



FLINDERS SHIRE COUNCIL

Annual Report 2021-2022

Adopted: 15 November 2022
Resolution Number: 3618

Discovery • Opportunity • Lifestyle



Annual Report 2021-2022

TRIM Ref: SF22/258 R22/9406

Page 2 of 33

TABLE OF CONTENTS

OUR ANNUAL REPORT	4
PERFORMANCE SUMMARY	4
VISION, MISSION, VALUES AND GUIDING PRINCIPLES	5
Our Vision	5
Our Mission	5
Our Values	5
Our Guiding Principles	5
OUR SHIRE	6
Acknowledgements	6
Introduction	6
Statistics	7
OUR COUNCIL	7
Organisational Structure	7
Executive Management Team (EMT)	7
Elected Members	7
Councillor Portfolios and Committees	9
MESSAGE FROM THE MAYOR AND CHIEF EXECUTIVE OFFICER	12
BENEFICIAL ENTERPRISES AND BUSINESS ACTIVITIES	16
Beneficial Enterprises	16
Significant Business Activities	16
SENIOR STAFF REMUNERATION	16
GENERAL PURPOSE FINANCIAL STATEMENTS	16
COMMUNITY FINANCIAL REPORT	17
Revenue	17
Expenses	18
The Statement of Financial Position	18
Assets	18
Liabilities	19
The Statement of Changes in Equity	20
The Statement of Cash Flows	20
Financial Ratios	20
The Operating Surplus Ratio	20
Net Result (excluding Capital items)	20
Asset Sustainability Ratio	21
Capital Expenditure on the replacement of Assets (Renewals)	21
Net Financial Liabilities Ratio	22
Total Liabilities less Current Assets	22
PRATICULAR RESOLUTIONS	23
Expenses Reimbursement Policy	23
Asset Accounting	23

Annual Report 2021-2022

TRIM Ref: SF22/258 R22/9406

Page 3 of 33



SHIRE OF FLINDERS

Discovery • Opportunity • Lifestyle

COUNCILLORS.....	23
Remuneration Schedule.....	23
Councillor Remuneration, Meeting Attendance, Expenses and Facilities	24
Conduct and Performance of Councillors	25
ADMINISTRATIVE ACTION COMPLAINTS	26
OVERSEAS TRAVEL	26
EXPENDITURE ON GRANTS TO COMMUNITY ORGANISATIONS	26
Councillor's Discretionary Fund.....	26
Regional Arts Development Fund*	27
Community Grant - Facility and Equipment	27
Community Sponsorship – Event Support.....	28
Quick Response Stream - Donations	29
Quick Response Stream – Contribution for Sporting Excellence	30
Shopfront Improvement Stream	30
In-Kind Support.....	30
OTHER CONTENTS	30
Corporate and Operational Plans.....	30
Commercial Business	31
Joint Government Activities.....	31
Details of Special Rates and Charges.....	31
Contracts	31
Registers and Public Documents	31
Concessions for Rates and Charges Granted by Council.....	33
Internal Audit.....	33
Competitive Neutrality	33
ATTACHMENTS.....	33
Annual Financial Statements.....	33

OUR ANNUAL REPORT

This introductory session of the 2021-2022 Annual report outline information about the Flinders Shire Council and the Shire. It gives summary to our operational and financial performance for the 2021-2022 financial year.

The Annual Report details our performance during the financial year of 2021-2022 in meeting the strategic priorities outlines in our Corporate Plan 2019-2024 and our Long Term Financial Plan.

This information is relevant to the Flinders Shire residents, ratepayers, local businesses owners, potential investors, community groups, government agencies, funding bodies, current and potential staff.

PERFORMANCE SUMMARY

We are reporting according to Flinders Shire Council's Corporate Plan 2019-2024, which focuses on 6 Guiding Principles. Our Corporate Plan identifies our Councillor's long term vision and priority areas over a five year period.

We deliver on our priorities by implementing our Annual Operational Plan, which includes key projects and measures that directly respond to the priority areas from the Corporate Plan.

We focus on developing meaningful performance measures in all areas and creating key performance indicators at the organisational level. This will continue over the coming years as we strive to continuously improve both our internal and external reporting processes and accountability.

A performance against our 2021-2022 Operational Plan is measured against project milestones and targets set at the beginning of the financial year. The performance is reported to Council and the community on a quarterly basis.

Council produces a quarterly Operational Plan Performance Report, which provides a more detailed analysis of our performance and identifies progress on projects and performance against KPIs during the financial year.

VISION, MISSION, VALUES AND GUIDING PRINCIPLES

Our Vision

Flinders Shire – a place of discovery, opportunity and lifestyle

Our Mission

To promote quality of life through leadership, attitude and respect

Our Values

- A Caring Philosophy
- Pursuit of Excellence
- Teamwork
- Local Ownership
- Communication
- Leadership
- Recognition

Our Guiding Principles

At Flinders Shire we are committed to making decisions responsibly and sustainably acting with integrity, honesty and respect.

Our Environment – We will provide stewardship to maintain, protect and enhance our natural environment whilst supporting new and existing industries.

Our Resources – We will encourage sustainable resource utilisation by providing support to businesses and their associated industries.

Our Community – We will work with our community to provide an appealing lifestyle with the available resources to build a healthy, happy and caring community.

Our Economy – We will approach all business aspects of the Shire in a manner that promotes growth and sustainability to achieve the best possible outcome.

Our Infrastructure – We will aim to continuously improve products, services and processes through sustainable management of Council's core assets.

Our Governance – We will work as a team and act with pride, accountability, transparency and integrity to deliver services to our residents.

OUR SHIRE

Acknowledgements

We acknowledge the:

- Traditional Owners and custodians the Yirandali people of the land within the Flinders Shire Council local government area and we pay respect to their Elders past, present and emerging.
- Employees within the Flinders Shire Council teams who help us to continue to improve our Shire. We appreciate the value of our employees and would like to thank them for their service.
- Many volunteers within our community who so generously give their own time and energy to enrich the lives of those around them, and make our region a great place to live and visit.

Introduction

Flinders Shire is situated approximately half way between the cities of Townsville and Mount Isa and is named after Queensland's longest river – the Flinders River. The Flinders Shire is divided by the Flinders Highway – now known as the popular tourist drive “The Overlander’s Way”. The Flinders Highway runs east and west through the Kennedy Developmental Road – which runs north and south through the Flinders Shire. Encompassing the townships of Hughenden, Prairie, Torrens Creek and Stamford, Flinders Shire has become a major hub for transport and travellers alike. Hughenden is the main centre, situated on the Flinders River, 386km west of Townsville and 519km east of Mount Isa in north western Queensland.

As at the 2021 Census the Flinders Shire has a population of 1,500 residents. Its main industries are cattle and sheep grazing, tourism and renewable energy. The Shire has three prominent geological features: Porcupine Gorge in the north, Flinders River which winds from the White Mountains which are in the north-east through to the west of the Shire, and the Great Inland Sea. Hughenden is the centre of “Dinosaur Country”. Prehistoric finds include the great Muttaborrasaurus, Hughenden Sauropod and the Queensland Pterosaur, as well as many ammonites, molluscs and sharks teeth dating back to the Cretaceous era.

The Flinders shire includes a variety of diverse landscapes, with basalt caps and gorges to the north, desert country to the south-east and open flat black soil plains to the south and west. The Shire has four different bio-regions with ever-changing ecosystems including the Desert Uplands, Einasleigh Uplands, Mitchell Grass Downs and a small portion of Gulf Plains.

Major events held in the Flinders Shire include the Annual Hughenden Agricultural Show, Hughenden Country Music Festival, Hughenden Camp Draft, Porcupine Gorge Challenge, Hughenden Races, Rugby 7s Carnival as well as country race meetings held annually at Stamford, Prairie and Kooroorinya Falls Nature Reserve.

A total of 27,467 visitors came through Flinders Discovery Centre from July 2021 to June 2022, an 11 per cent increase on the previous year and a huge 42 per cent increase on 2019-2020 during the travel restrictions of the COVID-19 pandemic.

However, prior to the pandemic, Flinders Discovery Centre saw an average of 21,100 visitors each year from 2014 to 2019, meaning an extra 6,500 people visited the region in 2021-2022 compared to pre-COVID data.

Annual Report 2021-2022

TRIM Ref: SF22/258 R22/9406

Page 7 of 33



SHIRE OF FLINDERS

Discovery • Opportunity • Lifestyle

Statistics

General		Shire Controlled Roads		State Controlled Roads	
Land Area	41,199.2km ²	Sealed – Rural	125.23km	Sealed	555.97km
Population (2021 Census)	1,500	Sealed – Urban	32.05km	Gravelled	173.79km
Metres above sea level	324m	Gravelled – Urban	7.71km	Total	729.75km
Rateable Valuation	\$348,865,400	Gravelled – Rural	1760.17km		
Net Rate Revenue (excluding other levies and charges)	\$2,378,041	Total	1925.16km		
Total Income	\$52,094,013				
Total Expenses (includes Capital Expenses)	\$42,387,262				

OUR COUNCIL

Organisational Structure

Local government comprises two groups of people:

- Councillors who are elected by the community to represent them and make decisions on behalf of the community;
- Employees who are responsible for implementing those decisions.

Executive Management Team (EMT)

The Chief Executive Officer (CEO) has an overall responsibility for the management of Council's operations to ensure Council objectives are met. Together with the CEO, three Directors form the executive management team to oversee and manage the operations of the organisation and provide councillors with information and advice to facilitate statutory and strategic policy decisions.

Members of the executive management team attend each Council meeting, as do other officers if required to provide additional information or clarification for Council meeting agenda reports.

Each of the directorates includes service managers, team coordinators and team leaders who have responsibility for implementing policies and directions through their respective teams.

Elected Members

Flinders Shire Council comprising of the Mayor and 6 councillors elected to serve a four year term.

The elected body is responsible for the planning for the future of their communities and developing corporate strategic strategies and policies to achieve those plans.

Council has a duty to ensure the system of local government is accountable, effective, efficient and sustainable in accordance with the principles under the *Local Government Act (section 4(2))*.

The local government principles are:

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

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

Role of Councillors

All councillors, including the mayor, have the same responsibilities, but the mayor has some additional responsibilities. The responsibilities of councillors include:

- ensuring the local government discharges its responsibilities under the LGA, achieves its corporate plan and complies with all applicable laws
- providing high-quality leadership to the local government and the community
- participating in local government meetings, policy development and decision making for the benefit of the local government area
- being accountable to the community for the local government's performance.

Role of the Mayor

In addition to the responsibilities of all councillors, the mayor has responsibilities of:

- leading and managing meetings as chairperson, including managing the conduct of participants at the meetings
- leading, managing and providing strategic direction to the CEO to achieve the high-quality administration of the local government
- directing the CEO in accordance with a resolution, or a document adopted by resolution, of the local government
- conducting a performance appraisal of the CEO at least annually, in the way decided by the local government
- ensuring the Minister promptly receives requested information from the local government
- being a member of each local government standing committee
- representing the local government at ceremonial or civic events.

Annual Report 2021-2022

TRIM Ref: SF22/258 R22/9406

Page 9 of 33



SHIRE OF FLINDERS

Discovery • Opportunity • Lifestyle

Councillor Portfolios and Committees

MAYOR JANE MCNAMARA

Email: mayor@flinders.qld.gov.au

Mobile: 0429 417 115



Working Groups:

- Audit Committee (**Ex-officio**)
- Plant Committee
- Water and Major Projects Working Group (**Chair**)

Advisory Groups:

- Mount Isa Townsville Economic Zone (MITEZ)
- North West & Gulf Regional Roads Group (NWQRRTG)
- North West Queensland & Regional Organisation of Councils (NWQROC)
- North West Outback Queensland Tourism Authority Group (NWOQTA) Overlanders Way & Australia Dinosaur Trail (ADT)
- Hughenden District Community Advisory Network (CAN) (**Chair**)
- Hughenden Chamber of Commerce

Boards & Committees:

- IQ-RAP - Vice Chair
- National Australia Day Council - Board Member
- LGAQ – District No. 11 (North West) representative on the Association's Policy Executive for 2020-2024
- LNP Local Government Policy Committee Member
- LNP Northern Development Policy Committee Member
- North West Animal Industries Recovery Working Group (NWAIR)
- Wild Dog Project Advisory Group (PAG)

DEPUTY MAYOR KIM (CLANCY) MIDDLETON

Email: deputymayor@flinders.qld.gov.au

Mobile: 0427 411 281



Working Groups:

- Audit Committee
- Plant Committee
- Infrastructure and Services Working Group (**Chair**)

Advisory Groups:

- Mount Isa Townsville Economic Zone (MITEZ)
- North West & Gulf Regional Roads Group (NWQRRTG)
- North West Queensland Regional Organisation of Councils (NWQROC)

Annual Report 2021-2022

TRIM Ref: SF22/258 R22/9406

Page 10 of 33



SHIRE OF FLINDERS

Discovery • Opportunity • Lifestyle

COUNCILLOR KELLY CARTER

Email: Cr.carter@flinders.qld.gov.au

Mobile: 0429 411 689



Working Groups:

- Community Services and Wellbeing Working Group (**Chair**)

Advisory Groups:

- North West Outback Queensland Tourism Authority Group (NWOQTA)
- Overlanders Way & Australia Dinosaur Trail (ADT)
- North Queensland Games Foundation
- Regional Arts & Development Fund (RADF)
- Hughenden Chamber of Commerce
- Hughenden District Community Advisory Network (CAN)

Boards & Committees:

- Yumba Community Cooperative Society Ltd

COUNCILLOR CLARENCE (CLARRIE) HAYDON

Email: Cr.haydon@flinders.qld.gov.au

Mobile: 0427 417 127



Working Groups:

- Audit Committee
- Plant Committee (**Chair**)
- Water and Major Projects Working Group (**Vice Chair**)
- Infrastructure and Service Working Group (**Vice Chair**)

Boards & Committees:

- Lake Eyre Basin
- Great Artesian Basin (GAB)
- Desert Channels Queensland
- Southern Gulf NRM

COUNCILLOR NICOLE (NIKI) FLUTE

Email: Cr.flute@flinders.qld.gov.au

Mobile: 0428 458 564



Working Groups:

- Community Services and Wellbeing Working Group (**Vice Chair**)

Advisory Groups:

- North West Outback Queensland Tourism Authority Group (NWOQTA)
- Overlanders Way & Australia Dinosaur Trail (ADT)
- North Queensland Games Foundation
- Regional Arts & Development Fund (RADF)
- Hughenden Chamber of Commerce
- Hughenden District Community Advisory Network (CAN)
- Townsville Hospital and Health Service Community Advisory Council

Annual Report 2021-2022

TRIM Ref: SF22/258 R22/9406

Page 11 of 33



SHIRE OF FLINDERS

Discovery • Opportunity • Lifestyle

COUNCILLOR ARTHUR (BILL) BODE

Email: Cr.bode@flinders.qld.gov.au

Mobile: 0428 719 579

Working Groups:

- Plant Committee
- Rural Services and Environmental Health Working Group (**Vice Chair**)

Boards & Committees:

- Wild Dog Project Advisory Group (PAG)
- Agforce
- Lake Eyre Basin
- Great Artesian Basin (GAB)
- Desert Channels Queensland
- Southern Gulf NRM



COUNCILLOR TREVOR MITCHELL

Email: Cr.mitchell@flinders.qld.gov.au

Mobile: 0458 683 402

Working Groups:

- Rural Services and Environmental Health Working Group (**Chair**)

Boards & Committees:

- Lake Eyre Basin
- Great Artesian Basin (GAB)
- Desert Channels Queensland
- Southern Gulf NRM





MESSAGE FROM THE MAYOR AND CHIEF EXECUTIVE OFFICER

On behalf of your Councillors and the Executive Management Team, we are pleased to present the Flinders Shire Council 2021-2022 Annual Report.

The 2021-2022 financial year has seen a much more positive year for our graziers and businesses across the Flinders Shire. Most of the Shire has enjoyed a better wet season and improved cattle prices. Business confidence has been quietly positive with the Shire experiencing a steady flow of contractors and business opportunities within our region.

Flinders Discovery Centre has again recorded another year of increased tourism visitors to our shire and we would expect these numbers to continue to grow due to the expansion to our Visitor Information Centre.

Flinders Shire Council continues to focus on driving economic development in the Shire and the Council has invested heavily in projects to achieve this objective. A schedule of major projects undertaken and funded in the 2021-22 financial year is attached.

The primary focus for Council continues to be the diversification of industry within the Flinders Shire. Examples of projects that are being progressed in this space include:

- Hughenden Meat Processing Facility and Feedlot – Council and CNVM Investments Pty Ltd are still progressing on this project.
- 15 Mile Irrigation Project – this State-coordinated Project has been established and the Flinders Magic Farm is operational. More than 40 workers have been employed on a weekly basis over the past 12 months. Council has been pleased to work with the Marciano family and Maritz du Plessis, the farm manager to assist in this first grape farm and horticulture development in the Flinders Shire.
- The Council has been working on the Flinders River Water Strategy. This has incorporated the Flinders River water licences, Riverside and the development of the Horticultural Precinct and future farming enterprises. This strategy will include development of Stage 1, being a 7000ML water storage facility, Stage 2 being another 3000ML and planning for a further 4-5 horticulture farms similar to 15 Mile Stage 1.
- Flinders Shire's vision is to address our population decline through economic diversification. The 2021 census has shown that we have been able to arrest our population decline and have only experienced a small decline to 1451 persons. All schools have enjoyed an increase in enrolments which is a good sign for our future.
- Our Flinders Shire roads teams have been able to finish the sealing of the Torrens Creek to Aramac Road and the progressive sealing of the Kennedy Development Road which will leave only approximately 11km of unsealed gravel road north of the Flinders Shire boundary. The Prairie Creek Bridge is still under construction due to many interruptions from unseasonable rains.

Financial Performance

While driving economic development is paramount, it is also critical that Council's financial management remains strong and supports the Shire's growth and development. Included in the Annual Report is a comprehensive outline of Council's financial statements for the 2021/2022 financial year.

Council ended the 2021/2022 Financial Year with total comprehensive income of \$25.8 million. Contributing to this result was the prepayment of 2022/23 Financial Assistance Grants of \$6 million (special purpose and roads). Notwithstanding this addition, we have concluded the year in a positive financial position.

Annual Report 2021-2022

TRIM Ref: SF22/258 R22/9406

Page 13 of 33



SHIRE OF FLINDERS

Discovery • Opportunity • Lifestyle

Capital expenditure of \$9.2 million was spent on new assets and asset renewals to ensure that important infrastructure will meet the future demands.

Council's Cash Reserves continue to be strong with Council ensuring that it has appropriate financial control to maintain an adequate cash balance. Our budget was drafted with future needs in mind.

It is possible that grants will not be as forthcoming in future years from State and Federal Governments and this remains a major consideration for Council. W4Q, COVID 19, 2019 Drought and Flood Grants have made a great financial contribution to the Flinders Shire financial bottom line. Flinders Shire Council has been able to improve the liveability of the Shire with the progressive improvements to amenities such as the Recreation Lake, swimming pool and sporting facilities. We thank our State and Federal Governments for their ongoing support of our Shire.

As in past years, Council's financial sustainability depends on securing government grants and contract works, particularly from the Department of Transport and Main Roads. These two items in 2021/22 represented 84.9 per cent of Council's total operating revenues with the balance representing Council's own source revenue. This high dependence on external funding is always a risk for Council's operations should such grants and contract work not be available. Contract works from the Department of Transport and Main Roads totalled \$29.76 million this financial year compared with \$26.88 million in 2020/21. This has had a significant bearing on Council finishing the year with a sound operating result.

The 2021/2022 financial year has been an exciting and progressive year for the Flinders Shire. We extend our sincere thanks to all Councillors and staff in providing sound leadership, direction and dedication for the service to our community.

We all look forward to a very progressive and positive future for the Flinders Shire.

Cr Jane McNamara
MAYOR

Mr Hari Boppudi
CHIEF EXECUTIVE OFFICER

Annual Report 2021-2022

TRIM Ref: SF22/258 R22/9406

Page 14 of 33



**SHIRE OF
FLINDERS**

Discovery • Opportunity • Lifestyle

CAPITAL AND OTHER MAJOR WORKS 2021-2022

Completed in 2021-2022			
1	W4598	Economic Development Project - 15 Mile - Concept Report for Waterbank	CEO
2	W4322	Economic Development - Motel in Hughenden	CEO
3	W3679	Pool - Swimming Pool Design	DOE
4	W3548	Area Promotion - Community Banners	DCSW
5	W4845	Driver Reviver - Upgrades to Facilities	DCSW
6	W4852	FDC - New - Fire Fighting System	DOE
7	W4851	FDC - Existing - New Airconditioning System	DOE
8	W4850	FDC - Existing - Grid Ceiling	DOE
9	W3670	Industrial Estate Development - Stage 2 Development	CEO
10	W4757	Pool - Kiosk and Fence Upgrade	DOE
11	W4855	Pool - New access system and CCTV	DOE
12	W4758	Gym - Construction of Community Gym	DOE
13	W4597	FDC - Upgrade of Flinders Discovery Centre - Stage 1	DOE
14	W3614	Brodie St - CCTV & Pedestrian Lighting	DOE
15	W4345	Depot - Slab at Workshop	DOE
16	W4348	Depot - Install Shade Structure for Trucks	DOE
17	W4581	Council Buildings - New Council Chambers (Above Library)	DOE
18	W4777	Caravan Park - Purchase and Install of Cabins (\$200k Budget)	DOE
19	W4854	Caravan Park - Purchase of Workers Accommodation	DOE
20	W4853	Purchase of Workers Accommodation - Lot 151	DOE
21	W4874	Lake - Install 2 new BBQs	DOE
22	W4927	Cemetery - Purchase & Install Of New Bollards	DOE
23	W4915	Council Buildings - Library - Refurbishment (NWMP) & GIVIT	DCSW
24	W4866	Shire Advertising/Billboards Signage	
25	W4590	Recreational Lake - (Footpath & Street Lights)	DOE
26	W4561	Footpaths - Moran St RHS Flinders to Gray - From Gray street to Catholic school	DOE
27	W3601	Brodie St & CBD Rejuvenation Works (W4Q 19/21)(135K QRA Disaster Funding) - Kerb & Channel	DOE
28	W4862	TIDS/RTR - Vuna Road - Concrete floodway, Vuna Creek	DOE
29	W4863	TIDS/RTR - Prairie Road - Extend floodways at CH 125.850, and 140.650	DOE
30	W4864	TIDS/RTR - Prairie Road - Fix gravel floodways b/n CH 125.850 to CH 140.650	DOE
31	W4865	TIDS/RTR - Old Richmond Rd - Progressive sealing 21/22	DOE
32	W4875	Town Streets - Recreational Lake - Sealing of Mowbray St Parking	DOE
33	W4567	Water Mains 2020-2021 Upgrade - As per Replacement Program	DOE
34	W4779	Water Mains 2020-2021 Upgrade - Little Avenue	DOE
35	W4849	Economic Development - Riverside property - Clear land and reticulation	DOE
36	W3917	Torrens Creek Water Supply - Capital Upgrade	DOE
37		Water Mains 2021-2022 Upgrade - As per Replacement Program	DOE
38	W4878	Water Mains 2021-2022 Upgrade - Prairie	DOE
39	19157	Plant Purchases - Per Program (Net) 21/22 - Carry Over	DOE

Annual Report 2021-2022

TRIM Ref: SF22/258 R22/9406

Page 15 of 33



**SHIRE OF
FLINDERS**

Discovery • Opportunity • Lifestyle

Carry Over Projects to 2022-2023

1	W4584	Hughenden water Bank - Freeholding and Purchase of Property	CEO
2	W4848	Hughenden Water Bank - Survey, detailed design and detailed business case	CEO
3	W4857	Riverbank Protection Works - Bond Lane	DOE
4	W4760	FDC - Upgrade of Flinders Discovery Centre - Stage 3 - Internal fittings and Coffee Shop	DOE/DCSW
5	W4602	FDC - Relocate & Install Windmill	DOE/DCSW
6	W4925	Flinders Discovery Centre - FRRR - Agri Display (150k)	DOE/DCSW
7	W4593	Council Buildings - Library Upgrade	DCSW/DOE
8	W4897	Council Buildings - Library - AC Upgrade (GCBF Grant)	DCSW/DOE
9	W4962 / W4915	Flinders Shire Public Library – Refurbishments (FRRR – \$150k, Givit Funding – \$4k, NWMP - \$50k)	DOE/DCSW
10	W4574	Water - Purchase of Mag Flowmeters for all Bore's incl. Lake Pump	DOE
11	W4573	Water - Purchase of new Bore No. 5	DOE
12	W4576	Sewerage - Clear Scada Upgrade	DOE
13	W4568	Water - No 2 Bore - Switchboard	DOE
14	W4929	Council Houses - Fencing of 4 Railway Houses in Railway Court	DOE
15	W4900	Community Halls - Upgrade to DEC sound and lighting	DCSW/DOE
16	W4331	Airport - Line Marking and Reseal	DOE
17	W4861	Brodie St & CBD Rejuvenation Works - Footpaths and Structures	DOE
18	W4595	Kerb and Channelling - Prairie	DOE
19	W3622	Shire Rural Roads - Reseal - Unallocated Budget	DOE
20	W3621	Shire Town Streets - Reseals - Unallocated Budget	DOE
21	W4872	Dutton Downs Road, Betterment works – Sawpit Creek and Ch 42.340	DOE
22	W4871	RTR - Flynn St from Stansfield St to Uhr St	DOE
23	W4869	RTR - Sharky St (Saleyards Road to Morell St, 500m)	DOE
24	W4565	Town Streets - Disraeli St (Sort out ponding issues)	DOE
25	W4765	Town Streets - Byers St (Sort out ponding issues)	DOE
26	W4870	Town Streets - Stansfield St (Sort out ponding issues from Flynn St to Bore No.5)	DOE
27	W4918	Town Streets - Recreational Lake - Lake Memorial Drive Project (\$150K)	DOE
28	W4578	Small Towns - Prairie - Smart Water Meters	DOE
29	W4934	Small Towns - Torrens Creek - Smart Water Meters	DOE
30		Plant Purchases - Per Program (Net) 21/22 carry over	DOE

Annual Report 2021-2022

TRIM Ref: SF22/258 R22/9406

Page 16 of 33

BENEFICIAL ENTERPRISES AND BUSINESS ACTIVITIES

(Local Government Act 2009 section 41 & 45(a))

Beneficial Enterprises

Section 41 of the Act requires that the Annual Report contain a list of all beneficial enterprises conducted during the year.

Flinders Shire Council has had **no** beneficial enterprises during 2021-2022.

Significant Business Activities

Section 45(a) of the Act requires that the Annual Report contain a list of all the significant business activities the local government conducted during the financial year.

Flinders Shire Council conducted **no** Significant Business Activities during 2021-2022. Due to no significant business activities the competitive neutrality principle is not applicable for 2021-2022.

SENIOR STAFF REMUNERATION

(Local Government Act 2009 section 201)

Remuneration levels for council executives take many factors into account, including work value and the complexity of the job. This ensures remuneration levels for executives are appropriate and that Council is well placed to retain and attract executives with skills necessary to help deliver value for money services to the community. In accordance with s201 of the Act, the total number of remuneration packages available to senior management during the period was:

Package Band	Number of Employees
\$100,000 to \$199,999	3
\$200,000 to \$299,999	1

Definitions as per the Local Government Act 2009:

Senior management, of a local government, consists of the chief executive officer and all senior executive employees of the local government.

Senior executive employee, of a local government, means an employee of the local government—

(a) who reports directly to the chief executive officer; and

(b) whose position ordinarily would be considered to be a senior position in the local government's corporate structure.

GENERAL PURPOSE FINANCIAL STATEMENTS

(Local Government Regulation 2012 section 183)

Please see attached Flinders Shire Council's Annual Audited Financial Statements for the year ended 30 June 2022.

Annual Report 2021-2022

TRIM Ref: SF22/258 R22/9406

Page 17 of 33



SHIRE OF FLINDERS

Discovery • Opportunity • Lifestyle

COMMUNITY FINANCIAL REPORT

(section 184 Local Government Regulation 2012)

The Community Financial Report is designed to give interested parties a better understanding of the financial performance and financial position of Council for the financial year. The information presents a summary of the financial results for the 2021-2022 financial year.

Revenue

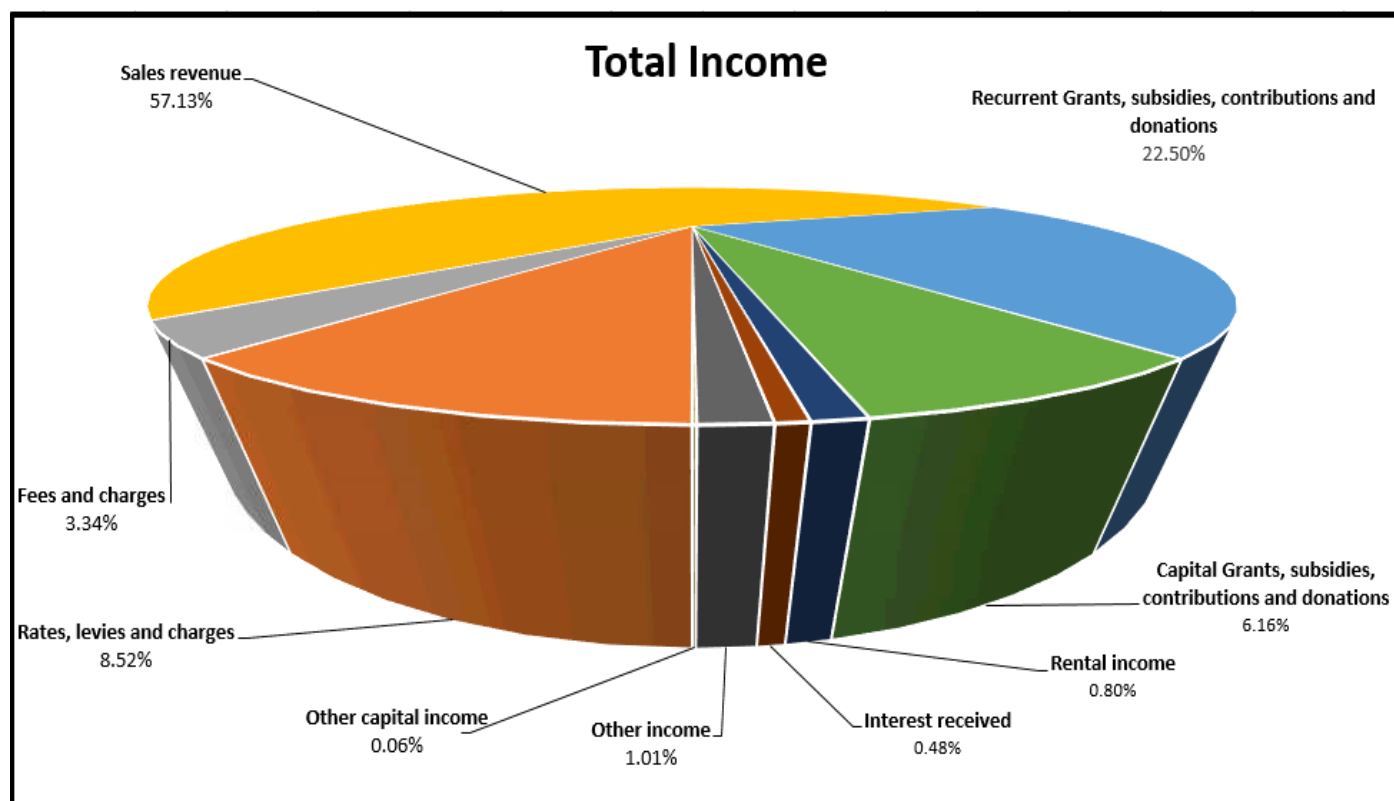
The two main categories of revenue are recurrent revenue and capital revenue. Council's recurrent revenue is money raised that is used to fund the operations of Council. Council raises recurrent revenue from income sources such as rates, levies and charges, grants, subsidies and donations, contract and recoverable works revenue, interest, fees and charges, rent and other income. Council's capital revenue is sourced for the purpose of constructing and/or reconstructing Council's assets now and into the future. Capital revenue consists of grants, subsidies and donations, as well as gains/losses on disposal of assets.

Total recurrent revenue has decreased from \$52.4M in 2020-21 to \$48.8M in 2021-22. There were increases in rates relating to sales contract and recoverable works whilst rates and charges revenue slightly increased from the previous year. Recurrent grants revenue received in 2021-22 decreased from the previous year by \$6.9M. Sales contract and recoverable works revenue comprised of 62.44% whilst grants, subsidies, contributions and donations were 24.59% of recurrent revenue.

It is important to note that sales contract and recoverable works revenue is almost all related to Transport and Main Roads contract works on state owned assets. An analysis of income shows these works have increased in the amount of \$2.9M compared to the previous financial year. Council is heavily reliant on both sales contract, recoverable works and grant revenue.

Capital revenue of \$3.2M is considerably less than the previous year of \$10.9M. Capital revenue is sourced for the purpose of constructing assets, including upgrades and renewals.

Council's ability to raise income from rates, levies and charges is limited. The income generated from this source is 9.32% of total recurrent revenue.



Annual Report 2021-2022

TRIM Ref: SF22/258 R22/9406

Page 18 of 33



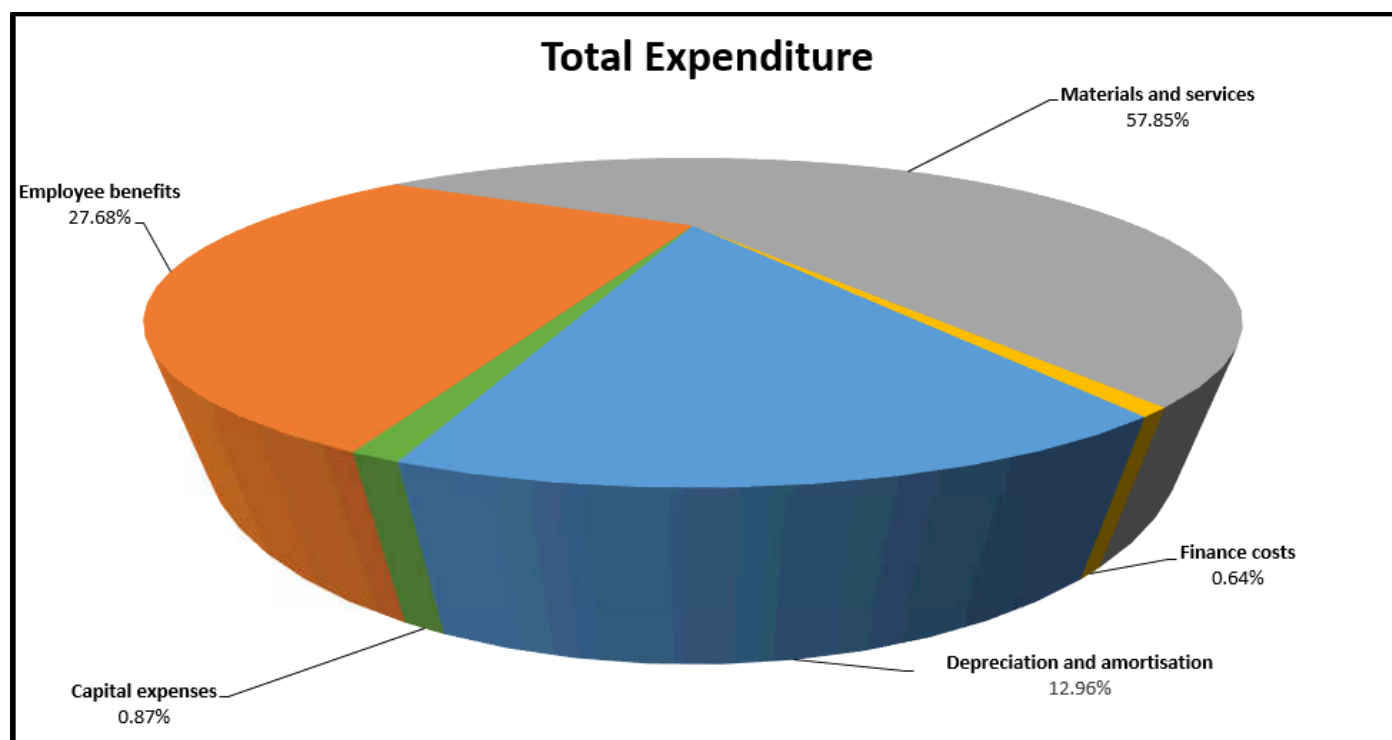
SHIRE OF FLINDERS

Discovery • Opportunity • Lifestyle

Expenses

Council's recurrent expenses include employee benefits, materials and services, finance costs and depreciation. These line items represent the cost to Council of providing services, operating facilities and maintaining assets.

Council's expenditure increased by \$3.4M compared to the previous year. This was due to the level of expenditure maintained by the Council in relation to sales contracts and recoverable works.



The Statement of Financial Position

This statement is often referred to as the balance sheet and 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).

Assets

Property plant and equipment increased by \$20M which is the net result of asset purchases/additions, disposals, depreciation and revaluations.

There was an increase in the cash balance of \$7.6M, this increase was due mainly to an increase in funding received relating to Main Roads contract works and flood damage road works.

Council had \$37.7M invested in a cash management account with Queensland Treasury Corporation. A short term deposit amounting to \$3M was also held with the National Australia Bank. Interest received on cash investments for the year was \$250K.

Property, plant and equipment is the largest asset type comprising \$250.2M. Property, plant and equipment is made up of Council asset classes including land, buildings, recreation facilities, plant and equipment, corporate and IT, road network, water network, sewer network, stormwater drainage network, waste / landfill and works in progress. Council's road network assets are the largest component of property, plant and equipment amounting to \$117.6M.

Annual Report 2021-2022

TRIM Ref: SF22/258 R22/9406

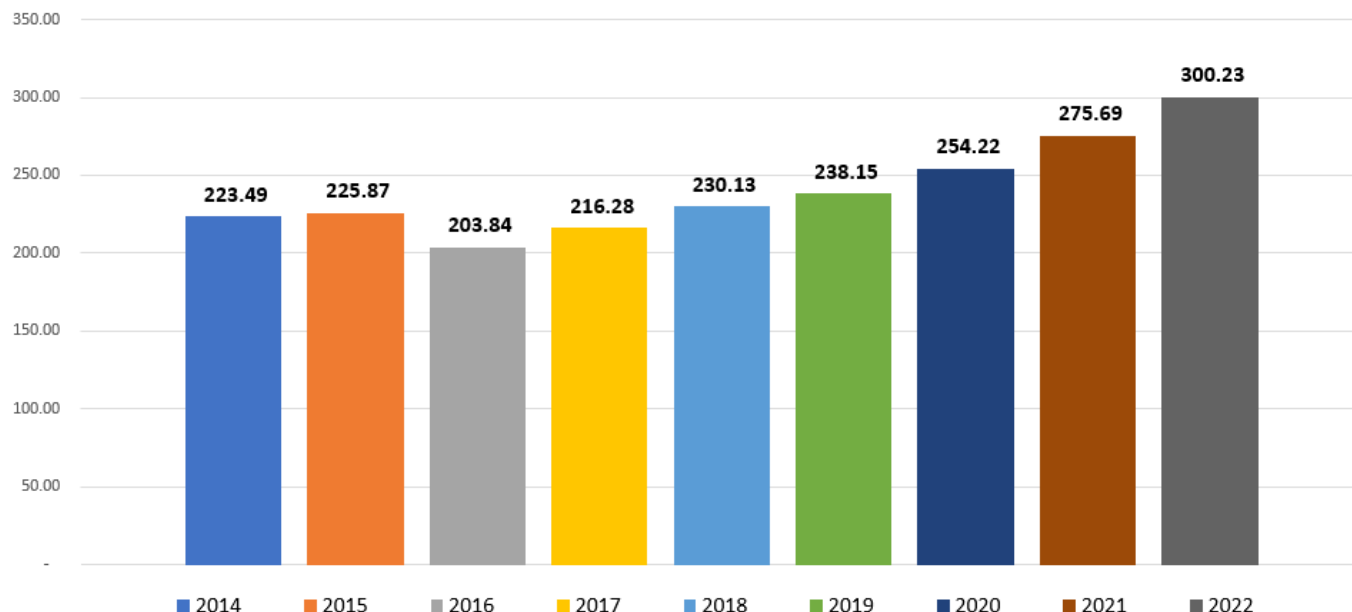
Page 19 of 33



SHIRE OF FLINDERS

Discovery • Opportunity • Lifestyle

Assets (\$m) Comparatives

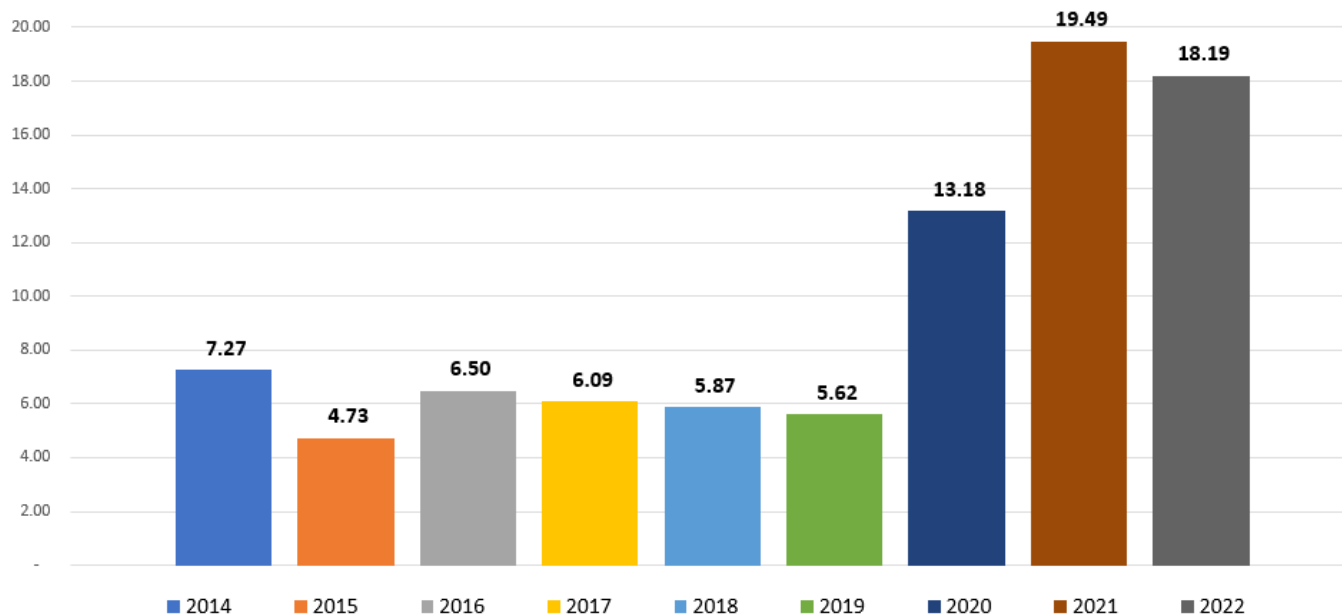


Liabilities

Council's liabilities comprise of amounts owing for provisions, borrowings, contract liabilities and trade and other payables. The provisions balance comprises employee entitlements for long service leave and the restoration of the Hughenden, Torrens Creek, Prairie and Stamford Landfill in future years.

Borrowings of \$8.2M relate to loans from Queensland Treasury Corporation and \$716K for the purchase of a water licence from the Department of Natural Resources, Mines and Energy. Loans from Queensland Treasury Corporation have been taken out to construct a new sewer network in North Hughenden, upgrade the Sewerage Treatment Plant, replace Caravan Park infrastructure, construction of a second water reservoir in Hughenden and the purchase of land described as Lot 10 on CP888177 known as Riverside Station.

Liabilities(\$m) Comparatives



Annual Report 2021-2022

TRIM Ref: SF22/258 R22/9406

Page 20 of 33

The Statement of Changes in Equity

Community equity is represented by Council's net worth. This is calculated by what Council own, minus what Council owes.

Total Assets \$300.2M – Total Liabilities \$18.19M = Community Equity \$282.0M

Community equity increased by \$25.8M compared to the previous year. Council's retained surplus represents amounts which have been invested into assets to provide services. The asset revaluation surplus comprises amounts representing the asset retained capital and other change in the value of Council's assets over time.

The Statement of Cash Flows

The Statement of Cash Flows identifies the cash received and cash spent throughout the year. The statement shows Council's ability to cover its expenditures and where those funds are derived. Council's cash balance increased in the amount of \$7.6M compared to the previous year.

Council's cash flows from operating activities incorporate the recurrent activities of Council. The cash flows from investing activities shows Council spent \$9.49M investing in property, plant and equipment. This includes capital works on Council's road network assets and other asset classes.

Cash flows from financing activities shows that Council made principal repayments of \$0.9M on all loans during the year.

Financial Ratios

Section 169 of the *Local Government Regulation 2012* requires the inclusion of the relevant measures of financial sustainability. These ratios are also included in Council's long term financial plan with reviews conducted on a regular basis. The targets have been set by the Department of Local Government and Planning.

The Operating Surplus Ratio

The operating surplus ratio measures the extent to which revenue raised (excluding capital grants and contributions) covers operational expenses.

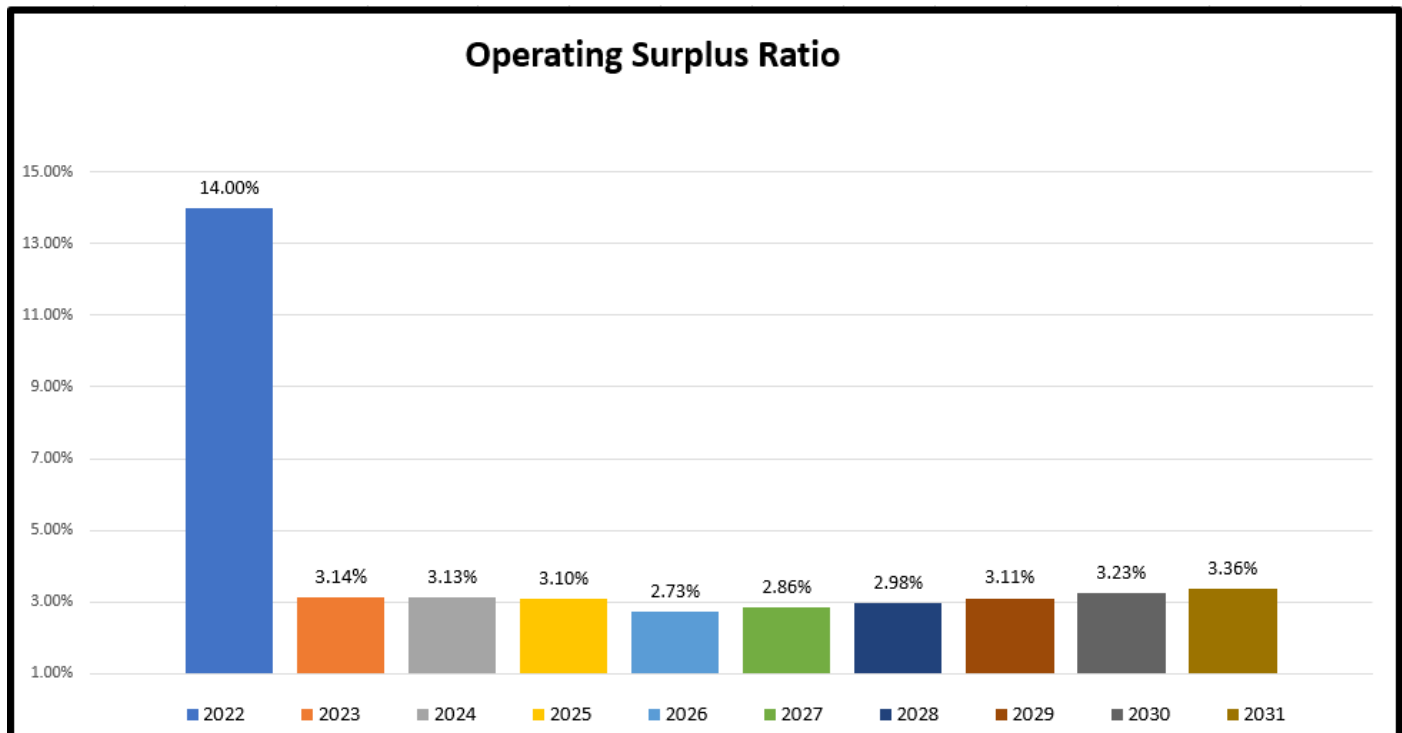
Net Result (excluding Capital items)

Total Operating Revenue (excluding Capital items)

The target for the operating surplus ratio is between 0 and 10%.

At the end of the financial year Council's operating surplus ratio was 14.00%.

In future years' forecasts indicate Council will operate close to break even, with small surpluses through to 2031. Council is mindful that changes can occur during the year, and Management regularly conducts reviews to ensure any budget variances are addressed as soon as possible. Council is aware of the need to conduct service level reviews to ensure operational expenses are going to be sustainable in the longer term.



Asset Sustainability Ratio

This ratio measures the amount of capital expenditure on renewal of existing assets compared to the depreciation expense.

Capital Expenditure on the replacement of Assets (Renewals)

Depreciation Expense

The target for this ratio is for it to be greater than 90%.

Council's 2021-22 Asset Sustainability Ratio was 25.2%

The long term forecast indicates that Council will meet the set target in the coming years for the renewal of its infrastructure assets.

Annual Report 2021-2022

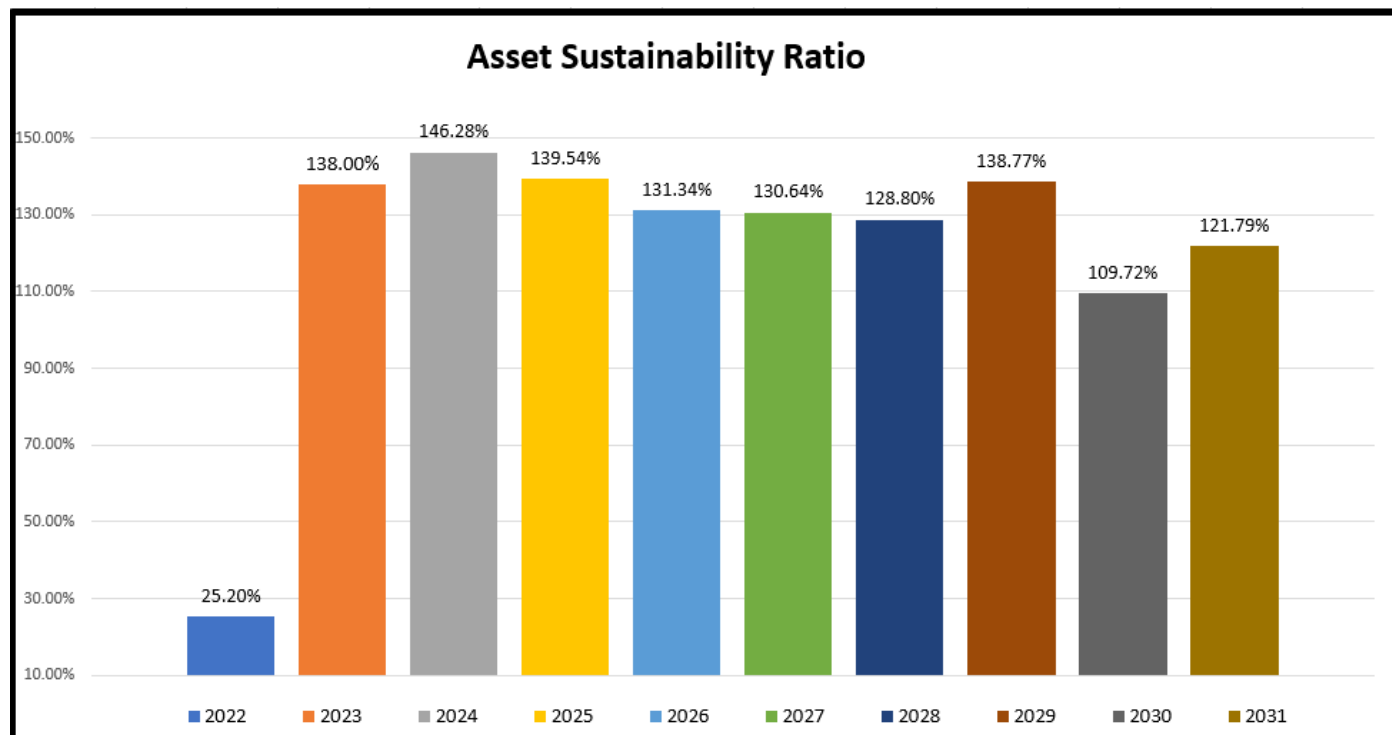
TRIM Ref: SF22/258 R22/9406

Page 22 of 33



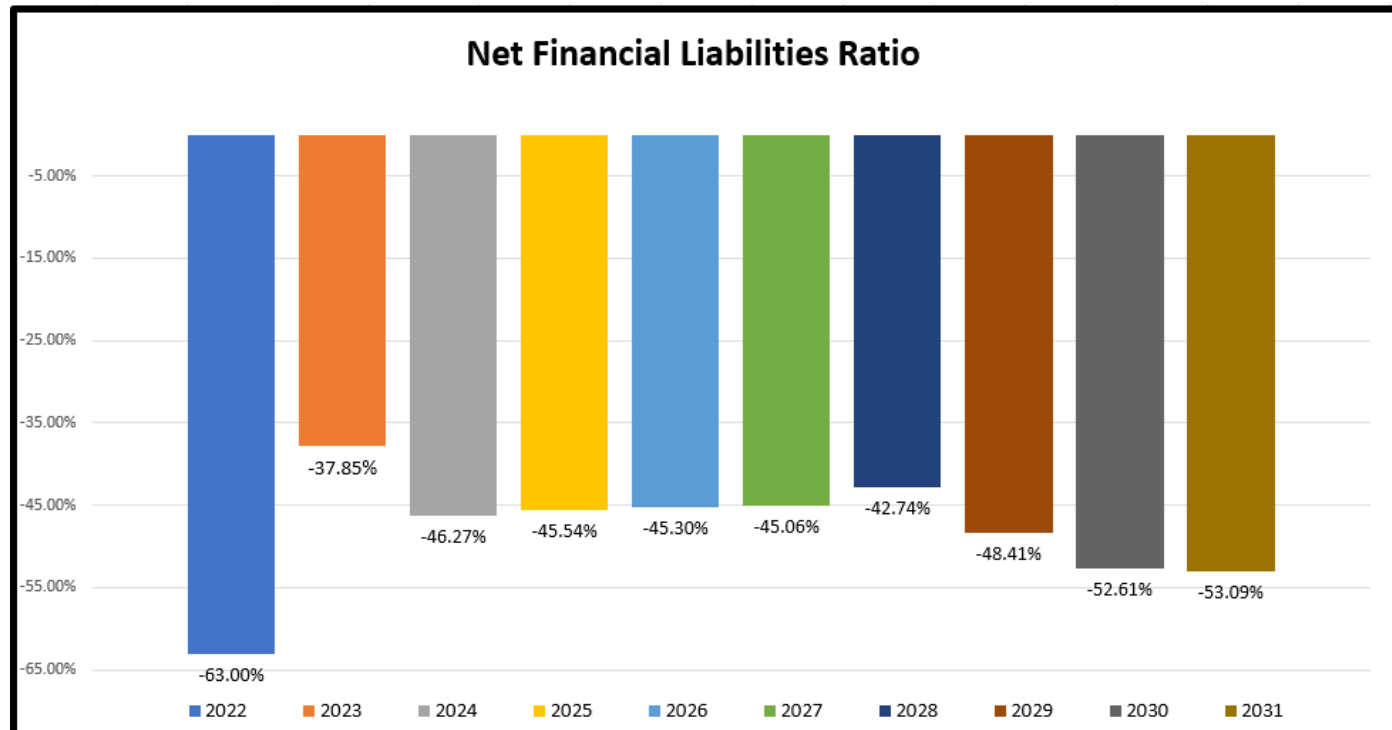
SHIRE OF FLINDERS

Discovery • Opportunity • Lifestyle



Net Financial Liabilities Ratio

This ratio measures the extent to which Council can fund its liabilities through its operating revenues.



Total Liabilities less Current Assets

Total Operating Revenue (excluding Capital items)

The target for this ratio is less than 60%.

Council's current Net Financial liabilities ratio at 30 June 2022 was -63.00%.

Council borrowings at year end were of \$8.97M, trade and other payables of \$3.9M and contract liabilities of \$1.3M thus with few other liabilities the ratio is low.

Annual Report 2021-2022

TRIM Ref: SF22/258 R22/9406

Page 23 of 33



SHIRE OF FLINDERS

Discovery • Opportunity • Lifestyle

PRATICULAR RESOLUTIONS

(Local Government Regulations 2012 section 185)

Expenses Reimbursement Policy

Councillor Expenses Reimbursement Policy:

Council did not resolve to make any changes to the policy referred to in section 250(1) of the Regulation during the 2021-2022 financial year.

Asset Accounting

Asset and Services Management Policy:

Council did not resolve to make any changes to the policy referred to in section 206(2) of the Regulation during the 2021-2022 financial year.

COUNCILLORS

(Local Government Regulations 2012 section 186)

Remuneration Schedule

(Local Government Regulation 2012 section 186(a))

Pursuant to Section 247 of the *Local Government Regulation 2012* the following remuneration rates are set for Council.

From 01 July 2021:

January 2021 Council Meeting

The Commission has decided not to increase the maximum remuneration levels for Mayors, Deputy Mayors and Councillors from 01 July 2021. The levels will remain as set at the amounts fixed for 01 July 2020.

Position	Annual Remuneration*	Meeting Allowance**	Total Allowance
Mayor Allowance	\$108,222.00	Nil	\$108,222.00
Deputy Mayor Allowance	\$62,435.00	Nil	\$62,435.00
Councillor Allowance	\$36,073.34	\$18,036.67	\$54,110.00

From 01 July 2022:

February 2022 Council Meeting

The Commission has decided to increase the maximum remuneration levels for Mayors, Deputy Mayors and Councillors by 2.0% from 01 July 2022.

Resolution 3407 - accept the Remuneration Schedule applicable for Flinders Shire, to apply from 01 July 2022.

Position	Annual Remuneration*	Meeting Allowance**	Total Allowance
Mayor Allowance	\$110,386.00	Nil	\$110,386.00
Deputy Mayor Allowance	\$63,684.00	Nil	\$63,684.00
Councillor Allowance	\$36,794.67	\$18,397.32	\$55,192.00

* The allowance is paid in twelve equal instalments at the end of each calendar month.

** One twelfth of the meeting allowance is paid for each monthly meeting attended.

Annual Report 2021-2022

TRIM Ref: SF22/258 R22/9406

Page 24 of 33



SHIRE OF FLINDERS

Discovery • Opportunity • Lifestyle

Councillor Remuneration, Meeting Attendance, Expenses and Facilities

(Local Government Regulation 2012 section 186 (b) and(c))

Councillor remuneration and meeting attendance:

Councillor	General Meeting Attendance	Special Meeting Attendance	Annual Remuneration	Meeting Allowance	Vehicle Allowance	TOTAL
Mayor J McNamara	12	4	\$108,222.00	N/A		\$108,222.00
Deputy Mayor K Middleton	12	3	\$62,435.04	N/A	\$1,437.01	\$63,872.05
Cr K Carter	12	4	\$18,036.72	\$36,073.32		\$54,110.04
Cr C Haydon	12	4	\$18,036.72	\$36,073.32	\$9,669.60	\$63,779.64
Cr N Flute	12	3	\$18,036.72	\$36,073.32	\$9,796.00	\$63,906.04
Cr A Bode	12	4	\$18,036.72	\$36,073.32	\$3,987.13	\$58,097.17
Cr T Mitchell	12	4	\$18,036.72	\$36,073.32		\$54,110.04

Superannuation:

That pursuant to Section 226 of the *Local Government Act 2009* **no** voluntary superannuation payments be made to Councillors.

Other Expenses Incurred:

Councillor	Travel Expenses (Accom, Meals, Flights, ect)	Registrations	iPad Allowance	Uniforms	TOTAL
Mayor J McNamara	\$8,451.84		\$207.12		\$8,658.96
Deputy Mayor K Middleton	\$593.09	\$1,673.71	\$207.12		\$2,473.92
Cr K Carter	\$873.48		\$207.12		\$1,080.60
Cr C Haydon	\$1,148.18		\$207.12		\$1,355.30
Cr N Flute	\$749.00		\$207.12		\$956.12
Cr A Bode	\$79.00		\$207.12		\$286.12
Cr T Mitchell	\$1,360.00	\$250.50	\$207.12		\$1,817.62

Facilities Provided:

The Mayor was provided with the following items: <ul style="list-style-type: none">Laptop – Office Use OnlyPrinters – Office Use OnlyiPad ProCar	All Councillors were provided with the following items: <ul style="list-style-type: none">iPad Pro
---	--

Annual Report 2021-2022

TRIM Ref: SF22/258 R22/9406

Page 25 of 33



SHIRE OF FLINDERS

Discovery • Opportunity • Lifestyle

Conduct and Performance of Councillors

(Local Government Regulation 2012 section 186 (d), (e), (f))

Legislation	Description	Number
186 (d) (i)	The total number of orders made under section 150I(2) of the Act (<i>Chairperson may deal with unsuitable meeting conduct</i>)	Nil
186 (d) (ii)	The total number of orders made under section 150AH(1) of the Act (<i>Disciplinary action against councillor</i>)	Nil
186 (d) (iii)	The total number of decisions, orders and recommendations made under section 150AR(1) of the Act (<i>Disciplinary action against councillor</i>)	Nil
186 (e) (i)	The name of each councillor for whom a decision, order or recommendation mentioned in paragraph (d) was made	N/A
186 (e) (ii)	A description of the unsuitable meeting conduct, inappropriate conduct or misconduct engaged in by each of the councillors	N/A
186 (e) (iii)	A summary of the decision, order or recommendation made for each councillor	N/A
186 (f) (i)	The number of complaints referred to the assessor under section 150P(2)(a) of the Act by local government entities for the local government	Nil
186 (f) (ii)	The number of matters, mentioned in section 150P(3) of the Act, notified to the Crime and Corruption Commission (<i>Complaints about councillor conduct must be referred to assessor</i>)	Nil
186 (f) (iii)	The number of notices given under section 150R(2) of the Act (<i>Local government official must notify assessor about particular conduct</i>)	Nil
186 (f) (iv)	The number of notices given under section 150S(2)(a) of the Act (<i>Local government must notify assessor about misconduct</i>)	Nil
186 (f) (v)	The number of decisions made under section 150W(a), (b) and (d) of the Act (<i>Decision about conduct</i>)	Nil
186 (f) (vi)	The number of referral notices accompanied by a recommendation mentioned in section 150AC(3)(a) of the Act (<i>Referral of suspected inappropriate conduct</i>)	Nil
186 (f) (vii)	The number of occasions information was given under section 150AF(4)(a) of the Act (<i>Investigating suspected inappropriate conduct</i>)	Nil
186 (f) (viii)	The number of occasions the local government asked another entity to investigate, under chapter 5A, part 3, division 5 of the Act for the local government, the suspected inappropriate conduct of a councillor (<i>Referral of conduct to local government</i>)	Nil
186 (f) (ix)	The number of applications heard by the conduct tribunal about the alleged misconduct of a councillor	Nil

Annual Report 2021-2022

TRIM Ref: SF22/258 R22/9406

Page 26 of 33

ADMINISTRATIVE ACTION COMPLAINTS

(Local Government Regulations 2012 section 187)

The following is a brief summary of the Council adopted policy “Complaints Management Policy”.

Objective: The role of Council is to provide open and accountable local government. An effective and transparent method of responding to complaints regarding its services, administrative actions, competitive neutrality, the conduct and performance of councillors and staff behaviour and misconduct better enables council to undertake this role.

Principles: Council is committed to a complaints management process which ensures the transparent, effective and timely resolution of complaints.

Scope: This policy has been established to provide a clear administrative method of handling and resolving of all complaints made by affected persons

Legislation	Description	Number
187 (2)(a)(i)	Number of administrative complaints made to the local government during 2021-2022	6
187 (2)(a)(ii)	Number of administrative complaints resolved by the local government under the complaints management process during 2021-2022	6
187 (2)(a) (iii)	Number of administrative action complaints not resolved by the local government under the complaints management process 2021-2022	N/A
187 (2)(b)	Number of administrative action complaints not resolved by the local government under the complaints management process that were made in the previous financial year 2020-2021	Nil

OVERSEAS TRAVEL

(Local Government Regulation 2012 section 188)

During the 2021-2022 period there was **no** overseas trips undertaken, in an official capacity, by a Councillor or Council employee or representative.

EXPENDITURE ON GRANTS TO COMMUNITY ORGANISATIONS

(Local Government Regulation 2012 section 189)

Council is required under Section 189 of the *Local Government Regulation 2012* to provide a summary of the expenditure for the Financial Year on grants to community organisations and from each Councillor’s discretionary funds.

Council provides assistance to community organisations by way of grants, sponsorship or donations.

Councillor’s Discretionary Fund

In accordance with s189, the Annual Report must contain a summary of the expenditure from each Councillor’s discretionary fund. Flinders Shire does not have discretionary funds and therefore there is **no** report for 2021-2022 for the purpose of allocation as community grants.

Annual Report 2021-2022

TRIM Ref: SF22/258 R22/9406

Page 27 of 33



SHIRE OF FLINDERS

Discovery • Opportunity • Lifestyle

Regional Arts Development Fund*

Community Group	Round Type	Purpose	Amount
		Community Rounds to be allocated	Funding Pool Available \$10,000.00
Branches	Quick Response	Dance Lessons in Hughenden – Term 1	\$921.12
Cameron Downs P & C	Community Round	Art in the bush	\$1,600.00
Branches	Community Round	Dance Lessons in Hughenden – Term 2, 3 & 4	\$4,298.56
Hughenden Show Society	Community Round	Hughenden Show Pavilion Arts Program	\$2,707.00
Hughenden Country Music Association	Community Round	Combined Performance and Poetry Workshop	\$1,600.00
TOTAL			\$11,126.68

*RADF Year runs from 01 September – 31 August

Community Grant - Facility and Equipment

Community Group	Purpose	Amount
Projects – July to December 2021		
St Vincent de Paul Society Qld	External Doors	\$4,751.00
Roman Catholic Trust Corporation for the Diocese of Townsville	Facility Repairs and Upgrades	\$14,587.45
Hughenden Railway Social Club	Kitchen Exhaust System	\$10,000.00
QCWA Hughenden Branch	General Hall Maintenance	\$1,469.00
		\$30,807.45
Projects – January to June 2022		
Hughenden Kindergarten Association	Closing In Deck Project	\$14,740.00
Flinders Horse Sports Inc	Jumping 4 Joy – Purchase of Jumping Equipment	\$7,840.06
TOTAL		\$53,387.51

Annual Report 2021-2022

TRIM Ref: SF22/258 R22/9406

Page 28 of 33



**SHIRE OF
FLINDERS**

Discovery • Opportunity • Lifestyle

Community Sponsorship – Event Support

Community Group	Purpose	Amount
Events - April to December 2021*** Round included extra months to cover the transition to new program.		
Hughenden Town and Country Club Inc.	Hughenden Rugby 7's Carnival	\$2,000.00
Hughenden Netball Association Inc.	Flinders Challenge Netball Carnival	\$2,000.00
Hughenden Jockey Club Inc.	Hughenden Bracelet Races	\$2,000.00
Hughenden Jockey Club Inc.	Hughenden Cup Races	\$2,000.00
Prairie Jockey Club	Prairie Races	\$2,000.00
Campdraft 4 A Cause Inc.	Campdraft 4 A Cause Campdraft	\$2,000.00
Hughenden Bowls Club Inc.	Flinders Invitational Triples Competition	\$2,000.00
Stamford Race Club Inc.	Stamford Races	\$2,000.00
Hughenden Show Society Inc.	Hughenden Show	\$2,000.00
Hughenden Golf Club Inc.	Hughenden Golf Club Championships	\$2,000.00
Hughenden Bulls Rugby League Club Inc.	Local games and away travel	\$2,000.00
Flinders Horse Sports Inc.	Campdraft Basics Workshop	\$2,000.00
Flinders Hack and Pony Club Inc.	Ready Set Trot Workshops	\$2,000.00
Hughenden Country Music Association Inc.	Hughenden Country Music Festival	\$2,000.00
Hughenden Campdrafters Association Inc.	Hughenden Campdraft	\$2,000.00
Flinders River Roping Association Inc.	Flinders River Roping Competition	\$2,000.00
Flinders Classic Challenge and Campdraft Inc.	Campdrafters Clinic	\$2,000.00
Flinders Classic Challenge and Campdraft Inc.	Horsemanship and Cattle Work Clinic	\$2,000.00
Returned & Services League of Australia (Queensland Branch) Hughenden Sub Branch	ANZAC Day Memorial Services and Games	\$1,000.00
Hughenden Railway Social Club Inc.	Christmas Tree Party	\$2,000.00
		\$39,000.00
Events – January to June 2022		
Flinders Hack and Pony Club	Following Your Dreams – Equine and Rider Educational Weekend	\$1,000.00
Hughenden Show Society	Annual Hughenden Show	\$1,000.00
Hughenden Golf Club	Annual Hughenden Golf Club Competition	\$1,000.00

Annual Report 2021-2022

TRIM Ref: SF22/258 R22/9406

Page 29 of 33



SHIRE OF FLINDERS

Discovery • Opportunity • Lifestyle

All Abilities Watersports	2 Day Watersports Event	\$2,000.00
Hughenden State School P & C	Hughenden State School Fete	\$1,000.00
Hughenden Bulls Rugby League Club	Hughenden Bulls Game Support	\$1,000.00
TOTAL		\$51,000.00

Community Sponsorship – Event Development

Community Group	Purpose	Amount
Events – January to June 2022		
Flinders Horse Sports	Tri Series Mini Show Expos	\$5,000.00
TOTAL		\$5,000.00

Quick Response Stream - Donations

Community Group	Purpose	Amount
Donations – July to December 2021		
Hughenden State School	Donation towards Award Ceremony	\$250.00
St Francis Catholic School	Donation towards Award Ceremony	\$250.00
Cameron Downs State School	Donation towards Award Ceremony	\$250.00
Prairie State School	Donation towards Award Ceremony	\$250.00
Donations – January to June 2022		
Hughenden PCYC Emergency Services Cadets	Uniforms	\$500.00
Hughenden Jockey Club	Event Donation	\$500.00
TOTAL		\$2,000.00

Annual Report 2021-2022

TRIM Ref: SF22/258 R22/9406

Page 30 of 33



SHIRE OF FLINDERS

Discovery • Opportunity • Lifestyle

Quick Response Stream – Contribution for Sporting Excellence

Name	Purpose	Amount
Donations – July to December 2021		
Layne Naylor	Northern Region School sport 11- 12 years Rugby League	\$500.00
Donations – January to June 2022		
Bonita Angus	10-12 yrs Netball State Championships	\$500.00
Bronte Johnstone	10-12 yrs Netball State Championships	\$500.00
TOTAL		\$1,500.00

Shopfront Improvement Stream

Business	Purpose	Amount
Hughenden Industrial and Freight	External Shop Signage	\$2,063.55
TOTAL		\$2,063.55

In-Kind Support

Nil

OTHER CONTENTS

(Local Government Regulation 2012 section 190)

Corporate and Operational Plans

(Local Government Regulation 2012 section 190(1)(a)(b))

Council is required to adopt a Corporate Plan to guide Council's decision making. This document establishes the framework and identifies goals, objectives and strategies to be pursued by Council to meet the aspirations and needs of the community. The plan is developed in consultation with the community and can be revised at any time during the life of the plan to ensure council is following its strategic direction.

The Operational Plan is prepared annually and outlines Council's work program for the next financial year including costs and completion timelines. This document is subject to quarterly reviews and must be consistent with the Council's Corporate Plan.

In accordance with legislative requirements, Council reviewed the operational plan on four occasions relevant to the financial period and on each occasion Council considered an assessment of its progress in the implementation of the operational plan as being satisfactory. Council receives a written assessment of the implementation of the operational plan at the end of each quarter.

Council's Corporate Plan, Operation Plan and Quarterly Reports on the Operational Plan can be found on Council's website www.flinders.qld.gov.au.

Annual Report 2021-2022

TRIM Ref: SF22/258 R22/9406

Page 31 of 33

Commercial Business

(Local Government Regulation 2012 section 190(1)(c))

In accordance with s190 (1) of the regulation Council must provide an annual operations report for each commercial business unit. Council had **no** commercial business units over the course of the 2021-2022 year.

Joint Government Activities

(Local Government Regulation 2012 section 190(1)(d)(i))

As required by s190 of the Regulation, Council must outline details on any action taken for, and expenditure on, a service, facility or activity supplied by another local government under an agreement for conducting a joint government activity. **No** joint activities were undertaken for the financial year ending 30 June 2022.

Details of Special Rates and Charges

(Local Government Regulation 2012 section 190(1)(d)(ii))

In accordance with s190 of the regulation, Flinders Shire Council levies a special rates and charges for Wild Dog Control applicable to Rate Code 4 – Rural Categories only.

Contracts

(Local Government Regulation 2012 section 190(1)(e))

As required by s190 of the Regulation, the number of invitations to change tenders under s228(7) during the 2021-2022 financial year was **zero**.

Registers and Public Documents

(Local Government Regulation 2012 section 190(1)(f))

Item	Description	Access
Councillor Register of Interest	To record certain financial and other personal interests of relevant individuals.	Councillor's interests are available on Council's website
Register of personal interest of Chief Executive Officer and other specified employees	To record certain financial and other personal interests of the Chief Executive Officer and certain other employees.	Available only to Councillors, the Chief Executive Officer or a person permitted by law
Councillor's Material Personal Interest	A record of when a councillor identifies that they have, or may be perceived to have, a 'material personal interest' the councillor is required to disclose the interest and leave the meeting for consideration of the relevant matter.	Councillor's interests are available on Council's website
Councillor's Conflict of Interest	A record of when a councillor identifies that they may have or may be perceived to have a 'conflict of interest'; the councillor is required to disclose the interest to council. Where the other councillors	Councillor's interests are available on Council's website

Annual Report 2021-2022

TRIM Ref: SF22/258 R22/9406

Page 32 of 33



SHIRE OF FLINDERS

Discovery • Opportunity • Lifestyle

	determine, by vote, that a conflict of interest does exist, they must direct that councillor to leave the meeting.	
Conflict of Interest Register & Material Personal Interest Register for Executive Staff	To record any interests that an executive staff member has declared in Council Meeting.	Councillor's interests are available on Council's website
Delegations Register	To record all delegations / authorisations made during Council Meetings.	Councillor's interests are available on Council's website
Register of Delegations of Authority by Council	To record all powers delegated by the Local Government or the Chief Executive Officer's delegated powers.	Available for viewing by members of the public on request
Register of Delegations of Authority by the CEO	To record all powers delegated by the CEO	Available for viewing by members of the public on request
Register of Local Laws	To record all local laws set by Council	Available on Council's website
Register of Regulatory Fees and Charges	To record all charges levied by Council	Available on Council's website
Register of Policies	To record the current policies as set by Council	Available for viewing by members of the public on request
Register of Roads	To record the details of the shire roads	Available for viewing by members of the public on request
Contract Register	To record the details of all Tenders over \$200,000	Available on Council's website
Cemetery Register	To record all burial sites	Available on Council's website
Building Application Register	To record the details of all applications	Available for viewing by members of the public on request
Corporate & Operational Plan	To document the goals and strategies set by Council for the period specified in each plan	Available on Council's website
Annual Report	To document the financial position and report on attainment of goals specified in the Corporate Plan and Operational Plan.	Available on Council's website

Council also makes available other information, including copies of Minutes of Council Meetings on the website www.flinders.qld.gov.au

Annual Report 2021-2022

TRIM Ref: SF22/258 R22/9406

Page 33 of 33

Concessions for Rates and Charges Granted by Council

(Local Government Regulation 2012 section 190(1)(g))

Rating Rebates and Concessions

Flinders Shire has a policy with reference to rebate concessions, as detailed below:

Pensioner Rate Concessions Policy

Council continued its current Pensioner Rate Concession policy. This policy provided a 50 per cent concession to ratepayers in a residential category on General, Garbage, Sewerage and Water Rates up to a maximum of \$500.00 per year for all eligible pensioners. A copy of Council's Pensioner Rate Concession Policy is available at the Shire Office.

Internal Audit

(Local Government Regulation 2012 section 190(1)(h))

Flinders Shire Council has established an internal audit function in accordance with the Local Government Act 2009 and Local Government Regulation 2012. The Audit Committee is an advisory committee and the objectives of the Audit Committee are to provide advice to Council on audit matters and provide oversight of the Internal Audit process.

As provided under the Audit Committee Charter, the Audit Committee will review the following and make recommendations to Council:

- Internal Audit Plan and how that plan relates to the risks identified in Council's Risk Registers;
- Progress on matters raised in the internal audit reports;
- Matters raised by the Queensland Audit Office audit and resolution of those matters;
- Draft financial statements before adoption by Council
- The financial implications of the Council's financial position;
- The trend indicated in the Financial Sustainability Statement;
- Implications of the budget on the long term financial sustainability of the Council;
- The process of risk identification, assessment and treatment;
- Matters identified as being outside of the scope of the current internal audit plan that have or
- have the potential to create additional risk for Council.

During the 2021-22 financial year the Audit Committee met on 9 August 2021 and 25 October 2021. The Committee considered and recommended to Council the adoption of the 2020-21 Financial Statements at its meeting held on 25 October 2021.

Council's Independent Chair of the Audit Committee is Mr Brendan Macrae B.Comm AMIIA FCPA and Council's Internal Auditors are Pacifica Chartered Accountants, Cairns.

Competitive Neutrality

(Local Government Regulation 2012 section 190(1)(i)(j))

In accordance with s49 of the regulation, there were **no** investigation notices for competitive neutrality complaints nor were there any required responses to the Queensland Competition Authority.

ATTACHMENTS

Annual Financial Statements

Please see attached Flinders Shire Council's Annual Audited Financial Statements for the year ended 30 June 2022.

Discovery • Opportunity • Lifestyle



Flinders Shire Council
Annual Financial Statements
for the year ended 30 June 2022

Flinders Shire Council

Financial statements

For the year ended 30 June 2022

Table of contents

Note

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

Flinders Shire Council
Statement of Comprehensive Income
For the year ended 30 June 2022

	Note	2022 \$	2021 - Restated \$
Income			
Revenue			
Recurrent revenue			
Rates, levies and charges	3(a)	4,440,626	4,227,735
Fees and charges	3(b)	1,740,872	1,795,268
Sales revenue	3(c)	29,762,330	26,880,623
Grants, subsidies, contributions and donations	3(d)	11,719,944	18,657,093
Total recurrent revenue		<u>47,663,771</u>	<u>51,560,719</u>
Capital revenue			
Grants, subsidies, contributions and donations	3(d)	3,208,069	10,994,146
Total capital revenue		<u>3,208,069</u>	<u>10,994,146</u>
Rental income		414,465	183,572
Interest received	4(a)	250,403	213,938
Other income	4(b)	527,364	468,072
Other capital income	5	29,942	-
Total income		<u>52,094,013</u>	<u>63,420,446</u>
Expenses			
Recurrent expenses			
Employee benefits	6	11,730,901	10,591,135
Materials and services	7	24,520,096	23,442,997
Finance costs	8	272,690	113,472
Depreciation and amortisation			
Property, plant and equipment	14	5,493,991	4,570,338
		<u>42,017,678</u>	<u>38,717,943</u>
Capital expenses	9	369,584	316,327
Total expenses		<u>42,387,262</u>	<u>39,034,270</u>
Net result		<u>9,706,752</u>	<u>24,386,176</u>
Other comprehensive income			
Items that will not be reclassified to net result			
Increase / (decrease) in asset revaluation surplus		16,124,737	(9,212,182)
Total other comprehensive income for the year		<u>16,124,737</u>	<u>(9,212,182)</u>
Total comprehensive income for the year		<u>25,831,489</u>	<u>15,173,993</u>

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

Flinders Shire Council
Statement of Financial Position
As at 30 June 2022

	Note	2022 \$	2021 - Restated \$
Current assets			
Cash and cash equivalents	10	41,549,257	33,951,378
Receivables	11	6,043,180	5,965,655
Inventories	12	530,220	463,674
Contract assets	16	781,521	3,948,174
Other assets	13	63,327	88,117
Total current assets		48,967,504	44,416,997
Non-current assets			
Receivables	11	1,400	1,400
Property, plant and equipment	14	250,242,499	230,257,263
Intangible assets	15	1,022,400	1,022,400
Total non-current assets		251,266,299	231,281,063
Total assets		300,233,803	275,698,060
Current liabilities			
Payables	17	3,909,420	5,917,439
Contract liabilities	16	1,386,171	963,266
Borrowings	18	875,065	894,904
Provisions	19	1,921,204	1,640,082
Total current liabilities		8,091,860	9,415,691
Non-current liabilities			
Borrowings	18	8,094,909	8,931,325
Provisions	19	2,003,809	1,139,308
Total non-current liabilities		10,098,718	10,070,633
Total liabilities		18,190,578	19,486,324
Net community assets		282,043,226	256,211,736
Community equity			
Asset revaluation surplus	20	96,358,010	80,233,273
Retained surplus		185,685,216	175,978,464
Total community equity		282,043,226	256,211,736

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

Flinders Shire Council

**Statement of Changes in Equity
For the year ended 30 June 2022**

	Note	Asset revaluation surplus \$	Retained surplus \$	Total \$
Balance as at 1 July 2021		80,233,273	175,978,464	256,211,736
Net result		-	9,706,752	9,706,752
Other comprehensive income for the year				
Increase / (decrease) in asset revaluation surplus		16,124,737	-	16,124,737
Total comprehensive income for the year		16,124,737	9,706,752	25,831,489
Balance as at 30 June 2022		96,358,010	185,685,216	282,043,226
Balance as at 1 July 2020		89,445,455	151,592,288	241,037,743
Correction of Recognition of Contract Assets and Liabilities AASB 15	29	-	(1,747,971)	(1,747,971)
Net result		-	26,134,146	26,134,146
Other comprehensive income for the year				
Increase / (decrease) in asset revaluation surplus		(9,212,182)	-	(9,212,182)
Total comprehensive income for the year		(9,212,182)	24,386,176	15,173,993
Restated Balance as at 30 June 2021		80,233,273	175,978,464	256,211,736

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

Council has made a retrospective restatement as a consequence of a correction of an error in the financial year ended 30 June 2021. Details are disclosed in Note 29.

Flinders Shire Council
Statement of Cash Flows
For the year ended 30 June 2022

	Note	2022	2021 - Restated
		\$	\$
Cash flows from operating activities			
Receipts from customers		36,392,267	29,910,805
Payments to suppliers and employees		(37,918,646)	(30,568,411)
		(1,526,380)	(657,607)
Interest received		250,403	213,938
Rental Income		414,465	183,572
Recurrent grants, subsidies, contributions and donations		12,780,251	15,051,515
Borrowing costs		(272,690)	(113,472)
Net cash inflow (outflow) from operating activities	24	11,646,049	14,677,945
Cash flows from investing activities			
Payments for property, plant and equipment		(9,494,448)	(26,891,659)
Grants, subsidies, contributions and donations - Capital		5,737,319	7,166,900
Proceeds from sale of property plant and equipment		565,214	807,068
Net cash inflow (outflow) from investing activities		(3,191,915)	(18,917,691)
Cash flows from financing activities			
Proceeds from borrowings		-	7,771,993
Repayment of borrowings		(856,255)	(497,962)
Net cash inflow (outflow) from financing activities		(856,255)	7,274,031
Net increase (decrease) in cash and cash equivalent held		7,597,879	3,034,286
Cash and cash equivalents at the beginning of the financial year		33,951,378	30,917,092
Cash and cash equivalents at end of the financial year	10	41,549,257	33,951,378

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

Flinders Shire Council

Notes to the financial statements

For the year ended 30 June 2022

1 Information about these financial statements

1.A Basis of preparation

The Flinders 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 complies 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 where stated.

1.B New and revised Accounting Standards adopted during the year

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

1.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. Standards issued but not yet effective are not considered to have a significant impact on Council's financial report.

1.D Estimates and judgements

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

Revenue recognition (Note 3)

Valuation and depreciation of property, plant and equipment (Note 14)

Impairment of property, plant and equipment (Note 14)

Provisions (Note 19)

Contingent liabilities (Note 22)

Financial instruments and financial liabilities (note 27)

1.E Rounding and comparatives

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

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

The Flinders Shire Council Financial Statements for 30 June 2021 were the last financial statements to be expressed in \$,000. (i.e., rounded out to the nearest \$1,000). With effect from 30 June 2022, the financial statements will be reflected in \$dollars. Council is of the opinion that this change will be more informative to the general reader.

1.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.

1.G COVID-19

Council's operations for the year ended 30 June 2022 have been impacted by the COVID-19 pandemic. The following steps were taken by Council in response to the pandemic during the year:

COVID-19 restrictions imposed by the Federal and State Governments forced Flinders Shire Council to close certain public facilities and open spaces and also impacted on Tourism operations. However these restrictions had not severely impacted or disrupted the services and operations of the Council.

Working from home on a rotational basis throughout the office was tested in order to ascertain if Council would be able to continue to operate. Additional cleaning of public areas was implemented.

Flinders Shire Council
Notes to the financial statements
For the year ended 30 June 2022

2. Analysis of Results by Function

2(a) Components of council functions

The activities relating to 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, administrative support, information technology, staff resources and employment creation, finance and stores. The Mayor, Councillors and Chief Executive Officer are included in governance.

Economy

We will approach all business aspects of the Shire in a manner that promotes growth and sustainability to achieve the best possible outcome. This function includes the following:

- Airports, Caravan Park, Saleyards, Cemeteries and Hann Highway Development;
- Main Roads Contracts, Private Works, Town Planning, Industrial Estate Development; and
- Area Promotion, Flinders Discovery Centre, Interpretive Signage, Porcupine Gorge Challenge, Tourism.

Environment

We will provide stewardship to maintain, protect and enhance our natural environment whilst supporting new and existing industries. This function includes the following:

- Pest/Vermin Destruction and Land Management.
- Refuse Collection and Disposal, Environmental Health and Noxious Weeds Control.

Community

We will work with our community to provide an appealing lifestyle with the available resources to build a healthy, happy and caring community. This function includes the following:

- Our Library, Community Bus, Centrelink Services, Arts and Culture, Emergency Services (SES);
- Swimming Pool, Racecourse, Skate Park, Showgrounds, Community Development, Community Grants;
- Hughenden Centre for the Aged, Aged Housing, Halls and Community Centres, Museums and Cultural Centres;
- Commonwealth Home Support Program, Meals on Wheels, Disability Services, Veterans Home Care;
- Home Care Packages Level 1, Level 2, Level 3 and Level 4, Qld Community Care Services; and
- TV and Radio Services, Street Lighting, Public Conveniences, Parks, Gardens and Reserves.

Infrastructure

We will aim to continuously improve products, services and processes through sustainable management of Council's core assets. This function includes the following:

- Shire Roads, Town Streets, Stormwater Drainage, Water Services and Sewer Services.

Resources

This function includes the following:

- Rural Lands Stock Routes, Irrigation Project and Flinders River Water Forum.

Flinders Shire Council
Notes to the financial statements
For the year ended 30 June 2022

2 Analysis of results by function

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

Year ended 30 June 2022

Functions	Gross program income						Total income	Gross program expenses		Total expenses	Net result from recurrent operations	Net Result	Assets
	Recurrent		Capital		Recurrent	Capital							
	Grants	Other	Grants	Other									
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Governance	8,538,353	3,243,904			11,782,257	(668,888)			(668,888)	11,113,369	11,113,369	81,296,085	
Economy	264	30,783,798	1,112,544	29,942	31,926,547	(26,301,316)	(369,584)		(26,670,900)	4,482,745	5,255,647	12,000,334	
Environment	8,180	336,583	-	-	344,763	(1,153,782)			(1,153,782)	(809,019)	(809,019)	1,583,811	
Community	1,353,876	842,571	670,712		2,867,159	(5,769,773)			(5,769,773)	(3,573,326)	(2,902,614)	31,536,941	
Infrastructure	1,819,271	1,924,228	1,424,813		5,168,312	(8,058,418)			(8,058,418)	(4,314,918)	(2,890,106)	173,816,633	
Resources	-	4,976	-	-	4,976	(65,501)			(65,501)	(60,525)	(60,525)	-	
Total Council	11,719,944	37,136,060	3,208,069	29,942	52,094,013	(42,017,678)	(369,584)		(42,387,262)	6,838,326	9,706,752	300,233,803	

Year ended 30 June 2021

Functions	Gross program income				Total income	Gross program expenses		Total expenses	Net result from recurring operations	Net Result	Assets
	Recurring		Capital			Recurring	Capital				
	Grants	Other	Grants	Other							
	\$	\$	\$	\$	\$						
Governance	6,555,484	3,080,031	-	-	9,635,515	(5,217,818)	-	(5,217,818)	4,417,697	4,417,697	70,834,703
Economy	32,818	27,737,303	1,863,167	-	29,633,288	(20,653,383)	(316,327)	(20,969,710)	7,116,738	8,663,578	11,298,976
Environment	68,182	330,448	-	-	398,630	(1,354,606)	-	(1,354,606)	(955,976)	(955,976)	1,646,811
Community	2,089,214	883,408	2,005,374	-	4,977,996	(6,043,557)	-	(6,043,557)	(3,070,935)	(1,065,561)	29,446,659
Infrastructure	9,911,395	1,729,461	7,125,604	-	18,766,461	(5,392,579)	-	(5,392,579)	6,248,277	13,373,882	162,470,911
Resources	-	8,556	-	-	8,556	(56,000)	-	(56,000)	(47,444)	(47,444)	-
Total Council	18,657,093	33,769,207	10,994,146	-	63,420,446	(38,717,943)	(316,327)	(39,034,270)	13,708,357	24,386,176	275,698,060

Flinders Shire Council
Notes to the financial statements
For the year ended 30 June 2022

3 Revenue

(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.

	2022	2021
	\$	\$
General rates	2,313,913	2,271,418
Separate rates	112,066	114,694
Water	958,670	868,056
Sewerage	834,535	794,166
Garbage charges	216,964	207,019
Other rates, levies & charges	52,415	22,353
Total rates and utility charge revenue	4,488,563	4,277,707
Less: Pensioner remissions	(47,938)	(49,972)
	<u>4,440,626</u>	<u>4,227,735</u>

(b) Fees and charges

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

The performance obligation relates to the specific services which are provided to the customers and generally the payment terms are within 30 days of the provision of the service or in some cases, the customer is required to pay on arrival, for example caravan parks. There is no material obligation for council in relation to refunds or returns.

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

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

Airport landing fees	49,077	36,942
Community care packages	545,865	642,035
Saleyards	14	128,069
Parks & reserves	135,277	129,456
Caravan park	696,762	648,390
Fees & Permits	139,481	138,301
Other fees & charges	174,396	72,075
	<u>1,740,872</u>	<u>1,795,268</u>

(c) Sales revenue

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

Revenue from contracts and recoverable works generally 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. The contract work carried out is not subject to retentions.

Rendering of services

Main road contract revenue, Main Roads RMPC	4,276,705	2,408,606
Main road contract revenue, Hann Highway 99B	3,377,785	8,180,175
Main road contract revenue, Hughenden/Richmond 14C	6,495,136	8,559,041
Main road contract revenue, Hughenden/Charters Towers 14B	811	-
Main road contract revenue, Torrens Creek Aramac 5703	10,169,023	7,732,801
Main roads contract revenue, Hughenden/Muttaborra 5701	828,289	-
Main Roads contract revenue, Hughenden/Winton 99C	605,038	-
Main road contract revenue, Flood Damage	4,009,542	-
Total sales revenue	<u>29,762,330</u>	<u>26,880,623</u>

Flinders Shire Council
Notes to the financial statements
For the year ended 30 June 2022
(d) Grants, subsidies, contributions and donations

Grant income under AASB 15

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

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

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

Grant income under AASB 1058

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

Capital grants

Where council receive funding under an enforceable contract to acquire or construct a specified 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 and controlled by Council. Donations and contributions are generally recognised on receipt of the asset since there are no enforceable performance obligations.

	2022 \$	2021 - Restated \$
(i) Operating		
General purpose grants	9,981,771	7,764,157
State government subsidies & grants	412,232	9,002,073
Commonwealth government subsidies & grants	1,325,941	1,889,863
Donations	-	1,000
	<u>11,719,944</u>	<u>18,657,093</u>
(ii) Capital		
Capital Revenue includes grants and subsidies received which are tied to specific projects for the replacement or upgrade of existing non-current assets and/or investment in new assets.		
State government subsidies & grants (capital)	929,352	6,132,637
Commonwealth government subsidies & grants (capital)	2,278,717	4,861,509
Total capital grants, subsidies and contributions	<u>3,208,069</u>	<u>10,994,146</u>

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

	Note	2022 Revenue recognised at a point in time \$	2022 Revenue recognised over time \$	2021 Revenue recognised at a point in time \$	2021 Revenue recognised over time \$
Grants and subsidies	3d	11,708,217	3,219,795	10,435,159	19,216,080
		<u>11,708,217</u>	<u>3,219,795</u>	<u>10,435,159</u>	<u>19,216,080</u>

4 Interest and other income

(a) Interest received

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

Interest received from term deposits	208,001	172,959
Interest from overdue rates and utility charges	42,402	40,978
	<u>250,403</u>	<u>213,938</u>

(b) Other income

Other income	362,901	267,166
Corporate service recoveries	30,586	28,625
Insurance claim recoveries	24,500	64,075
Merchandise income	109,377	103,951
Sundry income	-	4,255
	<u>527,364</u>	<u>468,072</u>

Flinders Shire Council
Notes to the financial statements
For the year ended 30 June 2022

	Note	2022 \$	2021 \$
5 Capital income			
Gain / (loss) on disposal of non-current assets			
Proceeds from sale of property, plant and equipment		565,214	-
Less: Carrying value of disposed property, plant and equipment	14	(535,272)	-
		<u>29,942</u>	<u>-</u>

6 Employee benefits			
Employee benefit expenses are recorded when the service has been provided by the employee.			
Staff wages and salaries		8,877,886	7,856,798
Councillors' remuneration		441,207	441,206
Annual, sick and long service leave entitlements		1,506,891	1,322,050
Superannuation	23	1,028,168	990,589
		<u>11,854,152</u>	<u>10,610,643</u>
Other employee related expenses		450,922	300,492
		<u>12,305,074</u>	<u>10,911,135</u>
Less: Capitalised employee expenses		(574,173)	(320,000)
		<u>11,730,901</u>	<u>10,591,135</u>

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

Total Council employees at the reporting date:

	2022 Number	2021 Number
Elected members	7	7
Administration staff	46	41
Depot and outdoors staff	68	74
Total full time equivalent employees	<u>121</u>	<u>122</u>

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

	2022 \$'000	2021 \$'000
Advertising, marketing and promotion	127,106	205,394
Administration supplies and consumables	31,786	-
Audit of annual financial statements by the Auditor-General of Queensland	55,880	55,330
Communications and IT	579,088	413,754
Community services	2,400,958	2,257,764
Contractors	57,410	-
Repairs and maintenance	12,378	-
Recoverable works	17,524,096	12,122,129
Road construction	2,183,262	2,237,290
Flood damage roadworks	488,817	4,588,262
Special projects	28,652	31,625
Other materials and services	1,022,127	1,531,449
Insurance	8,536	-
	<u>24,520,096</u>	<u>23,442,997</u>

* Total audit fees quoted by the Queensland Audit Office relating to the 2021-22 financial statements are \$52,000 (2021: \$50,800).

8 Finance costs			
Finance costs charged by the Queensland Treasury Corporation		190,468	66,425
Unwinding discount rate		12,071	-
Bank charges		70,151	47,047
		<u>272,690</u>	<u>113,472</u>

Flinders Shire Council
Notes to the financial statements
For the year ended 30 June 2022

	Note	2022 \$	2021 \$
9 Capital expenses			
Loss on disposal of non-current assets			
Proceeds from sale of property, plant and equipment		-	477,068
Less: Carrying value of disposed property, plant and equipment	14	-	(519,815)
		<u>-</u>	<u>42,747</u>
Proceeds from disposal of land and improvements		-	330,000
Less: Carrying value of disposed land		-	(603,580)
		<u>-</u>	<u>273,580</u>
Recognition of Landfill Restoration Provision	19	369,584	-
Total capital expenses		<u>369,584</u>	<u>316,327</u>

This is the present value of the estimated cost of restoring the three sites at the end of their useful life which is estimated to be Prairie 2030, Torrens Creek 2032 and Stamford 2034.

10 Cash and cash equivalents

Cash and cash equivalents in the statement of cash flows include cash on hand, all cash and cheques receipted but not banked at the year end, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to cash and which are subject to an insignificant risk of changes in value.

Cash at bank and on hand	853,543	6,742,935
Deposits at call	37,695,713	24,208,443
Term deposits	3,000,000	3,000,000
Balance per Statement of Financial Position	<u>41,549,257</u>	<u>33,951,378</u>

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

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

Unspent government grants and subsidies - Operating	28,087	526,109
Unspent government grants and subsidies	1,358,085	963,266
Total externally imposed restrictions on cash assets	<u>1,386,171</u>	<u>1,489,375</u>

Cash and deposits at call are held in Queensland Treasury Corporation and the National Australia Bank in term deposits and business cheque accounts.

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 for prepaid funeral deposits, security deposits lodged to guarantee performance, housing bonds, key deposits and monies from Community groups that no longer operate. Council performs only a custodian role in respect of these monies and because the monies cannot be used for Council purposes, they are not considered revenue nor brought to account in the financial statements since Council has no control over the assets.

Trust funds held for outside parties

Monies collected or held on behalf of other entities yet to be paid out	139,901	135,967
	<u>139,901</u>	<u>135,967</u>

11 Receivables

Receivables are amounts owed to council at year end and are recognised at the amount due at the time of sale or service delivery. Settlement of receivables is required within 30 days after the invoice is issued.

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.

Current

Rates and charges	482,453	524,113
Other income accruals	32,062	1,201,816
Other debtors	5,610,522	4,260,036
	<u>6,125,037</u>	<u>5,985,965</u>
Less: Loss Allowance	<u>(81,857)</u>	<u>(20,311)</u>
	<u>6,043,180</u>	<u>5,965,655</u>

Non-current

Other debtors - non current	1,400	1,400
	<u>1,400</u>	<u>1,400</u>

Council applies normal business credit protection procedures prior to providing goods or services to minimise credit risk.

Council does not require collateral in respect of trade and other receivables.

Flinders Shire Council
Notes to the financial statements
For the year ended 30 June 2022

Accounting policies - Grouping

When Flinders Shire 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.

Flinders Shire Council has identified 3 distinctive groupings of its receivables: Rates & Charges, Grants and Other Debtors.

Rates 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 Flinders Shire Council determines the level of credit risk exposure to be immaterial and therefore does not record an Expected Credit Loss for these counterparties.

Other Debtors: Flinders Shire Council identifies other debtors as receivables which are not rates and charges; statutory charges or grants

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

	2022 \$	2021 \$
Rates and Utility Charges	482,453	525,817
State & Commonwealth Government	5,358,585	5,379,816
Other	285,399	81,732
Total	6,126,437	5,987,365

Expected credit loss assessment

Council uses an allowance matrix to measure the expected credit losses of trade receivables from individual customers, which comprise a very large number of small balances.

In Flinders Shire Council's statements after reviewing macro economic conditions, Council reached the conclusion that forward looking conditions indicated no foreseeable expected deviations from historically calculated ratios, thus no forward looking adjustments were made

12 Inventories

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

Inventories held for distribution are:

- goods to be supplied at nil or nominal charge and
- goods to be used for the provision of services at nil or nominal charge.

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

	2022 \$	2021 \$
Inventories held for sale		
Miscellaneous saleable items	49,401	46,159
	49,401	46,159
Inventories held for distribution		
Plant and equipment stores	480,819	417,515
	480,819	417,515
Total inventories	530,220	463,674

13 Other assets

GST recoverable	9,015	7
Prepayments	54,312	88,110
	63,327	88,117

14 Property, plant and equipment

30 June 2022

Note

Basis of measurement
Fair value category
Asset values
Opening gross value as at 1 July 2021
- Other additions
Disposals
Transfer from WIP
Write offs and other adjustments relating to WIP
Revaluation adjustment to other comprehensive income(asset revaluation surplus)
Minor adjustment due to change in rounding applied
Closing gross value as at 30 June 2022

Accumulated depreciation and impairment

Opening balance as at 1 July 2021
Depreciation expense
Depreciation on disposals
Revaluation adjustment to asset revaluation surplus
Minor adjustment due to change in rounding applied
Accumulated depreciation as at 30 June 2022

Carrying amount as at 30 June 2022

Range of estimated useful life in years

Additions comprise:

Renewals
Other additions
Total additions

Work In Progress	Land and Improvements	Building & Other Structures	Recreation Facilities	Plant & Equipment	Corporate & IT	Road Network	Water Network	Sewerage Network	Stormwater Drainage Network	Waste / Landfill	Total
	Fair Value Level 2	Fair Value Level 2 & 3	Fair Value Level 2	Cost	Cost	Fair value Level 3	Fair value Level 3	Fair Value Level 3	Fair Value Level 3	Cost	
5,478,159	14,131,915	63,098,494	\$ -	17,869,616	837,794	132,881,649	19,126,174	23,523,462	14,518,867	628,460	292,094,590
9,494,448	-	-	\$ -	-	-	(113,828)	(236,330)	-	-	-	9,494,448
(8,860,728)	111,596	3,296,117	-	(1,244,036)	-	2,288,473	689,382	183,199	105,536	-	(1,654,195)
(313,352)	-	-	-	2,111,971	74,454	-	-	-	-	-	0
-	(111,596)	6,418,805	-	-	-	10,804,527	1,578,447	1,218,785	1,827,950	-	(313,352)
-	-	999	-	(1,999)	0	293	184	1,411	562	-	21,736,918
5,798,528	14,131,915	72,814,415	-	18,735,552	912,248	145,861,113	21,097,856	24,926,858	16,452,915	628,460	321,359,860
-	-	15,216,243	-	9,880,111	393,973	24,064,793	6,199,540	4,131,691	1,322,616	628,460	61,837,327
-	-	1,310,035	-	1,248,572	53,827	2,082,068	235,907	365,976	127,806	-	5,493,991
-	-	-	-	(808,576)	-	(48,131)	(262,216)	-	-	-	(1,118,922)
-	-	1,868,103	-	-	-	2,088,631	518,241	239,546	190,394	-	4,904,916
-	-	(153)	-	5	-	(846)	(38)	226	856	-	50
-	-	18,394,228	-	10,320,112	447,800	28,196,515	6,751,434	4,737,339	1,641,473	628,460	71,117,361
5,798,528	14,131,915	54,420,187	-	8,415,440	464,449	117,664,598	14,346,422	20,189,518	14,811,442	-	250,242,499
-	-	-	-	-	-	-	-	-	-	-	-
N/a	N/a	4 to 143	N/a	3 to 30	3 to 50	18 to 200	9 to 137	13 to 167	20 to 137	N/a	-
-	-	-	-	-	-	1,056,254	-	-	-	-	1,056,254
-	-	4,764,920	-	2,111,971	74,454	1,219,685	267,164	-	-	-	8,435,194
-	-	4,764,920	-	2,111,971	74,454	2,275,938	267,164	-	-	-	9,494,448

Note

Work In Progress	Land and Improvements	Building & Other Structures	Recreation Facilities	Plant & Equipment	Corporate & IT	Road Network	Water Network	Sewerage Network	Stormwater Drainage Network	Waste / Landfill	Total
	Fair Value Level 2	Fair Value Level 2 & 3	Fair Value Level 2	Cost	Cost	Fair value Level 3	Fair value Level 3	Fair Value Level 3	Fair Value Level 3	Cost	
3,295,110	6,994,552	44,770,438	17,667,829	17,562,621	778,023	131,281,624	16,523,973	22,960,589	578,616	1,093,964	263,507,339
26,793,224	-	-	-	-	-	1,416,000	64,000	226,589	-	-	1,706,589
(24,610,175)	(603,579)	-	-	(1,092,045)	-	-	-	-	-	-	(1,695,624)
-	7,009,918	1,325,042	-	1,399,040	59,771	9,881,277	4,873,201	11,696	50,230	-	1,783,062
-	731,024	10,610,950	-	-	-	(7,663,500)	(2,335,000)	324,588	115,000	-	-
-	-	6,392,064	(17,667,829)	-	-	(2,033,752)	-	-	13,775,021	(465,504)	-
5,478,159	14,131,915	63,098,494	-	17,869,616	837,794	132,881,649	19,126,174	23,523,462	14,518,867	628,460	292,094,590

Note

Work In Progress	Land and Improvements	Building & Other Structures	Recreation Facilities	Plant & Equipment	Corporate & IT	Road Network	Water Network	Sewerage Network	Stormwater Drainage Network	Waste / Landfill	Total
	Fair Value Level 2	Fair Value Level 2 & 3	Fair Value Level 2	Cost	Cost	Fair value Level 3	Fair value Level 3	Fair Value Level 3	Fair Value Level 3	Cost	
-	-	10,883,331	1,021,562	9,209,479	344,748	9,230,772	7,306,698	6,376,583	76,969	686,568	45,136,710
-	-	4,500	1,000	(2,000)	-	1,416,000	64,000	226,589	-	-	1,710,089
-	-	755,020	434,910	1,246,862	49,225	971,275	323,713	719,571	11,573	58,189	4,570,338
-	-	-	-	(574,230)	-	-	-	-	-	-	(574,230)
-	-	2,068,028	-	-	-	12,632,984	(1,494,871)	(3,191,152)	979,431	-	10,994,420
-	-	1,505,364	(,457,472)	-	-	(186,238)	-	-	254,643	(116,297)	-
-	-	15,216,243	-	9,880,111	393,973	24,064,793	6,199,540	4,131,691	1,322,616	628,460	61,837,327
5,478,159	14,131,915	47,882,251	-	7,989,505	443,821	108,816,856	12,926,634	19,391,871	13,196,251	-	230,257,263
N/a	N/a	4 to 150	5 to 70	3 to 30	3 to 50	10 to 200	5 to 140	5 to 160	25 to 140	5	-

Range of estimated useful life in years

Flinders Shire Council
Notes to the financial statements
For the year ended 30 June 2022

14 Property, plant and equipment

(a) Recognition

Items of plant and equipment with a total value of less than \$5,000, and infrastructure assets and buildings with a total value of less than \$10,000 are treated as an expense in the year of acquisition. All other items of property, plant and equipment are capitalised.

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 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. Where the restoration site is on land which Council does not control, the cost of the provisions for restoration of these sites are treated as an expense in the year the provision is first recognised. In subsequent years changes in the provision are treated as either an expense or income in the reporting period.

(c) Depreciation

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

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

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

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 judgements 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, 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.

An impairment loss is recognised as an expense in the Statement of Comprehensive Income, unless the asset is carried at a revalued amount. When the asset is measured at a revalued amount, the impairment loss is offset against the asset revaluation surplus of the relevant class to the extent available.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation surplus increase.

Flinders Shire Council
Notes to the financial statements
For the year ended 30 June 2022

(e) Valuation

Key judgements and estimates

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

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

(i) Valuation processes

Non-current physical assets measured at fair value are revalued, where required, so that the carrying amount of each class of asset does not materially differ from its fair value at the reporting date. This is achieved by engaging independent, professionally qualified valuers to determine the fair value for each class of property, plant and equipment once every 3 - 5 years. This process involves the valuer physically sighting a representative sample of Council assets across all asset classes and making their own assessments of the condition of the assets at the date of inspection. The most recent comprehensive revaluations were performed effective 30 June 2021 for all assets, by APV Valuers.

For the current financial year, a review was performed to determine whether the carrying amount of the assets is materially different to the fair value. Further details are disclosed in (ii).

In the intervening years, for the valuation of the land, buildings and infrastructure asset classes, management engage independent, professionally qualified valuers to perform a "desktop" valuation. A desktop valuation 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.

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

On revaluation, accumulated depreciation is restated proportionately with the change in the carrying amount of the asset and any change in the estimate of remaining useful life.

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

- 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 of the hierarchy during the year.

(ii) Valuation techniques used to derive fair values

Asset class and fair value hierarchy	Valuation approach	Last comprehensive valuation date	Valuer engaged	Key assumptions and estimates (related data sources)	Index applied (change in index recognised this year)	Other interim revaluation adjustment
Land and Improvements (level 2)	Market Value	30-Jun-21	APV Valuers & Asset Management	Current zoning Sale prices per square metre (database of recent sales) of comparable properties, adjusted for differences in key attributes such as property size)	Nil	Nil
Buildings & Other Structures (level 2) 2022: \$1.5M 2021: \$1.3M	Market Value	30-Jun-21	APV Valuers & Asset Management	Sale prices per square metre (database of recent sales) of comparable properties, adjusted for differences in key attributes such as condition	4.1% to 15.3%	Nil
Buildings & Other Structures (level 3) 2022: \$52.9M 2021: \$46.6M	Current Replacement Cost	30-Jun-21	APV Valuers & Asset Management	Gross replacement cost Indexed for subsequent changes in construction costs. Unit rates for construction as at the comprehensive revaluation date (Industry standard cost guides, project costs from recently completed buildings) Fair value derived from asset consumption score and installation date	4.1% to 15.3%	Nil
Road Networks (level 3)	Current Replacement Cost	30-Jun-21	APV Valuers & Asset Management	Existing supply contract rates for raw materials appropriate for the asset based on age, size, location and condition Labour rates based on Council's EBA Average cost of outsourced projects Remaining life of assets including existing conditions	8%	Nil
Water (level 3)	Current Replacement Cost	30-Jun-21	APV Valuers & Asset Management	Development, soil and depth factors taking into account current condition Gross replacement cost per m2 based on appropriate materials Remaining useful lives and physical obsolescence	7.7% to 8.8%	Nil
Sewer Network (level 3)	Current Replacement Cost	30-Jun-21	APV Valuers & Asset Management	Development, soil and depth factors taking into account current condition Gross replacement cost per m2 based on appropriate materials Remaining useful lives and physical obsolescence	3% to 8.8%	Nil
Stormwater Drainage Network (level 3)	Current Replacement Cost	30-Jun-21	APV Valuers & Asset Management	Existing supply contract rates for raw materials appropriate for the asset based on age, size, location and condition Labour rates based on Council's EBA Average cost of outsourced projects Remaining life of assets including existing conditions	3.2% to 13.4%	Nil

Flinders Shire Council
Notes to the financial statements
For the year ended 30 June 2022

15 Intangible assets

Costs associated with the payment for water licences are recognised and capitalised in the period it is incurred.

The water license is due for renewal in 2028/29. The water licence is current for the life of the project and returns to the State when the project ends.

	2022	2021
	\$	\$
Licence		
Water Licence - at cost	1,022,400	1,022,400
Total value of intangibles at end of year	1,022,400	1,022,400

16 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.

	2022	2021 - Restated
	\$	\$
(a) Contract assets	781,521	3,948,174
(b) Contract liabilities		
Funds received upfront to construct Council controlled assets	1,358,085	963,266
Non-capital performance obligations not yet satisfied	28,087	-
	1,386,171	963,266

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

	2022	2021
	\$'000	\$'000
Funds to construct Council controlled assets	951,777	2,429,801
Non-capital performance obligations	-	2,747,486
	951,777	5,177,287
(c) Significant changes in contract balances		

Contract assets - The major contributing factors to the decrease in contract assets is due to the finalisation of the bridge construction and the close out of 2019 flood event.

17 Payables

Creditors are recognised when goods or services are received, at the amount owed. Amounts owing are unsecured and are generally settled on 30 day terms.

	2022	2021
	\$	\$
Current		
Creditors and accruals	2,967,783	4,938,074
Prepaid rates	83,770	124,860
Other employee entitlements	379,447	39,992
ATO - net GST payable/(receivable)	292,039	692,373
Goods received not yet invoiced	169,527	115,364
Other Payables	16,853	6,776
	3,909,420	5,917,439

18 Borrowings

Borrowings are initially recognised at fair value plus any directly attributable transaction costs. Thereafter, they are measured at amortised cost. Principal and interest repayments are made quarterly 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 2024 to 15 March 2036. There have been no defaults or breaches of the loan agreements during the period.

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

Flinders Shire Council
Notes to the financial statements
For the year ended 30 June 2022

18 Borrowings (continued)

	2022 \$	2021 \$
Current		
Loans - Queensland Treasury Corporation - Current	772,825	792,664
Loans - other - current	102,240	102,240
	<u>875,065</u>	<u>894,904</u>
Non-current		
Loans - Queensland Treasury Corporation - Non-Current	7,481,469	8,215,645
Loans - other - Non-current	613,440	715,680
	<u>8,094,909</u>	<u>8,931,325</u>

The QTC loan market value at the reporting date was \$7,259,563. 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.

Loans - other: In July 2019 Council purchased a Water Licence from the Department of Natural Resources, Mines and Energy. The Water Licence is payable overtime with the final payment to be made by August 2028. The loan is interest free.

No assets have been pledged as security by 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.

19 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

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

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

Refuse dump restoration

A provision is made for the cost of restoring refuse dumps where it is probable Council will have an obligation to rehabilitate the site when the use of the facilities is complete.

The provision for refuse restoration is calculated as the present value of anticipated future costs associated with the closure of the dump sites, decontamination and monitoring of historical residues and leaching on these sites. The calculation of this provision use assumptions including 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.

Restoration sites that are situated on Council controlled land are classified as site improvement assets. The provision for restoration is, therefore, included as a site improvement asset. Changes in the provision not arising from the passing of time are added to or deducted from the asset revaluation surplus. Changes to the provision resulting from the passing of time (the unwinding of the discount) are treated as a finance cost.

Where the restoration site is on land which Council does not control, the cost of the provisions for restoration of these sites has to be treated as an expense in the year the provision is first recognised. Changes in the provision due to either discount rate or expected future cost, are treated as an expense or income in the reporting period in which they arise. Changes to the provision resulting from the passing of time (the unwinding of the discount) are treated as a finance cost. Council does not control the land for Torrens Creek, Prairie and Stamford, therefore the costs of \$369,584 associated with these sites have been expensed.

Flinders Shire Council
Notes to the financial statements
For the year ended 30 June 2022

19 Provisions (continued)

Current and Non-Current Provisions

Current

Annual leave
Long service leave

Non-Current

Long service leave
Provision for tip restoration

2022	2021
\$	\$
1,097,425	1,063,897
823,779	576,185
1,921,204	1,640,082
156,409	380,828
1,847,400	758,480
2,003,809	1,139,308

Movement in tip restoration provisions:

Balance at beginning of financial year
Increase/(decrease) due to unwinding of discount rate
Increase/(decrease) due to change in discount rate
Increase/(decrease) due to change in inflation rate
Increase/(decrease) due to change in timing of cost estimates
Increase/(decrease) due to revision of cost estimates
Balance at end of financial year

2022	2021
\$	\$
758,480	658,628
12,071	-
(276,302)	-
119,295	-
(164,181)	-
1,398,037	99,852
1,847,400	758,480

During the current financial year three additional legacy, non-active landfill sites were identified that require remediation at Torrens Creek, Prairie and Stamford that have not been previously provided for in the prior year.

These additional sites contribute \$369,584 to the increase in the provision, disclosed in the gross increase cost estimates of \$1,398,037 disclosed above. These cost are split as follows:

Torrens Creek	147,351
Prairie	142,795
Stamford	79,438
Increase in provision due to addition of new sites	369,584

20 Asset revaluation surplus

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

21 Commitments for expenditure

Contractual commitments

Contractual commitments at end of financial year but not recognised in the financial statements are as follows:

Other commitments	597,851	492,985
Contract and recoverable works	4,803,653	2,523,115
Road construction	194,839	561,026
Building construction	69,058	93,163
	5,665,401	3,670,289

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

Road, drainage and bridge network	174,526	52,752
Building and construction	675,345	584,770
Land and improvements	423	2,524
Other	165,102	1,173,337
	1,015,396	1,813,383

These expenditures are payable as follows:

Within one year	1,015,396	1,813,383
One to five years	-	-
Later than five years	-	-
	1,015,396	1,813,383

Flinders Shire Council
Notes to the financial statements
For the year ended 30 June 2022

22 Contingent liabilities

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

Local Government Mutual

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

As at 30 June 2022 the financial statements reported an accumulated surplus and it is not anticipated any liability will arise.

Local Government Workcare

Council is a member of the Queensland local government worker's compensation self-insurance scheme, Local Government Workcare. Under this scheme 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. Council's maximum exposure to the bank guarantee is \$52,858,000

The indemnity amount provided by Flinders Shire Council as at 30 June 2022 in relation to the Local Government Workcare Bank Guarantee is \$327,875. The latest audited financial statements for Local Government Workcare are as at 30 June 2021 and show accumulated member funds (equity) of \$79,618,265.

23 Superannuation - Regional Defined Benefit Fund

Council contributes to the LGIASuper Regional Defined Benefits Fund (the scheme), at the rate of 12% for each permanent employee who is a defined benefit member. This rate is set in accordance with the LGIASuper trust deed and may be varied on the advice of an actuary. The Regional Defined Benefits Fund is a complying superannuation scheme for the purpose of the Commonwealth Superannuation Industry (Supervision) legislation and is also governed by the *Local Government Act 2009*.

The scheme is a pooled defined benefit plan and it is not in accordance with the deed to allocate obligations, plan assets and costs at Council level.

Any amount by which the scheme is over or under funded may affect future contribution rate obligations, but has not been recognised as an asset or liability of Council.

Flinders Shire Council may be liable to the scheme for a portion of another local governments' obligations should that local government be unable to meet them, However the risk of this occurring is extremely low and in accordance with the LGIASuper trust deed changes to council's obligations will only be made on the advice of an actuary.

The last completed actuarial assessment of the scheme as required under Superannuation Prudential Standard 160 was undertaken as at 1 July 2021. The actuary indicated that "At the valuation date of 1 July 2021, the net assets of the scheme exceeded the vested benefits and the scheme was in a satisfactory financial position as at the valuation date." The measure of vested benefits represents the value of benefit entitlements should all participating employees voluntarily exit the scheme. Council is not aware of anything that has happened since that time that indicates the assets of the scheme are not sufficient to meet the vested benefits, as at the reporting date.

No changes have been made to prescribed employer contributions which remain at 12% of employee salary or wages and there are no known requirements to change the rate of contributions.

The next triennial actuarial review is not due until 1 July 2024.

The most significant risks that may result in LGIASuper increasing the contribution rate, on the advice of the actuary, are:

Investment risk - The risk that the scheme's investment returns will be lower than assumed and additional contributions are needed to fund the shortfall.

Salary growth risk - The risk that wages or salaries will rise more rapidly than assumed, increasing vested benefits to be funded.

		2022	2021
	Note	\$	\$
Superannuation contributions made to the Regional Defined Benefits Fund		50,442	62,000
Other superannuation contributions for employees		977,726	928,589
Total superannuation contributions paid by Council for employees	6	1,028,168	990,589

Flinders Shire Council
Notes to the financial statements
For the year ended 30 June 2022

24 Reconciliation of net result for the year to net cash inflow (outflow) from operating activities

	2022 \$	2021 \$
Net result	9,706,752	24,386,176
Non-cash items:		
Depreciation and amortisation	5,493,991	4,570,338
Write off WIP in P&L	313,352	98,435
Unwinding discount on provisions	12,071	-
	5,819,413	4,668,773
Net (profit)/loss on disposal of non-current assets	(29,942)	316,326
Capital grants and contributions	(5,737,319)	(7,166,900)
	(5,767,261)	(6,850,574)
Changes in operating assets and liabilities:		
(Increase)/Decrease in trade and other receivables	(78,925)	(3,432,806)
(Increase)/Decrease in inventories	(66,546)	119,532
(Increase)/ decrease in contract assets	3,166,653	(3,183,004)
(Increase)/decrease in other assets	24,790	(54,740)
Increase/(decrease) in payables	(2,008,019)	3,102,392
Increase/(decrease) in contract liabilities	422,905	(4,277,907)
Increase/(decrease) in employee leave entitlements	426,287	200,103
	1,887,145	(7,526,430)
Net cash inflow from operating activities	11,646,049	14,677,945

25 Reconciliation of liabilities arising from financing activities
2022

	As at 30 June 2021 \$	Cash flows \$	Non-cash changes (new leases) \$	As at 30 June 2022 \$
Borrowings	9,826,229	856,255	-	8,969,974

2021

	As at 30 June 2020 \$	Cash flows \$	Non-cash changes (new leases) \$	As at 30 June 2021 \$
Borrowings	2,549,515	7,276,713	-	9,826,229

26 Events after the reporting period

There were no material adjusting events after the balance date.

Flinders Shire Council
Notes to the financial statements
For the year ended 30 June 2022

27 Financial instruments and financial risk management

(a) Financial assets and financial liabilities

Flinders Shire Council's activities expose it to a variety of financial risks including interest rate risk, credit risk, and liquidity risk.

Risk management framework

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

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.

Council's risk management policies are established to identify and analyse the risks faced, to set appropriate limits and controls and to monitor these risks and adherence against limits. Council aims to manage volatility to minimise potential adverse effects on the financial performance of Council.

Council's audit committee oversees how management monitors compliance with Council's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by Council. Council's audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

Flinders Shire Council does not enter into derivatives.

Credit risk

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

The maximum exposure to credit risk at balance date in relation to each class of recognised financial asset is the gross carrying amount of those assets inclusive of any provisions for impairment.

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

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

Liquidity risk

Liquidity risk refers to the situation where Council may encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Council is exposed to liquidity risk through its trading in the normal course of business and borrowings from the QTC for capital works.

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

Exposure to liquidity risk

The following table sets out the liquidity risk of financial liabilities held by Council in a format as it might be provided to management. The amounts disclosed in the maturity analysis represent the contractual undiscounted cash flows at balance date.

	0 to 1 year	1 to 5 years	Over 5 years	Total contractual cash flows	Carrying amount
	\$	\$	\$	\$	\$
2022					
Trade and other payables	2,967,783	-	-	2,967,783	2,967,783
Loans - QTC	944,483	3,161,140	5,271,654	9,377,277	8,254,294
Loans - other	102,240	408,960	204,480	715,680	715,680
	<u>4,014,506</u>	<u>3,570,100</u>	<u>5,476,134</u>	<u>13,060,740</u>	<u>11,937,757</u>
2021					
Trade and other payables	4,938,074	-	-	4,938,074	4,938,074
Loans - QTC	944,483	3,434,232	5,943,045	10,321,760	9,008,309
Loans - other	102,240	408,960	306,720	817,920	817,920
	<u>5,984,797</u>	<u>3,843,192</u>	<u>6,249,765</u>	<u>16,077,754</u>	<u>14,764,303</u>

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

Flinders Shire Council
Notes to the financial statements
For the year ended 30 June 2022

27 Financial instruments and financial risk management (continued)

Market risk

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

Interest rate risk

Flinders Shire Council is exposed to interest rate risk through investments and borrowings with Queensland Treasury Corporation.

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

Sensitivity

No reasonable possible movement is expected that would cause a material impact on the profit or equity of Council.

Council does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss, therefore a change in interest rates at the reporting date would not effect the profit or loss.

In relation to the QTC loans held by Council, the following has been applied:

QTC Fixed Rate Loan - financial instruments with fixed interest rates which are carried at amortised cost are not subject to interest rate sensitivity.

(b) Fair value

The fair value of trade and other receivables and payables is assumed to approximate the value of the original transaction, less any allowance for impairment.

Flinders Shire Council

Notes to the financial statements For the year ended 30 June 2022

28 Transactions with related parties

(a) Transactions with key management personnel (KMP)

KMP include the Mayor, Councillors, Council's Chief Executive Officer, Director of Corporate & Financial Services, Director of Engineering and Director of Community Services & Wellbeing.

The compensation paid to key management personnel comprises;

	2022	2021
	\$	\$
Short-term employee benefits	1,163,464	1,267,498
Post-employment benefits	75,282	86,997
Long-term benefits	155,119	26,412
Total	1,393,866	1,380,907

Detailed remuneration disclosures are provided in the annual report.

(b) 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.

Council employs 121 staff and elected representatives of which only 3 are close family members of KMP. 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.

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

Details of transactions

	2022	2021
	\$	\$
Purchase of materials and services for entities controlled by KMP	37,858	100,504
Revenue from KMP and entities controlled by KMP	36,682	30,500
Key management personnel services provided by a related entity	263,713	90,349
Total	338,253	221,353

(c) Outstanding balances

There were no material amounts outstanding at balance date with related parties.

(d) Loans and guarantees to/from related parties

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

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

The majority of people who are related parties of Council live within the Flinders Shire Community. Therefore on a regular basis ordinary citizen transactions occur between Council and its related parties. The payment by community residents of utility charges and for sales of goods and services are considered to be an ordinary citizen transaction.

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

Several key management personnel are also executives on local sporting and leisure clubs. During the year Council has made sponsorships and donations to numerous clubs and organisations. Sponsorships to these organisations have been assessed and we believe these transactions were made under normal terms and conditions, therefore no disclosure has been made.

Flinders Shire Council
Notes to the financial statements
For the year ended 30 June 2022

29 Correction to prior period error

In preparing the annual financial statements for year ended June 2022, Council identified errors in the recognition of contract assets and contract liabilities in the year ended June 2021.

The 2021 contract assets and liabilities were restated with a net decrease of \$1,747,971 to the overall result.

These errors and omission have been corrected and the financial statements for year ended 30 June 2021 have been restated. The adjustments are as follows:

Contract assets

Original balance per audited Financial statements	7,587,576
Adjustment	(3,639,403)
Restated contract assets at 30 June 2021	3,948,174

Contract liabilities

Original balance per audited Financial statements	(2,854,698)
Adjustment	1,891,432
Restated contract liabilities at 30 June 2021	(963,266)

Net Community Assets / Equity

Original balance per audited Financial statements	257,959,707
Adjustment	(1,747,971)
Restated Net Community Assets / Equity at 30 June 2021	256,211,736

Grants, subsidies, contributions and donations - recurrent

Original balance per audited Financial statements	15,863,455
Adjustment	2,793,639
Restated Grants, subsidies, contributions and donations - recurrent at 30 June 2021	18,657,093

Grants, subsidies, contributions and donations - Capital

Original balance per audited Financial statements	15,535,755
Adjustment	(4,541,609)
Restated Grants, subsidies, contributions and donations - Capital at 30 June 2021	10,994,146

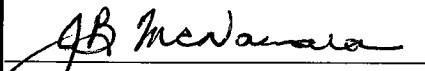
Flinders Shire Council
Financial statements
For the year ended 30 June 2022

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 1 to 25, present a true and fair view, in accordance with Australian Accounting Standards, of the council's transactions for the financial year and financial position at the end of the year.



Mayor
Cr Jane McNamara

Date: 26/10/2022



Chief Executive Officer
Hari Boppudi

Date: 26/10/2022

INDEPENDENT AUDITOR'S REPORT

To the councillors of Flinders Shire Council

Report on the audit of the financial report

Opinion

I have audited the financial report of Flinders 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 Flinders 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

27 October 2022

Queensland Audit Office
Brisbane

Flinders Shire Council
Current-year Financial Sustainability Statement
For the year ended 30 June 2022

Measures of Financial Sustainability

How the measure is calculated

Actual -Council

Target

Council's performance at 30 June 2022 against key financial ratios and targets:

Operating surplus ratio	Net result (excluding capital items) divided by total operating revenue (excluding capital items)	14.00% Between 0% and 10%
Asset sustainability ratio	Capital expenditure on the replacement of assets (renewals) divided by depreciation expense.	25.20% greater than 90%
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue (excluding capital items)	-63.00% not greater than 60%

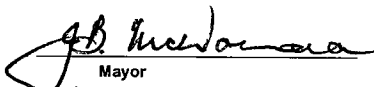
Note 1 - Basis of Preparation

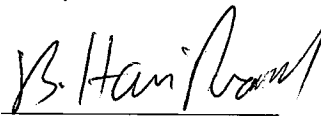
The current year financial sustainability statement is a special purpose statement prepared in accordance with the requirements of the *Local Government Regulation 2012* and the Financial Management (Sustainability) Guideline 2013. The amounts used to calculate the three reported measures are prepared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

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
 Cr. Jane McNamara
 Date: 26/10/2022


 Chief Executive Officer
 Hari Boppudi
 Date: 26/10/2022

INDEPENDENT AUDITOR'S REPORT

To the councillors of Flinders Shire Council

Report on the current-year financial sustainability statement

Opinion

I have audited the accompanying current-year financial sustainability statement of Flinders 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 Flinders 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 Flinders 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

27 October 2022

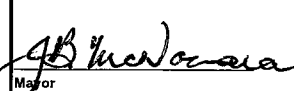
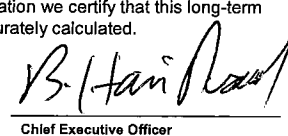
Queensland Audit Office
Brisbane

Flinders Shire Council
Unaudited Long-Term Financial Sustainability Statement
Prepared as at 30 June 2022

Measures of Financial Sustainability	Measure	Target	Actuals at 30 June 2022	Projected for the years ended								
				30 June 2023	30 June 2024	30 June 2025	30 June 2026	30 June 2027	30 June 2028	30 June 2029	30 June 2030	30 June 2031
Council												
Operating surplus ratio	Net result (excluding capital items) divided by total operating revenue (excluding capital items)	Between 0% and 10%	14.00%	3.14%	3.13%	3.10%	2.73%	2.86%	2.98%	3.11%	3.23%	3.36%
Asset sustainability ratio	Capital expenditure on the replacement of assets (renewals) divided by depreciation expense.	greater than 90%	25.20%	138.00%	146.28%	139.54%	131.34%	130.64%	128.80%	138.77%	109.72%	121.79%
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue (excluding capital items)	not greater than 60%	-63.00%	-37.85%	-46.27%	-45.54%	-45.30%	-45.06%	-42.74%	-48.41%	-52.61%	-53.09%

Flinders Shire Council's Financial Management Strategy

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

Certificate of Accuracy	
For the long-term financial sustainability statement prepared as at 30 June 2022	
This long-term financial sustainability statement has been prepared pursuant to Section 178 of the <i>Local Government Regulation 2012</i> (the regulation).	
In accordance with Section 212(5) of the Regulation we certify that this long-term financial sustainability statement has been accurately calculated.	
 Mayor Cr. Jane McNamara	 Chief Executive Officer Hari Boppudi
Date: 26/10/2022	Date: 26/10/2022