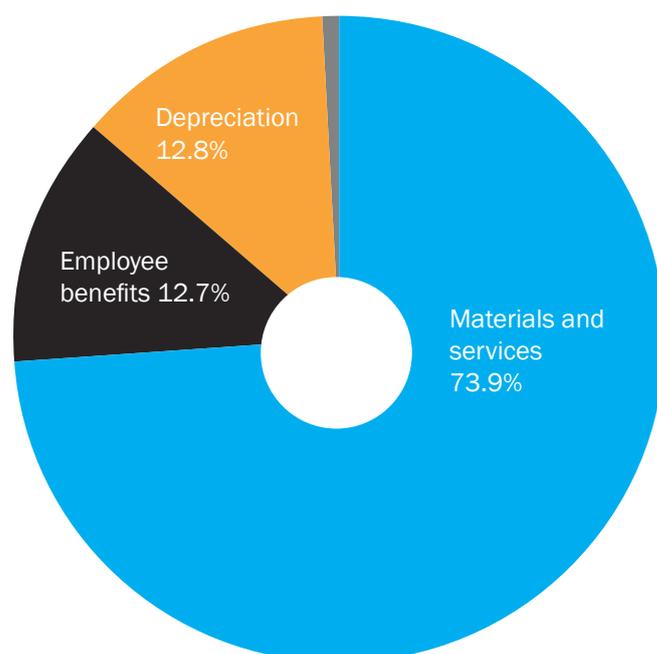


## OUR OPERATING EXPENSES

The operating expenses represent the cost to Council of providing services, operating facilities and maintaining assets.

'Materials and services' are the goods and services required for operational and maintenance purposes. These make up almost 74% of Council's expenses. 'Employee and labour hire costs' are part of the costs Council incurs in operating and maintaining the services and assets of the region. Depreciation represents the true cost of Council's assets over time. These assets include buildings, roads, stormwater drains, and water and sewerage infrastructure.

Operating expenses	%	\$'000
Materials and services	73.9%	59,378
Employee benefits	12.7%	10,231
Finance and other costs	0.6%	455
Depreciation	12.8%	10,262
<b>Total</b>	<b>100.0%</b>	<b>80,326</b>

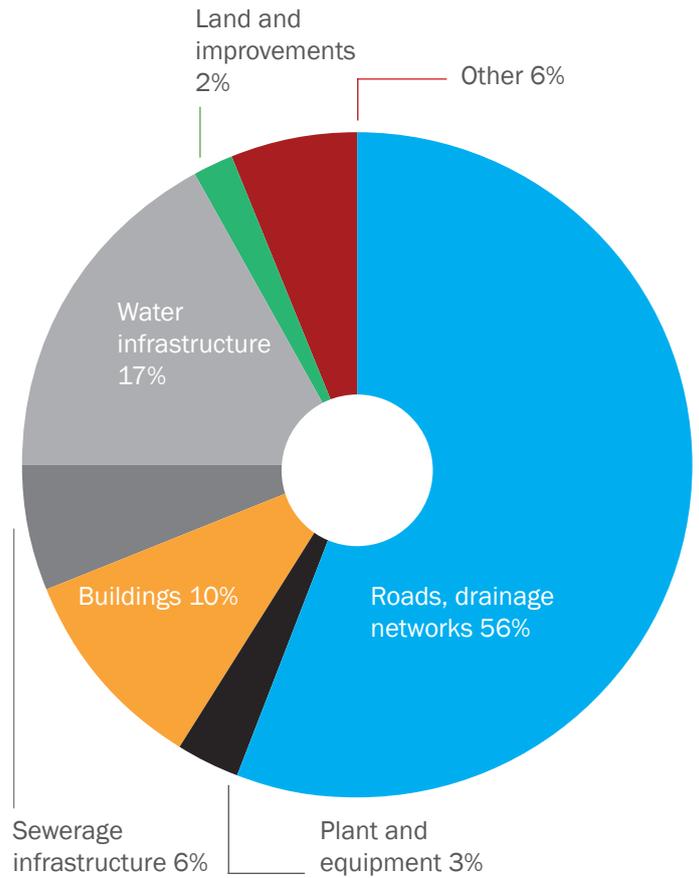


## COMMUNITY INFRASTRUCTURE WE MANAGE

Council owns and manages more than \$267m worth of infrastructure that provide benefits directly to the community.

Accounting standards require Council to ensure its infrastructure assets are recorded at fair value. Council's progressive approach to asset management ensures our assets are optimised and the community benefits from the greatest value possible.

Our community infrastructure	%	\$'000
Roads and drainage	56%	150,656
Plant and equipment	3%	6,731
Buildings	10%	27,336
Sewer	6%	16,420
Water	17%	44,645
Land	2%	4,361
Other	6%	17,140
<b>Total</b>	<b>100.00%</b>	<b>267,289</b>

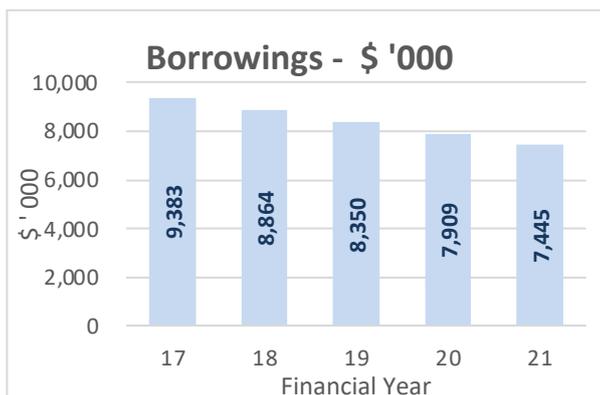


## FINANCIAL PLANNING

Council's total borrowing costs for year ending 30 June 2021 was less than 6% of total net rates and charges. Council's total loan liability as at 30 June 2021 was \$7.4m, compared to \$7.9m as at June 2020.

Council's loan liabilities have been borrowed for works only associated with capital infrastructure and not operating activities.

The graph below illustrates Council has been paying down debt for several years. There are no new borrowings forecast, and Council expects to continue to pay down borrowings.



The term to repay outstanding debt is between 2 and 20 years. Expected final repayment dates vary from June 2030 to March 2035.

Council's existing debt management strategy is to restructure its budget so that there is less emphasis on external borrowing for works such as road plant and to fund these recurring type capital expenditures from general rates and grants. In so doing, Council will be in a good financial position to provide for major community and recreational infrastructure in the future years.

## FINANCIAL SUSTAINABILITY RATIOS

Council monitors its financial trend and sustainability by using financial ratios. These indicate whether or not Council is on the right track in terms of its financial performance and future. It acts as a guide to assist Councillors and management on the best course for budgeting for the future.

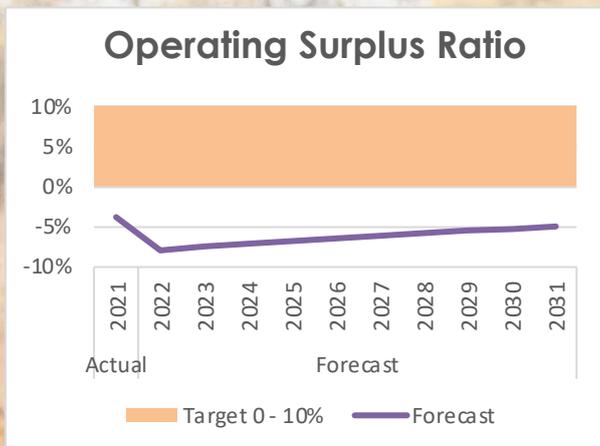
### OPERATING SURPLUS RATIO

**Calculation:** net result divided by total operating revenue. Expressed as a percentage.

**Description:** This is an indicator of the extent to which revenues raised cover operational expenses only or are available for capital funding or other purposes. The operating surplus ratio is the operating surplus/deficit expressed as a percentage of total operating revenue. A positive ratio indicates that surplus revenue is available. This may be used to support the funding of capital expenditure or used to offset past or future operating deficits. If the surplus is not required for this purpose in a particular year, it can be held to support future capital expenditure funding as a financial asset, used to offset past deficit funding or, where possible, used to reduce current debt levels.

**Target:** 0-10%

**2020/2021 result:** -3.80% = This result indicates Council is only just behind what is expected to cover operational expenditure. The ratio also indicates Council does not have enough spare cash to fund the replacement of its assets. As a result, significant effort is placed in sourcing of grant funding to fund the replacement of assets.



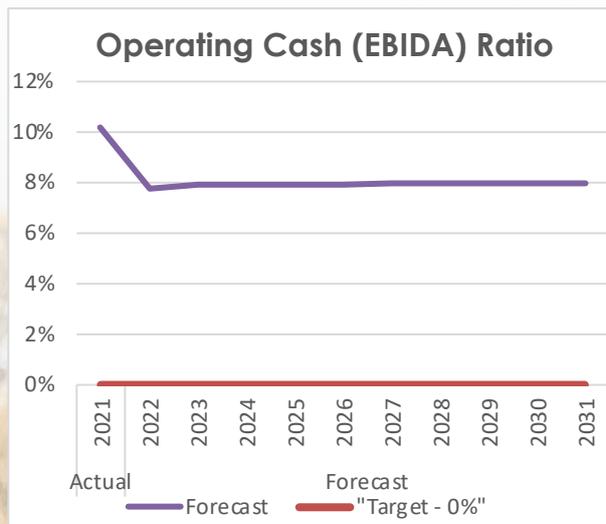
## OPERATING CASH (EBIDA) RATIO

**Calculation:** (operating result plus depreciation plus finance costs charged by QTC) divided by operating revenue.

**Description:** This ratio is an indicator of Council's ability to cover its core operational expenses (not including depreciation and financing costs) which may or may not cover capital funding requirements. A positive ratio indicates a cash surplus, meaning Council's revenues have exceeded expenditures for the year. This ratio does not take into account depreciation (a non-cash expense). This leaves a risk if assets are not replaced as they wear out. To minimise this risk, Council tries to maximise grant opportunities to replace assets as they reach the end of their lives.

**Target:** Break even or 0%

**2020/2021 result:** 10.2% = This positive result indicates Council has a cash surplus for the year. The surplus has contributed to the higher cash balance at the end of the year.



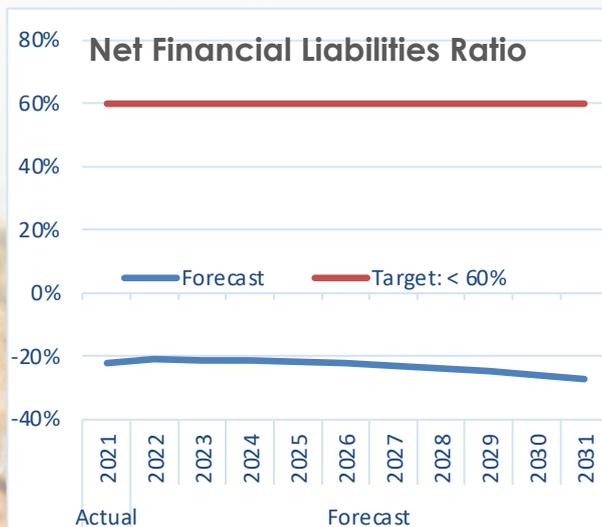
## NET FINANCIALS LIABILITIES RATIO

**Calculation:** (total liabilities less current assets) divided by total operating revenue. Expressed as a percentage.

**Description:** This is an indicator of the extent to which the net financial liabilities of a local government can be serviced by its operating revenues. A ratio greater than zero (positive) indicates that total financial liabilities exceed current assets. These net financial liabilities must be serviced using available operating revenues. A positive value less than 60% indicates the local government has the capacity to fund the financial liabilities and appears to have the capacity to increase its loan borrowings if required. A positive value greater than 60% indicates the local government has limited capacity to increase its loan borrowings. A ratio less than zero (negative) indicate that current assets exceed total liabilities and therefore the local government appears to have significant financial capacity and the ability to increase its loan borrowings if necessary.

**Target:** < 60%

**2020/2021 result:** -22.19% = This result indicates that Council can comfortably fund its total liabilities from current assets and has capacity to increase its loan borrowings should it be required.



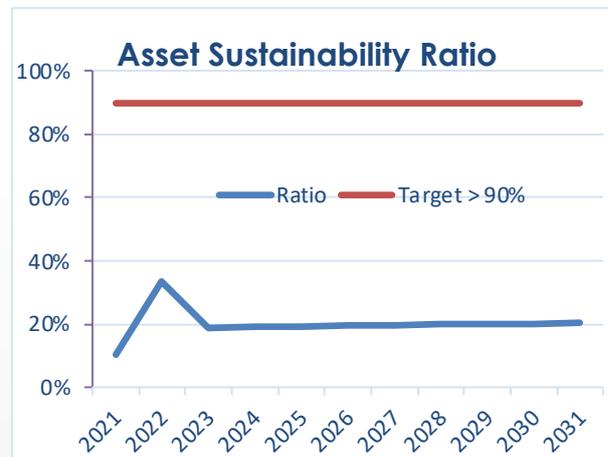
## ASSET SUSTAINABILITY RATIO

**Calculation:** capital expenditure (on the replacement of assets - renewals) divided by depreciation expense. Expressed as a percentage.

**Description:** This is an approximation of the extent to which the infrastructure assets managed by the local government are being replaced as these reach their useful lives.

**Target:** > 90%

**2020/2021 result:** 10.53% - This indicates Council is not renewing/replacing existing infrastructure assets at the same/higher rate they are being used up.



# ASSESSMENT OF THE CORPORATE AND OPERATIONAL PLANS

The *Local Government Regulation 2012* requires Council to prepare and adopt an annual operational plan for each financial year and a 5-year corporate plan for each period of 5 financial years.

The operational plan must state how the local government will progress the implementation of the 5-year corporate plan during the period and manage operational risks. Council's operational plan is aligned with the following 8 strategic themes identified in the corporate plan.

## KEY STRATEGIC THEMES

Council's vision for the future is focused on the following strategic themes:

Theme	Goal
<b>1. CULTURE</b>	A responsive Council with focus on innovation and safety through collaboration and opportunity.
<b>2. COMMUNITY</b>	A safe, healthy and equitable community that celebrates diversity and enjoys a quality lifestyle.
<b>3. NATURAL ENVIRONMENT</b>	The region's environmental assets including natural areas and resources, open space and agricultural lands, are conserved and enhanced for future generations.
<b>4. BUILT ENVIRONMENT</b>	Well managed, integrated and connected growth, respecting community, environmental and heritage values.
<b>5. INFRASTRUCTURE AND ASSET MANAGEMENT</b>	A well-planned and maintained infrastructure network that is sustainable and enhances local character and identity.
<b>6. ECONOMY</b>	A dynamic and diverse economy creating industry development and employment opportunities.
<b>7. GOVERNANCE</b>	A well governed, responsive Council, providing effective leadership and management, and respecting community values.
<b>8. INNOVATION AND TECHNOLOGY</b>	Investing in innovation and technology which sustainably improves service delivery.

Information on the organisation's progress in achieving the strategies outlined in the operational plan was provided to Council through regular reporting each quarter as required by legislation.

Reports are provided at the end of the September, December, March and June quarters.

The following is a review of the 2020-2021 achievements against the 5-year corporate plan 2017-2022.

# 1 Culture

A responsive Council with focus on innovation and safety through collaboration and opportunity.

Outcomes	Strategic actions	2020-2021 review
<b>1.1 Responsive and effective service delivery</b>	1.1.1 Foster appropriate corporate culture that aligns with our mission, values and behaviours.	Matters brought to the attention of management continued to be dealt with as required in accordance with policy.  Annual Performance Appraisals to become mandatory for all staff. Simplification of appraisal template for ease of transition to mandatory process.
	1.1.2 Develop and maintain healthy and safe working conditions and regularly review workplace health and safety practices.	We maintained a suite of human resources and workplace health and safety policies during the year.  The Workplace Health and Safety Committee meets on a regular basis and procedures and practices are regularly reviewed.  A review of camp accommodation was completed. New ablution blocks, dongas, kitchens, improved internet and communication services have been introduced to camps.
	1.1.3 Deliver professional development opportunities and pathways for all employees.	Face-to-face training numbers were restricted due to COVID-19 social distancing measures. Virtual training continued during the year.  Majority of training programs implemented in March 2021.
	1.1.4 Support business operations with effective workforce planning including recognising emerging technologies and transitioning employment opportunities.	Transitioned to electronic timesheets during the year.  Four apprentices and one trainee were placed, all locally based.
	1.1.5 Attract and retain a skilled workforce through implementation of contemporary human resource practices and organisation development.	Wage and allowance increases agreed and will be implemented February 2022.

## 2 Community

A safe, healthy and equitable community that celebrates diversity and enjoys a quality lifestyle.

Outcomes	Strategic actions	2020-2021 review
<b>2.1 A creative, educated community</b>	2.1.1 Identify and promote opportunities for arts, cultural expression and the development of creative industries.	Council received \$24,500 in funding from RADF and contributed \$5,000 cash. A series of arts workshops and touring productions were delivered.
	2.1.2 Ensure cultural facilities and programming meets the needs of the community and regional development.	The Aboriginal Cultural Heritage Policy was reviewed and updated in February 2021. Adopted by Council at it's February meeting
	2.1.3 Provide contemporary library facilities and services across the region to meet the needs of the community.	Libraries were well supported during the year. Programs were run in accordance with funding guidelines.
<b>2.2 An active and healthy community</b>	2.2.1 Plan and provide an integrated and accessible network of open space.	Council maintains a series of parks and open space for the community. Through grant programs, improvements are proposed in these parks and some new facilities.
	2.2.2 Plan and provide facilities and programs that enable participation in sport and recreation.	Council received funding to build a new amenities block, 3-bay storage shed and seating across the John Henry Oval, football field.  Council received additional funding to provide physical activities for the community and not-for-profit organisations.
	2.2.3 Establish partnerships with stakeholders to increase opportunity for participation in sport, recreation and community activity.	We have a sports centre operated by a community organisation, maximising use of the facility, and co-ordination of various programs.



Outcomes	Strategic actions	2020-2021 review
<b>2.3 A safe, sustainable and resilient community</b>	2.3.1 Maintain and improve health standards including food safety, immunisation and public health.	Council officers continued to work with other agencies to ensure improvements to standards and services for the community.
	2.3.2 Maintain and improve environmental standards including animal and pest management.	Council is working with NRM groups with a goal to develop a Regional Biosecurity Plan. Council facilitated a baiting program throughout the Shire to assist with the control of wild dogs.
	2.3.3 Improve community safety through design, information and programs.	Council effectively used funding through the Get-Ready program to inform the community.
	2.3.4 Enhance disaster management preparedness and capability in collaboration with the community.	<p>A review of the Local Disaster Management Plan was completed.</p> <p>The Community Recovery Subplan was adopted during the reporting period.</p> <p>Funding has been approved for a new Disaster Coordination Centre.</p>
	2.3.5 Develop and implement effective community information and education programs in collaboration with key community stakeholders.	<p>Through the Community Development Officer (CDO) funding, a Discover Carpentaria website has been developed for information.</p> <p>There were a number of small business workshops delivered in the community.</p>
<b>2.4 A connected and inclusive community</b>	2.4.1 Build social capital through provision of accessible community infrastructure and programs.	<p>Council continues to organise regular events throughout the year.</p> <p>The Economic Development Strategy has been adopted, and stakeholders have been identified to support implementation of the Plan.</p> <p>Electronic procurement through Vendor Panel has been maintained during the year.</p> <p>Training/workshop opportunities have been offered to the community as part of the CDO funding arrangements.</p> <p>Grant opportunities are communicated to relevant community groups within Carpentaria Shire as they arise.</p>
	2.4.2 Provide equitable access to and advocate for a range of services, programs and facilities to address disadvantage and foster inclusion.	The Energy Project completed an energy investigation report and energy management plan. Works 4 Queensland funds were accessed and solar panels have now been installed at various sites.

## 3 Natural environment

The region's environmental assets including natural areas and resources, open space and agricultural lands, are conserved and enhanced for future generations.

Outcomes	Strategic actions	2020-2021 review
<b>3.1 Green spaces, natural areas and natural resources are protected and well managed</b>	3.1.1 Plan and manage open space, parkland and natural areas to eradicate pests and noxious weeds and promote biodiversity, water quality and community use.	Two rounds of 1080 baiting have been completed and Council has commenced spraying of noxious weeds in the Karumba township.  A review of the Sport and Recreation Plan will be undertaken in a future year.

## 4 Built environment

Well managed, integrated and connected growth, respecting community, environmental and heritage values.

Outcomes	Strategic actions	2020-2021 review
<b>4.1 Sustainable urban and rural development</b>	4.1.1 Ensure development accords with Carpentaria Shire Council's planning scheme, planning instruments, codes and legislation. All applications received continued to be assessed against the planning scheme and reports provided to Council with recommendations.	A consultant has been engaged to produce an updated Planning Scheme to meet latest legislative requirements.  Council has completed a review of the land use tenure.  An electronic archive file system for maintaining property-based records has been created.
<b>4.2 A safe, equitable and integrated transport system</b>	4.2.1 Implement an integrated and accessible transport system for the region, including a safe walking, cycling and public transport network.	Council continued to work closely with the Department of Transport and Main Roads (TMR) to ensure the opportunities to improve the network are realised.  Council has successfully obtained federal accreditation and is now well placed to undertake any works.  Walking tracks have been completed during the reporting period and more are being included in future works and planning within the communities of Normanton and Karumba.

# 5 Infrastructure and asset management

A well planned and maintained infrastructure network that is sustainable and enhances local character and identity.

Outcomes	Strategic actions	2020-2021 review
<b>5.1 Integrated and timely provision and management of sustainable infrastructure and assets</b>	5.1.1 Develop a strategic infrastructure and asset management plan to guide the provision, maintenance, decommissioning, replacement and enhancement of Council assets and infrastructure.	<p>Council is continuously providing inspections and maintenance to manage our building assets.</p> <p>Council has:</p> <ul style="list-style-type: none"> <li>completed collecting data for building and structures, local road network and water and sewerage</li> <li>completed condition assessments for the building and facility and water and sewer asset classes</li> <li>developed procedures and implemented Quality Assurance System across projects</li> <li>achieved Quality Assurance accreditation to ISO 9001:2015</li> <li>developed a working relationship with landholders by engaging with them throughout the whole construction process.</li> </ul>
	5.1.2 Ensure the provision and management of infrastructure and assets meet the needs and priorities of Council, the community and industry.	<p>Council successfully obtained funding to improve, widen and seal state roads and seal the Normanton Burketown Road.</p> <p>Council has raised, via the FNQROC and NWQROC, the importance of the Burketown Road and the Kowanyama Road. Funding from TIDS and ATSI TIDs has been supported by the organisations to improve the 2 roads.</p> <p>Concept plans for median centre parking along the main street for vehicles, leaving kerb side parallel parking for caravans, has been developed.</p> <p>The footpath/bikeway was completed between Normanton and Rodeo grounds.</p>
	5.1.3 Plan and implement urban improvement works which enhance local character and identity, conserve and improve the region's streetscapes and provide iconic parkland.	<p>We secured funding through the Queensland Department of State Development, Tourism and Innovation to develop a strategy for the Normanton Areas of Interest and Karumba Town Plan. This will support areas of interest and opportunities for new infrastructure in the future.</p>

Outcomes	Strategic actions	2020-2021 review
<b>5.2 A safe and sustainable road network</b>	5.2.1 Plan and deliver a safe, sustainable and efficient road network.	We continued to carry out the necessary maintenance to ensure a safe and reliable road network.  Local Roads of Regional Significance (LRRS) roads within the Shire are reviewed yearly and funded via TIDs and R2R through the NWQ Regional Roads and Transport Group.
	5.2.2 Plan and deliver safe and effective stormwater management outcomes and a flood resilient region.	Where possible, we work with the Queensland Reconstruction Authority to access betterment funding opportunities to improve the network. We were successful in obtaining funding through the Queensland Resilience and Risk Reduction Fund (QRRRF).
	5.2.3 Plan and deliver safe, sustainable and efficient airports and aerodrome services.	We continued to maintain airports within Civil Aviation Safety Authority requirements. Regular inspections are carried out and recommendations addressed.
<b>5.3 A safe and sustainable water network.</b>	5.3.1 Plan, deliver and manage efficient and sustainable, high quality, water supply systems	Our water supply was again managed in accordance with water quality guidelines set by the regulator.
	5.3.2 Advance water use efficiency and water cycle innovation throughout the region.	The raw water network has been constructed and is in trial.  Council conducts mid-year water readings to advise residents to identify any potential water leaks and alert useage of treated water.
<b>5.4 Sustainable waste management</b>	5.4.1 Plan, deliver and manage efficient and sustainable waste and resource management services.	Our waste sites are managed in accordance with the licencing provisions of the regulator.
	5.4.2 Plan and deliver an integrated waste infrastructure network.	Our waste facilities are being managed in accordance with regulatory guidelines.
	5.4.3 Minimise the impacts of waste generation through modified consumer behaviour, effective recycling infrastructure and practices, and the reduction of emissions from landfill.	Professional contractors have been engaged to manage the waste facilities in accordance with best practice management principles.  Council was successful in obtaining a tyre recycling grant, and removed approximately 400 tonnes of tyres from the Shire.
<b>5.5 A sustainable sewerage network</b>	5.5.1 Plan, deliver and manage a high quality sewerage network and treatment facilities.	Sewerage treatment schemes continued to operate within the licencing arrangements in place from the regulator.
	5.5.2 Effective and efficient use of recycled water.	Recycled water has been used to irrigate the Karumba Golf Course and reuse for other Council purposes.

# 6 Economy

A dynamic and diverse economy creating industry development and employment opportunities.

Outcomes	Strategic actions	2020-2021 review
<b>6.1 A strong and diverse economy</b>	6.1.1 In partnership, promote the region by supporting the growth of new and existing businesses.	We continued to work with other councils in the region to promote the Shire and the region.
	6.1.2 Ensure planning and infrastructure supports future economic growth.	Council will work with the Department of State Development, Tourism and Innovation and Townsville and North West Queensland Regional Development Australia to identify any economic opportunities for the region.
	6.1.3 Plan and support local economic development	Council will continue to implement the items identified in the Economic Development Strategy and work with others as new opportunities are identified.
	6.1.4 Promote and develop Carpentaria Shire as a unique destination and to manage tourism in a sustainable way	Tourism promotion investments continued through the year. The Les Wilson Barramundi Discovery Centre continues to grow in popularity as the major tourism attraction in the Shire.



# 7 Governance

A well governed, responsive Council, providing effective leadership, management and respecting community values.

Outcomes	Strategic actions	2020-2021 review
<b>7.1 A Shire governed in consultation and partnership with the community</b>	7.1.1 Ensure leadership and decision-making is transparent, accountable and represents the current and future interests of the region's communities.	All matters requiring a Council decision are addressed via an officer's report to Council and included in the agenda/ minutes of Council. This is the most transparent and accountable method of ensuring transparent decision making.
	7.1.2 Implement effective community consultation processes that enable participation, engagement and collaboration.	Our corporate website will undergo a major review in the next reporting period, allowing us to better keep the community informed of Council operations and initiatives. A Have Your Say section was added to the website in the reporting period to allow members of the community to provide input into important Council projects.
	7.1.3 Develop and maintain community participation, partnerships and volunteer programs.	A series of community engagements were undertaken during the reporting period as required. We will review our community engagement strategy over the next reporting period.
	7.1.4 Implement an effective information and education program to encourage community participation in decision making and build social capital.	Council has struggled to engage the community in the past, with attendance at community meetings traditionally low. Initiatives will be pursued to engage the community more in consultations in the future.
<b>7.2 Responsive and efficient customer service delivery</b>	7.2.1 Continually review and enhance service delivery to ensure Council's responsiveness to customer and community expectations.	A review of customer service at Council has been undertaken in request management, however the findings require additional resourcing, and have not been fully implemented.
	7.2.2 Work collaboratively across Council to provide effective, efficient and coordinated outcomes.	This is an area of constant review. As efficiencies are identified, they are pursued to realise savings in service delivery while maintaining the desired level of service.
	7.2.3 Build a culture of continuous improvement which recognises best practice.	This is a flow on from the initiative above. Continuous improvement is the responsibility of all Council staff.



Outcomes	Strategic actions	2020-2021 review
<b>7.3 Strategic management of Council</b>	7.3.1 Develop and implement local laws, policies, standards and codes in accordance with legislative requirements and ensure compliance.	This is an area of constant review. Policies and other changes will continue to be updated as required.  A Financial Hardship Policy has been developed.
	7.3.2 Implement integrated strategic planning approaches across Council, including efficient and effective risk management.	A risk management module is available in the new computer system. This will be reviewed for inclusion in the next reporting period. A review of the risk registers will also be reviewed in the next reporting period.
	7.3.3 Implement sustainable financial management and effective procurement practices.	Regular Project Coordination Group (PCG) meetings are held to ensure projects are delivered within budget. Procurement is subject to ongoing compliance checks.  A review of the sewerage charges was undertaken and a new charging methodology implemented.  A comprehensive revaluation of Council's road and drainage network was undertaken during the year.



# 8 Innovation and technology

Investing in innovation and technology which sustainably improves service delivery.

Outcomes	Strategic actions	2020-2021 review
<b>8.1 Responsive and innovative processes and systems</b>	8.1.1 Implement reliable and contemporary information, knowledge and management systems.	<p>A system is in place to capture and manage records and information.</p> <p>Training in the best use of the system and correct procedures to manage records has been undertaken.</p>
	8.1.2 Identify and implement process and system improvements, facilitating improved decision making.	<p>The recently upgraded computer system will assist decision-making in future years, as information collection and management is better managed and reported to Council.</p> <p>An ICT Strategy has been developed to support decision making over the next 5 years.</p>



# PROJECT HIGHLIGHTS

Our workforce delivered considerable works during the year, including major flood damage restoration works on Council and Department of Transport and Main Roads-controlled roads.

Along with maintenance and operations of key Council assets, major capital works were also undertaken by Council during the financial year, including:

Project	Total project budget
Trades Shed – Normanton Depot	\$200,000
Office - Karumba Sewerage Treatment Plant	\$100,000
Les Wilson Barramundi Discovery Centre entertainment area	\$260,000
Staff housing upgrades	\$444,000
Carpentaria Shire community facilities - Painting Karumba and Normanton Water Parks - Fencing tennis courts and pool - Improvement works at Normanton Childcare	\$275,000
Installation of solar PV sites	\$539,000
Norman River - telecommunications towers	\$85,000
Showgrounds electrical upgrade	\$40,000
Town Hall PA system	\$22,000
Carpentaria Keeps It Cool - Normanton Sports Centre	\$25,000
Dunbar-Kowanyama floodway	\$925,000
Burke & Wills Monument Road	\$138,000
Cemetery to rodeo grounds footpath	\$375,000
Normanton-Burketown Rd sealing works	\$3,640,000
Drainage easement maintenance and improvement	\$25,000
Normanton Sewerage Treatment Plant effluent irrigation replacement	\$20,000
Normanton Water Treatment Plant upgrade	\$1,465,000



# Statutory information

## Beneficial enterprises (Section 41 LGA 2009)

A local government's annual report must contain a list of all beneficial enterprises that the local government conducted during the financial year.

There was no beneficial enterprise activity identified throughout the year.

## Significant business activities (Section 45 LGA 2009)

A local government's annual report for each financial year must:

(a) contain a list of all the business activities that the local government conducted during the financial year

(b) identify the business activities that are significant business activities

(c) state whether or not the competitive neutrality principle was applied to the significant business activities, and if the principle was not applied, the reason why it was not applied

(d) state whether any of the significant business activities were not conducted in the preceding financial year, i.e. whether there are any new significant business activities.

Council did not conduct any significant business activities during the reported financial year and, as such, the competitive neutrality principle is not applicable.

## Remuneration for senior contract employees (Section 201(1) LGA 2009)

A local government's annual report for each financial year must state:

(a) the total of all remuneration packages that are payable (in the year to which the annual report relates) to the senior management of the local government

(b) the number of employees in senior management who are being paid each band of remuneration

Each band of remuneration is an increment of \$100,000.

The total of all remuneration package payable to the senior management for the financial year 2020/2021 was \$677,668.22

Remuneration packages includes salary, housing, vehicle use and other expenses and entitlements under a contract of employment.

Band of remuneration	Number of senior management employees
Under \$100,000	0
\$100,000 to \$200,000	0
\$200,000 to \$300,000	3

The senior management, of Council, consists of the Chief Executive Officer and 2 Directors.

## Financial Statements (Section 183 LGR 2012)

The annual report for a financial year must contain:

(a) the general purpose financial statement for the financial year, audited by the auditor-general

(b) the current-year financial sustainability statement for the financial year, audited by the auditor-general

(c) the long-term financial sustainability statement for the financial year

(d) the auditor-general's audit reports about the general purpose financial statement and the current-year financial sustainability statement.

Included at Appendix B

**Community Financial Report (Section 184 LGR 2012)**

The annual report for a financial year must contain the Community Financial Report for the financial year.

Included in page 13.

**Particular Resolutions (Section 185 LGR. 2012)**

The annual report for a financial year must contain:

(a) a copy of the resolutions made during the financial year under section 250(1)

(b) a list of any resolutions made during the financial year under section 206(2).

**Expenses Reimbursement Policy**

Section 250 of the *Local Government Regulation 2012* requires that Council adopt an expenses reimbursement policy.

Council may, by resolution, amend its expense reimbursement policy at any time.

The following resolutions under section 250 were made during the financial year:

Meeting date	Resolution number	Resolution
18/04/2018	0418/026	That Council adopt the Councillor Expenses Reimbursement and Provision of Resources Policy as amended.

A copy of Council policy CSA\_005 (Councillor Expenses Reimbursement & Provision of Resources) is attached at Appendix A.

No resolutions under section 250 were made during the 2020/2021 financial year.

**Valuation of non-current physical assets**

Section 206 of the *Local Government Regulation 2012* requires that Council must, by resolution, set an amount for each different type of non-current physical asset below which the value of an asset of the same type must be treated as an expense.

Council policy CSF\_009 (Non-Current Asset) was adopted on 20 May 2015 by Council resolution 0515/023 and sets the following amounts below which the asset must be treated as an expense:

Asset type	Amount
Road infrastructure	\$10,000
Water infrastructure	\$10,000
Sewerage infrastructure	\$10,000
Buildings	\$10,000
Other infrastructure assets	\$10,000
Plant and equipment	\$5,000
Furniture and fittings	\$5,000
Land and improvements	\$1

No resolutions under section 206(2) were made during the 2020/2021 financial year.

## Councillors (Section 186 LGR 2012)

<p>The annual report for a financial year must contain particulars of:</p> <ul style="list-style-type: none"> <li>for each Councillor, the total remuneration, including superannuation contributions, paid to the Councillor during the financial year</li> <li>the expenses incurred by, and the facilities provided to, each Councillor during the financial year under the local government's Expense Reimbursement Policy</li> <li>the number of local government meetings that each Councillor attended during the financial year</li> </ul>	<p>Statutory Information About Councillors (page 12).</p>	
<ul style="list-style-type: none"> <li>the total number of the following during the financial year</li> </ul>	<p>Orders made under section 150I(2) of the LGA</p>	<p>Nil</p>
<ul style="list-style-type: none"> <li>each of the following during the financial year</li> </ul>	<p>Orders made under section 150AH(1) of the LGA</p>	<p>Nil</p>
<ul style="list-style-type: none"> <li>the number of each of the following during the financial year</li> </ul>	<p>Decisions, orders and recommendations made under section 150AR(1) of the LGA</p>	<p>Nil</p>
	<p>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</p>	<p>Nil</p>
	<p>A description of the unsuitable meeting conduct, inappropriate conduct or misconduct engaged in by each of the councillors</p>	<p>Nil</p>
	<p>A summary or the order or recommendation made for each Councillor</p>	<p>Nil</p>
	<p>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</p>	<p>Nil</p>
	<p>Matters, mentioned in section 150P(3) of the LGA, notified to the Crime and Corruption Commission</p>	<p>Nil</p>
	<p>Notices given under section 150R(2) of the LGA</p>	<p>Nil</p>
	<p>Notices given under section 150S(2)(a) of the LGA</p>	<p>Nil</p>
	<p>Decisions made under section 150W(1)(a), (b) and (e) of the LGA</p>	<p>Nil</p>
	<p>Referral notices accompanied by a recommendation mentioned in section 150AC(3) (a) of the LGA</p>	<p>Nil</p>
	<p>Occasions information was given under section 150AF(4)(a) of the LGA</p>	<p>Nil</p>
	<p>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</p>	<p>Nil</p>
	<p>Applications heard by the conduct tribunal under chapter 5A, part 3, division 6 of the LGA about whether a Councillor engaged in misconduct or inappropriate conduct</p>	<p>Nil</p>

**Administrative Action Complaints (Section 187(1) and (2) LGR. 2012)**

The annual report must contain:

(a) a statement about the local government’s commitment to dealing fairly with administrative actions complaints

(b) a statement about how the local government has implemented its complaints management process, including an assessment of the local government’s performance in resolving complaints under the process.

**Implementation of complaints management process**

Council has adopted a formal policy (CSA\_002 – Complaints Policy) to deal with administrative action complaints. The policy provides a statement of Council’s commitment to providing an open and accountable local government and details the process that Council will follow to facilitate the effective management of complaints.

Council will ensure that all complaints are treated confidentially and with due respect. Complainants will not suffer any reprisal from Council or staff for making a complaint. All complaints will be investigated in a timely manner with the primary aim of reaching a resolution acceptable to both Council and the complainant.

Complaints received by Council are viewed as an opportunity for improvement, providing feedback to Council about service delivery or decisions made by Council.

A new electronic system was implemented during the 2019/2020 year to capture, record and manage Administrative Action Complaints received by Council whether they are received verbally, in writing or via electronic means.

Staff are provided with the necessary training in relation to the Administrative Action Complaints Policy and Complaints Management Process. Training was also provided to staff in the use of the new electronic system.

Further information on Council’s administrative complaints management process is available from council’s website.

<b>Assessment of performance in dealing with complaints</b>	
No administrative action complaints were received during the year.	
Number of complaints received	Nil
Number of complaints resolved	Nil
Number of complaints not resolved	Nil
Number of complaints not resolved that were made in a previous year	Nil

**Overseas travel (Section 188 LGR 2012)**

(1) The annual report for a financial year must contain the following information about any overseas travel made by a Councillor or local government employee in an official capacity during the financial year:

(a) for a Councillor—the name of the Councillor

(b) for a local government employee—the name of, and position held by, the local government employee

(c) the destination of the overseas travel

(d) the purpose of the overseas travel

(e) the cost of the overseas travel.

(2) The annual report may also contain any other information about the overseas travel the local government considers relevant.

There was no overseas travel undertaken by a Councillor or local government employee in an official capacity during the financial year.

**Expenditure on grants to community organisations (Section 189(1) LGR 2012)**

The annual report for a financial year must contain a summary of:  
(a) the local government's expenditure for the financial year on grants to community organisations

Council has adopted a Grant to Community Organisations Policy, which prescribes the types of grants given to community organisations.

The grants provided are:

- direct cash grants to community organisations
- assets given to community organisations
- concessions (e.g. rates remitted) for community organisations.

During the 2020/2021 financial year, Council made grants and provided assistance totalling \$55,459.69 to community organisations.

Refer below for details of grants made to community organisations.

**Direct cash grants**

<b>Organisation</b>	<b>Amount \$</b>
Normanton Police	\$192.56
Karumba Senior Lunch	\$1,200.00
Normanton Rodeo	\$295.69
<b>Total</b>	<b>\$1,688.25</b>

**Non-cash grants (concessions/fee waivers)**

<b>Organisation</b>	<b>Amount \$</b>
Bynoe	\$2,025.27
Gulf Christian College	\$2,589.82
Karumba Recreation Club	\$1,237.33
Karumba State School	\$181.82
Normanton Bowls Club	\$87.29
Normanton Gun Club	\$328.73
Normanton Rodeo	\$7,413.26
Normanton State School	\$4,813.76
Normanton Stingers	\$4,030.44
Karumba P&C	\$527.27
Normanton Cricket Club	\$2,727.27
Kurtjar Aboriginal Corporation	\$282.87
Junior Rugby League	\$11,549.94
Go Gulf	\$447.28
Carpentaria Kindergarten Association	\$55.12
Normanton Athletics Club	\$3,869.42
Karumba Social Netball	\$2,727.27
Mount Isa School Of The Air	\$350.00
Normanton Hope	\$1,136.44
Volunteer Marine Rescue Karumba	\$1,090.91
Normanton Christian Centre	\$227.27
Mount Isa Remote Area Trust	\$227.27
1st Battalion FNQR	\$136.36
Royal Flying Doctor Services	\$90.91
Karumba Christmas Tree	\$163.59
Centacare NQ	\$5,454.54
<b>Total</b>	<b>\$53,771.44</b>



<b>Discretionary funds (Section 189(2) LGR 2012)</b>	
The annual report must contain the following information about the local government's discretionary funds:  (a) the total amount budgeted for the financial year as the local government's discretionary funds  (b) the prescribed amount (0.1% of the local government's revenue from general rates for the previous financial year) for the local government for the financial year  (c) the total amount of discretionary funds budgeted for the financial year for Councillors to allocate for each of the following purposes  (d) the amount of discretionary funds budgeted for use by each councillor for the financial year  (e) if a Councillor allocates discretionary funds in the financial year.	Not applicable as Carpentaria Shire Councillors do not have discretionary funds.
<b>Assessment of Corporate and Operational Plans (Section 190(1)(a) LGR. 2012)</b>	
The annual report must contain the Chief Executive Officer's assessment of the local government's progress towards implementing its 5 year-corporate and annual operational plans	Included in page 18.
<b>Issues relevant to the assessment of Councils operations and performance (Section 190(1)(b) LGR. 2012)</b>	
The annual report must contain particulars of other issues relevant to making an informed assessment of the local government's operations and performance in the financial year.	Nil
<b>Annual operations report for each commercial business unit (Section 190(1)(c) LGR. 2012)</b>	
The annual operations report for each commercial business unit, which means a document that contains the following information for the previous financial year.	There were no commercial business units to report for the 2020/2021 financial year.
<b>Joint government activity (Section 190(1)(d) LGR. 2012)</b>	
The annual report must contain details of any action taken for, and expenditure on, a service, facility or activity: (i) supplied by another local government under an agreement for conducting a joint government activity  (ii) for which the local government levied special rates or charges for the financial year.	Nil.
<b>Invitations to change tenders (Section 190(1)(e) LGR. 2012)</b>	
The annual report must contain details of the number of invitations to change tenders under section 228(7) of the LGR during the financial year.	Nil.



### List of registers and public documents (Section 190(1)(f) LGR. 2012)

The annual report must contain a list of registers kept by the local government.

The Chief Executive Officer holds the following registers. Except where otherwise indicated, they are open to inspection at the Council Administration Centre.

Registers held	Open to inspection
Register of Local Laws	Yes
Register of Roads	Yes
Register of Cost-recovery Fees	Yes
Asset Register	Yes
Register of Delegations	Yes
Registers of Interests of Councillors	Yes
Registers of Interests Chief Executive Officer	No
Registers of Interests Senior Executive Employees	No
Registers of interests of a person who is related to a Councillor, Chief Executive Officer or senior executive employee and senior contract employees	No
Register of Pre-qualified Suppliers	Yes
Food Business Licence Register	Yes

### Summary of concessions for rates and charges (Section 190(1)(g) LGR. 2012)

The annual report must contain a summary of all concessions for rates and charges granted by Council for the financial year.

#### Pensioner rates remission

Council provides a rates remission to eligible pensioners.

Council's remission is 30% on all rates and charges (except excess water charges) with a qualifying residency period of at least 10 years within the Shire boundary.

The applicant must hold a Pensioner Concession Card and be of pensionable age for the purposes of qualifying for an aged pension under the Australian Government guidelines.

Any arrears of rates and charges associated with the residential allotment must be paid in full before a pensioner becomes entitled to receive the rates remission. This policy is in accordance with State Government Pension Remission Guidelines.

#### Rate remission/concessions (other than pensioners)

Council considers applications for remission of rates lodged with Council where it considers the circumstances warrant such action as provided under the *Local Government Act 2009*. Council may also consider the deferral of rates until a specified time if the circumstances warrant.

Summary of rates concessions		
Description	No. of concessions provided	Amount
Covid rates concessions	8	\$284,419.86
Rates based financial assistance	8	\$25,886.24
<b>Total concessions</b>	<b>16</b>	<b>\$310,306.10</b>

### Report on internal audit (Section 190(1)(h) LGR. 2012)

The annual report must contain a summary on the internal audit for the financial year.

Section 105(1) of the *Local Government Act 2009* requires that each local government must establish an efficient and effective internal audit function.

The purpose of the internal audit function is to:

- provide a systematic and proactive assessment of the effectiveness and reliability of Council's internal controls and processes
- help ensure Council is achieving its desired outcomes
- ensure compliance with legislation, Council policy and procedures
- identify and document those areas of significant operational risk to Council with a view to finding practical recommendations for improvements.

The scope of works for each financial year is set out in an Internal Audit Plan, which is endorsed by the Chief Executive Officer and the Internal Audit Committee.

During the 2017-2018 financial year, the internal audit function of Council was reviewed, where the disbandment of the Audit Committee was recommended and that tenders be called for the new internal auditors following the expiration of the contract with the Local Government Association of Queensland.

In 2020/2021, Council Internal Auditors (Pacifica) had conducted 3 internal audits:

- Stores and Inventory Management
- Corporate Cards, Fuel Cards, Standing Accounts and Staff Reimbursements
- Works Program Budget Development.

There have been a number of recommendations made that have been considered but not yet fully implemented. It should be noted some recommendations required additional resourcing, policy and procedure development. Any outstanding matters shall be reviewed and implemented in due course.

### Investigation notices for competitive neutrality complaints (Section 190(1)(i) LGR. 2012)

The annual report must contain a summary of investigation notices given in the financial year under S49 of the LGR for competitive neutrality complaints.

Nil

### Responses to QCA's recommendations (Section 190(1)(j) LGR. 2012)

The annual report must contain the local government's responses in the financial year on the QCA's recommendations on any competitive neutrality complaints under S52(3) of the LGR.

Nil

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## COUNCILLOR EXPENSES REIMBURSEMENT & PROVISION OF RESOURCES POLICY

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*Version 6 Adopted on 18 April 2018 by Council Resolution 0418/026*

### 1. REPEAL

The policy repeals the Councillor Expenses Reimbursement & Provision of Resources Policy (Version 6 adopted on 20 July 2016 by Resolution 0716/012).

### 2. PURPOSE

This purpose of this policy is to provide for the –

- a) Payment of reasonable expenses incurred, or to be incurred, by Councillors for discharging their duties and responsibilities as Councillors; and
- b) The provision of facilities and resources to Councillors for that purpose.

### 3. SCOPE

This policy applies to all Councillors.

### 4. RESPONSIBILITIES

The administration of this policy is the responsibility of the Chief Executive Officer. The Chief Executive Officer may delegate the power to administer the policy or parts of the policy to the Deputy Chief Executive Officer/Director Corporate Services or other relevant officer.

### 5. DEFINITIONS

**CEO** means the Chief Executive Officer of Council.

**Approved Council Business** includes-

- a) Formal meetings of Council, including Ordinary, Statutory and Special Meetings;
- b) Official committee meetings, including advisory committee meetings of which a Councillor is a member;
- c) Formal public consultation meetings;
- d) Civic functions at which a Councillor is attending in his/her official capacity as a Councillor;
- e) Community functions to which a Councillor has been invited in his/her official capacity as a Councillor;
- f) Official inspections;
- g) Formal training, professional development and conferences approved by Council;
- h) Other activities approved by the Mayor and ratified at a subsequent meeting of Council.

**Councillor** includes the Mayor.

**Incidental private use** includes use incidental to Approved Council Business.

*For example, stopping at a shop on the way to or from Approved Council Business.*

## **6. POLICY**

### **PART 1 – PAYMENT OF EXPENSES**

All claims for reimbursement of expenses must be signed by the Councillor and submitted to the Executive Assistant as soon as practicable after the expense is incurred.

Claims must be accompanied by supporting documentation providing evidence of the claimed expenses, such as receipts or a Statutory Declaration declaring that the expenses claimed have been incurred in the course of the Councillor's duties.

### **PART 2 – ELIGIBLE EXPENSES AND LIMITS**

#### **1. Professional Development**

- a) Council will reimburse all reasonable expenses incurred for professional development activities necessary for the performance of a Councillor's duties.
- b) All professional development activities must be approved in advance by resolution by Council or by the Mayor and later ratified by resolution of Council.

#### **2. Travel and Accommodation –**

- a) Council will reimburse all reasonable travel and accommodation expenses for a Councillor attending Approved Council Business.
- b) All travel and accommodation must be booked in advance by giving reasonable notice and full details to the Executive Assistant who will book through Council's corporate accounts to ensure maximum discounts and savings.
- c) Any increased costs incurred by changes made by a Councillor to the approved bookings must be reimbursed by the Councillor unless there is a reasonable excuse which is approved by the Mayor.

#### **3. Vehicle Use –**

- a) The Mayor will be provided with a suitable vehicle as determined by Council.
- b) Council will pay all costs associated with the vehicle, including fuel, servicing, repairs, maintenance and insurance.
- c) The Mayor's vehicle may be used for all Approved Council Business, together with incidental private use.
- d) If there is any doubt, the Chief Executive Officer will determine if any use is incidental private use.
- e) Private use of Council owned vehicles that is not incidental private use, is permitted if prior approval has been granted by resolution of Council. Council will, in its resolution authorising private use, set out the terms for the Councillor to reimburse Council for such private use.
- f) Other Councillors may use the Mayor's vehicle for Approved Council Business with the prior approval of and at the discretion of the Mayor.
- g) Councillors may be reimbursed for the use of their private vehicles to attend Approved Council Business. The applicable kilometric rate will be the approved Australian Taxation Office ("ATO") rate for the vehicle.

- h) Where a Councillor elects to use their private vehicle instead of other forms of travel, such as a plane travel, the total amount of reimbursement must be the lower of the calculated amounts.

*For example, if an airfare costs \$1,000.00, then the kilometric claim for the vehicle cannot exceed \$1,000.00 even if the actual kilometric claim was, say, \$1,300.00.*

- i) Where a Councillor utilises their own aircraft or helicopter to attend Approved Council Business, they may be reimbursed expenses equivalent to ATO kilometric rates for the largest class of motor vehicle. If another Councillor travels in the aircraft or helicopter, a claim may also be submitted by the owner equivalent to the number of Councillors travelling.

*For example, the owner/Councillor and one other Councillor travel in the aircraft or helicopter on Approved Council Business. The owner may claim the kilometric rate equivalent to travel by two motor vehicles. The passenger is not entitled to any claim.*

- j) Any fines arising from the use of the Mayor's vehicle or a private vehicle being used for Approved Council Business are the responsibility of the relevant Councillor and will not be reimbursed by Council.

#### **4. Allowances –**

- a) Council will pay allowances to cover the costs of meals and incidentals when a Councillor is away from the Shire on Approved Council Business.

- b) The allowances payable are –

- i. Breakfast - \$20
- ii. Lunch - \$25
- iii. Dinner - \$40
- iv. Incidental - \$15

- c) The above allowances are payable upon production of receipts which must be attached to the signed claim form.

- d) Where actual reasonable costs are more than the amount of the allowances, such costs may be approved upon the production of receipts.

- e) Where a Councillor is away on Approved Council Business for only a part of a day, only part of the daily allowances will be paid.

*For example, if a Councillor leaves on Approved Council Business, say, at 7am and returns at 1.30pm, the breakfast and lunch allowances are payable, together with half of the incidental allowance.*

- f) Where meals are provided, no meal allowance will be payable.

*For example, if a Councillor attends a conference and dinner is provided, only the breakfast and lunch allowances will be payable.*

#### **5. Councillor's Spouses –**

The spouses or partners of Councillors may at Council's cost attend Approved Council Business in conjunction with the Councillor by approval of or ratification by resolution of Council.

*For example, dinners at the annual LGAQ conference or civic functions.*

## **6. Telephones –**

- a) The Mayor will be provided with a mobile phone by Council for Approved Council Business.
- b) Reasonable private use of the telephone is permitted.
- c) Councillors will be paid an annual allowance of \$600.00 to cover the costs of telephone calls and rental for a home and/or mobile telephone which are associated with the performance of their duties as Councillor. Actual expenses above this amount may be reimbursed upon the production of receipts.

## **7. Hospitality Expenses –**

- a) The Mayor will be reimbursed for hospitality expenses up to an amount of \$2,000 per annum while on Approved Council Business. Copies of receipts must accompany all claims for reimbursement.
- b) The Mayor may approve the reimbursement of reasonable hospitality expenses by other Councillors at Approved Council Business at which the Mayor is not in attendance.
- c) Councillors may be reimbursed for hospitality expenses up to \$200 per annum when the hospitality is provided at official Council functions.

## **PART 3 – PROVISION OF FACILITIES AND RESOURCES**

1. Council may provide the use of Council facilities and resources to Councillors for Approved Council Business.
2. Resources that may be provided to Councillors include –
  - i. Use of the Councillors Room in the Normanton Office;
  - ii. A laptop and/or desktop computer and necessary software;
  - iii. An iPad or other tablet;
  - iv. Printer;
  - v. Photocopying for Approved Council Business;
  - vi. 3G equipment to enable wireless internet access;
  - vii. Stationery;
  - viii. Secretarial support for the Mayor;
  - ix. Secretarial support for Councillors with prior approval by the Chief Executive Officer;
  - x. Other resources as approved by the Mayor or Chief Executive Officer,
3. Council will maintain and replace resources as required.
4. The Chief Executive Officer may approve that Councillors, at the end of each term, retain any equipment issued for their use provided the Chief Executive Officer reasonably believes that the equipment would otherwise be valueless or would be written off. Any computers will not include operating systems or software as these items are licenced to Council.
5. Council will provide each Councillor with –
  - i. A name badge;

- ii. Shirts embroidered with Council's logo (up to three shirts per annum);
  - iii. Jacket or blazer embroidered with Council's logo (1 per term).
  - iv. Promotional material necessary for Approved Council Business;
  - v. The use of safety equipment, including safety boots, vest and helmets, where required.
6. Councillors may use a Council pool vehicle for Approved Council Business provided that a vehicle is available and that it is booked at least one week in advance.

**7. REFERENCES**

The Chief Executive Officer is delegated the power to review and amend the allowances and rates of payment annually.

All other amendments to the policy must be by resolution of Council.

**8. REFERENCES**

*Local Government Regulation 2012, sections 249 – 252 inclusive, as amended.*

**9. ASSOCIATED DOCUMENTS**

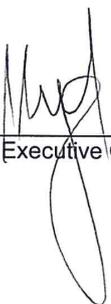
Nil.

**10. NEXT REVIEW**

June 2018

**11. RESOLUTION**

Adopted by Council on 18 April 2018 [Resolution 0418/026].

  
\_\_\_\_\_  
Chief Executive Officer

18, 6, 18  
\_\_\_\_\_  
Date

# Carpentaria Shire Council

## GENERAL PURPOSE FINANCIAL STATEMENTS

for the year ended 30 June 2021

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## General Purpose Financial Statements

for the year ended 30 June 2021

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## Statement of Comprehensive Income

for the year ended 30 June 2021

\$ '000	Notes	2021	Restated 2020
<b>Income</b>			
<b>Revenue</b>			
<b>Recurrent revenue</b>			
Rates, levies and charges	3a	7,692	7,942
Fees and charges	3b	1,039	674
Sales revenue	3c	24,875	5,812
Grants, subsidies, contributions and donations	3d(i)	<u>42,871</u>	<u>42,502</u>
<b>Total recurrent revenue</b>		<u><b>76,477</b></u>	<u><b>56,930</b></u>
<b>Capital revenue</b>			
Grants, subsidies, contributions and donations	3d(ii)	<u>7,282</u>	<u>6,763</u>
<b>Total capital revenue</b>		<u><b>7,282</b></u>	<u><b>6,763</b></u>
<b>Other income</b>			
Rental income	12	563	664
Interest received	4a	211	333
Other Income	4b	134	82
Capital income		<u>15</u>	<u>-</u>
<b>Total other income</b>		<u><b>923</b></u>	<u><b>1,079</b></u>
<b>Total income</b>		<u><b>84,682</b></u>	<u><b>64,772</b></u>
<b>Expenses</b>			
<b>Recurrent expenses</b>			
Employee benefits	5	10,231	11,174
Materials and services	6	59,378	40,735
Finance costs		455	419
<b>Depreciation and amortisation:</b>			
- Property, plant and equipment	10	10,188	10,266
- Right of use assets	12	<u>74</u>	<u>-</u>
<b>Total recurrent expenses</b>		<u><b>80,326</b></u>	<u><b>62,594</b></u>
<b>Other expenses</b>			
Capital Expenses		<u>-</u>	<u>25</u>
<b>Total other expenses</b>		<u><b>-</b></u>	<u><b>25</b></u>
<b>Total expenses</b>		<u><b>80,326</b></u>	<u><b>62,619</b></u>
<b>Operating result</b>		<u><b>4,356</b></u>	<u><b>2,153</b></u>
<b>Net Result</b>		<u><b>4,356</b></u>	<u><b>2,153</b></u>
<b>Other comprehensive income</b>			
<b>Amounts which will not be reclassified subsequently to the operating result</b>			
Increase/(decrease) in asset revaluation surplus		<u>1,492</u>	<u>1,613</u>
<b>Total other comprehensive income for the year</b>		<u><b>1,492</b></u>	<u><b>1,613</b></u>
<b>Total comprehensive income for the year</b>		<u><b>5,848</b></u>	<u><b>3,766</b></u>

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

(\*) Comparative figures have been restated. Refer to Note 22 for details.

## Statement of Financial Position

as at 30 June 2021

\$ '000	Notes	2021	Restated 2020 *	Restated 1 July 2019 *
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	7	36,767	19,942	13,941
Financial assets	7	–	1,000	1,000
Receivables	8	4,758	3,203	4,413
Inventories		642	613	434
Contract assets	11	6,037	9,567	–
Other assets	9	718	999	–
Non-current assets classified as held for sale		501	478	478
<b>Total current assets</b>		<u>49,423</u>	<u>35,802</u>	<u>20,266</u>
<b>Non-current assets</b>				
Receivables	8	91	159	159
Right of use assets	12	143	–	–
Property, plant and equipment	10	270,915	272,041	270,548
<b>Total non-current assets</b>		<u>271,149</u>	<u>272,200</u>	<u>270,707</u>
<b>Total Assets</b>		<u>320,572</u>	<u>308,002</u>	<u>290,973</u>
<b>Liabilities</b>				
<b>Current liabilities</b>				
Payables	13	7,760	7,530	5,276
Contract liabilities	11	14,162	6,644	–
Borrowings	14	502	479	440
Lease liabilities	12	78	–	–
Provisions	15	1,102	1,368	1,224
Other liabilities		100	100	117
<b>Total current liabilities</b>		<u>23,704</u>	<u>16,121</u>	<u>7,057</u>
<b>Non-current liabilities</b>				
Borrowings	14	6,943	7,430	7,910
Lease liabilities	12	68	–	–
Provisions	15	1,434	1,676	1,918
Other liabilities		100	300	400
<b>Total non-current liabilities</b>		<u>8,545</u>	<u>9,406</u>	<u>10,228</u>
<b>Total Liabilities</b>		<u>32,249</u>	<u>25,527</u>	<u>17,285</u>
<b>Net community assets</b>		<u>288,323</u>	<u>282,475</u>	<u>273,688</u>
<b>Community equity</b>				
Asset revaluation surplus		171,680	170,188	168,574
Retained surplus		116,643	112,287	105,114
<b>Total community equity</b>		<u>288,323</u>	<u>282,475</u>	<u>273,688</u>

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

(\* Comparative figures have been restated. Refer to Note 22 for details.

## Statement of Changes in Equity

for the year ended 30 June 2021

\$ '000	Notes	Asset revaluation surplus	Retained surplus	Total equity
<b>2021</b>				
Balance as at 1 July		170,188	112,287	282,475
<b>Balance as at 1 July</b>		<b>170,188</b>	<b>112,287</b>	<b>282,475</b>
<b>Net result</b>		-	4,356	4,356
<b>Other comprehensive income for the year</b>				
- Increase/(decrease) in asset revaluation surplus	10	1,492	-	1,492
<b>Other comprehensive income</b>		<b>1,492</b>	<b>-</b>	<b>1,492</b>
<b>Total comprehensive income for the year</b>		<b>1,492</b>	<b>4,356</b>	<b>5,848</b>
<b>Balance as at 30 June</b>		<b>171,680</b>	<b>116,643</b>	<b>288,323</b>
<b>2020</b>				
Balance as at 1 July		268,162	101,037	369,199
Correction of prior period errors	22	(99,588)	4,076	(95,512)
Adjustment on initial application of AASB 15 / AASB 1058		-	5,021	5,021
<b>Balance as at 1 July</b>		<b>168,574</b>	<b>110,134</b>	<b>278,708</b>
<b>Net result</b>		-	2,153	2,153
<b>Other comprehensive income for the year</b>				
- Increase/(decrease) in asset revaluation surplus	10	1,614	-	1,614
<b>Other comprehensive income</b>		<b>1,614</b>	<b>-</b>	<b>1,614</b>
<b>Total comprehensive income for the year</b>		<b>1,614</b>	<b>2,153</b>	<b>3,767</b>
<b>Balance as at 30 June</b>		<b>170,188</b>	<b>112,287</b>	<b>282,475</b>

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

(\*) Comparative figures have been restated. Refer to Note 22 for details.

## Statement of Cash Flows

for the year ended 30 June 2021

\$ '000	Notes	2021	2020
<b>Cash flows from operating activities</b>			
Receipts from customers		32,503	11,656
Payments to suppliers and employees		<u>(70,118)</u>	<u>(46,846)</u>
		<u>(37,615)</u>	<u>(35,190)</u>
<b>Receipts</b>			
Rental income		563	664
Interest and investment revenue received		211	332
Operating grants and contributions		55,986	43,551
<b>Payments</b>			
Borrowing costs		<u>(455)</u>	<u>(419)</u>
<b>Net cash - operating activities</b>	20	<u><b>18,690</b></u>	<u><b>8,938</b></u>
<b>Cash flows from investing activities</b>			
<b>Receipts</b>			
Proceeds from sale of financial assets		1,000	188
Proceeds from sale of land held for sale		79	-
Grants, subsidies, contributions and donations		5,215	7,676
<b>Payments</b>			
Other investing activity payments		-	(1,000)
Payments for land held for sale		(50)	-
Payments for property, plant and equipment		<u>(7,574)</u>	<u>(10,359)</u>
<b>Net cash - investing activities</b>		<u><b>(1,330)</b></u>	<u><b>(3,495)</b></u>
<b>Cash flows from financing activities</b>			
<b>Payments</b>			
Repayment of borrowings		(464)	(441)
Repayments made on leases (principal only)		<u>(71)</u>	<u>-</u>
<b>Net cash flow - financing activities</b>		<u><b>(535)</b></u>	<u><b>(441)</b></u>
<b>Net increase/(decrease) for the year</b>		<u><b>16,825</b></u>	<u><b>5,002</b></u>
plus: cash and cash equivalents - beginning		<u>19,942</u>	<u>14,940</u>
<b>Cash and cash equivalents - closing</b>	7	<u><b>36,767</b></u>	<u><b>19,942</b></u>
Additional information:			
plus: Investments on hand – end of year	7	<u>-</u>	<u>1,000</u>
<b>Total cash, cash equivalents and financial assets</b>		<u><b>36,767</b></u>	<u><b>20,942</b></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 2021

## Contents of the Notes accompanying the General Purpose Financial Statements

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## Notes to the Financial Statements

for the year ended 30 June 2021

### Note 1. Information about these financial statements

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#### (a) Basis of preparation

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

These general purpose financial statements are for the period 1 July 2020 to 30 June 2021. They are prepared in accordance with the *Local Government Act 2009* and the *Local Government Regulation 2012*.

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

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

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

Council adopted all standards which became mandatorily effective for annual reporting periods beginning on 1 July 2020. None of the standards had an impact on the reported position, performance and cash flows.

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

The AASB has issued Australian Accounting Standards and Interpretations which are not effective at 30 June 2021, these standards have not been adopted by Council and will be included in the financial statements on their effective date.

#### (d) Estimates and Judgements

Council has made 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 and depreciation of property, plant and equipment - Note 10
- Provisions - Note 15
- Contingent liabilities - Note 18

#### (e) Rounding and Comparatives

The financial statements are in Australian dollars and have been rounded to the nearest \$1,000, unless otherwise stated.

Comparative information is generally restated for reclassifications, errors and changes in accounting policies unless permitted otherwise by transition rules in a new Accounting Standard.

#### (f) Taxation

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

#### (g) COVID-19

As a result of the pandemic, there has been a slight decrease in rates due to additional discounts provided to rate payers although there was no overall significant impact on the normal operations of the Council.

## Notes to the Financial Statements

for the year ended 30 June 2021

### Note 2a. Analysis of results by function

---

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

#### **Governance**

The objective of corporate governance is for Council to be open, accountable, transparent and deliver value for money community outcomes. This function includes strategic and operational planning, risk management, legal and administrative support. The Mayor, Councillors and Chief Executive Officer are included in corporate governance.

#### **Economic**

The objective of this function is to ensure the community is serviced by a high quality and effective road network. The function provides and maintains transport infrastructure, including the maintenance and provision of the drainage network. It also facilitates the shire's growth and prosperity through well planned and quality development. The objective of planning and development is to ensure that Carpentaria Shire is well designed, efficient and facilitates growth yet also preserves the character and natural environment of the Shire. This function includes activities and services related to town, neighbourhood and regional planning, and management of development approval processes.

#### **Environment**

The goals of this program are to protect and support a healthy, safe community through sustainable water services and includes all activities relating to water including flood and waterways management. This program also protects and supports the health of our community by sustainably managing sewerage infrastructure. The program also facilitates waste management to protect and support our community and natural environment by sustainably managing refuse. The function provides refuse collection and disposal services, mosquito and other pest management programs.

#### **Social**

The goal of social is to ensure a healthy, vibrant, contemporary and connected community. The function provides well managed and maintained community facilities, and ensures the effective delivery of cultural, welfare and recreational services.

Notes to the Financial Statements

for the year ended 30 June 2021

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

Functions \$'000	Gross program income		Capital other	Total income	Gross program expenses		Net result from recurring operations	Net result	Total assets
	Recurring grants	Recurring other			Capital grants	Recurring			
<b>Functions 2021</b>									
Governance	5,116	4,262	3,203	12,581	(5,814)	-	3,564	6,767	49,032
Economic	35,844	25,314	2,794	63,967	(62,518)	-	(1,360)	1,449	159,294
Environment	94	4,285	1,015	5,394	(4,932)	-	(553)	462	63,271
Social	1,817	653	270	2,740	(7,062)	-	(4,592)	(4,322)	48,975
<b>Total</b>	<b>42,871</b>	<b>34,514</b>	<b>7,282</b>	<b>84,682</b>	<b>(80,326)</b>	<b>-</b>	<b>(2,941)</b>	<b>4,356</b>	<b>320,572</b>
<b>2020</b>									
Governance	4,580	4,708	79	9,367	(5,748)	-	3,540	3,619	26,269
Economic	37,005	6,128	2,874	46,007	(45,609)	(25)	(2,476)	373	171,511
Environment	80	4,244	1,907	6,231	(4,700)	-	(376)	1,531	62,298
Social	837	427	1,903	3,167	(6,537)	-	(5,273)	(3,370)	47,924
<b>Total</b>	<b>42,502</b>	<b>15,507</b>	<b>6,763</b>	<b>64,772</b>	<b>(62,594)</b>	<b>(25)</b>	<b>(4,585)</b>	<b>2,153</b>	<b>308,002</b>

## Notes to the Financial Statements

for the year ended 30 June 2021

## Note 3. Revenue

\$ '000	2021	2020
<b>(a) Rates, levies and charges</b>		
Rates and annual charges are recognised as revenue at the beginning of the rating period to which they relate. Prepaid rates are recognised as a financial liability until the beginning of the rating period.		
General rates	4,395	4,385
Water	1,643	1,641
Water consumption, rental and sundries	242	207
Sewerage	1,585	1,589
Waste management	703	709
<b>Total rates and utility charge revenue</b>	<b>8,568</b>	<b>8,531</b>
Less: Discounts	(826)	(492)
Less: Pensioner remissions	(45)	(54)
Less: Rates write-off	(5)	(43)
<b>Total rates, levies and charges</b>	<b>7,692</b>	<b>7,942</b>

**(b) Fees and charges**

Revenue arising from fees and charges is recognised at the point in time when or as 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 pools. There is no material obligation for Council in relation to refunds or returns.

Licences granted by Council are all either short-term or low value and all revenue from licences is recognised at the time that the licence is granted rather than the term of the licence.

Revenue from infringements is recognised on issue of infringement notice after applying the expected credit loss model relating to impairment of receivables for initial recognition of statutory receivables.

Airport landing fees	195	270
Animal control fees	5	6
Barra hatchery tours	456	107
Building and development fees	22	3
Cemeteries	47	42
Child care	117	112
Gym	26	23
Licences and registrations	5	-
Libraries	1	1
Swimming pool	6	16
Other fees and charges	159	94
<b>Total fees and charges</b>	<b>1,039</b>	<b>674</b>

## Notes to the Financial Statements

for the year ended 30 June 2021

## Note 3. Revenue (continued)

**(c) Sales revenue**

Sale of goods revenue is recognised at the point in time when 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 comprises a recoupment of material costs together with an hourly charge for use of equipment and employees. This revenue and the 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. There are no contracts in progress at the year end. The contract work carried out is not subject to retentions.

\$ '000	2021	2020
<b>Rendering of services</b>		
Road maintenance performance contract (RMPC) works	2,720	2,078
Main roads recoverable works	22,018	3,576
Other works (Barra Hatchery, Boat Ramps, Visitor Information Centre etc)	137	158
<b>Total sale of services</b>	<b>24,875</b>	<b>5,812</b>
<b>Total sales revenue</b>	<b>24,875</b>	<b>5,812</b>

**(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 each performance obligation is satisfied.

The performance obligations vary in each agreement but include events, restoration of road damage, purchase of material and supplies etc. 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, generally the input methods being either costs or time incurred are deemed to be the most appropriate methods to reflect the transfer of benefit.

**Grant income under AASB 1058**

Assets arising from grants in the scope of AASB 1058 are recognised at the assets fair value when the asset is received. Council considers whether there are any related liability or equity items associated with the asset which are recognised in accordance with the relevant accounting standard.

Once the assets and liabilities have been recognised then income is recognised for any remaining asset value at the time that the asset is received.

**Capital grants**

Capital grants received to enable Council to acquire or construct an item of property, plant and equipment to identified specifications which will be under Council's control and which is enforceable are recognised as revenue as and when the obligation to construct or purchase is completed. For construction projects, this is generally as the construction progresses in accordance with costs incurred since this is deemed to be the most appropriate measure of the completeness of the construction project as there is no profit margin.

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

## Notes to the Financial Statements

for the year ended 30 June 2021

## Note 3. Revenue (continued)

\$ '000	2021	2020
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**(i) Operating**

General purpose grants	7,201	5,939
Specific purpose government subsidies and grants	2,412	925
Shire roads flood damage (DRFA)	<u>33,258</u>	<u>35,638</u>
<b>Total recurrent grants, subsidies, contributions and donations</b>	<u><b>42,871</b></u>	<u><b>42,502</b></u>

**(ii) Capital**

Capital revenue includes grants and subsidies received which are tied to specific projects for the replacement or upgrade of existing non-current assets and/or investment in new assets. It also includes non-cash contributions which are usually infrastructure assets received from developers.

Specific purpose government subsidies and grants	<u>7,282</u>	<u>6,763</u>
	7,282	6,763

<b>Total capital grants, subsidies, contributions and donations</b>	<u><b>7,282</b></u>	<u><b>6,763</b></u>
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**(iii) Timing of revenue recognition for grants, subsidies, contributions and donations**

\$ '000	Notes	2021		2020	
		Revenue recognised at a point in time	Revenue recognised over time	Revenue recognised at a point in time	Revenue recognised over time
Grants and subsidies	3d	<u>7,201</u>	<u>42,952</u>	<u>6,860</u>	<u>42,405</u>
		<u><b>7,201</b></u>	<u><b>42,952</b></u>	<u><b>6,860</b></u>	<u><b>42,405</b></u>

## Notes to the Financial Statements

for the year ended 30 June 2021

## Note 4. Interest and other income

\$ '000	2021	2020
---------	------	------

**(a) Interest received**

Interest received from bank and term deposits is accrued over the term of the investment.

Other interest and investment revenue	211	333
<b>Total interest received</b>	<b>211</b>	<b>333</b>

**(b) Other income**

Sponsorships, refunds and other miscellaneous income are recognised upon receipt.

Other	134	82
<b>Total other income</b>	<b>134</b>	<b>82</b>

## Note 5. Employee benefits

\$ '000	Notes	2021	2020
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Employee benefit expenses are recorded when the service has been provided by the employee.

Wages and salaries		7,920	7,981
Councillors remuneration		436	418
Annual, sick and long service leave entitlements		1,161	1,903
Superannuation	19	988	1,034
		<b>10,505</b>	<b>11,336</b>
Other employee related expenses		79	170
		<b>10,584</b>	<b>11,506</b>
Less: capitalised employee expenses		(353)	(332)
<b>Total employee benefits</b>		<b>10,231</b>	<b>11,174</b>

Total Council employees at the reporting date:

Elected members	7	7
Administration staff	35	47
Depot and outdoors staff	50	56
<b>Total full time equivalent employees</b>	<b>92</b>	<b>110</b>

## Notes to the Financial Statements

for the year ended 30 June 2021

## Note 6. Materials and services

\$ '000	2021	2020
Expenses are recorded on an accruals basis as Council receives the goods or services.		
Audit of annual financial statements by the Auditor-General of Queensland*	95	85
Donations paid	55	47
Airport operations	201	241
Child care centre operations	247	273
Community services	889	714
Council road works	16,086	754
Flood damage maintenance works	34,540	34,259
Pest management	142	266
Public facilities	1,461	1,513
Quarry expenses	55	170
Sewerage operations	528	517
Tourism	569	595
Waste operations	292	231
Water operations	782	713
Other materials and services	3,436	357
<b>Total materials and services</b>	<b>59,378</b>	<b>40,735</b>

\*Total audit fees quoted by the Queensland Audit Office relating to the 2020-21 financial statements are \$59,000 (2020: \$58,500).

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

\$ '000	2021	2020
Cash and cash equivalents in the statement of cash flows include 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 cash and which are subject to an insignificant risk of changes in value.		
<b>Cash and cash equivalents</b>		
Cash at bank and on hand	1,029	1,747
Deposits at call	35,738	18,195
<b>Balance per Statement of Financial Position</b>	<b>36,767</b>	<b>19,942</b>
<b>Balance per Statement of Cashflows</b>	<b>36,767</b>	<b>19,942</b>
<b>Financial assets - current</b>		
Other long term financial assets	-	1,000
<b>Total current financial assets</b>	<b>-</b>	<b>1,000</b>
<b>Total financial assets</b>	<b>-</b>	<b>1,000</b>

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

Council is exposed to credit risk through its investments in the QTC Cash Fund and QTC Working Capital Facility. 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. Working Capital Facility deposits have a duration of one day and all investments are required to have a minimum credit rating of "A-", the likelihood of the counterparty not having capacity to meet its financial commitments is low.

## Notes to the Financial Statements

for the year ended 30 June 2021

## Note 7. Cash, cash equivalents and financial assets (continued)

\$ '000	2021	2020
Cash and cash equivalents	36,767	19,942
Less: Externally imposed restrictions on cash	(14,162)	(6,644)
Unrestricted cash	22,605	13,298

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:**

Unspent government grants and subsidies	14,162	6,644
<b>Total externally imposed restrictions on cash assets</b>	<b>14,162</b>	<b>6,644</b>
<b>Total unspent restricted cash</b>	<b>14,162</b>	<b>6,644</b>

Council's activities expose it to a variety of financial risks including interest rate risk, credit risk and liquidity risk. Exposure to financial risks is managed in accordance with Council approved policies on financial risk management. These policies focus on managing the volatility of financial markets and seek to minimise potential adverse effects on the financial performance of Council.

Cash and deposits at call are held at both Westpac Banking Corporation (WBC) and Queensland Treasury Corporation (QTC) in term deposits, business cheque accounts and cash management accounts. WBC currently has a short term credit rating of A1+ and long term rating of AA- (Standard & Poor's). QTC is currently rated at 'AA+' (Standard & Poor's) (Australian Government Guaranteed) with a stable outlook.

Investments in financial assets are only made where those assets are with a bank or other financial institution in Australia. Council does not invest in derivatives or other high risk investments.

Council manages its exposure to liquidity risk by maintaining sufficient cash deposits, both short and long term, to cater for unexpected volatility in cash flows.

**Trust Funds**

In accordance with the *Local Government Act 2009* and *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 the sale of land for arrears in rates, deposits for the contracted sale of land, security deposits lodged to guarantee performance and unclaimed monies (e.g. wages). 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.

**Funds held in trust for outside parties**

Security deposits	125	121
	<b>125</b>	<b>121</b>

## Note 8. Receivables

Receivables, loans and advances are amounts owed to council at year end. They are recognised at the amount due at the time of sale or service delivery or advance. Settlement of receivables is required within 30 days after the invoice is issued. Terms for loans and advances are usually a maximum of five years with interest charged at non-commercial rates. Security is not normally obtained.

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.

## Notes to the Financial Statements

for the year ended 30 June 2021

## Note 8. Receivables (continued)

The loss is recognised in finance costs. The amount of the impairment is the difference between the asset's carrying amount and the present value of the estimated cash flows discounted at the effective interest rate.

Subsequent recoveries of amounts previously written off in the same period are recognised as finance costs in the Statement of Comprehensive Income.

Because Council is empowered under the provisions of the *Local Government Act 2009* to sell an owner's property to recover outstanding rate debts, Council does not impair rate receivables.

\$ '000	2021	2020
<b>Current</b>		
Rateable revenue and utility charges	752	1,557
Trade debtors	4,013	1,623
Loans and advances to community organisations	39	34
<b>Total</b>	<b>4,804</b>	<b>3,214</b>
Less: Loss Allowance	(46)	(11)
<b>Total current receivables</b>	<b>4,758</b>	<b>3,203</b>
<b>Non-current</b>		
Loans and advances to community organisations	91	159
<b>Total</b>	<b>91</b>	<b>159</b>
<b>Total non-current receivables</b>	<b>91</b>	<b>159</b>

**Accounting policies**

Receivables are measured at amortised cost which approximates fair value at reporting date. Trade debtors are recognised at the amounts due at the time of sale or service delivery i.e. the agreed purchase/contract price. Settlement of these amounts is required within 30 days from invoice date.

Interest is charged on outstanding rates . No interest is charged on other debtors.

The exposure to credit risk for receivables by type of counterparty was as follows:

\$ '000	2021	2020
Rates and utility charges	752	1,557
State and Commonwealth Government	3,623	1,349
Community organisations	130	193
Other	390	274
<b>Total</b>	<b>4,895</b>	<b>3,373</b>

## Note 9. Other assets

\$ '000	2021	2020
<b>Current</b>		
Water charges not yet levied	245	227
GST recoverable	473	772
<b>Total current other assets</b>	<b>718</b>	<b>999</b>

Notes to the Financial Statements

for the year ended 30 June 2021

Note 10. Property, plant and equipment

\$ '000	Capital work in progress		Land and improvements		Buildings		Plant and equipment		Road, drainage and bridge network		Water		Sewerage		Other infrastructure assets		Total
	Cost	Fair Value	Fair Value	Cost	Fair Value	Cost	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value		
<b>2021</b>																	
Measurement basis	Cost	Fair Value	Fair Value	Cost	Fair Value	Cost	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value
<b>Opening gross balance</b>	6,061	4,361	45,401	16,002	204,735	73,963	25,245	24,750	400,518								
Adjustment to opening value	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Additions	7,574	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7,574
Disposals	(4)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(4)
Revaluation increments to equity (ARS)	-	-	-	-	2,090	-	-	-	-	-	-	-	-	-	-	-	2,090
Transfers between classes	(10,005)	-	2,462	18	4,265	1,614	87	1,559	-	-	-	-	-	-	-	-	-
<b>Total gross value of property, plant and equipment</b>	3,626	4,361	47,863	16,020	211,090	75,577	25,332	26,309	410,178								
<b>Opening accumulated depreciation and impairment</b>	-	-	18,522	8,253	55,306	29,803	8,461	8,132	128,477								
Depreciation expense	-	-	2,005	1,036	4,530	1,129	451	1,037	10,188								
Revaluation increments to equity (ARS)	-	-	-	-	598	-	-	-	598								598
<b>Total accumulated depreciation and impairment property, plant and equipment</b>	-	-	20,527	9,289	60,434	30,932	8,912	9,169	139,263								
<b>Total net book value of property, plant and equipment</b>	3,626	4,361	27,336	6,731	150,656	44,645	16,420	17,140	270,915								
<b>Other information</b>																	
Range of estimated useful life (years)		Land not depreciated	10-100	2-40	10-1000	5-80	5-80	5-150	-								
<b>*Asset additions comprise</b>																	
Asset renewals	-	-	110	-	87	326	114	327	964								
Other additions	-	11	543	20	2,664	2,238	-	1,134	6,610								
<b>Total asset additions</b>	-	11	653	20	2,751	2,564	114	1,461	7,574								

# Carpentaria Shire Council

Financial Statements 2021

## Notes to the Financial Statements

for the year ended 30 June 2021

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

\$ '000	Capital work in progress	Land and improvements		Buildings	Plant and equipment	Road, drainage and bridge network		Water	Sewerage	Other infrastructure assets		Total
		Fair Value	Cost			Fair Value	Cost			Fair Value	Fair Value	
<b>2020</b>												
Measurement basis	Cost	Fair Value	Cost	Fair Value	Cost	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	–
<b>Opening gross balance</b>	5,250	4,361	14,454	44,854	14,454	343,779	71,227	25,240	22,132	531,297		
Adjustment to opening value	–	–	–	–	–	(142,697)	–	–	–	(142,697)		
Additions	811	–	1,958	547	1,958	3,444	843	138	2,618	10,359		
Disposals	–	–	(410)	–	(410)	–	–	–	–	(410)		
Revaluation increments to equity (ARS)	–	–	–	–	–	209	1,893	(133)	–	1,969		
<b>Total gross value of property, plant and equipment</b>	6,061	4,361	16,002	45,401	16,002	204,735	73,963	25,245	24,750	400,518		
<b>Opening accumulated depreciation and impairment</b>	–	–	7,315	16,518	7,315	97,926	28,306	8,052	7,121	165,238		
Adjustment to opening value	–	–	–	–	–	(47,185)	–	–	–	(47,185)		
Depreciation expense	–	–	1,135	2,004	1,135	4,510	1,057	549	1,011	10,266		
Disposals	–	–	(197)	–	(197)	–	–	–	–	(197)		
Revaluation increments to equity (ARS)	–	–	–	–	–	55	440	(140)	–	355		
<b>Total accumulated depreciation and impairment property, plant and equipment</b>	–	–	8,253	18,522	8,253	55,306	29,803	8,461	8,132	128,477		
<b>Total net book value of property, plant and equipment</b>	6,061	4,361	7,749	26,879	7,749	149,429	44,160	16,784	16,618	272,041		
<b>Other information</b>												
Range of estimated useful life (years)		Land not depreciated	2-40	10-100		10-1000	5-80	5-100	5-150	–		
<b>*Asset additions comprise</b>												
Asset renewals	811	–	1,094	210	1,094	2,921	767	138	337	6,278		
Other additions	–	–	864	337	864	523	76	–	2,281	4,081		
<b>Total asset additions</b>	811	–	1,958	547	1,958	3,444	843	138	2,618	10,359		

## Notes to the Financial Statements

for the year ended 30 June 2021

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

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#### (a) Recognition

Purchases of property, plant and equipment are recognised as assets unless they are below the asset recognition threshold 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.

Land under roads and reserve land under the Land Act 1994 or Land Title Act 1994 is controlled by Queensland State Government and not recognised in the Council 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 less, where applicable, any accumulated depreciation and accumulated impairment loss.

Cost is determined as the fair value of consideration plus costs incidental to the acquisition. Direct labour, materials and an appropriate portion of overheads incurred in the acquisition or construction of assets are also included as capital costs.

Property, plant and equipment received in the form of contributions, for significantly less than fair value or as offsets to infrastructure charges are recognised as assets and revenue at fair value.

When Council raises a provision for the restoration of a Council-controlled site, such as a landfill site, the provision is initially recognised against property, plant and equipment. Subsequent changes in the provision relating to the discount rate or the estimated amount or timing of restoration costs are recognised against asset revaluation surplus.

#### (c) Depreciation

Assets are depreciated from the date of acquisition or when an asset is ready for use.

Land and work in progress are not depreciated.

Depreciation, where applicable, is calculated on a straight-line basis such that the cost of the asset less its residual value is recognised 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.

The useful life of leasehold improvements is the shorter of the useful life of the asset or the remaining life of the lease.

Where assets have separately identifiable components, these components have separately assigned useful lives.

Depreciation methods, estimated useful lives and residual values 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.

<b>Key judgement and estimates:</b>
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Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the utility of certain software and IT equipment.
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#### (d) Impairment

Property, plant and equipment held at cost is assessed for indicators of impairment annually. If an indicator of possible impairment exists, the 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.

## Notes to the Financial Statements

for the year ended 30 June 2021

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

#### (e) Valuation

**Key judgements and estimates:**

Some of the 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, the Council uses market-observable data to the extent it is available and other inputs as necessary.

**Valuation Processes**

Council considers the carrying amount of its property, plant and equipment on an annual basis compared to fair value and makes adjustment where these are materially different. Every 5 years, council performs a full comprehensive revaluation by engaging an external professionally qualified valuer.

In the intervening years, Council undertakes:

- Management valuation using internal engineers and asset managers to assess the condition and cost assumptions associated with all infrastructure assets and an appropriate cost index for the region.
- "Desktop" valuation for land and improvements, buildings and major plant asset classes which involves management providing updated information to the valuer regarding additions, deletions and changes in assumptions such as useful life, residual value and condition rating. The valuer then determines suitable indices which are applied to each of these asset classes.

Revaluation increases are recognised in the asset revaluation surplus unless they are reversing a previous decrease which was taken through the income statement, in that case the increase is taken to the income statement to the extent of the previous decrease.

Revaluation decreases are recognised in the asset revaluation surplus, where there is sufficient amount available in the asset revaluation surplus relating to that asset class. Where there isn't sufficient amount available in the surplus, the decrease is recognised in the statement of comprehensive income.

Where the class of asset has previously decreased in value and this reduction was recognised as an expense, an increase in the value of the class is recognised in the statement of comprehensive income.

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.

Fair values are classified into three levels as follows:

Level 1: Fair value based on quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value based on inputs that are directly or indirectly observable, such as prices for similar assets, for the asset or liability.

Level 3: Fair value based on unobservable inputs for the asset and liability.

There were no transfers between levels during the year.

Notes to the Financial Statements

for the year ended 30 June 2021

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	Key assumptions and estimates (related data sources)	Index applied (change in index recognised this year)	Other interim revaluation adjustment
Land and Improvements (level 2) - \$3,890,900	Market value	30/06/2019	AssetVal Pty Ltd Group	Utilises prices gathered by way of market transaction evidence involving similarly comparable assets. Approaches under this methodology may include Direct Comparison, Summation or Income Capitalisation, all of which are accepted under the Australian Accounting Standards and Australian Property Institute guidelines.	Determined to be immaterial and consequently not applied.	N/A
Land and Improvements (level 3) - \$470,000	Market value	30/06/2019	AssetVal Pty Ltd Group	Utilised for footprint or access restriction purposes, land that is a volumetric title, or due to its general characteristics has no observable active market	Determined to be immaterial and consequently not applied.	N/A
Buildings (level 2) - \$,6,239,832 (2020:\$6,527,082)	Market value	30/06/2019	AssetVal Pty Ltd Group	Due to lack of appropriate comparable sales evidence in certain geographic locations and also for properties of certain specific comparable land use and/or area classification. Values are determined based on the closest comparable sales and the subject properties' characteristics in relation to those sales.	Determined to be immaterial and consequently not applied.	N/A
				Utilises prices gathered by way of market transaction evidence involving similarly comparable assets. Approaches under this methodology may include Direct Comparison, Summation or Income Capitalisation, all of which are accepted under the Australian Accounting Standards and Australian Property Institute guidelines.	Determined to be immaterial and consequently not applied.	N/A

Notes to the Financial Statements

for the year ended 30 June 2021

Note 10. Property, plant and equipment (continued)

Asset class and fair value hierarchy	Valuation approach	Last comprehensive valuation date	Valuer engaged	Key assumptions and estimates (related data sources)	Index applied (change in index recognised this year)	Other interim revaluation adjustment
Buildings (level 3) - \$21,095,955 (2020: \$20,351,055)	Current replacement cost	30/06/2019	AssetVal Pty Ltd Group	Current Replacement Cost Approach determines the cost to a market participant (buyer) to acquire or construct a substitute asset of comparable utility/service potential, adjusted (depreciated) for obsolescence. Depreciation adjustments to measure the Fair Value of an asset typically take into account Physical Deterioration, Functional and Economic Obsolescence.	Determined to be immaterial and consequently not applied.	N/A
Road Drainage and Bridge Network	Current replacement cost	30/06/2021	AssetVal Pty Ltd Group	Current Replacement Cost was determined as the cost per unit of service potential of the most appropriate modern replacement asset (adjusted for any difference in future service potential), or as the cost of reproducing or replicating the future service potential of the asset. Where there was no depth of market as determined for the assets, the net current value of an asset was considered as the gross value less accumulated depreciation to reflect the consumed or expired service potential of the asset. Published/available market data for recent projects, and/or published cost guides were utilised to determine the estimated replacement cost (gross value) of the asset, including allowances for preliminaries and professional fees. While the replacement cost of the assets could be supported by market supplied evidence (level 2), the other unobservable inputs (such as estimates of useful life and asset condition) were also required (level 3).	Comprehensive valuation	N/A

- Source of raw material, most has been

Notes to the Financial Statements

for the year ended 30 June 2021

Note 10. Property, plant and equipment (continued)

Asset class and fair value hierarchy	Valuation approach	Last comprehensive valuation date	Valuer engaged	Key assumptions and estimates (related data sources)	Index applied (change in index recognised this year)	Other interim revaluation adjustment
Road Drainage and Bridge Network	Current replacement cost	30/06/2021	AssetVal Pty Ltd Group	<p>sourced locally from gravel pits for unsealed roads.</p> <p>- Source of water available at low to moderate cost for rural road works (&lt;15km).</p> <p>- Contract crushing utilised for road sealing aggregate and aggregation of sealing projects and renewals to reduce low quantity works and increase economies of scale.</p> <p>- Quality of material utilised in pavement construction and extent of compaction of formation varied based on road type and hierarchy.</p> <p>Road asset were componentised where required with unit rates applied to the individual components in order to determine the replacement cost.</p> <p>The unit rates applied were based on recent project costs and include all materials, labour and overheads. The unit rates were estimated in consultation with Council's Technical Services staff using information collated from recent project costs.</p>	Comprehensive valuation	N/A

Notes to the Financial Statements

for the year ended 30 June 2021

Note 10. Property, plant and equipment (continued)

Asset class and fair value hierarchy	Valuation approach	Last comprehensive valuation date	Valuer engaged	Key assumptions and estimates (related data sources)	Index applied (change in index recognised this year)	Other interim revaluation adjustment
Water	Current replacement cost	30/06/2020	AssetVal Pty Ltd Group	Where there was no depth of market as determined for the assets, the net current value of an asset was considered as the gross current value less accumulated depreciation to reflect the consumed or expired service potential of the asset. Published/available market data for recent projects, and/or published cost guides were utilised to determine the estimated replacement cost (gross value) of the asset, including allowances for preliminaries and professional fees.	Determined to be immaterial and consequently not applied.	N/A
				The method used to value Council's water and sewerage assets utilises a number of inputs that require judgement and are therefore classed as unobservable. While these judgements are made with the greatest care, and based upon years of experience, different judgements could result in a different valuation.		

Notes to the Financial Statements

for the year ended 30 June 2021

Note 10. Property, plant and equipment (continued)

Asset class and fair value hierarchy	Valuation approach	Last comprehensive valuation date	Valuer engaged	Key assumptions and estimates (related data sources)	Index applied (change in index recognised this year)	Other interim revaluation adjustment
Sewerage	Current replacement cost	30/06/2020	AssetVal Pty Ltd Group	Where there was no depth of market as determined for the assets, the net current value of an asset was considered as the gross current value less accumulated depreciation to reflect the consumed or expired service potential of the asset. Published/available market data for recent projects, and/or published cost guides were utilised to determine the estimated replacement cost (gross value) of the asset, including allowances for preliminaries and professional fees.	Determined to be immaterial and consequently not applied.	N/A
				The method used to value Council's water and sewerage assets utilises a number of inputs that require judgement and are therefore classed as unobservable. While these judgements are made with the greatest care, and based upon years of experience, different judgements could result in a different valuation.		

Notes to the Financial Statements

for the year ended 30 June 2021

Note 10. Property, plant and equipment (continued)

Asset class and fair value hierarchy	Valuation approach	Last comprehensive valuation date	Valuer engaged	Key assumptions and estimates (related data sources)	Index applied (change in index recognised this year)	Other interim revaluation adjustment
Other Infrastructure Assets	Current replacement cost	30/06/2019	AssetVal Pty Ltd Group	Current Replacement Cost Approach determines the cost to a market participant (buyer) to acquire or construct a substitute asset of comparable utility/service potential, adjusted (depreciated) for obsolescence. Depreciation adjustments to measure the Fair Value of an asset typically take into account Physical Deterioration, Functional and Economic Obsolescence. The Current Replacement Cost can be determined as the cost per unit of service potential of the most appropriate modern replacement asset (adjusted for any difference in future service potential), or as the cost of reproducing or replicating the future service potential of the asset.	Determined to be immaterial and consequently not applied.	N/A

Where Council is unable to derive fair valuations using quoted market prices of identical assets (ie. level 1 inputs) Council instead utilises a spread of both observable inputs (level 2 inputs) and unobservable inputs (level 3 inputs).

The fair valuation techniques Council has employed while utilising level 2 and level 3 inputs are as follows:

**Roads, Drainage and Bridge Network**

- Significant Inputs:
- Economic Useful Life (EUL) Assessment
- Remaining Service Potential (RSP) Assessment
- Optimised Replacement cost (ORC) analysis

**Economic Useful Life (EUL) Assessment**

The economic useful life has been assessed based on the aforementioned asset hierarchy, road type segregation and componentisation. These lives were initially measured utilising historical renewal data, regional aggregated data, published failure rates, and supplied data, these inputs were then supplied to Council engineering staff for input and review.

Notes to the Financial Statements

for the year ended 30 June 2021

Note 10. Property, plant and equipment (continued)

Hierarchy	Component	EUL (Years)
Sealed	Top seal	10
Sealed	Base seal	60
Sealed	Pavement	180
Sealed	Formation	1000
Gravel	Pavement	60
Gravel	Gravel (surface)	20
Gravel	Formation	1000
Formed	Formation	1000

**Remaining Service Potential (RSP) Assessment**

A condition assessment was applied, which is based on factors such as the age of the asset, overall condition as noted by the Valuer during inspection, economic and/or functional obsolescence. The condition assessment directly translates to the level of depreciation applied.

*Accumulated Depreciation*

**Optimised Replacement Cost (ORC) Analysis**

While the replacement cost of the assets could be supported by market supplied evidence (level 2), the other unobservable inputs (such as estimates of useful life and asset condition) were also required (level 3).

- Source of raw material, most has been sourced locally from gravel pits for unsealed roads.
- Source of water available at low to moderate cost for rural road works (<15km).
- Contract crushing utilised for road sealing aggregate and aggregation of sealing projects and renewals to reduce low quantity works and increase economies of scale.
- Quality of material utilised in pavement construction and extent of compaction of formation varied based on road type and hierarchy.

Infrastructure assets were componentised where required with unit rates applied to the individual components in order to determine the replacement cost.

The unit rates applied were based on recent project costs and include all materials, labour and overheads. The unit rates were estimated in consultation with Council's Technical Services staff using information collated from recent project costs.

**Water and Sewerage - Calculation of Current Replacement Cost**

Significant Inputs:

- Economic Useful Life (EUL) Assessment
- Remaining Service Potential (RSP) Assessment
- Optimised Replacement cost (ORC) analysis

Notes to the Financial Statements

for the year ended 30 June 2021

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

**Economic Useful Life (EUL) Assessment**

The economic useful life has been assessed based on the aforementioned asset hierarchy, water and sewerage type segregation and componentisation. These lives were initially measured utilising historical renewal data, regional aggregated data, published failure rates, and supplied data, these inputs were then supplied to Council engineering staff for input and review.

Hierarchy	Component	EUL (Years)
Reticulation	Main	80
Reticulation	Water Meters	25
Reticulation	Point Assets (Valves, manholes)	20-80
Active Water Assets	Structures, Pumps, Electrical	5-80
Active Sewer Assets	Structures, Pumps, Electrical	10-80

**Remaining Service Potential (RSP) Assessment**

A condition assessment was applied, which is based on factors such as the age of the asset, overall condition as noted by the Valuer during inspection, economic and/or functional obsolescence. The condition assessment directly translates to the level of depreciation applied.

*Accumulated Depreciation*

To calculate the appropriate amount of accumulated depreciation, assets were either subject to a site inspection or an assessment to determine remaining useful life. Where site inspections were conducted (i.e. for sampled visible assets), the assets were allocated a condition assessment, which was used to estimate remaining useful life

**Optimised Replacement Cost (ORC) Analysis**

While the replacement cost of the assets could be supported by market supplied evidence (level 2), the other unobservable inputs (such as estimates of useful life and asset condition) were also required (level 3).

The optimised replacement cost has been calculated by the valuer with reference to unit rates for network assets calculated in consultation with the council, and lump sum figures for complex assets. The rates assume an incremental Greenfields approach and exclude Brownfield cost components. The valuer have involved the Council's engineering team as much as possible when developing the unit rates and relied on a combination of sources, cost guides, historical costs, contractor rates, future works and regional information.

Infrastructure assets were componentised where required with unit rates applied to the individual components in order to determine the replacement cost.

The unit rates applied were based on Brownfield project costs and include all materials, labour and overheads. The unit rates were estimated in consultation with Council's Technical Services staff using information collated from recent project costs.

**Water and Sewer - Unobservable Inputs**

The method used to value Council's water and sewerage assets utilises a number of inputs that require judgement and are therefore classed as unobservable. While these judgements are made with the greatest care, and based upon years of experience, different judgements could result in a different valuation.

## Notes to the Financial Statements

for the year ended 30 June 2021

## Note 11. Contract Balances

Contract assets represents the excess of 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.

\$ '000	2021	2020
<b>(a) Contract assets</b>		
Contract assets	6,037	9,567
<b>Total current contract assets</b>	<b>6,037</b>	<b>9,567</b>
<b>(b) Contract liabilities</b>		
<b>Current</b>		
Funds received upfront to construct Council controlled assets	1,551	1,965
Non-capital performance obligations not yet satisfied	12,611	4,679
<b>Total current contract liabilities</b>	<b>14,162</b>	<b>6,644</b>
<b>Classified as:</b>		
Current contract liabilities	14,162	6,644
<b>Total contract liabilities</b>	<b>14,162</b>	<b>6,644</b>
Contract liabilities consist of funding received in advance for maintenance and restoration of road, sewerage, building improvements and signages.		
<b>Revenue recognised that was included in the contract liability balance at the beginning of the year</b>		
Funds to construct Council controlled assets	1,001	870
Non-capital performance obligations	4,354	1,894
<b>Total revenue included in the contract liability</b>	<b>5,355</b>	<b>2,764</b>

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

Significant movements in contract assets and contract liabilities that have occurred during the year were due to the change in the timing of the work and monies received in advance for various projects.

## Notes to the Financial Statements

for the year ended 30 June 2021

## Note 12. Leases

## Council as a lessee

Council has leases in place over plant and equipment. Council has applied the exception to lease accounting for leases of low-value assets and short-term leases.

Where Council assesses that an agreement contains a lease, a right of use asset and lease liability is recognised on inception of the lease. Council does not separate lease and non-lease components for any class of assets and has accounted for lease payments as a single component.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises: the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration, less any lease incentives received. The right-of-use is depreciated over the lease term on a straight-line basis and assessed for impairment in accordance with the impairment of asset accounting policy.

The lease liability is initially recognised at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Council's incremental borrowing rate for a similar term with similar security is used.

## Exceptions to lease accounting

Council has applied the exceptions to lease accounting for short-term leases (i.e. leases with a term of less than or equal to 12 months). Council recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

## Leases at significantly below market value / concessionary leases

Council has a number of leases at significantly below market for Land and Buildings which are used for the following purpose:

- Community halls and
- Sports and recreation

Council does not believe that any of the leases in place are individually material.

## Terms and conditions of leases

## Plant and equipment

Council leases a refuse compactor from North West Services Pty Ltd with an initial term of 3 years. The lease payments are fixed for the term of the lease.

\$ '000	Plant and equipment	Total
Opening balance at 1 July	–	–
Additions to right-of-use assets	213	213
Adjustments to right-of-use assets due to re-measurement of lease liability	4	4
Depreciation charge	(74)	(74)
<b>Balance at 30 June 2021</b>	<b>143</b>	<b>143</b>

## Right of use assets

## Lease liabilities

The table below shows the maturity analysis of the lease liabilities based on contractual cashflows and therefore the amounts will not be the same as the recognised lease liability in the statement of financial position.

\$ '000	< 1 year	1 – 5 years	> 5 years	Total	Total per statement of financial position
Lease - machinery	78	72	–	150	146

## Notes to the Financial Statements

for the year ended 30 June 2021

## Note 12. Leases (continued)

**Amounts included in the statement of comprehensive income related to leases**

The following amounts have been recognised in the statement of comprehensive income for leases where Council is the lessee.

\$ '000	2021	2020
Interest on lease liabilities	7	-
Depreciation of right of use asset	74	-
Expenses relating to short-term leases	<u>2,642</u>	<u>5,851</u>
<b>Net expense relating to leases</b>	<b><u>2,723</u></b>	<b><u>5,851</u></b>

**Amounts included in the statement of cash flows related to leases**

The following amounts have been recognised in the statement of cash flows for leases where Council is the lessee.

\$ '000	2021	2020
Operating lease	<u>(2,720)</u>	<u>(5,851)</u>
<b>Total cash inflows/(outflows) for leases</b>	<b><u>(2,720)</u></b>	<b><u>(5,851)</u></b>

**Council as a lessor**

When Council is a lessor, the lease is classified as either an operating or finance lease at inception date, based on whether substantially all of the risks and rewards incidental to ownership of the asset have been transferred to the lessee. If the risks and rewards have been transferred then the lease is classified as a finance lease, otherwise it is an operating lease.

If the lease contains lease and non-lease components then the non-lease components are accounted for in accordance with AASB 15 Revenue from Contracts with Customers.

**Operating leases**

Where Council retains the risks and rewards relating to a lease, the lease is classified as an operating lease.

Rent from property is recognised as income on a periodic straight line basis over the lease term.

The minimum lease receipts arising from operating leases are as follows:

	2021 \$'000	2020 \$'000
Not later than one year	73	83
Between one and five years	236	274
Later than five years	212	249
	<b>521</b>	<b>606</b>

## Notes to the Financial Statements

for the year ended 30 June 2021

## Note 13. Payables

\$ '000	2021	2020
Trade creditors are recognised upon receipt of the goods or services ordered and are measured at the agreed purchase / contract price net of applicable discounts other than contingent discounts. Amounts owing are unsecured and are generally settled on 30 day terms. A liability for salaries and wages is recognised and measured as the amount unpaid at the reporting date at current pay rates in respect of employees' services up to that date.		
<b>Current</b>		
Creditors and accruals	7,632	7,410
Prepaid rates	126	120
Other	<u>2</u>	<u>-</u>
<b>Total current payables</b>	<u><b>7,760</b></u>	<u><b>7,530</b></u>

## Note 14. Borrowings

Borrowings are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these liabilities are measured at amortised cost. Principal and interest repayments are made monthly in arrears

All borrowings are in \$A denominated amounts and interest is expensed as it accrues. No interest has been capitalised during the current or comparative reporting period. Expected final repayment dates vary from 15 June 2030 to 15 March 2035.

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 (QTC) borrowing guidelines and ensure that sustainability indicators remain within acceptable levels at all times

\$ '000	2021	2020
<b>Current</b>		
Loans - QTC	<u>502</u>	<u>479</u>
<b>Total current borrowings</b>	<u><b>502</b></u>	<u><b>479</b></u>
<b>Non-current</b>		
Loans - QTC	<u>6,943</u>	<u>7,430</u>
<b>Total non-current borrowings</b>	<u><b>6,943</b></u>	<u><b>7,430</b></u>

## Reconciliation of Loan Movements for the year

## Loans - Queensland Treasury Corporation

Opening balance at beginning of financial year	7,909	8,350
Principal repayments	<u>(464)</u>	<u>(441)</u>
<b>Book value at end of financial year</b>	<u><b>7,445</b></u>	<u><b>7,909</b></u>

When the Council borrows, it borrows from the Queensland Treasury Corporation. Borrowings by the Council are constrained by the provisions of the *Statutory Bodies Financial Arrangements Act 1982*.

The QTC loan market value at the reporting date was \$8,825,392. This represents the value of the debt if Council repaid it at that date. As it is the intention of Council to hold the debt for its term, no provision is required to be made in these accounts.

The following table sets out the Council's liquidity risk of borrowings in a format as it might be provided to management. The amounts disclosed in the maturity analysis represent the contractual undiscounted cashflows at the balance date:

## Notes to the Financial Statements

for the year ended 30 June 2021

## Note 14. Borrowings (continued)

	0 to 1 year \$'000	1 to 5 years \$'000	Over 5 years \$'000	Total contractual cash flows \$'000	Carrying
2021					
Loans - QTC	842	3,367	5,569	9,779	7,445
2020					
Loans - QTC	842	3,369	6,411	10,622	7,909

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

No assets have been pledged as security by the council for any liabilities, however all loans are guaranteed by the Queensland Government. There have been no defaults or breaches of the loan agreement during the 2021 or 2020 financial years.

Carpentaria Shire Council is exposed to interest risk through its borrowings from 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. QTC Fixed Rate Loan - financial instruments with fixed interest rates which are carried at amortised cost are not subject to interest rate sensitivity.

## Note 15. 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 the Council's employment or other associated employment which would result in the 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 interest rates attaching to Commonwealth Government guaranteed securities at the reporting date are used to discount the estimated future cash outflows to their 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.

**Refuse dump restoration**

Provision is made for the cost of restoration of refuse dumps where it is probable the Council will be liable, or required, to incur cost on the cessation of use of these facilities. The provision is measured at the expected cost of the work required, discounted to current day values using the interest rates attaching to Commonwealth Government guaranteed securities with a maturity date corresponding to the anticipated date of restoration. The refuse restoration closing balance of \$984,171 (2020: \$1,212,406) is the present value of the estimated cost of restoring the refuse disposal sites to a useable state at the end of their useful lives. The projected cost at closing date of 2036 is \$994,854 (2020:\$922,406)

The provision represents the present value of the anticipated future costs associated with the closure of the dump sites, decontamination and monitoring of historical residues and leaching on these sites. The calculation of this provision requires assumptions such as application of environmental legislation, site closure dates, available technologies and engineering cost estimates. These uncertainties may result in future actual expenditure differing from amounts currently provided. Because of the long-term nature of the liability, the most significant uncertainty in estimating the provision is the costs that will be incurred. The provision recognised for dump sites is reviewed at least annually and updated based on the facts and circumstances available at the time. Management estimates that the remaining operating site will close in 2036 and that the restoration will occur progressively over the subsequent four years.

## Notes to the Financial Statements

for the year ended 30 June 2021

## Note 15. Provisions (continued)

As refuse dumps are on state reserves which the Council does not control, the provision for restoration is treated as an expense in the year the provision is first recognised. Changes in the provision are treated as an expense or income.

\$ '000	2021	2020
<b>Current</b>		
Annual leave	770	958
Long service leave	209	275
Sick leave	78	98
Other employee entitlements	35	37
Sub total - aggregate employee benefits	<u>1,092</u>	<u>1,368</u>
Refuse restoration	10	-
<b>Total current provisions</b>	<u>1,102</u>	<u>1,368</u>
<b>Non-current</b>		
Long service leave	460	464
Sub total - aggregate employee benefits	<u>460</u>	<u>464</u>
Refuse restoration	974	1,212
<b>Total non-current provisions</b>	<u>1,434</u>	<u>1,676</u>
<b>Refuse restoration</b>		
Balance at beginning of financial year	1,212	1,633
Increase/(decrease) in provision due to unwinding of discount	19	(421)
Increase/(decrease) in provision due to unwinding of discounts and change in estimates	(247)	-
<b>Balance at end of financial year</b>	<u>984</u>	<u>1,212</u>

## Note 16. Asset revaluation surplus

The asset revaluation surplus comprised of revaluation movements on Property Plant and Equipment. Increases and decreases of revaluation are offset within a class of assets.

## Notes to the Financial Statements

for the year ended 30 June 2021

## Note 17. Commitments for Expenditure

\$ '000	2021	2020
<b>(a) Contractual commitments</b>		
<b>Contractual commitments at end of financial year but not recognised in the financial statements are as follows:</b>		
Flood damage works	944	1,474
Other operating expenditures	—	53
	<u>944</u>	<u>1,527</u>
<b>(b) Capital Commitments</b>		
<b>Commitment for the construction of the following assets contracted for at the reporting date but not recognised as liabilities:</b>		
<b>Property, plant and equipment</b>		
Water assets	50	148
Plant and equipment	935	—
Others	160	—
<b>Total commitments</b>	<u>1,145</u>	<u>148</u>
<b>These expenditures are payable as follows:</b>		
Within one year	<u>1,145</u>	<u>148</u>
<b>Total payable</b>	<u>1,145</u>	<u>148</u>

## Note 18. Contingent Liabilities

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

**Local Government Mutual**

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

As at 30 June 2020 the LGM 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 \$209,082.

## Notes to the Financial Statements

for the year ended 30 June 2021

## Note 19. Superannuation

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

\$ '000	Notes	2021	2020
Other superannuation contributions for employees		988	1,034
<b>Total superannuation contributions paid by Council for employees</b>	5	<b>988</b>	<b>1,034</b>

## Notes to the Financial Statements

for the year ended 30 June 2021

## Note 20. Reconciliation of net result for the year to net cash inflow/(outflow) from operating activities

\$ '000	2021	2020
<b>Net operating result from income statement</b>	4,356	2,153
<b>Non-cash items</b>		
Depreciation and amortisation	10,262	10,266
	<u>10,262</u>	<u>10,266</u>
<b>Investing and development activities (non-cash):</b>		
Net (profit)/loss on disposal of assets	–	25
Capital grants and contributions	(7,282)	(7,676)
Gain on sale of land held for sale	(52)	–
	<u>(7,334)</u>	<u>(7,651)</u>
<b>Changes in operating assets and liabilities:</b>		
(Increase)/decrease in receivables	(1,522)	212
Increase/(decrease) in provision for doubtful debts	35	–
(Increase)/decrease in inventories	(29)	(179)
(Increase)/decrease in contract assets	5,185	(925)
(Increase)/decrease in other assets	281	–
Increase/(decrease) in payables	230	2,254
Increase/(decrease) in contract liabilities	7,934	3,023
Increase/(decrease) in employee leave entitlements	(280)	–
Increase/(decrease) in other provisions	(228)	(98)
Increase/(decrease) in other liabilities	(200)	(117)
	<u>11,406</u>	<u>4,170</u>
<b>Net cash inflow from operating activities</b>	<u>18,690</u>	<u>8,938</u>

## Note 21. Reconciliation of liabilities arising from finance activities

\$ '000	as at 30/06/20	Change in accounting policy	Cashflows	Non-cash changes (new leases)	as at 30/06/21
	Opening Balance				Closing balance
Borrowings	7,909	–	(464)	–	7,445
Lease liabilities	–	–	(78)	224	146
	<u>7,909</u>	<u>–</u>	<u>(542)</u>	<u>224</u>	<u>7,591</u>

\$ '000	as at 30/06/19	Change in accounting policy	Cashflows	Non-cash changes (new leases)	as at 30/06/20
	Opening Balance				Closing balance
Borrowings	8,350	–	(441)	–	7,909
	<u>8,350</u>	<u>–</u>	<u>(441)</u>	<u>–</u>	<u>7,909</u>

## Notes to the Financial Statements

for the year ended 30 June 2021

## Note 22. Correction of error

**Nature of prior-period error**

During the year Council performed a comprehensive revaluation of the roads, drainage and bridges network to reflect fair values as at 30 June 2021. The revaluation revealed the unit rates used based on the new data regarding the road component to determine the replacement costs in previous years were overstated. In consultation with valuers and management's engineering consultants it was determined that material adjustments were necessary to prior years' replacement costs, accumulated depreciation and depreciation expenses to correct the overstatements related to the affected assets.

The errors described above have been corrected by restating the balances at the beginning of the comparative period (1 July 2019) with the adjustments taken to equity at that date. Comparatives have been changed to reflect the corrected amounts and the impact on each item in the financial statements is shown below.

**Changes to the opening Statement of Financial Position at 1 July 2019****Statement of Financial Position**

\$ '000	Original Balance 1 July, 2019	Adjustment	Restated Balance 1 July, 2019
Property, plant and equipment	366,059	(95,511)	270,548
<b>Net community assets</b>	<b>369,200</b>	<b>(95,511)</b>	<b>273,689</b>
Asset revaluation surplus	268,161	(99,587)	168,574
Retained surplus	101,039	4,076	105,115
<b>Total community equity</b>	<b>369,200</b>	<b>(95,511)</b>	<b>273,689</b>

**Adjustments to the comparative figures for the year ended 30 June 2020****Statement of Financial Position**

\$ '000	Original Balance 30 June, 2020	Adjustment	Restated Balance 30 June, 2020
Property, plant and equipment	363,279	(91,238)	272,041
<b>Net community assets</b>	<b>373,713</b>	<b>(91,238)</b>	<b>282,475</b>
Asset revaluation surplus	269,621	(99,434)	170,187
Retained surplus	104,092	8,196	112,288
<b>Total community equity</b>	<b>373,713</b>	<b>(91,238)</b>	<b>282,475</b>

**Statement of Comprehensive Income**

\$ '000	Original Balance 30 June, 2020	Adjustment	Restated Balance 30 June, 2020
Depreciation	14,386	(4,120)	10,266
<b>Total expenses</b>	<b>66,739</b>	<b>(4,120)</b>	<b>62,619</b>
<b>Operating result</b>	<b>(1,967)</b>	<b>4,120</b>	<b>2,153</b>
<b>Net result</b>	<b>(1,967)</b>	<b>4,120</b>	<b>2,153</b>

## Notes to the Financial Statements

for the year ended 30 June 2021

## Note 22. Correction of error (continued)

## Other comprehensive income

\$ '000	Original Balance 30 June, 2020	Adjustment	Restated Balance 30 June, 2020
Increase/(decrease) in asset revaluation surplus	1,460	153	1,613
<b>Total other comprehensive income for the year</b>	<b>1,460</b>	<b>153</b>	<b>1,613</b>

## Note 23. Events after the reporting period

The novel coronavirus (COVID-19) has spread globally at a rapid rate and the health crisis has had a real and significant economic impact globally, including in Australia. The restrictions imposed by the Commonwealth and Queensland governments have caused interruptions and had overwhelming effects on individuals, businesses and communities.

In response to the current economic climate and impact of COVID-19 on the community, Carpentaria Shire Council resolved not to charge interest on outstanding debts for the period 15 April 2020 to 30 June 2021. Furthermore, debt collection activity was also ceased during this period. Council resolved to adopt a 0% interest charge for the 2020-21 financial year and debt collection is yet to resume.

There have not been any significant adverse operational or financial impacts as a result of the COVID-19 pandemic. Any known impacts have been reflected in the financial statements.

To the best of Council's knowledge at the date of this financial report, there are no other post balance date events that are likely to have a material impact on the financial statements.

## Note 24. Transactions with Related Parties

## (a) Key management personnel

## Transactions with key management personnel

KMP are the Mayor, Deputy Mayor, Councillors, Chief Executive Officer, Director of Corporate Services and Director of Engineering.

The compensation paid to KMP comprises:

\$ '000	2021	2020
<b>The compensation paid to key management personnel for comprises:</b>		
Short-term employee benefits	1,051	1,207
Post-employment benefits	113	113
Long-term benefits	5	14
<b>Total</b>	<b>1,169</b>	<b>1,334</b>

## (b) Other Related Parties

## Transactions with other related parties

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.

## Notes to the Financial Statements

for the year ended 30 June 2021

## Note 24. Transactions with Related Parties (continued)

Details of transactions between council and other related parties are disclosed below:

	Additional information	2021	2020
		\$'000	\$'000
Purchase of materials and services from entities controlled by KMP	24(b)(i)	10,787	9,438
Purchase of materials and services from entities controlled by close family members of KMP		-	129
Employee expenses for close family members of KMP	24(b)(ii)	338	183
<b>Total</b>		<b>11,125</b>	<b>9,750</b>

(i) Council purchased the following material and services from entities that are controlled by KMP. All purchases were at arm's length and were in the normal course of Council operations:

	2021	2020
	\$'000	\$'000
Contracting services (machinery hire and trade services)	9,025	9,433
Goods/services	1,762	4
<b>Total</b>	<b>10,787</b>	<b>9,437</b>

(ii) All close family members of KMP were employed through an arm's length process. They are paid in accordance with the Award for the job they perform. Council employs 92 (2020: 110) full-time equivalent employees of which only 4 are close family members of key management personnel.

## (c) Loans and guarantees to/from related parties

Council does not make loans or receive loans from related parties. No guarantees have been provided.

## (d) Commitments to/from other related parties

Council entered into a contract with entities controlled by Councillors Amanda Scott, Bradley Hawkins and Peter Wells as Pre-Qualified Supplier for Hire of Plant and Equipment for the 2020 Construction Season. This tender was effective on 1 May 2019. This is a continual contract with no total contract value available until completion of season. The contract was the result of a tender process in accordance with Council's normal procedures and policies. Councillors Amanda Scott, Bradley Hawkins and Peter Wells were not involved in the decision of awarding the contract. Subsequently, Council has renewed pre-qualified suppliers of the plant for 2021 construction season effective March 2021.

As of 30 June 2021, Council had an outstanding payables to related entities of \$608,835.

## (e) 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 Carpentaria Shire. Therefore, on a regular basis ordinary citizen transactions occur between Council and its related parties. Some examples include:

- Payment of rates
- Use of the Normanton and Karumba Pools and Gyms
- Borrowing of books from the Council libraries

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.

## General Purpose Financial Statements

for the year ended 30 June 2021

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### Management Certificate

for the year ended 30 June 2021

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

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

- i. the prescribed requirements of the *Local Government Act 2009* and *Local Government Regulation 2012* for the establishment and keeping of accounts have been complied with in all material respects; and
- ii. the General Purpose Financial Statements, as set out on pages 2 to 40, present a true and fair view, in accordance with Australian Accounting Standards, of the Council's transactions for the financial year and financial position at the end of the year.



Mayor

Jack Bawden

Date: 15 / 12 / 2021



Chief Executive Officer

Mark Crawley

Date: 15 / 12 / 2021

## INDEPENDENT AUDITOR'S REPORT

To the councillors of Carpentaria Shire Council

### Report on the audit of the financial report

#### Opinion

I have audited the financial report of Carpentaria Shire Council.

In my opinion, the financial report:

- a) gives a true and fair view of the council's financial position as at 30 June 2021, and of its financial performance and cash flows for the year then ended
- b) complies with the *Local Government Act 2009*, the Local Government Regulation 2012 and Australian Accounting Standards.

The financial report comprises the statement of financial position as at 30 June 2021, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including significant accounting policies and other explanatory information, and the certificate given by the Mayor and Chief Executive Officer.

#### Basis for opinion

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

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

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

#### Other information

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

At the date of this auditor's report, the available other information in Carpentaria Shire Council's annual report for the year ended 30 June 2021 was the current year financial sustainability statement and long-term financial sustainability statement.

The councillors are responsible for the other information.

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

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

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

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

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

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

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

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

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

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

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

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

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

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2021:

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

#### **Prescribed requirements scope**

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



17 December 2021

Sri Narasimhan  
as delegate of the Auditor-General

Queensland Audit Office  
Brisbane

## General Purpose Financial Statements

for the year ended 30 June 2021

## Current Year Financial Sustainability Statement

\$ '000	Actual 2021	Target 2021
<b>Measures of financial sustainability</b>		
<b>1. Operating surplus ratio</b>		
<u>Net result (excluding capital items)</u>		
Total operating revenue (excluding capital items)	<b>(3.80)%</b>	0% - 10%
<b>2. Asset sustainability ratio</b>		
<u>Capital expenditure on the replacement of assets (renewals)</u>		
Depreciation expense	<b>10.53%</b>	> 90.00%
<b>3. Net financial liabilities ratio</b>		
<u>Total liabilities less current assets</u>		
Total operating revenue (excluding capital items)	<b>(22.19)%</b>	< 60.00%

**General Purpose Financial Statements**  
for the year ended 30 June 2021

**Certificate of Accuracy**  
for the year ended 30 June 2021

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

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



Mayor  
**Jack Bawden**  
Date: 15 / 12 / 2021



Chief Executive Officer  
**Mark Crawley**  
Date: 15 / 12 / 2021

## INDEPENDENT AUDITOR'S REPORT

To the councillors of Carpentaria Shire Council

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

#### Opinion

I have audited the accompanying current-year financial sustainability statement of Carpentaria Shire Council for the year ended 30 June 2021, comprising the statement, explanatory notes, and the certificate of accuracy given by the Mayor and the Chief Executive Officer.

In accordance with s.212 of the Local Government Regulation 2012, in my opinion, in all material respects, the current-year financial sustainability statement of Carpentaria Shire Council for the year ended 30 June 2021 has been accurately calculated.

#### Basis of opinion

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

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

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

#### Emphasis of matter – basis of accounting

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

#### Other Information

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

At the date of this auditor's report, the available other information in Carpentaria Shire Council's annual report for the year ended 30 June 2021 was the general purpose financial statements and long-term financial sustainability statement.

The councillors are responsible for the other information.

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

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

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

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

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

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

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

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

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

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

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

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



17 December 2021

Sri Narasimhan  
as delegate of the Auditor-General

Queensland Audit Office  
Brisbane

## Carpentaria Shire Council

### General Purpose Financial Statements

for the year ended 30 June 2021

#### Unaudited Long Term Financial Sustainability Statement

\$ '000	Target	Actual	Forecast									
	2021	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
<b>Measures of financials sustainability</b>												
<b>1. Operating surplus ratio</b>												
Net result (excluding capital items)												
Total operating revenue (excluding capital items)	0% - 10%	<b>(3.80)%</b>	(7.89)%	(7.49)%	(7.15)%	(6.81)%	(6.48)%	(6.16)%	(5.83)%	(5.52)%	(5.21)%	(4.91)%
<b>2. Asset sustainability ratio</b>												
Capital expenditure on the replacement of assets (renewals)												
Depreciation expense	> 90.00%	<b>10.53%</b>	33.46%	18.95%	19.12%	19.29%	19.46%	19.64%	19.83%	20.01%	20.20%	20.40%
<b>3. Net financial liabilities ratio</b>												
Total liabilities less current assets												
Total operating revenue (excluding capital items)	< 60.00%	<b>(22.19)%</b>	(21.13)%	(21.28)%	(21.46)%	(21.80)%	(22.28)%	(22.94)%	(23.76)%	(24.75)%	(25.89)%	(27.17)%

#### Carpentaria 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.

General Purpose Financial Statements  
for the year ended 30 June 2021

Certificate of Accuracy - Long Term Financial Sustainability Statement

Certificate of Accuracy

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

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

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



Mayor

**Jack Bawden**

Date: 15/12/2021



Chief Executive Officer

**Mark Crawley**

Date: 15/12/2021



CARPENTARIA SHIRE  
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