

Annual Report

2021-2022



CARPENTARIA SHIRE
Outback by the Sea®

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

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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 Kurtijar 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

Once again, I am very happy to present the Annual Report for the Carpentaria Shire Council for 2021-2022.

As Mayor, it is great to see all the positives within our organisation and to report on these challenging changes.

My Councillors and I consider it to be a great privilege to guide the shire into the future and to inspire the whole community to work together.

I am still committed to working with my fellow councillors and council staff in serving the people of the Shire. With the best of our ability we hope to create lasting positive change.

We are a team who advocates strongly to all levels of government in promoting the Shire and achieving great outcomes. We recognize that our role in shaping the Shire is paramount and we are committed to engaging with our community and keeping them informed of what we are doing and how and why we are making decisions.

In this past year Council has delivered some major projects in the Shire (as listed in this report) but of note, the continuing improvements on the Burketown Road, importation of gravel and sealing of the Dunbar Road and as always, flood damage works, including betterment projects. Works for Queensland projects are ongoing and will certainly value-add to the community.

As a Council we decided that we had enough 'shiny stuff' and focused more on improving our existing assets such as the waterworks with this funding. A similar Federal fund called 'Local Roads and Community Infrastructure Program' (LRCIP) is another godsend in helping to keep our infrastructure up to scratch. Hopefully the new government will make it ongoing as they have stated.

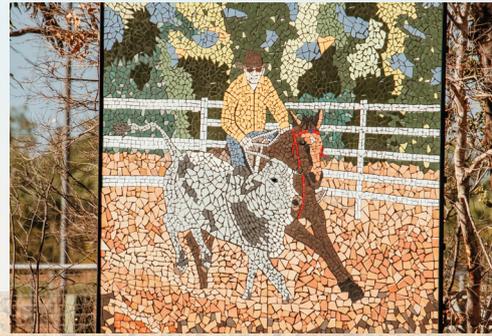
The Les Wilson Barramundi Discovery Centre keeps on kicking goals with awards and bringing Carpentaria the attention it deserves within the Tourist Industry. The stabilizer is another piece of equipment proving to be a wise investment and a great asset to the Shire, with many kilometers of bitumen seal being laid at competitive prices. Full credit goes to the staff, contractors and all involved.

Carpentaria is and always will be a great Shire. We know there are things that can be done to make it even better and I am looking forward to the continuing challenge of serving as your Mayor.

All the best and stay safe.

Jack Bawden





From the CEO's desk

It is with pleasure that I present this report for inclusion in the 2021-2022 Annual Report.

Council continued to receive financial stimulus from the State and Federal Government by way of Works 4 Queensland (State) money and Local Roads and Community Infrastructure (Federal) stimulus money. This stimulus has been well received by Councils and we thank the other levels of Government for these funding programs as many projects would not be possible without this financial support.

We are starting to close out some of the restoration of public assets works from the flood event in 2019 and some of the 2020 works and we are working through submission approvals for damage caused during the event in 2021. Council started the 2021-2022 period with a budgeted capital works program of \$16.16 million. This was to be allocated across the following assets: -

Buildings	\$ 729,259
Other Infrastructure	\$ 1,311,500
Plant and Equipment	\$ 2,235,699
Roads	\$ 7,146,373
Water	\$ 2,242,000
Sewerage	\$ 992,558
Land	\$ 1,500,000

Expenditures on the Capital Works Program were concentrated on delivery of upgrades (\$10.98m) and renewal of assets (\$3.33m) with only a small percentage of the overall spend being on new assets (\$1.85m). Council's continued focus on reducing the depreciation expense by increasing useful life rather than adding to the depreciation expense by just building new assets continued during the 2021-2022 reporting period.

In the advocacy space the Mayor, Deputy Mayor and Chief Executive Officer continued their attendance at the North West ROC meetings, ROC Assembly, Annual Conferences, Industry Breakfast – State Development, the Road and Rail Forum and attended the WQAC Assembly in Charleville. The Western Queensland Alliance of Councils (WQAC) which includes membership of the Councils under the

three Regional Organisations of Councils (namely the NWQROC, RAPAD and SWQROC) representing 23 Councils across the western part of the State. This group continues its strong advocacy representation and continues to attract the attention of the State and Federal Government. Housing, financial sustainability, roads funding and digital connectivity remain the high priorities for the group.

Council continued its work in developing strategic documents during the reporting period and adopted a Capability Statement – Works Department and the Regional Strengths and Opportunities Document. The Capability Statement provides the Councils Capacity and Capability to undertake works on behalf of the other levels of Government. The Regional Strengths and Opportunities document has been prepared to highlight some of the potential in economic growth within the Carpentaria Shire. In May of 2022 the Council adopted the Dixie Way report, this route will add another “Way” to the Tourists which visit our Region and through promotion of this alternative route, hopefully attract additional funding for the road network. Dixie Way leaves the Savannah Way (Alternative Route) and continues through Dunbar, Koolatah and Dixie and joins the Peninsula Development Road (PDR), which should be of attraction to some motorists.

Council signed up to be part of the Queensland Climate Resilient Councils (QCRC) initiative which is assisting Local Governments in Queensland who are faced with the twin challenges of preparing their communities for the impacts of climate change while enabling the region to make the most of the enormous opportunities presented by the emerging clean economy.

The QCRC program is a partnership between the Department of Environment and Science (DES) and the Local Government Association of Queensland (LGAQ) which is delivering services and products to Queensland local governments to increase their capacity to take positive actions to mitigate and adapt to climate risk.

During the year we engaged Peak Services to undertake and assist Council with a grant writing service. During the 12 months Council was successful in securing \$5,665,599

in grant funding, missed out on \$214,799 giving us a success rate of 96.3%. At the close of the reporting period, we were still awaiting advice on a further \$3.6m worth of grant funds.

Several submissions were lodged by Council during the reporting period, those being the submission to the Regional Telecommunications Review in August 2021, the Designing Our Tourism Future submission in September 2021 and the Regional Strengths and Infrastructure Gaps submission in May of 2022. Council also provided input into the WQAC submission for the Financial Sustainability of Queensland Councils.

Work commenced on the development of a new Planning Scheme for the Council to replace the old planning scheme currently in use. Three separate pieces of State Legislation have passed since the adoption of the current planning scheme in 2008. This will take approximately two years to develop, review and adopt, community consultation will also occur during the plan's development, keep an eye out for opportunities to participate.

Several Service Reviews were undertaken during the reporting period and presented to Council for review. The reviews will help us ensure the services Council provides to the community achieve value for money and are financially sustainable in the long term, 66 individual services were identified for inclusion in the review.

Council is a member of Gulf Savannah Development (GSD) and during the period a new Chief Executive Officer was recruited and appointed, GSD should become more active within the Region as it continues as the Economic Development Organisation within the Gulf Region. During the reporting period I joined the Gulf Academy Leadership Group and represent Council as the Leadership Group progress of this great initiative for the Gulf Communities.

2022-2023 will continue to be a busy time for Council and staff as we undertake and deliver a large capital works program. Council looks forward to continuing to progress the 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 2022-2023.

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.

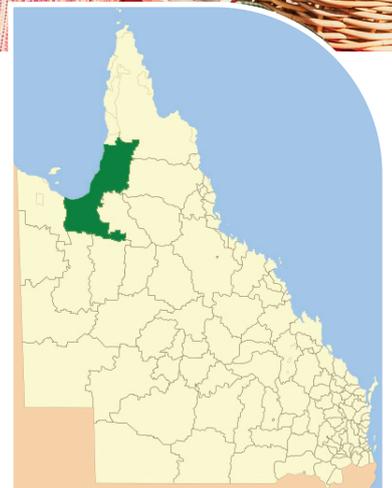
Carpentaria Shire has a friendly, laid-back lifestyle and is a place where children still ride their bikes down to the river to go fishing after school without parents having to worry as they would in larger towns and cities.

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 2,090. 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. 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 (2021 Census)

Normanton 1,437 Karumba 487

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'[®] –
It's a great place to work, live and play.'**

OUR VALUES

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

Strong leadership

Our community has every right to expect leadership that has integrity, unity and consistency.

Respect and teamwork

We know that we can only achieve great outcomes for our region by working together as a team.

Good governance

We need to deliver good governance for our region which is based on honesty, openness and transparency of local government.

Pride in our work

We aim to do the best for our community all the time, every time.

Positive and professional

We are not interested in blame but we want to find the best solutions to problems.

Informed decision making

We need to make sure that we have the best information available when making decisions.

Realistic goals

We believe in dreaming with our eyes open and focusing on what is available.

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.'



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:

- for each Councillor, the total remuneration, including superannuation contributions, paid to the Councillor during the financial year
- the expenses incurred by, and the facilities provided to, each Councillor during the financial year under the local government's expenses reimbursement policy
- the number of local government meetings that each Councillor attended during the financial year.

Total remuneration paid to Councillors					Councillor	Facilities provided
Councillor	Remuneration	Superannuation	Expenses incurred	Total		
Jack Bawden	108,221.88	12,986.74	1,246.19	122,454.81	Jack Bawden	Vehicle, Surface Pro, mobile
Bradley Hawkins	62,435.10	7,492.16	702.73	70,629.99	Craig Young	Surface Pro
Amanda Scott	54,109.90	6,493.18	157.08	60,760.16	Amanda Scott	Surface Pro
Ashley Gallagher	54,109.90	6,493.18	1,114.56	61,717.64	Ashley Gallagher	Nil
Craig Young	54,109.90	6,493.18	2,106.10	62,709.18	Bradley Hawkins	Nil
Andrew Murphy	54,109.90	6,493.18	0.00	60,603.08	Andrew Murphy	Surface Pro
Douglas Thomas	54,109.90	6,493.18	0.00	60,603.08	Douglas Thomas	Surface Pro

Number of meetings attended by each Councillor		Ordinary Meeting	Special Meetings
Number of meeting held during the year		12	2
Jack Bawden	Mayor	12	1
Bradley Hawkins	Deputy Mayor	12	1
Amanda Scott	Councillor	12	1
Ashley Gallagher	Councillor	12	2
Craig Young	Councillor	11	1
Andrew Murphy	Councillor	12	2
Douglas Thomas	Councillor	10	2

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 Thomas granted Leave of Absence for 8 December 2021 Ordinary Meeting Resolution No. 1221/001

Councillor Young granted Leave of Absence for 23 February 2022 Ordinary Meeting Resolution No. 0222/001

Councillor Thomas granted Leave of Absence for 16 March 2022 Ordinary Meeting Resolution No. 0322/001

Councillor Thomas granted Leave of Absence for 16 June 2022 Budget Meeting Resolution No. BM0622/001

Councillor Scott granted Leave of Absence for 28 June 2022 Special Meeting Resolution No. SM0622/001

Councillor Hawkins granted Leave of Absence for 28 June 2022 Special Meeting Resolution No. SM0622/001

Councillor Young granted Leave of Absence for 28 June 2022 Special Meeting Resolution No. SM0622/001



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 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		64,820
- less discounts and remissions		(568)
- less expenses		(72,443)
- less Interest and finance charges		(390)
Surplus/(deficit) from operations		(8,581)
- add capital grants and contributed assets		8,352
- less capital expenses		(2,115)
Net result for the period		(2,344)

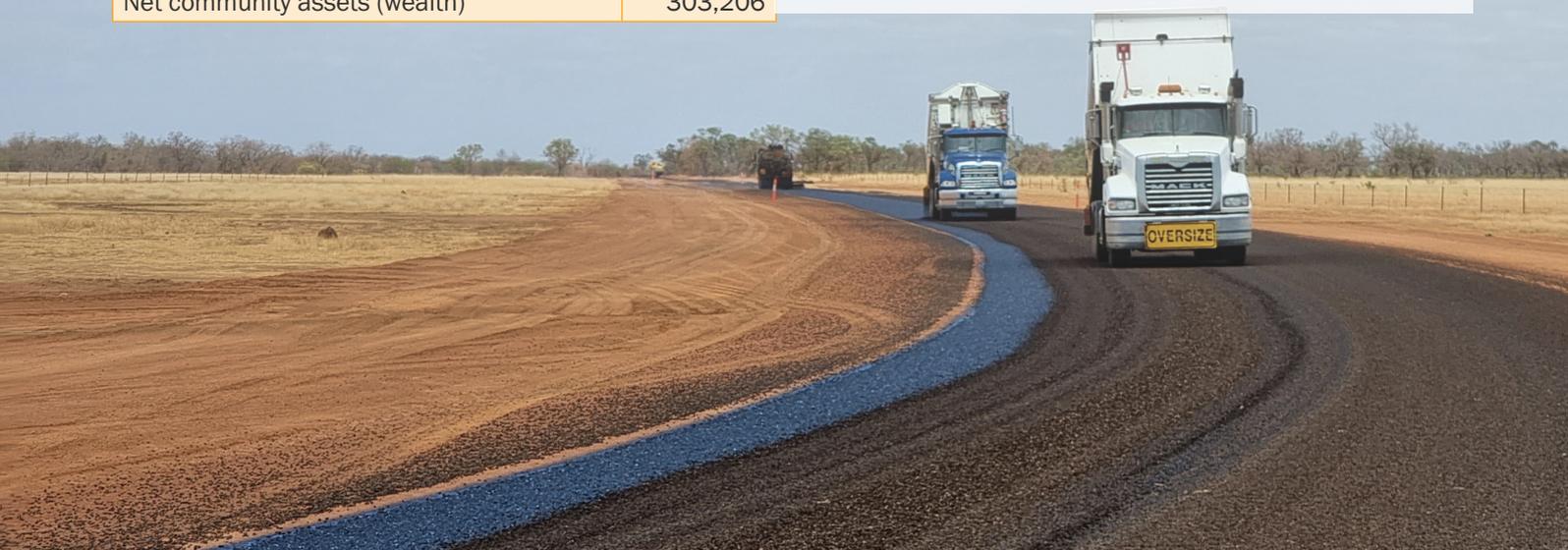
SIMPLIFIED BALANCE SHEET		\$'000
What we have in the bank		40,670
What we own		287,964
What we are owed		9,171
Our total assets		337,805
What we owe our suppliers and employees		27,642
What we have borrowed		6,957
Our total liabilities		34,599
Net community assets (wealth)		303,206

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

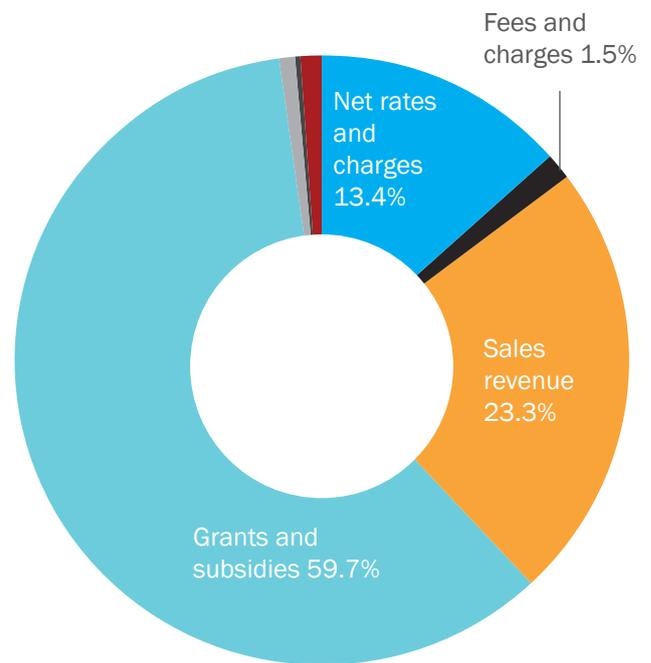
Council achieved an operating income of \$64,252 (after discounts and remissions) during the financial year.

How we earned our operating revenues

Operating revenue	%	\$'000
Net rates and charges	13.4%	8,589
Fees and charges	1.5%	989
Sales revenue	23.3%	14,983
Grants and subsidies	59.7%	38,384
Rental income	0.9%	553
Interest received	0.3%	201
Other income	0.9%	553
Total	100.0%	64,252

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, \$14.8m, relates to main roads recoverable works. Road construction represents 23% 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.

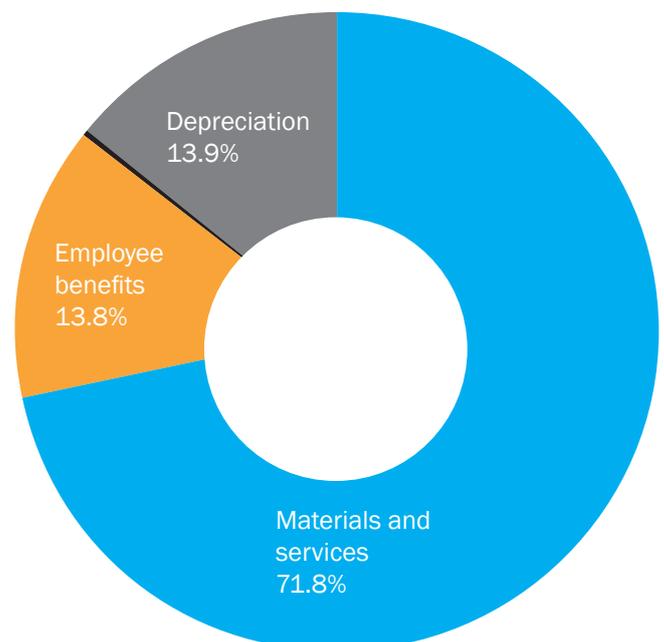


OUR OPERATING EXPENSES

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 72% 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	71.8%	52,271
Employee benefits	13.8%	10,061
Finance and other costs	0.5%	390
Depreciation	13.9%	10,111
Total	100.0%	72,833

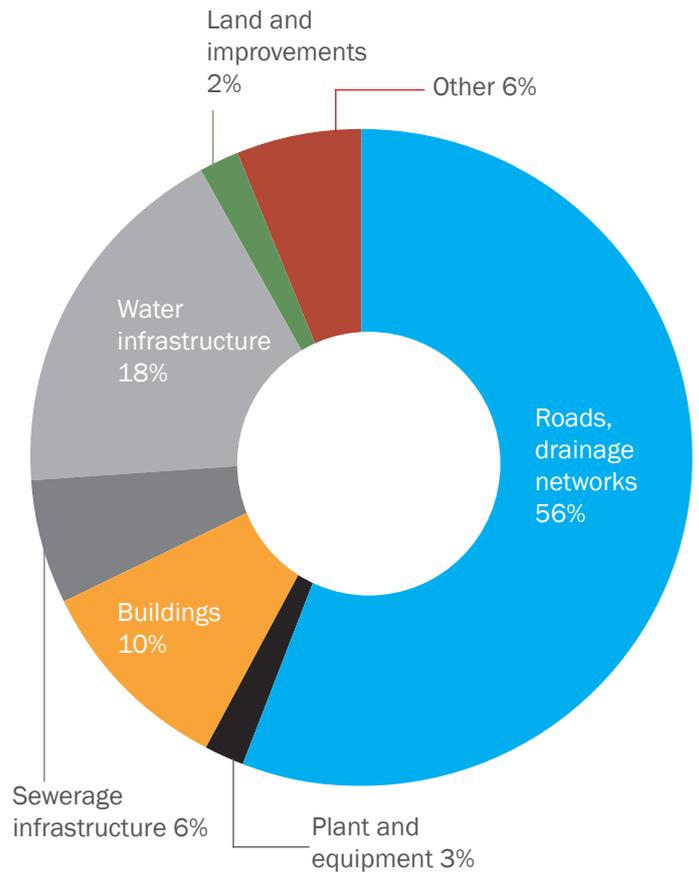


COMMUNITY INFRASTRUCTURE WE MANAGE

Council owns and manages more than \$284m 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%	159,460
Plant and equipment	2%	6,210
Buildings	10%	28,690
Sewer	6%	17,381
Water	18%	50,333
Land	2%	4,396
Other	6%	18,023
Total	100.00%	284,493



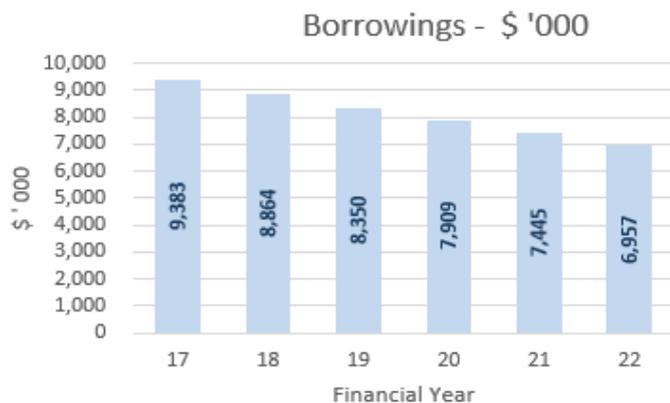
FINANCIAL PLANNING

Council’s total borrowing costs for year ending 30 June 2022 was less than 5% of total net rates and charges. Council’s total loan liability as at 30 June 2022 was \$6.9m, compared to \$7.4m as at June 2021. 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%

2021/2022 result: -13.36% = This result indicates Council is 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.



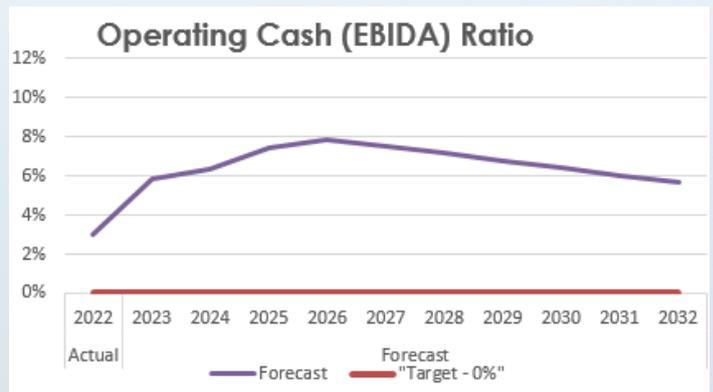
OPERATING CASH (EBIDA) RATIO

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%

2021/2022 result: 2.99% = 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.



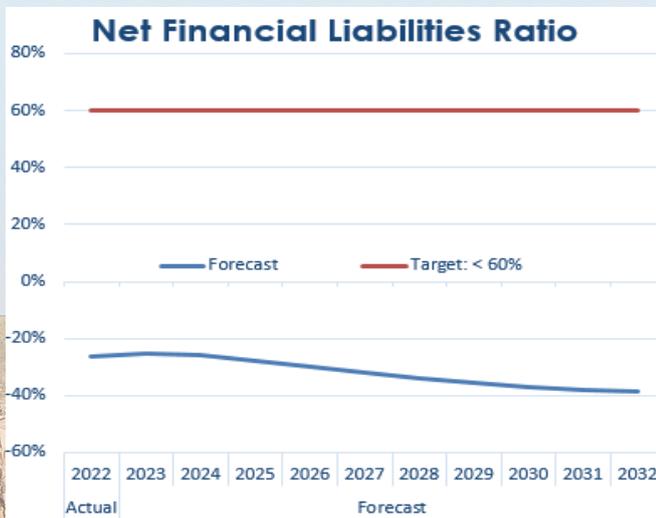
NET FINANCIAL LIABILITIES RATIO

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%

2021/2022 result: -26.27% = 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.



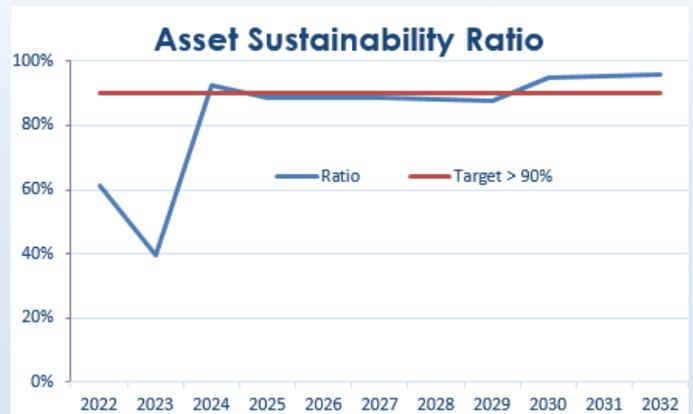
ASSET SUSTAINABILITY RATIO

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%

2021/2022 result: 61.23% - This indicates Council is not renewing/replacing existing infrastructure assets at the same/higher rate they are being used up. It should be noted that Council's roads usually are flooded annually. Restoration works are treated as maintenance, therefore renewed annually to the same condition they were in prior to the flooding.



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 five 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 four strategic themes identified in the corporate plan.

KEY STRATEGIC THEMES

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

CARPENTARIA COMMUNITY

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

CARPENTARIA ENVIRONMENT

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

CARPENTARIA ECONOMY

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

CARPENTARIA GOVERNANCE

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

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 quarterly in arrears for the end of the September, December, March and June quarters.

The following is a review of the 2021-2022 achievements against the 5-year corporate plan 2021-2025.





1. Carpentaria Community

Outcomes	Strategic actions	2021-2022 Review
<p>1.1 A safe, healthy, and equitable community that celebrates diversity and enjoys a quality lifestyle.</p>	<p>1.1.1 Development of, and implementation of, a Youth Strategy for the Shire.</p>	<p>Peak Services have completed community surveys and consultation. A draft Strategy has been established which needs to be workshopped with the Elected members in September.</p>
	<p>1.1.2 Development of standard leases for the community groups who utilise Council facilities.</p>	<p>One lease outstanding and is still in negotiations.</p>
	<p>1.1.3 Develop an action plan from the recommendations contained in the Carpentaria Sport and Recreation Plan.</p>	<p>Planning has commenced. MECD to provide status updates on the 35 recommendations, and present to Council to consider and prioritise.</p>
	<p>1.1.4 Annual review the Local Disaster Management Plan.</p>	<p>As information is provided to Council the plan is checked to ensure inclusion. Annual review undertaken with QFES</p>



2. Carpentaria Environment

Outcomes	Strategic actions	2021-2022 Review
<p>2.1 The region's environmental assets including natural areas and resources, open spaces, and agricultural land, are conserved and enhanced for future generations.</p>	<p>2.1.1 Advocate with various government departments on initiatives identified in the Coastal Hazard Adaptation Study and including Karumba Levee pre-feasibility</p>	<p>Council has been successful in obtaining funding through QRRRF for the Detailed Design and Approvals for work identified in the CHAS.</p> <p>Application successful under the PACP Commonwealth grant for infrastructure works.</p> <p>Council also successful in a further round of QRRRF Funding to construct additional infrastructure at foreshore.</p>
	<p>2.1.2 Participation in the development of a Regional Biosecurity Plan.</p>	<p>Council is working with the other member councils of the NWQROC and Southern Gulf NRM group to prepare a Regional Plan. Draft provided for review.</p>



3. Carpentaria Economy

Outcomes	Strategic actions	2021-2022 Review
3.1 A dynamic and diverse economy creating industry development and employment opportunities.	3.1.1 Promote and encourage support from interested parties to pursue initiatives in the Economic Development Strategy.	Lilly Vale Subdivision is in progress. Gulf Academy is in consultation stage. Improving digital connectivity. Tourism Manager is working towards tourism objective.
	3.1.2 Continued participation in the North West Minerals Province with other councils and state government.	No meetings have been scheduled recently that required our attendance.
	3.1.3 Promote and encourage support from interested parties to pursue initiatives in the Tourism Strategy.	The Tourism Champion has scheduled a trip to the Gulf to work with the Tourism operators in the Shire to progress initiative in the Tourism Strategy.



4. Carpentaria Governance

Outcomes	Strategic actions	2021-2022 Review
4.1 A well governed, responsive Council, providing effective leadership and management, and respecting community values.	4.1.1 Development of Strategic Risk Register and Operational Risk Register.	Workshops scheduled with Pacifica to be onsite February and March to conduct workshops and finalise Registers. Documents adopted In June.
	4.1.2 Development of individual asset class management plans. Contractor engaged, to conduct site visit and prepare individual AMP's.	AMP for Buildings currently in Draft for review, prior to the other AMP's being finalised.
	4.1.3 Update the Long-Term Financial Sustainability indicators and develop a sustainability plan highlighting the assumptions that make up the strategy.	QTC training for the Elected Members and the Executive Leadership Team. Training conducted in April. AMP's being finalised. QTC model completed, a date to be scheduled to work with Council.
	4.1.4 Regional representation on the NWQROC and WQAC.	Mayor, Deputy Mayor and CEO attend these meetings as scheduled. Some face to face, others virtually.

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 completed by Council during the financial year.

Major capital work projects

Building Projects

LW Barra Hatchery Upgrades	\$41,350
Demolition Of Old Trades Shed	\$41,049

Other Infrastructure Projects

John Henry Oval - Amenities Building & Sheds	\$903,196
Normanton Resupply Barge Ramp	\$87,409
Karumba Airport Power Supply Upgrade to Bowsers on Apron	\$57,006
Normanton Town Entry Sign	\$54,564
Les Wilson Barra Discovery Centre Entrance Signs	\$14,249
Karumba Pool Filtration Pumps	\$18,858



Road Projects

Normanton To Burketown Road Seal	\$5,217,986
Magnificent Creek Causeway	\$991,267
Dunbar Kowanyama Road Floodway	\$925,166
Little Bynoe Approaches causeway	\$171,673

Sewerage Projects

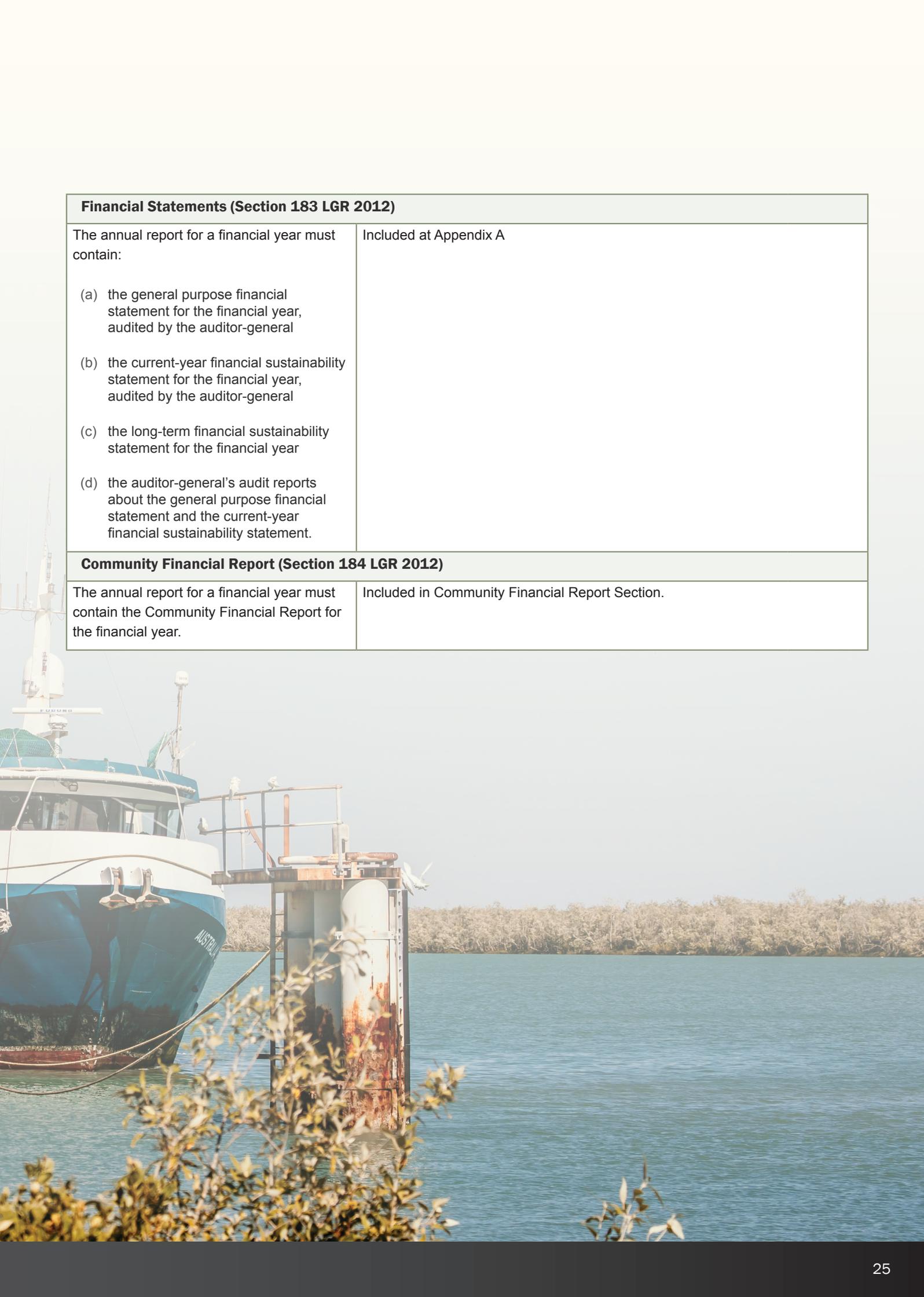
Inlet Screen- Karumba	\$5,630
Normanton Treatment Plant Effluent Irrigation Renewal	\$4,979

Water Projects

Glenore Weir Rectification	\$2,423,917
Raw Water Irrigation	\$907,325
Glenore Weir Raw Water Upgrade	\$195,960
Raw Water Irrigation	\$50,000
Normanton Water Treatment Plant Upgrade	\$39,711

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)									
<p>A local government's annual report for each financial year must:</p> <ul style="list-style-type: none"> (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)									
<p>A local government's annual report for each financial year must state:</p> <ul style="list-style-type: none"> (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 <p>Each band of remuneration is an increment of \$100,000.</p>	<p>The total of all remuneration package payable to the senior management for the financial year 2021/2022 was \$662,253.</p> <p>Remuneration packages includes salary, housing, vehicle use and other expenses and entitlements under a contract of employment.</p> <table border="1"> <thead> <tr> <th>Band of remuneration</th> <th>Number of senior management employees</th> </tr> </thead> <tbody> <tr> <td>Under \$100,000</td> <td>0</td> </tr> <tr> <td>\$100,000 to \$200,000</td> <td>0</td> </tr> <tr> <td>\$200,000 to \$300,000</td> <td>3</td> </tr> </tbody> </table> <p>The senior management, of Council, consists of the chief executive officer and two Directors.</p>	Band of remuneration	Number of senior management employees	Under \$100,000	0	\$100,000 to \$200,000	0	\$200,000 to \$300,000	3
Band of remuneration	Number of senior management employees								
Under \$100,000	0								
\$100,000 to \$200,000	0								
\$200,000 to \$300,000	3								



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 A

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 Community Financial Report Section.

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
18/8/2021	0821/010	<p>That Council:</p> <ol style="list-style-type: none"> 1. adopt the following Policies as presented and make available on the Council website: <ul style="list-style-type: none"> - Advertising and Spending Policy - Code of Conduct for Councillors - Complaints about the Public Official - Councillor's Expenses Reimbursement and Provision of Resources Policy - Entertainment and Hospitality Policy - Investigations Policy; and 2. Council acknowledge that regular reviews of policies will not be undertaken, and future policies will be amended following changes to legislation or guidelines provided by the Department or at Council's discretion.

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 2021/2022 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's Non-Current Asset Policy was adopted on 15 April 2020 by Council Resolution 0420/023 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
Land and improvements	\$1

No resolutions under section 206(2) were made during the 2021/2022 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"> for each councillor, the total remuneration, including superannuation contributions, paid to the councillor during the financial year the expenses incurred by, and the facilities provided to, each Councillor during the financial year under the local government's expenses reimbursement policy the number of local government meetings that each Councillor attended during the financial year. 	Included in About Council Section.	
<ul style="list-style-type: none"> the total number of the following during the financial year 	Orders and recommendations made under section 150I(2) of the Act	Nil
	Orders made under section 150AH(1) of the Act	Nil
	Decisions, orders and recommendations made under 150AR(1)	One
<ul style="list-style-type: none"> each of the following during the financial year 	The name of each councillor for whom a decision, order or recommendation under section 150I(2), 150AH(1) or 150AR(1) of the LGA was made	One
	A description of the unsuitable meeting conduct, inappropriate conduct or misconduct engaged in by each of the councillors	One
	A summary or the order or recommendation made for each Councillor	One
	<p>Cr Ashley Gallagher</p> <p>The Tribunal has decided pursuant to s150AQ(1) that Cr Gallagher has engaged in misconduct and has decided to make the following orders or recommendations pursuant to s150AR(1)(b)</p> <p>Orders are given to him by the Registrar:</p> <p>a. Pursuant to s 150AR(1)(b)(i) of the Act, that Cr Gallagher make a public admission that he engaged in misconduct, in an open session of Council that is open to members of the public;</p> <p>b. Pursuant to s 150AR(1)(b)(iii) of the Act, that Cr Gallagher attend training to address the councillor's conduct at the expense of the councillor on the appropriate management and disclosure of conflicts of interest required of a Councillor. The Tribunal recommends that such training be facilitated by, or provided by, the Department;</p> <p>c. Pursuant to s 150AR(1)(b)(iv) of the Act, that Cr Gallagher pay an amount to the local government of \$250.</p>	



<ul style="list-style-type: none"> the number of each of the following during the financial year 	Complaints referred to the assessor under section 150P(2)(a) of the LGA by the local government, a councillor of the local government or the chief executive officer of the local government	Nil
	Matters, mentioned in section 150P(3) of the LGA, notified to the Crime and Corruption Commission	Nil
	Notices given under section 150R(2) of the LGA	Nil
	Notices given under section 150S(2)(a) of the LGA	Nil
	Decisions made under section 150W(1)(a), (b) and (e) of the LGA	Nil
	Referral notices accompanied by a recommendation mentioned in section 150AC(3)(a) of the LGA	Nil
	Occasions information was given under section 150AF(4)(a) of the LGA	Nil
	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	Nil
	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	Nil

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

<p>The annual report must contain:</p> <p>(a) a statement about the local government's commitment to dealing fairly with administrative actions complaints</p> <p>(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.</p>	<p>Implementation of Complaints management process</p> <p>Council has adopted a formal policy (<i>CSA_002 – Complaints Policy</i>) 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.</p> <p>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.</p> <p>Complaints received by Council are viewed as an opportunity for improvement, providing feedback to Council about service delivery or decisions made by Council.</p> <p>A new electronic system has been implemented during the year to capture, record and manages Administrative Action Complaints received by Council whether they are received verbally, in writing or via electronic means.</p> <p>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 implemented during the financial year.</p> <p>Further information on Council's administrative complaints management process is available at from council's website.</p> <p>Assessment of performance in dealing with complaints</p> <p>No administrative action complaints were received during the year.</p> <table border="1" style="width: 100%; text-align: center;"> <thead> <tr> <th>Number of complaints received</th> <th>Number of complaints resolved</th> <th>Number of complaints not resolved</th> <th>Number of complaints not resolved that were made in a previous year</th> </tr> </thead> <tbody> <tr> <td>Nil</td> <td>Nil</td> <td>Nil</td> <td>Nil</td> </tr> </tbody> </table>	Number of complaints received	Number of complaints resolved	Number of complaints not resolved	Number of complaints not resolved that were made in a previous year	Nil	Nil	Nil	Nil
Number of complaints received	Number of complaints resolved	Number of complaints not resolved	Number of complaints not resolved that were made in a previous year						
Nil	Nil	Nil	Nil						

Overseas Travel (Section 188 LGR 2012)	
<p>(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:</p> <ul style="list-style-type: none"> (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. <p>(2) The annual report may also contain any other information about the overseas travel the local government considers relevant.</p>	<p>There was no overseas travel undertaken by a Councillor or local government employee in an official capacity during the financial year.</p>
Expenditure on Grants to Community Organisations (Section 189(1) LGR 2012)	
<p>The annual report for a financial year must contain a summary of:</p> <ul style="list-style-type: none"> (a) the local government’s expenditure for the financial year on grants to community organisations 	<p>Council has adopted a Grant to Community Organisations Policy, which prescribes the types of grants given to community organisations.</p> <p>The grants provided are</p> <ul style="list-style-type: none"> • direct cash grants to community organisations • assets given to community organisations • concessions (e.g. rates remitted) for community organisations. <p>During the 2021/2022 financial year, Council made grants and provided assistance totalling \$90,332.46 to community organisations.</p> <p>Refer below for details of grants made to community organisations.</p>



Non-cash grants (concessions/fee waivers)	
Organisation	\$ Amount
Bynoe	13,600.65
Country Women's Association	3,545.45
Gulf Christian College	9,652.84
Karumba Recreation Club	1,409.09
Karumba State School	21.82
Normanton Bowls Club	712.77
Normanton Gun Club	23.02
Normanton Police	709.10
Normanton Rodeo	13,819.41
Normanton State School	8,978.23
Normanton Stingers	6,698.59
Normanton Swim Club	90.91
Normanton Cricket Club	2,727.27
Kurtjar Aboriginal Corporation	153.44
Riverside Christian College	1,136.36
Junior Rugby League	7,540.71
Go Gulf	354.55
Normanton Athletics Club	9,536.68
Mount Isa School of the Air	4,068.19
Normanton Hope	272.73
Savannah Guides Limited	970.00
Karumba Markets Chair Installation	347.00
Moungibi Buddaries	227.27
Department of Seniors and Disability Services	354.55
Normanton Arts Council	527.27
Queenslanders with Disability Network	1,236.37
Gulf Savanna NRM	709.10
Normanton Hospital COVID	909.09
TOTAL	90,332.46



Discretionary Funds (Section 189(2) LGR 2012)	
<p>The annual report must contain the following information about the local government's discretionary funds:</p> <p>(a) the total amount budgeted for the financial year as the local government's discretionary funds;</p> <p>(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</p> <p>(c) the total amount of discretionary funds budgeted for the financial year for councillors to allocate for each of the following purposes</p> <p>(d) the amount of discretionary funds budgeted for use by each councillor for the financial year</p> <p>(e) if a councillor allocates discretionary funds in the financial year</p>	Not applicable as Carpentaria Shire Councillors do not have discretionary funds.
Assessment of Corporate and Operational Plans (Section 190(1)(a) LGR. 2012)	
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 Assessment of Corporate and Operational Plans Section.
Issues relevant to the assessment of Councils operations and performance (Section 190(1)(b) LGR. 2012)	
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
Annual Operations Report for Each Commercial Business Unit (Section 190(1)(c) LGR. 2012)	
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 2021/2022 financial year.
Joint Government Activity (Section 190(1)(d) LGR. 2012)	
<p>The annual report must contain details of any action taken for, and expenditure on, a service, facility or activity:</p> <p>(i) supplied by another local government under an agreement for conducting a joint government activity</p> <p>(ii) for which the local government levied special rates or charges for the financial year.</p>	Nil.

Invitations to change tenders (Section 190(1)(e) LGR. 2012)																									
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 & Public Documents (Section 190(1)(f) LGR. 2012)																									
The annual report must contain a list of registers kept by the local government.	<p>The Chief Executive Officer holds the following registers. Except where otherwise indicated, they are open to inspection at the Council Administration Centre.</p> <table border="1"> <thead> <tr> <th>Registers held</th> <th>Open to inspection</th> </tr> </thead> <tbody> <tr> <td>Register of Local Laws</td> <td>Yes</td> </tr> <tr> <td>Register of Roads</td> <td>Yes</td> </tr> <tr> <td>Register of Cost-recovery Fees</td> <td>Yes</td> </tr> <tr> <td>Asset Register</td> <td>Yes</td> </tr> <tr> <td>Register of Delegations</td> <td>Yes</td> </tr> <tr> <td>Registers of Interests of Councillors</td> <td>Yes</td> </tr> <tr> <td>Registers of Interests Chief Executive Officer</td> <td>No</td> </tr> <tr> <td>Registers of Interests Senior Executive Employees</td> <td>No</td> </tr> <tr> <td>Registers of interests of a person who is related to a Councillor, Chief Executive Officer or senior executive employee and senior contract employees</td> <td>No</td> </tr> <tr> <td>Register of Pre-qualified Suppliers</td> <td>Yes</td> </tr> <tr> <td>Food Business Licence Register</td> <td>Yes</td> </tr> </tbody> </table>	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
Registers held	Open to inspection																								
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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.	<p>Pensioner Rates Remission</p> <p>Council provides a rates remission to eligible pensioners.</p> <ul style="list-style-type: none"> ▪ 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. <p>Rate Remission / Concessions (Other Than Pensioners)</p> <p>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. Council may also consider the deferral of rates until a specified time if the circumstances warrant.</p> <table border="1"> <thead> <tr> <th colspan="3">Summary of Rates Concessions</th> </tr> <tr> <th>Description</th> <th>No. of Concessions Provided</th> <th>\$ Amount</th> </tr> </thead> <tbody> <tr> <td>Rates Based Financial Assistance</td> <td>4</td> <td>\$ 7,490</td> </tr> <tr> <td>Total concessions</td> <td>4</td> <td>\$ 7,490</td> </tr> </tbody> </table>	Summary of Rates Concessions			Description	No. of Concessions Provided	\$ Amount	Rates Based Financial Assistance	4	\$ 7,490	Total concessions	4	\$ 7,490												
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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.	<p>Section 105(1) of the <i>Local Government Act 2009</i> requires that each local government must establish an efficient and effective internal audit function.</p> <p>The purpose of the internal audit function is to:</p> <ul style="list-style-type: none"> ▪ 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. <p>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.</p> <p>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.</p> <p>In 2021/2022 Council Internal Auditors (Pacifica) had assisted Council with a thorough review of Risk Registers and Policies including:</p> <ul style="list-style-type: none"> • Strategic Risk Register • Operational Risk Registers <p>The review consisted of a number of staff workshops to conduct a full review and update of existing risk registers. The risk registers and policies were adopted in June 2022.</p>
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



Appendix A

COUNCILLOR'S EXPENSES REIMBURSEMENT AND PROVISION OF RESOURCES POLICY

Policy Details

Policy Category	Council Policy
Date Adopted	18/08/2021
Endorsed by	Chief Executive Officer
Approval Authority	Council
Effective Date	18 th August 2021
Policy Version Number	5.00
Policy Owner	Executive Services
Contact Officer	Chief Executive Officer

Supporting documentation

Legislation	<ul style="list-style-type: none">• Local Government Act 2009• Local Government Regulation 2012
Policies	<ul style="list-style-type: none">• Procurement Policy• Entertainment and Hospitality Policy• Passenger Vehicle Fleet Policy
Delegations	<ul style="list-style-type: none">• N/A
Forms	<ul style="list-style-type: none">• Claims for reimbursement
Supporting Documents	<ul style="list-style-type: none">• Taxation Rulings issued by the Australian Taxation Office

Version History:

Version	Approval Date	Comment	eDRMS #
8.0	18/08/2021	Changes as per Resolution No. 0821/010	
7.0	24/10/2018	Changes as per Resolution No. 1810/013	
6.0	18/04/2018	Changes as per Resolution No. 0418/026	
5.0	20/06/2016	Changes as per Resolution No. 0716/012	
4.0	23/06/2010	Changes as per Resolution No. 0610/008	
3.0	20/05/2009	Changes as per Resolution No. 0509/005	
2.0	02/04/2008	Adoption of model Expenses Reimbursement Policy	
1.0	16/06/2006	Changes as per Resolution No. 0606/027	

1. POLICY STATEMENT

- 1.1. The Carpentaria Shire Council is committed to ensuring that Councillors are provided with the facilities required to enable them to perform their duties.
- 1.2. Councillors should not be financially disadvantaged when carrying out their roles, and should be fairly and reasonably compensated in accordance with statutory requirements and community expectations.

2. PRINCIPLES

- 2.1. This policy ensures that the council's reimbursement of expenses incurred by councillors is consistent with the local government principles and financial sustainability criteria as defined in the *Local Government Act 2009*.
- 2.2. In addition the principles that underpin this policy are:
 - Councillors should not receive a private benefit through their role as a councillor;
 - the use of public monies in the public interest by responsible budgeting and accounting;
 - fair and reasonable allocation of council resources (allowances, facilities and other benefits) to enable all councillors to conduct the duties of their office;
 - transparent decision-making by public disclosure of policy and resolutions; and
 - accountability for expenditure and use of facilities through full justification and acquittal.

3. POLICY

Scope

- 3.1. Chapter 8 Part 1 Division 2 of the *Local Government Regulation 2012* sets out the requirements for the payment of reasonable expenses incurred, or to be incurred, by councillors for discharging their duties and responsibilities as councillors and the provision of facilities to councillors for that purpose.
- 3.2. This policy applies to all councillors for the reimbursement of expenses incurred, or to be incurred, by them in undertaking their responsibilities.
- 3.3. Council will reimburse councillors for eligible expenses as set out in this policy. Any expenses not provided for by this policy will not be reimbursed without express approval from the Chief Executive Officer.
- 3.4. Councillor remuneration is not covered by this policy. Councillor remuneration is determined annually by the Local Government Remuneration and Disciplinary Tribunal.
- 3.5. Spouses, partners and family members of councillors are not entitled to reimbursement of expenses or have access to facilities allocated to councillors.
- 3.6. Failure to comply with this policy, falsifying claims or the misuse of facilities may breach the Councillors' Code of Conduct and/or represent an offence under the Criminal Code and may be referred to the Crime and Misconduct Commission.

PART 1 - FACILITIES

Category	Facilities Provided
Secretarial Support	<p>The Mayor's office will be assisted with secretarial support by Council's Executive Assistant.</p> <p>Limited secretarial support will be provided to Councillors with prior approval by the Chief Executive Officer.</p>
Administrative Tools	<p>Councillors are entitled to use Council facilities as required to assist in discharging their duties and responsibilities including (but not limited to):</p> <ul style="list-style-type: none">• Shared office space and meeting rooms;

Category	Facilities Provided
	<ul style="list-style-type: none"> • Shared access to photocopiers; • Shared access to printers; • Stationery; • Promotional material necessary for official Council business • Other resources as approved by the Mayor or Chief Executive Officer.
IT Equipment	<p>Councillors are provided with the following IT equipment to assist in discharging their duties and responsibilities:-</p> <ul style="list-style-type: none"> • A laptop or iPad and necessary software; • Printer, as required; • equipment to enable wireless internet access.
Software	<p>Council will provide all software necessary to enable Councillors to carry out their duties as elected members.</p> <p>All software is licensed to the Carpentaria Shire Council and remains the property of Council at the end of the term.</p> <p>All software licensed to council that has been installed on a councillor's tablet device will be removed prior to the end of the Councillor term.</p>
Telephone and Data	<p>The Mayor will be provided with a mobile phone by Council for Approved Council Business. Reasonable private use of the telephone is permitted.</p> <p>The Mayor may elect to use a private mobile phone.</p> <p>Where the Mayor has elected to use a private mobile phone, Council will pay an annual allowance of \$1,000.00 to cover the costs of council related calls.</p> <p>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.</p> <p>The Mayor and Councillors telephone allowance shall be paid monthly in conjunction with Councillor meeting fees.</p> <p>Council will be responsible for any Fringe Benefit Tax Payable.</p>
Safety Equipment	<p>Council will provide all the necessary safety equipment for use on official Council business e.g. safety helmet/boots, safety vests.</p>
Corporate Uniform	<p>Council will provide each Councillor with –</p> <ul style="list-style-type: none"> • A name badge; • Shirts embroidered with Council's logo (up to three shirts per annum if requested); • Jacket or blazer embroidered with Council's logo (1 per term).
Corporate Credit Card	<p>The Mayor will be provided with a corporate credit card for business expenses in accordance with this Policy and the Corporate Credit Card Policy.</p>

Category	Facilities Provided
Council Motor Vehicles	<p>The Mayor will be provided with a suitable vehicle as determined by Council.</p> <p>Other Councillors may use the Mayor's vehicle for Approved Council Business with the prior approval of and at the discretion of the Mayor.</p> <p>Council will pay all costs associated with the vehicle, including fuel, servicing, repairs, maintenance and insurance.</p> <p>The Mayor's vehicle may be used for all Approved Council Business, together with incidental private use.</p> <p>If there is any doubt, the Chief Executive Officer will determine if any use is incidental private use.</p> <p>Limited 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.</p>
Fuel Costs	<p>Fuel for Council owned vehicles used for official Council business will be provided or paid for by Council.</p> <p>The CEO may approve the issue of a fuel card to a Councillor.</p> <p>A Councillor who is issued a fuel card must keep all receipts and/or tax invoices for any purchases on the card and provide the documents to the Manager Finance and Administration or other designated officer in a timely manner.</p> <p>Where no fuel card has been provided, Council will reimburse actual costs incurred by a Councillor. Original documents sufficient to verify the actual expenditure must be provided.</p>

Maintenance of Facilities Provided

- 3.7. Council will be responsible for the ongoing maintenance and reasonable wear and tear costs of Council-owned equipment that is supplied to Councillors for official business use.
- 3.8. All facilities provided to Councillors, with the exception of mobile devices, remain the property of Council and must be returned to Council when a Councillor's term expires.

Private Use of Council Facilities

- 3.9. Based on the principle that no private benefit is to be gained, the facilities provided to Councillors by Council (except for mobile tablet devices) are to be used only for official Council business unless prior approval has been granted by resolution of Council.
- 3.10. A Council resolution authorising private use of Council owned facilities must set out the terms under which the Councillor will reimburse Council for the percentage of private use.

PART 2 - EXPENSES

Category	Expense Reimbursement
Insurance Cover	<p>Council will indemnify or insure Councillors in the event of injury sustained while discharging their civic duties.</p> <p>Council will pay the excess for injury claims made by a Councillor resulting from conducting official Council business.</p>

Category	Expense Reimbursement
Professional Development	<p>Council encourages Councillors to undertake relevant professional development and will reimburse expenses incurred for:</p> <ul style="list-style-type: none"> • Mandatory professional development, and • Discretionary professional development deemed essential for the Councillor's role. <p>Mandatory Training</p> <p>Council will reimburse expenses for attendance and will pay for or reimburse Councillors for all associated reasonable costs (including registration, travel, accommodation, meals etc) at the following subject to attendance being approved by Council:</p> <ul style="list-style-type: none"> • Training courses or workshops for skill development related to a Councillors role or portfolio; • Training courses or workshops relating to their legislative obligations i.e. Councillor Induction, Code of Conduct. • Regional, State or National Local Government associated conferences, symposiums, workshops and training courses. <p>Note: Registrations should be made in sufficient time to take advantage of any 'early bird' discounts.</p> <p>Discretionary Training</p> <p>Where a Councillor identifies the need to attend a conference, workshop or training to improve skills relevant to their role as a Councillor, other than mandatory professional development as above, the Councillor may request Council's approval to attend.</p> <p>The funding limit for discretionary training is \$5,000 for each councillor during their four (4) year term in office.</p> <p>All professional development activities must be approved in advance by resolution by Council or by the Mayor and later ratified by resolution of Council.</p>
Out of Pocket Expenses	<p>Councillors are entitled to reimbursement of reasonable out of pocket expenses incurred in the conduct of official Council business.</p> <p>The maximum amount of out-of-pocket expenses (excluding reimbursement of expenses for professional development and as approved by Council) that may be claimed is:</p> <ul style="list-style-type: none"> • Mayor \$2,000 per annum. • Councillors \$500 per annum. <p>The Mayor may approve the reimbursement of reasonable out of pocket expenses by other councillors at official Council business at which the Mayor is not in attendance.</p> <p>Non-Council related expenditure or expenditure in relation to partners, spouses or family members is not permitted.</p> <p>To comply with s186 of the <i>Local Government Regulation 2012</i>, which requires Council to publish expenses incurred by each Councillor during the year under Council's Expenses Reimbursement Policy in its Annual Report, Councillors incurring hospitality expenses are required to maintain documentary evidence of all such expenditure which will be recorded in a register maintained by the Chief Executive Officer on a monthly basis.</p>

Category**Expense Reimbursement**

Where any conflict exists between this policy and Council's Entertainment and Hospitality Policy, this policy will take precedence.

Councillors' expenses will be reported in Council's Annual Report.

Travel Required to Represent Council

All travel to represent the Council must be approved by Council or the CEO prior to any expenses being incurred. Councillors are to travel via the most direct route, using the most economical and efficient mode of transport.

Overseas Travel

Overseas travel can only be approved by a Council resolution.

Accommodation

All Councillor Accommodation for Council business will be booked and paid for by Council. Council will pay for the most economical deal best suited to the needs of Council business. Where possible, the maximum standards for Councillors' accommodation should be four (4) star rating.

Where accommodation is recommended by conference organisers, Council will take advantage of the package deal that is the most economical and convenient to the event.

Incidental Costs

Council will reimburse any reasonable incidental costs incurred by Councillors required to travel, and who are away from home overnight, for official Council business upon provision of receipts.

Meals

Council will reimburse reasonable costs of meals and refreshments for a Councillor when:

- the Councillor incurs the cost personally and can produce original documents sufficient to verify the actual meal cost; and
- the meal was not provided within the registration costs of the approved activity/event; or during an approved flight.

Reasonable costs of meals and refreshments will be calculated with reference to Australian Taxation Office Guidelines for Reasonable Allowances set for each income tax year.

Should the cost be for a greater value than those listed above and the cost is deemed reasonable by the CEO, then reimbursement for the full cost may be provided.

Travel Bookings

All Councillor travel, approved by Council, will be booked and paid for by Council.

Economy class is to be used where possible although the CEO and/or Mayor may approve business class if the particular circumstances warrant it.

Airline tickets are not transferable and can only be procured for the Councillor's travel on official Council business. They cannot be used to offset other unapproved expenses (eg cost of partner or spouse accompanying the Councillor).

Frequent Flyer points or other loyalty program benefits accrued on Council business must not be used for personal travel and, where possible, should be utilised to offset future Council travel expenses.

Category	Expense Reimbursement
	<p>Travel Transfer Costs</p> <p>Any travel transfer expenses associated with Councillors travelling for Council approved business will be reimbursed eg trains, taxis, buses and ferry fares.</p>
Use of Private Vehicle	<p>Councillors will be reimbursed for private vehicle usage on official Council business. Reimbursement calculations will be based on the relevant Australian Tax Office published rate for the vehicle type.</p> <p>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 plus the cost of taxi transfers.</p> <p>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.</p> <p>Where a Councillor utilises their own aircraft or helicopter to attend approved Council business, Council will reimburse expenses equivalent to the ATO kilometric rates for the largest class of motor vehicle.</p> <p>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.</p> <p>Example: the 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</p>
Fines and Penalties	<p>Any fines or penalties incurred while travelling in Council owned vehicles or privately owned vehicles when attending to official Council business, will not be reimbursed and are the responsibility of the Councillor incurring the fine.</p>

Claims for Reimbursement

- 3.11. All claims for reimbursement of expenses must be made on the approved form and submitted with original receipts to the Office of the CEO. Claims certified by a Councillor as complying with this policy will be authorised for payment by the Chief Executive Officer.
- 3.12. Claims must be presented within 3 months of incurring the expense.
- 3.13. When considering an application for approval of any matter related to this policy, the council or the Chief Executive Officer must have regard to the limits outlined in this policy and any relevant budget allocation.

4. RESPONSIBILITIES

Reporting

Pursuant to section 186 of the *Local Government Regulation 2012*, Council's Annual Report must contain the particulars of the expenses incurred by, and the facilities provided to, each Councillor during the financial year under this policy.

5. DEFINITIONS

To assist in interpretation of this policy and associated guidelines, the following definitions shall apply:

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.

Council - means the Carpentaria Shire Council.

Councillors - means the Mayor, Deputy Mayor and Councillors unless otherwise specified.

Expenses - mean costs reasonably incurred, or to be incurred, in connection with Councillors discharging their duties. The expenses may be either reimbursed to Councillors or paid direct by Council for something that is deemed a necessary cost or charge. Expenses are not included as remuneration.

Entertainment and hospitality - means the cost to council of providing entertainment or hospitality as outlined in council's Entertainment and Hospitality Expenditure Policy.

Facilities - mean the facilities deemed necessary to assist Councillors in their role.

Incidental private use includes use incidental to Approved Council Business. (example - stopping at a shop on the way to or from Approved Council Business).

Professional development –includes activities undertaken by Councillors to improve their understanding, competence and knowledge of matters that specifically relate to local government functions, or to improve their competence and knowledge of matters that will assist them in carrying out their role as a Councillor.

Examples of professional development include (but are not limited to): Local Government industry training, conferences, workshops, seminars or specific events that are relevant to a Councillors role; or that are relevant to the development of a Councillor's individual knowledge and competence in conducting their role

Reasonable - shall mean Council must make sound judgements and consider what is prudent, responsible and acceptable to the community when determining reasonable levels of facilities and expenditure.

Training – any facilitated learning activity which is considered by council to be a requirement for councillors to discharge their duties and responsibilities as councillors.

Carpentaria Shire Council
GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2022



Statement of Comprehensive Income

for the year ended 30 June 2022

\$ '000	Notes	2022	2021
Income			
Revenue			
Recurrent revenue			
Rates, levies and charges	3a	8,589	7,692
Fees and charges	3b	989	1,039
Sales revenue	3c	14,983	24,875
Grants, subsidies, contributions and donations	3d(i)	38,384	42,871
Total recurrent revenue		62,945	76,477
Capital revenue			
Grants, subsidies, contributions and donations	3d(ii)	8,352	7,282
Total capital revenue		8,352	7,282
Other income			
Rental income		553	563
Interest received	4a	201	211
Other income	4b	553	134
Capital income		-	15
Total other income		1,307	923
Total income		72,604	84,682
Expenses			
Recurrent expenses			
Employee benefits	5	10,061	10,231
Materials and services	6	52,271	59,378
Finance costs		390	455
Depreciation and amortisation:			
- Property, plant and equipment	11	10,038	10,188
- Right of use assets	13	73	74
Total recurrent expenses		72,833	80,326
Other expenses			
Capital Expenses	7	2,115	-
Total other expenses		2,115	-
Total expenses		74,948	80,326
Net Result		(2,344)	4,356
Other comprehensive income			
Amounts which will not be reclassified subsequently to the operating result			
Increase / (decrease) in asset revaluation surplus		17,227	1,492
Total other comprehensive income for the year		17,227	1,492
Total comprehensive income for the year		14,883	5,848

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

Statement of Financial Position

as at 30 June 2022

\$ '000	Notes	2022	2021
Assets			
Current assets			
Cash and cash equivalents	8	40,670	36,767
Receivables	9	3,390	4,758
Inventories		717	642
Contract assets	12	5,690	6,037
Other assets	10	508	718
		<u>50,975</u>	<u>48,922</u>
Non-current assets held for sale		501	501
Total current assets		<u>51,476</u>	<u>49,423</u>
Non-current assets			
Receivables	9	91	91
Right of use assets	13	70	143
Property, plant and equipment	11	286,168	270,915
Total non-current assets		<u>286,329</u>	<u>271,149</u>
Total Assets		<u>337,805</u>	<u>320,572</u>
Liabilities			
Current liabilities			
Payables	14	7,802	7,760
Contract liabilities	12	17,070	14,162
Borrowings	15	527	502
Lease liabilities	13	72	78
Provisions	16	1,400	1,102
Other liabilities		100	100
Total current liabilities		<u>26,971</u>	<u>23,704</u>
Non-current liabilities			
Borrowings	15	6,430	6,943
Lease liabilities	13	–	68
Provisions	16	1,098	1,434
Other liabilities		100	100
Total non-current liabilities		<u>7,628</u>	<u>8,545</u>
Total Liabilities		<u>34,599</u>	<u>32,249</u>
Net community assets		<u>303,206</u>	<u>288,323</u>
Community equity			
Asset revaluation surplus		188,907	171,680
Retained surplus		114,299	116,643
Total community equity		<u>303,206</u>	<u>288,323</u>

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

Statement of Changes in Equity

for the year ended 30 June 2022

\$ '000	Notes	Asset revaluation surplus	Retained surplus	Total equity
2022				
Balance as at 1 July		171,680	116,643	288,323
Net result		–	(2,344)	(2,344)
Other comprehensive income for the year				
- Increase/(decrease) in asset revaluation surplus	11	17,227	–	17,227
Other comprehensive income		17,227	–	17,227
Total comprehensive income for the year		17,227	(2,344)	14,883
Balance as at 30 June		188,907	114,299	303,206
2021				
Balance as at 1 July		170,188	112,287	282,475
Net result		–	4,356	4,356
Other comprehensive income for the year				
- Increase/(decrease) in asset revaluation surplus	11	1,492	–	1,492
Other comprehensive income		1,492	–	1,492
Total comprehensive income for the year		1,492	4,356	5,848
Balance as at 30 June		171,680	116,643	288,323

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

Statement of Cash Flows

for the year ended 30 June 2022

\$ '000	Notes	2022	2021
Cash flows from operating activities			
Receipts from customers		32,608	32,503
Payments to suppliers and employees		(68,319)	(70,118)
		<u>(35,711)</u>	<u>(37,615)</u>
Rental income		553	563
Interest and investment revenue received		201	211
Operating grants and contributions		40,098	55,986
Borrowing costs		(390)	(455)
Net cash inflow/(outflow) from operating activities	20	<u>4,751</u>	<u>18,690</u>
Cash flows from investing activities			
Receipts			
Proceeds from sale of financial assets		-	1,000
Proceeds from sale of land held for sale		-	79
Proceeds from sale of property, plant and equipment		1,606	-
Grants, subsidies, contributions and donations		8,352	5,215
Payments			
Payments for land held for sale		-	(50)
Payments for property, plant and equipment		(11,785)	(7,574)
Net cash inflow/(outflow) from investing activities		<u>(286)</u>	<u>(1,330)</u>
Cash flows from financing activities			
Payments			
Repayment of borrowings		(488)	(464)
Repayments made on leases (principal only)		(74)	(71)
Net cash flow inflow/(outflow) from financing activities		<u>(562)</u>	<u>(535)</u>
Net increase/(decrease) in cash and cash equivalents held		<u>3,903</u>	<u>16,825</u>
plus: cash and cash equivalents - beginning		36,767	19,942
Cash and cash equivalents at the end of the financial year	8	<u>40,670</u>	<u>36,767</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 2022

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Carpentaria Shire Council

Notes to the Financial Statements

for the year ended 30 June 2022

Note 1. Information about these financial statements

(a) Basis of preparation

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 2021 to 30 June 2022. They are prepared in accordance with the *Local Government Act 2009* and the *Local Government Regulation 2012*.

Council is a not-for-profit entity for financial reporting purposes and these financial statements comply with Australian Accounting Standards and Interpretations as applicable to not-for-profit entities.

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

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

Council adopted all standards which became mandatorily effective for annual reporting periods beginning on 1 July 2021. None of the standards had 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 2022, these standards have not been adopted by Council and will be included in the financial statements on their effective date. The new standards do not have any material impact on Council financial statements.

(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 11
- Provisions - Note 16
- 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.

Notes to the Financial Statements

for the year ended 30 June 2022

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 2022

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

\$ '000	Gross program income			Gross program expenses		Total income	Capital other	Total expenses	Net result from recurring operations	Net result	Total assets
	Recurring grants	Recurring other	Capital grants	Recurring	Capital						
Functions											
2022											
Governance	7,640	4,780	172	(6,580)	—	12,592	—	(6,580)	5,840	6,012	30,347
Economic	30,121	19,395	7,231	(60,894)	(2,115)	56,747	—	(63,009)	(11,378)	(6,262)	192,940
Environment	218	920	—	(1,476)	—	1,138	—	(1,476)	(338)	(338)	67,714
Social	405	773	949	(3,883)	—	2,127	—	(3,883)	(2,705)	(1,756)	46,804
Total	38,384	25,868	8,352	(72,833)	(2,115)	72,604	—	(74,948)	(8,581)	(2,344)	337,805
2021											
Governance	5,116	4,262	3,203	(5,814)	—	12,581	—	(5,814)	3,564	6,767	49,032
Economic	35,844	25,314	2,794	(62,518)	15	63,967	15	(62,518)	(1,360)	1,449	159,294
Environment	94	4,285	1,015	(4,932)	—	5,394	—	(4,932)	(553)	462	63,271
Social	1,817	653	270	(7,062)	—	2,740	—	(7,062)	(4,592)	(4,322)	48,975
Total	42,871	34,514	7,282	(80,326)	15	84,682	15	(80,326)	(2,941)	4,356	320,572

Notes to the Financial Statements

for the year ended 30 June 2022

Note 3. Revenue

\$ '000	2022	2021
(a) Rates, levies and charges		
Rates, levies and charges are recognised as revenue at the beginning of the rating period to which they relate. Prepaid rates are recognised as a financial liability until the beginning of the rating period.		
General rates	4,615	4,395
Water	1,696	1,643
Water consumption	632	242
Sewerage	1,476	1,585
Waste management	738	703
Total rates and utility charge revenue	9,157	8,568
Less: Discounts	(525)	(826)
Less: Pensioner remissions	(26)	(45)
Less: Rates write-off	(17)	(5)
Total rates, levies and charges	8,589	7,692

(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.

Airport landing fees	181	195
Animal control fees	3	5
Barra hatchery tours	314	456
Building and development fees	35	22
Cemeteries	42	47
Child care	137	117
Gym	41	26
Halls	34	19
Landfill and Waste	68	13
Libraries	1	1
Licences and registrations	6	5
Swimming pool	2	6
Other fees and charges	125	127
Total fees and charges	989	1,039

Notes to the Financial Statements

for the year ended 30 June 2022

Note 3. Revenue (continued)

(c) Sales revenue

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.

\$ '000	2022	2021
Rendering of services		
Road maintenance performance contract (RMPC) works	2,921	2,720
Main roads recoverable works	11,952	22,018
Other works (Barra Hatchery, Boat Ramps, Visitor Information Centre etc)	110	137
Total sales revenue	14,983	24,875

(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.

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, revenue is recognised using either costs or time incurred.

Grant income under AASB 1058

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

Capital grants

Where Council receives funding under an enforceable contract to acquire or construct a specific item of property, plant and equipment which will be under Council's control on completion, revenue is recognised 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.

Donations and Contributions

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

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

Physical assets contributed to council by developers in the form of road works, stormwater, water and wastewater infrastructure and park equipment are recognised as revenue when Council obtains control of the asset and there is sufficient data in the form of drawings and plans to determine the approximate specifications and values of such assets. Non-cash contributions with a value in excess of the recognition thresholds are recognised as non-current assets. Those below the thresholds are recorded as expenses.

Carpentaria Shire Council

Notes to the Financial Statements

for the year ended 30 June 2022

Note 3. Revenue (continued)

\$ '000	2022	2021
(i) Operating		
General purpose grants	7,323	7,201
Donations	4	5
Specific purpose government subsidies and grants	2,098	2,407
Shire roads flood damage (DRFA)	28,959	33,258
Total recurrent grants, subsidies, contributions and donations	38,384	42,871

(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.

Specific purpose government subsidies and grants	8,352	7,282
	<u>8,352</u>	<u>7,282</u>
Total capital grants, subsidies, contributions and donations	8,352	7,282

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

\$ '000	Notes	2022		2021	
		Revenue recognised at a point in time	Revenue recognised over time	Revenue recognised at a point in time	Revenue recognised over time
Grants and subsidies	3d	8,019	38,713	7,201	42,952
Other		4	–	–	–
		<u>8,023</u>	<u>38,713</u>	<u>7,201</u>	<u>42,952</u>

Note 4. Interest and other income

\$ '000	2022	2021
(a) Interest received		
Interest received from bank and term deposits is accrued over the term of the investment.		
Interest from overdue rates and utility charges	71	–
Other interest and investment revenue	130	211
Total interest received	201	211

(b) Other income

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

Other	553	134
Total other income	553	134

Notes to the Financial Statements

for the year ended 30 June 2022

Note 5. Employee benefits

\$ '000	Notes	2022	2021
Employee benefit expenses are recorded when the service has been provided by the employee.			
Wages and salaries		7,419	7,920
Councillors' remuneration		441	436
Annual, sick and long service leave entitlements		1,244	1,161
Superannuation	19	1,022	988
		<u>10,126</u>	<u>10,505</u>
Other employee related expenses		264	79
		<u>10,390</u>	<u>10,584</u>
Less: capitalised employee expenses		(329)	(353)
Total Employee benefits		<u>10,061</u>	<u>10,231</u>

Total Council employees at the reporting date:

Elected members	7	7
Administration staff	27	35
Depot and outdoors staff	66	50
Total full time equivalent employees	<u>100</u>	<u>92</u>

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

Note 6. Materials and services

\$ '000	2022	2021
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*	97	95
Donations paid	116	55
Airport operations	283	201
Child care centre operations	60	247
Community services	968	889
Council road works	729	362
Flood damage maintenance works	28,470	34,540
Pest management	325	142
Public facilities	711	1,461
Quarry expenses	7	55
Recoverable Works	14,157	15,724
Sewerage operations	1,288	528
Tourism	471	569
Waste operations	767	292
Water operations	731	782
Other materials and services	3,091	3,436
Total materials and services	<u>52,271</u>	<u>59,378</u>

*Total audit fees quoted by the Queensland Audit Office relating to the 2021-22 financial statements are \$61,890 (2021: \$96,800).

Notes to the Financial Statements

for the year ended 30 June 2022

Note 7. Capital expenses

\$ '000	Notes	2022	2021
Loss on disposal of non-current assets			
Proceeds from the disposal of property, plant and equipment		1,606	–
Less: carrying value of disposed property, plant and equipment	11	(3,721)	–
Loss on disposal of non-current assets		2,115	–

Note 8. Cash and cash equivalents

\$ '000	2022	2021
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, and which are subject to an insignificant risk of changes in value.		
Cash and cash equivalents		
Cash at bank and on hand	3,256	1,029
Deposits at call	37,414	35,738
Balance per Statement of Financial Position	40,670	36,767
Balance per Statement of Cashflows	40,670	36,767

Restricted and internally allocated cash and cash equivalents

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

Cash and cash equivalents	40,670	36,767
Less: Externally imposed restrictions on cash	(17,070)	(14,162)
Unrestricted cash	23,600	22,605

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	17,070	14,162
Total externally imposed restrictions on cash assets	17,070	14,162
Total unspent restricted cash	17,070	14,162

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.

Notes to the Financial Statements

for the year ended 30 June 2022

Note 8. Cash and cash equivalents (continued)

\$ '000	2022	2021
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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	132	125
	132	125

Note 9. 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.

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.

\$ '000	2022	2021
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Current

Rates, levies and charges	913	752
Trade debtors	2,483	4,013
Loans and advances to community organisations	8	39
Total	3,404	4,804

Less: Loss Allowance

	(14)	(46)
Total current receivables	3,390	4,758

Non-current

Loans and advances to community organisations	91	91
Total	91	91

Total non-current receivables

	91	91
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Accounting policies

When Council has no reasonable expectation of recovering an amount owed by a debtor, and has ceased enforcement activity, the debt is written-off by directly reducing the receivable against the loss allowance. If the amount of debt written off exceeds the loss allowance, the excess is recognised as an impairment loss.

Accounting for impairment losses is dependent upon the individual group of receivables subject to impairment. The loss allowance for grouped receivables reflects lifetime expected credit losses and incorporates reasonable and supportable forward-looking information. Economic changes impacting debtors, and relevant industry data form part of the impairment assessment.

Notes to the Financial Statements

for the year ended 30 June 2022

Note 9. Receivables (continued)

Council has identified 4 groupings of its receivables: Rates, levies and charges, grants, trade debtors and loans and advance to community organisations.

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

Grants: payable by State and Commonwealth governments and their agencies. A credit enhancement exists as these payments are effectively government guaranteed and both the state and Commonwealth governments have high credit ratings, accordingly Carpentaria Shire Council determines the level of credit risk exposure to be immaterial and therefore does not record an Expected Credit Loss for these counterparties.

Loans and advances to community organisations: Loans relate to advances made to various sporting bodies. These loans arise from time to time and are subject to negotiated interest rates which are below market rates. The credit risk on these loans is considered low. The loans in place are at call.

Trade debtors: Council has applied the simplified approach for trade receivables and contract assets and the loss allowance is measured at an amount equal to lifetime expected credit losses.

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	2022	2021
Rates, levies and charges	913	752
State and Commonwealth Government	2,393	3,623
Community organisations	99	130
Other Trade Debtors	90	390
Total	3,495	4,895

Movement in accumulated impairment losses is as follows:

Opening balance at 1 July	(46)	(10)
Less: Debts written off during the year	–	(36)
Add: Impairment during the year	32	–
Balance at the end of the year, 30 June	(14)	(46)

Note 10. Other assets

\$ '000	2022	2021
Current		
Water charges not yet levied	508	245
GST recoverable	–	473
Total current other assets	508	718

Notes to the Financial Statements

for the year ended 30 June 2022

Note 11. 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	Fair Value		
2022																		
Measurement basis																		
Opening gross balance	3,626	4,361	47,863	16,020	211,090	75,577	25,332	26,309	410,178									
Additions*	11,785	—	—	—	—	—	—	—	11,785									
Disposals	—	—	(787)	(4,597)	(3,486)	—	—	—	(8,870)									
Revaluation increments to equity (ARS)	—	35	4,574	—	12,264	5,640	2,247	2,561	27,321									
Transfers between classes	(13,736)	—	863	1,599	7,306	3,602	11	355	—									
Total gross value of property, plant and equipment	1,675	4,396	52,513	13,022	227,174	84,819	27,590	29,225	440,414									
Opening accumulated depreciation and impairment	—	—	20,527	9,289	60,434	30,932	8,912	9,169	139,263									
Depreciation expense	—	—	1,935	935	4,570	1,129	444	1,025	10,038									
Disposals	—	—	(746)	(3,412)	(1,009)	—	—	18	(5,149)									
Revaluation increments to equity (ARS)	—	—	2,107	—	3,719	2,425	853	990	10,094									
Total accumulated depreciation and impairment property, plant and equipment	—	—	23,823	6,812	67,714	34,486	10,209	11,202	154,246									
Total net book value of property, plant and equipment	1,675	4,396	28,690	6,210	159,460	50,333	17,381	18,023	286,168									
Other information																		
Range of estimated useful life (years)		Land not depreciated	10-100	2-40	10-1000	5-80	5-100	5-150	—									
* Asset additions comprise																		
Asset renewals	—	—	49	17	4,551	881	6	87	5,591									
Other additions	—	—	390	1,603	2,146	714	—	1,341	6,194									
Total asset additions	—	—	439	1,620	6,697	1,595	6	1,428	11,785									

Carpentaria Shire Council

Notes to the Financial Statements

for the year ended 30 June 2022

Note 11. 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
	Cost	Fair Value	Fair Value	Cost	Fair Value	Fair Value	Cost	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	
2021																	
Measurement basis	Cost	Fair Value	Fair Value	Cost	Fair Value	Fair Value	Cost	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	—
Opening gross balance	6,061	4,361	45,401	16,002	45,401	16,002	204,735	73,963	25,245	24,750	400,518	7,574	(4)	2,090	—	—	—
Additions*	7,574	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Disposals	(4)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Revaluation increments to equity (ARS)	—	—	—	—	—	—	2,090	—	—	—	—	—	—	—	—	—	2,090
Transfers between classes	(10,005)	—	2,462	18	2,462	18	4,265	1,614	87	1,559	—	—	—	—	—	—	—
Total gross value of property, plant and equipment	3,626	4,361	47,863	16,020	47,863	16,020	211,090	75,577	25,332	26,309	410,178	7,574	(4)	2,090	—	—	—
Opening accumulated depreciation and impairment	—	—	18,522	8,253	18,522	8,253	55,306	29,803	8,461	8,132	128,477	1,129	—	—	—	—	—
Depreciation expense	—	—	2,005	1,036	2,005	1,036	4,530	451	—	—	10,188	—	—	—	—	—	—
Disposals	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Revaluation increments to equity (ARS)	—	—	—	—	—	—	598	—	—	—	—	—	—	—	—	—	598
Total accumulated depreciation and impairment property, plant and equipment	—	—	20,527	9,289	20,527	9,289	60,434	30,932	8,912	9,169	139,263	1,134	—	87	—	—	—
Total net book value of property, plant and equipment	3,626	4,361	27,336	6,731	27,336	6,731	150,656	44,645	16,420	17,140	270,915	6,440	(4)	2,003	—	—	—
Other information																	
Range of estimated useful life (years)		Land not depreciated	10-100	2-40	10-100	2-40	10-1000	5-80	5-80	5-150	5-80	5-80	5-80	5-80	5-150	5-150	—
*Asset additions comprise																	
Asset renewals	—	—	110	—	110	—	87	326	114	327	964	—	—	—	—	—	—
Other additions	—	11	543	20	543	20	2,664	2,238	—	1,134	6,610	—	—	—	—	—	—
Total asset additions	—	11	653	20	653	20	2,751	2,564	114	1,461	7,574	—	—	—	—	—	—

Notes to the Financial Statements

for the year ended 30 June 2022

Note 11. Property, plant and equipment (continued)

(a) Recognition

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

Key judgement and estimates:

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.

(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.

Carpentaria Shire Council

Notes to the Financial Statements

for the year ended 30 June 2022

Note 11. 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 adjustments where these are materially different. Council performs a full comprehensive revaluation by engaging an external professionally qualified valuer at least once every 5 years or where required.

In the intervening years, Council undertakes:

- Management valuation using internal engineers and external valuer 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 2022

Note 11. Property, plant and equipment (continued)

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

Asset class and fair value hierarchy	Valuation approach	Last comprehensive valuation date	Valuer engaged	Index applied (change in index recognised this year)	Other interim revaluation adjustment
Land and Improvements (level 2) - \$3,925,200 (2021: \$3,890,900)	Market value	30/06/2019	AssetVal Pty Ltd Group	Land was assessed by the valuer with individual indices being applied for each asset depending on the allotment's location and use/zoning. A 3% index is applied to some specific assets only.	N/A

Key assumptions and estimates (related data sources)

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.

Land and Improvements (level 3) - \$470,000 (2021: \$470,000)	Market value	30/06/2019	AssetVal Pty Ltd Group	Land was assessed by the valuer with individual indices being applied for each asset depending on the allotment's location and use/zoning. A 3% index is applied to some specific assets only.	N/A
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Key assumptions and estimates (related data sources)

Utilised for footpath or access restriction purposes, land that is a volumetric title, or due to its general characteristics has no observable active market.

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.

Buildings (level 2) - \$6,593,303 (2021:\$6,239,832)	Market value	30/06/2019	AssetVal Pty Ltd Group	The index applied for Buildings is at 9.7% as of 30 June 2022. This is based on observation on data from Costweb across five sectors (Offices, Residential, Education, Industrial and Car Parks)	N/A
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Notes to the Financial Statements

for the year ended 30 June 2022

Note 11. Property, plant and equipment (continued)

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

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.

Buildings (level 3) - \$21,949,833 (2021: \$21,095,955)	Current replacement cost	30/06/2019	AssetVal Pty Ltd Group	The index applied for Buildings is at 9.7% as of 30 June 2022. This is based on observation on data from Costweb across five sectors (Offices, Residential, Education, Industrial and Car Parks)	N/A
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Key assumptions and estimates (related data sources)

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.

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.

Road Drainage and Bridge Network	Current replacement cost	30/06/2021	AssetVal Pty Ltd Group	The index applied for Roads, Drainage and Bridge Network ranges from 5% to 6.2%. This was sourced from the Australian Bureau of Statistics (ABS) producer price indices March 2022 quarter. A linear extrapolation was used in order to determine the June quarterly indices. The index is developed by analysing the road and bridge construction index Queensland from the Australian Bureau of Statistics.	N/A
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Notes to the Financial Statements

for the year ended 30 June 2022

Note 11. Property, plant and equipment (continued)

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

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).

- 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.

Road asset 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	Current replacement cost	30/06/2020	AssetVal Pty Ltd Group	The index applied for Water Infrastructure assets ranges from 6.6% to 12.6%. This was sourced from the Australian Bureau of Statistics (ABS) producer price indices March 2022 quarter. A linear extrapolation was used in order to determine the June quarterly indices.	N/A
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Key assumptions and estimates (related data sources)

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.

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 2022

Note 11. Property, plant and equipment (continued)

Asset class and fair value hierarchy	Valuation approach	Last comprehensive valuation date	Valuer engaged	Index applied (change in index recognised this year)	Other interim revaluation adjustment
Sewerage	Current replacement cost	30/06/2020	AssetVal Pty Ltd Group	The index applied for Sewerage Infrastructure assets ranges from 6.6% to 12.6%. This was sourced from the Australian Bureau of Statistics (ABS) producer price indices March 2022 quarter. A linear extrapolation was used in order to determine the June quarterly indices.	N/A

Key assumptions and estimates (related data sources)

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.

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.

Other Infrastructure Assets	Current replacement cost	30/06/2019	AssetVal Pty Ltd Group	The index applied for Other Infrastructure Assets ranges from 0% to 9.70% as of 30 June 2022. This is based on observation on data from Costweb across five sectors (Offices, Residential, Education, Industrial and Car Parks)	N/A
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Key assumptions and estimates (related data sources)

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.

Notes to the Financial Statements

for the year ended 30 June 2022

Note 11. Property, plant and equipment (continued)

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.

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

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

Notes to the Financial Statements

for the year ended 30 June 2022

Note 11. Property, plant and equipment (continued)

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 valuers 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 Greenfields 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 2022

Note 12. 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	2022	2021
(a) Contract assets		
Contract assets	5,690	6,037
Total current contract assets	5,690	6,037

(b) Contract liabilities**Current**

Funds received upfront to construct Council controlled assets	2,410	1,551
Non-capital performance obligations not yet satisfied	14,660	12,611
Total current contract liabilities	17,070	14,162

Contract liabilities consist of funding received in advance for maintenance and restoration of road, sewerage, building improvements and signages.

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

Funds to construct Council controlled assets	1,499	1,001
Non-capital performance obligations	11,408	4,354
Total revenue included in the contract liability	12,907	5,355

(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 2022

Note 13. Leases

Council as a lessee

Council has leases in place over plant and equipment.

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 purposes:

- 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
Right of use assets		
2022		
Opening balance at 1 July	143	143
Additions to right-of-use assets	–	–
Adjustments to right-of-use assets due to re-measurement of lease liability	–	–
Depreciation charge	(73)	(73)
Balance at 30 June	70	70
2021		
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)
Balance at 30 June	143	143

Notes to the Financial Statements

for the year ended 30 June 2022

Note 13. Leases (continued)

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
2022					
Lease - plant & equipment	71	–	–	71	72
2021					
Lease - plant & equipment	78	72	–	150	146

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	2022	2021
Interest on lease liabilities	3	7
Depreciation on right of use asset	73	74
Expenses relating to short-term leases	2,194	2,642
Net expense relating to leases	2,270	2,723

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	2022	2021
Operating lease	(2,198)	(2,720)
Total cash inflows/(outflows) for leases	(2,198)	(2,720)

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.

Notes to the Financial Statements

for the year ended 30 June 2022

Note 13. Leases (continued)

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:

	2022 \$'000	2021 \$'000
Not later than one year	53	73
Between one and five years	112	236
Later than five years	116	212
	280	521

Note 14. Payables

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.

\$ '000	2022	2021
Current		
Creditors and accruals	7,266	7,632
Prepaid rates	84	126
ATO - net GST payable	404	-
Other	48	2
Total current payables	7,802	7,760

Note 15. 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

Notes to the Financial Statements

for the year ended 30 June 2022

Note 15. Borrowings

\$ '000	2022	2021
Current		
Loans - QTC	527	502
Total current borrowings	527	502
Non-current		
Loans - QTC	6,430	6,943
Total non-current borrowings	6,430	6,943

Reconciliation of Loan Movements for the year

Loans - Queensland Treasury Corporation

Opening balance at beginning of financial year	7,445	7,909
Principal repayments	(488)	(464)
Book value at end of financial year	6,957	7,445

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 \$7,140,371. 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:

	0 to 1 year \$'000	1 to 5 years \$'000	Over 5 years \$'000	Total contractual cash flows \$'000	Carrying
2022					
Loans - QTC	842	3,369	4,726	8,937	6,956
2021					
Loans - QTC	842	3,367	5,569	9,779	7,445

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 2022 or 2021 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.

Notes to the Financial Statements

for the year ended 30 June 2022

Note 16. Provisions

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

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

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 \$947,141 (2021:\$984,171) 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 \$1,054,545 (2021:\$994,854)

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.

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	2022	2021
Current		
Annual leave	781	770
Long service leave	508	209
Sick leave	59	78
Other employee entitlements	31	35
Sub total - aggregate employee benefits	1,379	1,092
Refuse restoration	21	10
Total current provisions	1,400	1,102
Non-current		
Long service leave	172	460
Sub total - aggregate employee benefits	172	460
Refuse restoration	926	974
Total non-current provisions	1,098	1,434

Notes to the Financial Statements

for the year ended 30 June 2022

Note 16. Provisions (continued)

\$ '000	2022	2021
Refuse restoration		
Balance at beginning of financial year	984	1,212
Increase/(decrease) in provision due to unwinding of discount	–	19
Increase/(decrease) in provision due to unwinding of discounts and change in estimate	(37)	(247)
Balance at end of financial year	947	984

Note 17. Commitments for expenditure

\$ '000	2022	2021
(a) Contractual commitments		
Contractual commitments at end of financial year but not recognised in the financial statements are as follows:		
Flood damage works	4,680	944
Other operating expenditures	388	–
	5,068	944

(b) Capital Commitments

Commitment for the construction of the following assets contracted for at the reporting date but not recognised as liabilities:**Property, plant and equipment**

Water assets	28	50
Plant and equipment	91	935
Others	554	160
Total commitments	673	1,145

These expenditures are payable as follows:

Within one year	673	1,145
Total payable	673	1,145

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 2021 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 \$239,646.94.

Notes to the Financial Statements

for the year ended 30 June 2022

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	2022	2021
Other superannuation contributions for employees		1,022	988
Total superannuation contributions paid by Council for employees	5	1,022	988

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

\$ '000	2022	2021
Net result	(2,344)	4,356
Non-cash items		
Depreciation and amortisation	10,111	10,262
	<u>10,111</u>	<u>10,262</u>
Investing and development activities (non-cash):		
Net (profit)/loss on disposal of assets	2,115	–
Capital grants and contributions	(9,893)	(7,282)
Gain on sale of land held for sale	–	(52)
	<u>(7,778)</u>	<u>(7,334)</u>
Changes in operating assets and liabilities:		
(Increase)/decrease in receivables	1,400	(1,522)
Increase/(decrease) in loss allowance	(32)	35
(Increase)/decrease in inventories	(75)	(29)
(Increase)/decrease in contract assets	347	5,185
(Increase)/decrease in other assets	210	281
Increase/(decrease) in payables	(366)	230
Increase/(decrease) in contract liabilities	2,908	7,934
Increase/(decrease) in employee leave entitlements	(1)	(280)
Increase/(decrease) in other provisions	(37)	(228)
Increase/(decrease) in other liabilities	408	(200)
	<u>4,762</u>	<u>11,406</u>
Net cash inflow from operating activities	4,751	18,690

Notes to the Financial Statements

for the year ended 30 June 2022

Note 21. Reconciliation of liabilities arising from financing activities

\$ '000	as at 30/06/21		Non-cash changes (new leases)	as at 30/06/22
	Opening Balance	Cashflows		Closing balance
Borrowings	7,445	(488)	–	6,957
Lease liabilities	146	(74)	–	72
	<u>7,591</u>	<u>(562)</u>	<u>–</u>	<u>7,029</u>

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

Note 22. Events after the reporting period

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 23. 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.

\$ '000	2022	2021
The compensation paid to key management personnel comprises:		
Short-term employee benefits	1,024	1,051
Post-employment benefits	119	113
Long-term benefits	12	5
Total	<u>1,155</u>	<u>1,169</u>

(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 2022

Note 23. Transactions with related parties (continued)

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

	Additional information	2022	2021
		\$'000	\$'000
Purchase of materials and services from entities controlled by KMP	24(b)(i)	12,666	10,787
Employee expenses for close family members of KMP	24(b)(ii)	483	338
Total		13,149	11,125

(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:

	2022	2021
	\$'000	\$'000
Contracting services (machinery hire and trade services)	11,553	9,025
Goods/services	1,113	1,762
Total	12,666	10,787

(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 100 (2021: 92) full-time equivalent employees of which only 4 (2021: 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 and Bradley Hawkins 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 and Bradley Hawkins 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 2022, Council had outstanding payables to related entities of \$1,684,531 (2021: \$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.

Carpentaria Shire Council

General Purpose Financial Statements
for the year ended 30 June 2022

Management Certificate
for the year ended 30 June 2022

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

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

- i. the prescribed requirements of the *Local Government Act 2009* and *Local Government Regulation 2012* for the establishment and keeping of accounts have been complied with in all material respects; and
- ii. the General Purpose Financial Statements, as set out on pages 2 to 36, 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: 28 / 10 / 22



Chief Executive Officer

Mark Crawley

Date: 28 / 10 / 22

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 2022, and of its financial performance and cash flows for the year then ended
- b) complies with the *Local Government Act 2009*, the Local Government Regulation 2012 and Australian Accounting Standards.

The financial report comprises the statement of financial position as at 30 June 2022, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including significant accounting policies and other explanatory information, and the certificate given by the Mayor and Chief Executive Officer.

Basis for opinion

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

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

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

Other information

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

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

The councillors are responsible for the other information.

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

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

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

Responsibilities of the councillors for the financial report

The councillors are responsible for the preparation of the financial report that gives a true and fair view in accordance with the *Local Government Act 2009*, the *Local Government Regulation 2012* and Australian Accounting Standards, and for such internal control as the councillors 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 2022:

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

Prescribed requirements scope

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



Michael Claydon
as delegate of the Auditor-General

31 October 2022

Queensland Audit Office
Brisbane

General Purpose Financial Statements

for the year ended 30 June 2022

Current Year Financial Sustainability Statement

	Actual 2022	Target 2022
Measures of financial sustainability		
1. Operating surplus ratio		
Net result (excluding capital items)		
Total operating revenue (excluding capital items)	(13.36)%	0% - 10%
2. Asset sustainability ratio		
Capital expenditure on the replacement of assets (renewals)		
Depreciation expense	61.23%	> 90.00%
3. Net financial liabilities ratio		
Total liabilities less current assets		
Total operating revenue (excluding capital items)	(26.27)%	< 60.00%

Note 1 - basis of preparation

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

Carpentaria Shire Council

General Purpose Financial Statements

for the year ended 30 June 2022

Certificate of Accuracy

Certificate of Accuracy

for the year ended 30 June 2022

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: 28 / 10 / 22



Chief Executive Officer
Mark Crawley

Date: 28 / 10 / 22

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 2022, comprising the statement, explanatory notes, and the certificate of accuracy given by the Mayor and the Chief Executive Officer.

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

Basis of opinion

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

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

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

Emphasis of matter – basis of accounting

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

Other Information

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

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

The councillors are responsible for the other information.

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

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

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

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

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

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

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

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

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

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

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

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



Michael Claydon
as delegate of the Auditor-General

31 October 2022

Queensland Audit Office
Brisbane

General Purpose Financial Statements

for the year ended 30 June 2022

Unaudited Long Term Financial Sustainability Statement

	Target 2022	Actual 2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Measures of financial sustainability												
1. Operating surplus ratio												
Net result (excluding capital items)			(8.90)%	(8.00)%	(7.20)%	(6.60)%	(6.90)%	(7.20)%	(7.50)%	(6.70)%	(6.90)%	(7.10)%
Total operating revenue (excluding capital items)	0% - 10%	(13.36)%	(8.90)%	(8.00)%	(7.20)%	(6.60)%	(6.90)%	(7.20)%	(7.50)%	(6.70)%	(6.90)%	(7.10)%
2. Asset sustainability ratio												
Capital expenditure on the replacement of assets (renewals)	> 90.00%	61.23%	39.80%	92.40%	88.60%	88.80%	88.70%	88.20%	87.60%	94.70%	95.30%	95.70%
Depreciation expense												
3. Net financial liabilities ratio												
Total liabilities less current assets	< 60.00%	(26.27)%	(25.30)%	(25.90)%	(27.60)%	(30.00)%	(32.10)%	(34.00)%	(35.60)%	(36.90)%	(37.80)%	(38.50)%
Total operating revenue (excluding capital items)												

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.

Carpentaria Shire Council

General Purpose Financial Statements for the year ended 30 June 2022

Certificate of Accuracy - Long Term Financial Sustainability Statement

Certificate of Accuracy

for the long-term financial sustainability statement prepared as at 30 June 2022

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: 28 / 10 / 22



Chief Executive Officer

Mark Crawley

Date: 28 / 10 / 22







CARPENTARIA SHIRE
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