



FLINDERS SHIRE COUNCIL

Annual Report 2022-2023

**Adopted: 21 November 2023
Resolution Number: 3833**

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OUR ANNUAL REPORT

This introductory section of the 2022-2023 Annual report outlines information about the Flinders Shire Council and the Shire. It summarises our operational and financial performance for the 2022-2023 financial year.

The Annual Report details our performance during the financial year of 2022-2023 in meeting the strategic priorities outlined in our Corporate Plan 2023-2028 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 2023-2028, which focuses on four Priorities. 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.

Performance against our 2022-2023 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.



OUR VISION FOR THE FUTURE

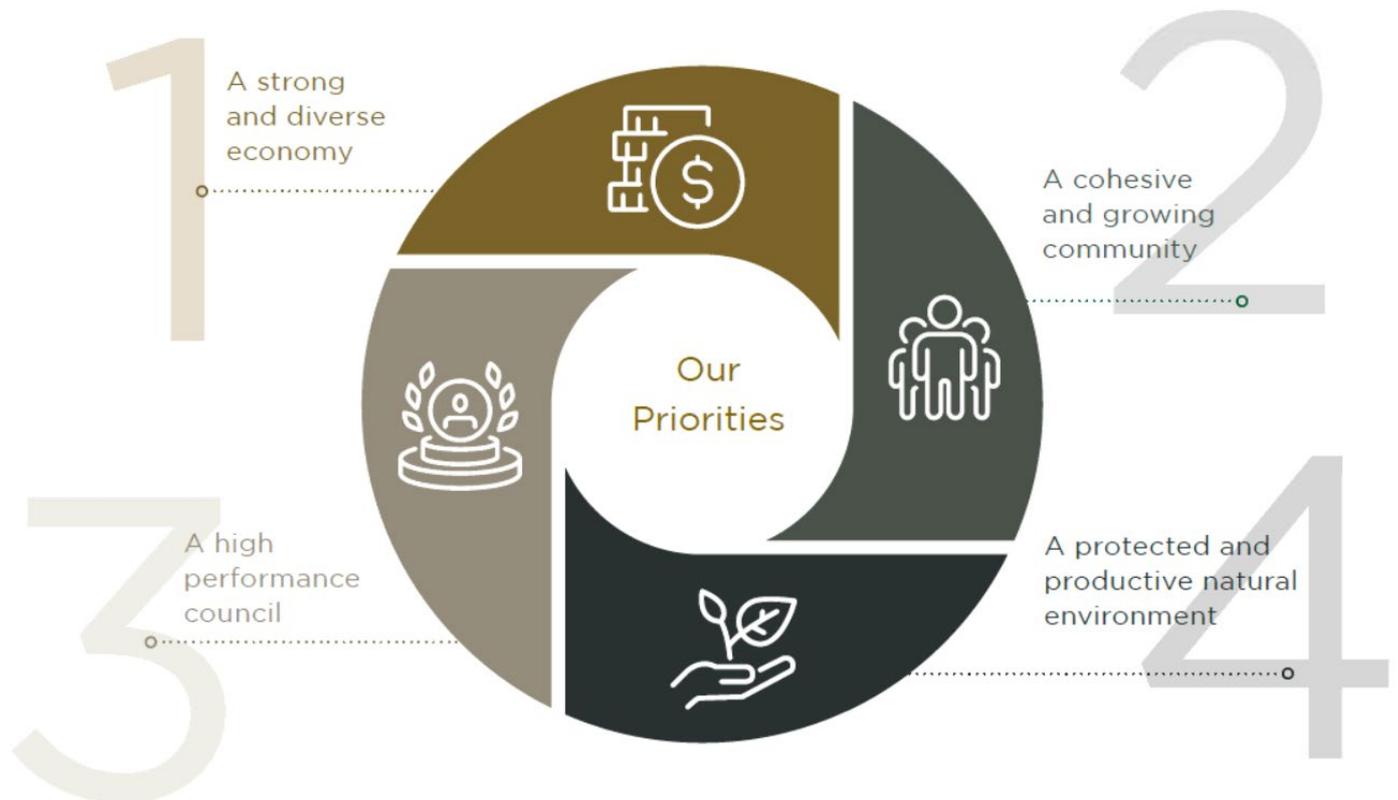
The Flinders Shire aims to be a thriving community in outback North Queensland. We want to leverage our strengths to support a diversified and growing economy – proving opportunities for our residents for generations to come.

REALISING THE FLINDERS SHIRE VISION

Council can achieve the vision through:

- Delivering and operating enabling infrastructure to industry to support private investment
- Delivering services to improve quality of life and facilities for community use
- Advocating for state and federal investment in infrastructure and services
- Identifying and promoting regional development opportunities
- Plan for growth and unlock development opportunities

OUR PRIORITIES



OUR SHIRE

Acknowledgements

We acknowledge the:

- Traditional Owners and custodians the Yirendali 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 halfway 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 approximately 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 Festival of Outback Skies, annual Hughenden Agricultural Show, Hughenden Country Music Festival, Rugby 7s Carnival, various Campdrafts, as well as country race meetings held annually at Hughenden, Stamford, Prairie, and Kooroorinya Falls Nature Reserve.

The newly extended and upgraded Flinders Discovery Centre showcases the Flinders Shire region and not to be missed when visiting Hughenden.

A walk through the museum provides people the opportunity to uncover the regions prehistoric past, discover the formation and significance of local geology and landscapes and hear about our local history and stories through the eyes of our community members who call the Shire home

Our museum is also home to Queensland's Fossil Emblem - ‘Hughie’ is the star attraction; a life size skeletal replica of a Muttaborrasaurus.

Within the Flinders Discovery Centre you will also find the accredited Visitor Information Centre and large range of souvenirs, with the Centre welcoming 24,675 visitors through the doors in 2022/2023.

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Statistics

General		Shire Controlled Roads		State Controlled Roads	
Land Area	41,199.2km ²	Sealed – Rural	125.23km	Sealed	622.61km
Population (2021 Census)	1,500	Sealed – Urban	32.05km	Gravelled	139.04km
Metres above sea level	324m	Gravelled – Urban	7.71km	Total	761.65km
Rateable Valuation	\$886,163,640	Gravelled – Rural	1760.17km		
Net Rate Revenue <i>(excluding other levies and charges)</i>	\$2,488,941	Total	1925.16km		
Total Income	\$44,819,524				
Total Expenses <i>(includes Capital Expenses)</i>	\$40,866,382				

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.

Functional Organisational Structure



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

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- 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.

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) (**Vice Chair**)
- Hughenden Chamber of Commerce

Boards & Committees:

- IQ-RAP - Vice Chair
- 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
- Local Disaster Management Group (**Chair**)

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)



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:

- Local Disaster Management Group – Recovery (**Chair**)
- Local Disaster Management Group (**Vice Chair**)

COUNCILLOR CLARENCE (CLARRIE) HAYDON

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

Mobile: 0427 417 127



Working Groups:

- 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 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 NICOLE (NIKI) FLUTE

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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 Sports Foundation (Board Member)
- Regional Arts & Development Fund (RADF)
- Hughenden Chamber of Commerce
- Hughenden District Community Advisory Network (CAN) – (Communications Officer)
- Townsville Hospital and Health Service Community Advisory Council

Boards & Committees:

- Audit Committee
- Local Disaster Management Group (**Vice Chair**)

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 2022-2023 Annual Report.

The 2022-2023 financial year has seen a better season year for our graziers, but commodity prices for beef, wool, and sheep has dampened attitudes. Businesses across the Flinders Shire are still recovering and building from the drought and Covid-19 pandemic. 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 recorded another year of steady tourism visitors to our shire, and we would expect these numbers to continue to grow due to the expansion to our Visitor Information Centre. The season was slow to start and slowly built after the school holidays. Our early season was boosted by the hosting of our inaugural “Festival of Outback Skies” which was well attended and received by locals and visitors alike.

At the November 2022 meeting Council adopted the Corporate Plan 2023-2028. The Corporate Plan 2023-2028 outlines Council’s direction for the next five years, setting goals for our community and clearly outlining the role of the council to realise our combined vision for our economy, community and environment.

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 2022-2023 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 continues to work on the Flinders River Water Strategy. This has incorporated the Flinders River water licences and the development of the Horticultural Precinct and future farming enterprises. We continue to lobby the Federal Government to match the committed funding from the Queensland Government.
- The Queensland Government has developed the Jobs and Energy Plan, which has identified the Flinders Shire as a Regional Energy Zone for Renewable Energy. We are in the process of lobbying for the Basic Trunk Infrastructure of Water, Roads, Housing, Sewerage, Waste disposal and Social Licence for our area to receive from this development over the next 5-10 years.
- Flinders Shire’s vision is to address our population decline through economic diversification. Work with investors within the Shire has helped to bring a positive impact to job opportunities and economic development. Our existing investors, Flinders Magic, Hollimans, and Windlab, and our new investors in the renewable energy space including CopperString and Iberdrola, are proactively working with Council with their new investment and future expansion plans.
- Our Flinders Shire roads teams completed the sealing of the Torrens Creek to Aramac Road, Prairie Creek Bridge, and the progressive sealing of the Kennedy Development Road within the northern section in the Flinders Shire. There will be approximately 11km of unsealed gravel road left north of the Flinders Shire boundary. Council is lobbying State and Federal government to secure the funding for the completion of the sealing works on the remaining 11km and also to upgrade the Whitecliff and Matchbox Creek sections.

Financial Performance

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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 2022-2023 financial year.

Council ended the 2022-2023 Financial Year with total comprehensive income of \$24.38 million. Contributing to this result was the prepayment of 2023/24 Financial Assistance Grants of \$9.4 million (special purpose and roads).

Capital expenditure of \$8.68 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 due to there being no future funding for Roads of Strategic Importance (ROSI) OSI and grants for new projects due to the Federal Infrastructure Review. We live in very uncertain financially sustainable times, and we need to retain funds to finance ongoing financial liabilities. 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.

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 2022-2023 represented 77.65 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 \$16.72 million this financial year compared with \$29.76 million in 2021-2022.

The 2022-2023 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

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CAPITAL AND OTHER MAJOR WORKS 2022-2023

COMPLETED PROJECTS IN 2022-2023

1	Hughenden Water Bank - Freeholding and Purchase of Property
2	Flinders Discovery Centre - FRRR - Agri Display (150k)
3	Council Buildings - Library Upgrade
4	Council Buildings - Library - AC Upgrade (GCBF Grant)
5	Upgrade of flood cameras around the shire
6	Water - Purchase of Mag Flowmeters for all Bore's incl. Lake Pump
7	Sewerage - Clear Scada Upgrade
8	Community Halls - Upgrade to DEC sound and lighting
9	Airport - Line Marking and Reseal
10	Shire Rural Roads - Reseals
11	Shire Town Streets - Reseals
12	2022/2023 - RTR/TIDS - Torver Valley Road - Torver Valley Creek Ch. 20.03km to Ch. 20.07km
13	2022/2023 - RTR/TIDS - Old Muttaborra Road - Landsborough Creek 1 Ch. 7.02km to Ch. 7.11km
14	2022/2023 - RTR/TIDS - Old Muttaborra Road - Lubra Creek 1 - Install Floodway
15	2022/2023 - RTR/TIDS - Old Muttaborra Road - Lubra Creek 2 - Install Floodway
16	2022/2023 - RTR/TIDS - Old Muttaborra Road - Landsborough Creek 2 Ch. 7.37km to Ch. 7.50km
17	RTR - Flynn St from Stansfield St to Uhr St
18	Town Streets - Disraeli St (Sort out ponding issues)
19	Water Mains 2022-2023 Upgrade - Prairie
20	Small Towns - Prairie - Smart Water Meters
21	Small Towns - Torrens Creek - Smart Water Meters
22	TIDS/RTR - Old Richmond Rd - Progressive sealing 23/24
23	Community Service Action Plans – Library and Youth Services, Arts, Culture and History and Tourism

CARRIED OVER PROJECTS FROM 2022-2023 TO 2023-2024

1	Hughenden Water Bank - Survey, detailed design and detailed business case
2	Water Bank Planning & Approvals - Continue on W4848 - Savings From W4584
3	Construction of Hughenden Offstream Storage
4	Land Purchase, expansion of Caravan Park
5	Riverbank Protection Works - Bond Lane
6	FDC - Upgrade of Flinders Discovery Centre - Stage 3 - Internal fittings and Coffee Shop
7	FDC - Relocate & Install Windmill
8	Remove and reinstate the 24 room accommodation @ Caravan Park expansion
9	Water - Purchase of new Bore No. 5
10	Water - No 2 Bore - Switchboard
11	Council Houses - Fencing of 9 Railway Houses in Railway Court
12	Kerb and Channelling - Prairie
13	Dutton Downs Road, Betterment works – Sawpit Creek and Ch 42.340
14	Safety Upgrades - State School
15	Safety Upgrades - Catholic School
16	Swanson St Upgrade, McLaren St to Queen Street
17	RTR - Sharky St (Salesyard Road to Morell St, 500m)
18	Town Streets - Byers St (Sort out ponding issues)
19	Town Streets - Stansfield St (Sort out ponding issues from Flynn St to Bore No.5)

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20	Town Streets - Recreational Lake - Lake Memorial Drive Project
21	Water Mains 2022-2023 Upgrade - As per Replacement Program
22	Water Mains 2022-2023 Upgrade - Prairie
NEW PROJECTS 2023-2024	
1	High Impact Industrial Development (Major amendment to the Planning Scheme)
2	Saleyard Upgrades - TMR
3	Ground Water Exploration & Drilling
4	Expansion of Showgrounds Camping Area
5	Medium Industrial Estate - Completion of Drainage Works
6	Works Depot Staff Toilet Upgrade
7	Storage Room at Workers Accommodation
8	Brodie St - Installation of Structures & Completion of Footpaths
9	23/24 Reseals Town Streets
10	23/24 Reseals Rural Roads
11	Morrell Street - R2R
12	Floodways - R2R / TIDS
13	Lake - New Powerboards
14	Lake - Seating / Playground
15	Brodie Street Play Ground seating
16	Brodie Street - Playground Upgrade of Boundary Fence
17	Mt Walker CCTV
18	Stamford-Lerida Road
19	Stamford-Marathon Road
20	Jula Park Road
21	Hazelrig Road
22	Aberfoyle Road
23	Ashton Road
24	Prairievale Road
25	Ulva Road
26	Airport - Upgrade & Expansion of the Apron - TMR
27	Showgrounds - Grand Stand Seating
28	Replacement of Office Photocopier at Council Chambers
29	Pumps Approaching End of Life - Out of Sewerage Budget - Pump Station 1 & 2 NH 1
30	New Residential Water Mains - Land Sales Hughenden
31	New Residential Water Mains - Christensen St Prairie
32	New Residential Sewer Mains - Land Sales Hughenden
33	New footpath - from school to the pub (Prairie)
34	Forming up and building the existing drains and undertake any additional works as warranted (Prairie)
35	Additional Water Tank + SCADA interface- Prairie
36	Community Connection – Digital Noticeboards: Torrens Creek, Prairie and Stamford
37	Development of Economic Development Impact Plans
38	Development of Entertainment Precincts Masterplan

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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 2022-2023.

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 2022-2023. Due to no significant business activities the competitive neutrality principle is not applicable for 2022-2023.

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	2
\$200,000 to \$299,999	2

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 2023.

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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 2022-2023 financial year.

Revenue

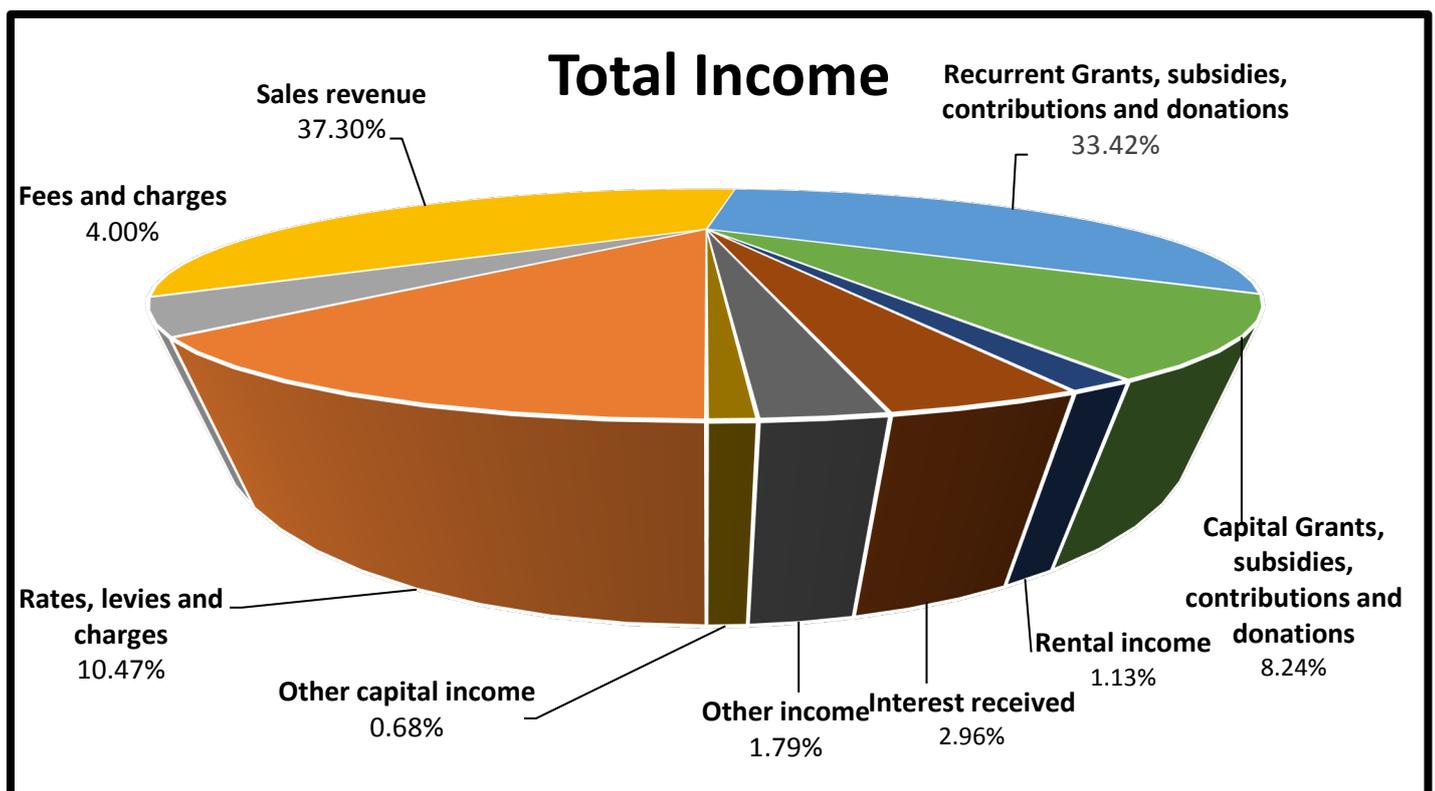
The two main categories of revenue are recurrent revenue and capital revenue. Council's recurrent revenue is money raised that is used to fund the operations of Council. Council raises recurrent revenue from income sources such as rates, levies and charges, grants, subsidies and donations, contract and 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 \$47.76M in 2021-2022 to \$38.2M in 2022-2023. There was a significant decrease in revenue relating to sales contract and recoverable works whilst rates and charges revenue slightly increased from the previous year. Recurrent grants revenue received in 2022-2023 increased from the previous year by \$3.26M. Sales contract and recoverable works revenue comprised of 43.78% whilst grants, subsidies, contributions and donations were 39.23% 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 decreased in the amount of \$13.04M compared to the previous financial year. Council is heavily reliant on both sales contract, recoverable works and grant revenue.

Capital revenue of \$3.7M is marginally less than the previous year of \$3.8M. 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 10.47% of total recurrent revenue.



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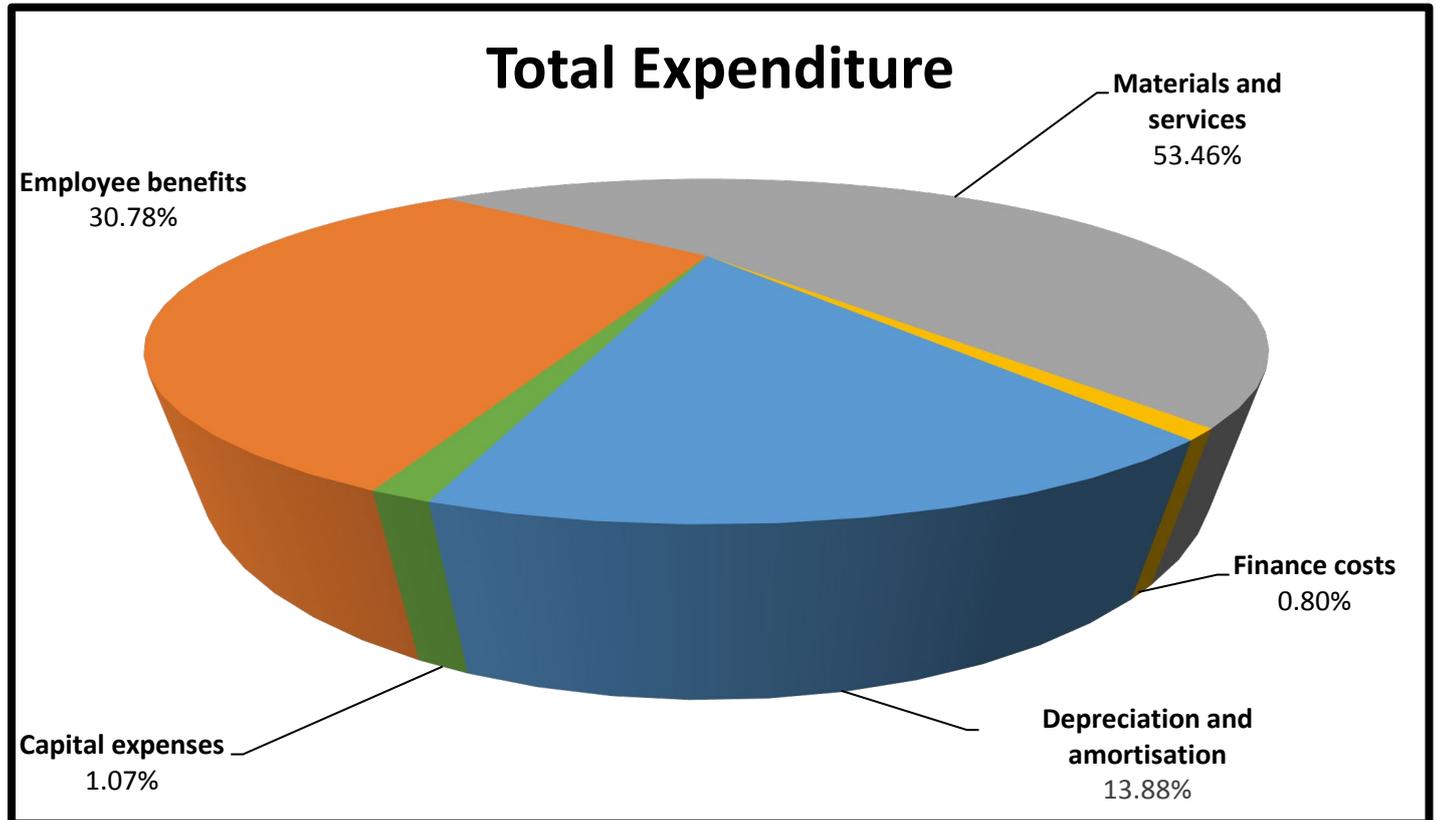
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Expenses

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 decreased by \$1.5M compared to the previous year.



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).

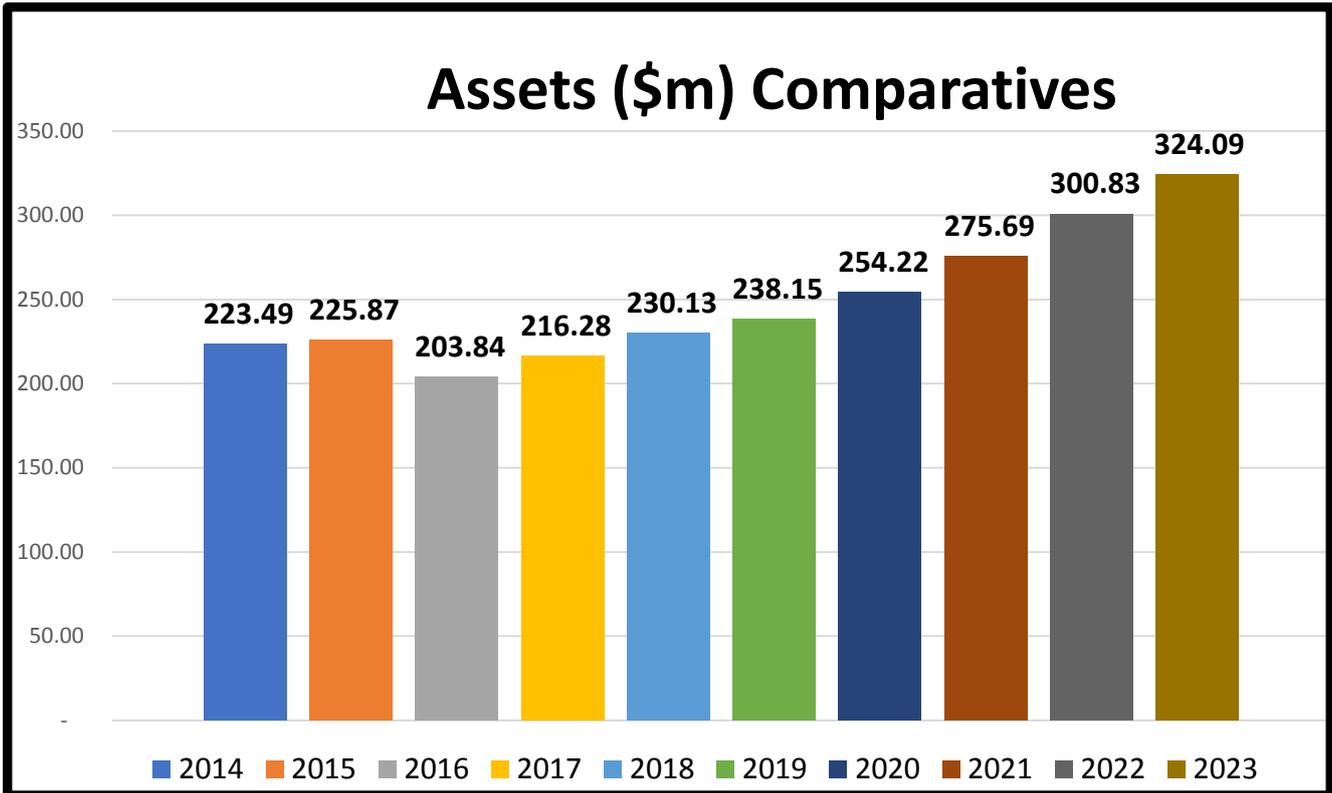
Assets

Property plant and equipment increased by \$22M which is the net result of asset purchases/additions, disposals, depreciation and revaluations.

There was an increase in the cash balance of \$3.7M, this increase was due mainly to an increase in funding received relating to Main Roads contract works and flood damage road works.

Council had \$33.5M 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 \$1.3M.

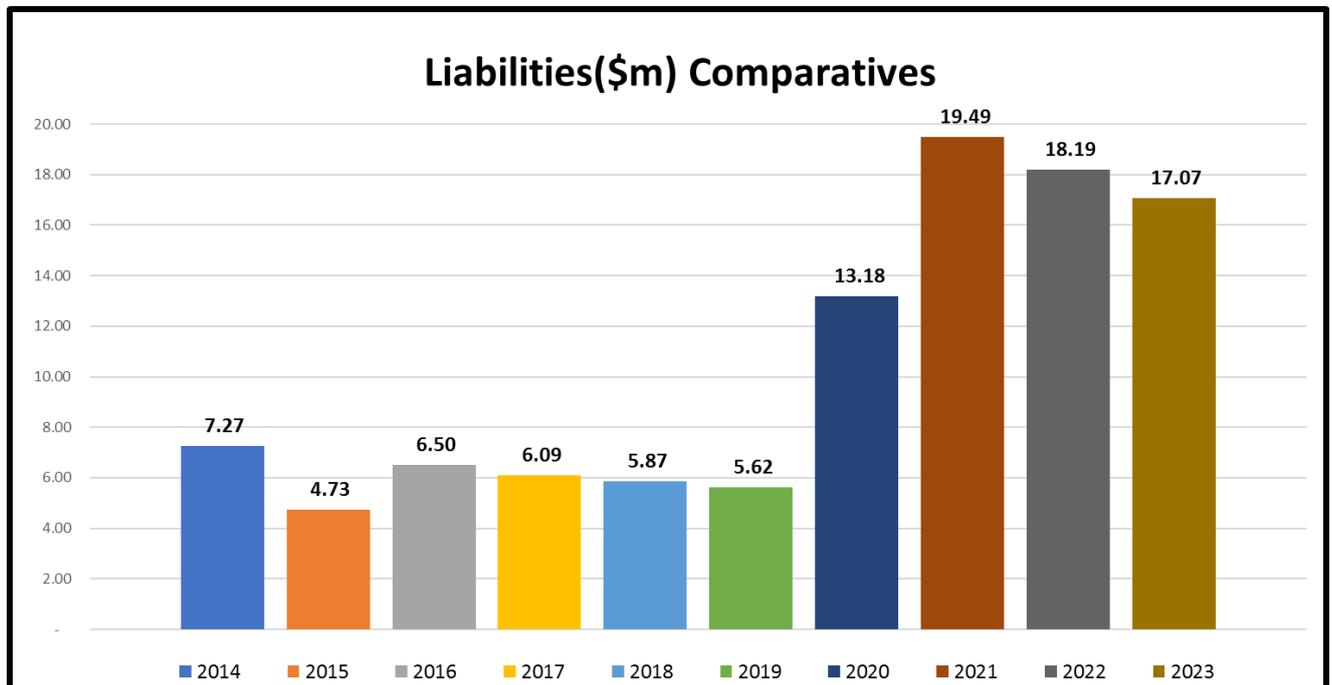
Property, plant and equipment is the largest asset type comprising \$272.5M. Property, plant and equipment is made up of Council asset classes including land, buildings, recreation facilities, plant and equipment, corporate and IT, road network, water network, sewer network, stormwater drainage network, waste / landfill and works in progress. Council's road network assets are the largest component of property, plant and equipment amounting to \$128.8M.



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 \$7.5M relate to loans from Queensland Treasury Corporation and \$613K 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.



The Statement of Changes in Equity

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

Total Assets \$324.1M – Total Liabilities \$17.1M = Community Equity \$307.0M

Community equity increased by \$24.4M 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 \$3.7M 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 \$8.68M 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.

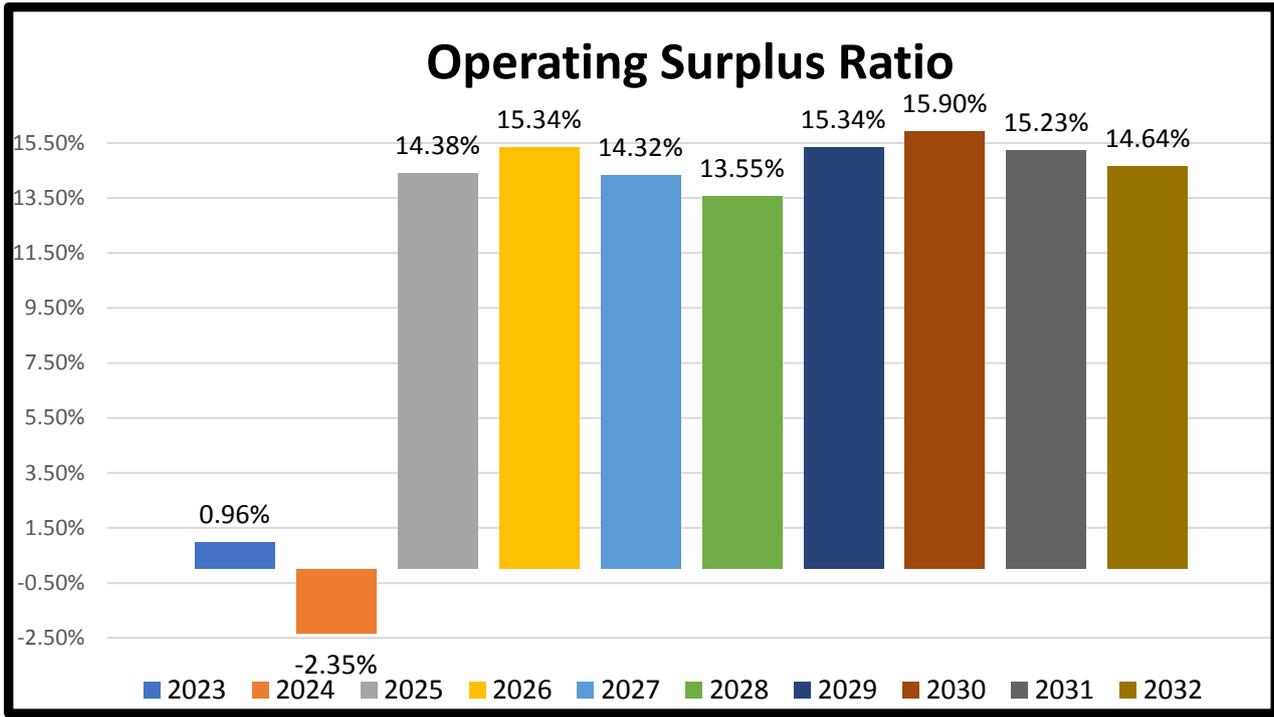
Net Result (excluding Capital items)

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 0.96%.

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.

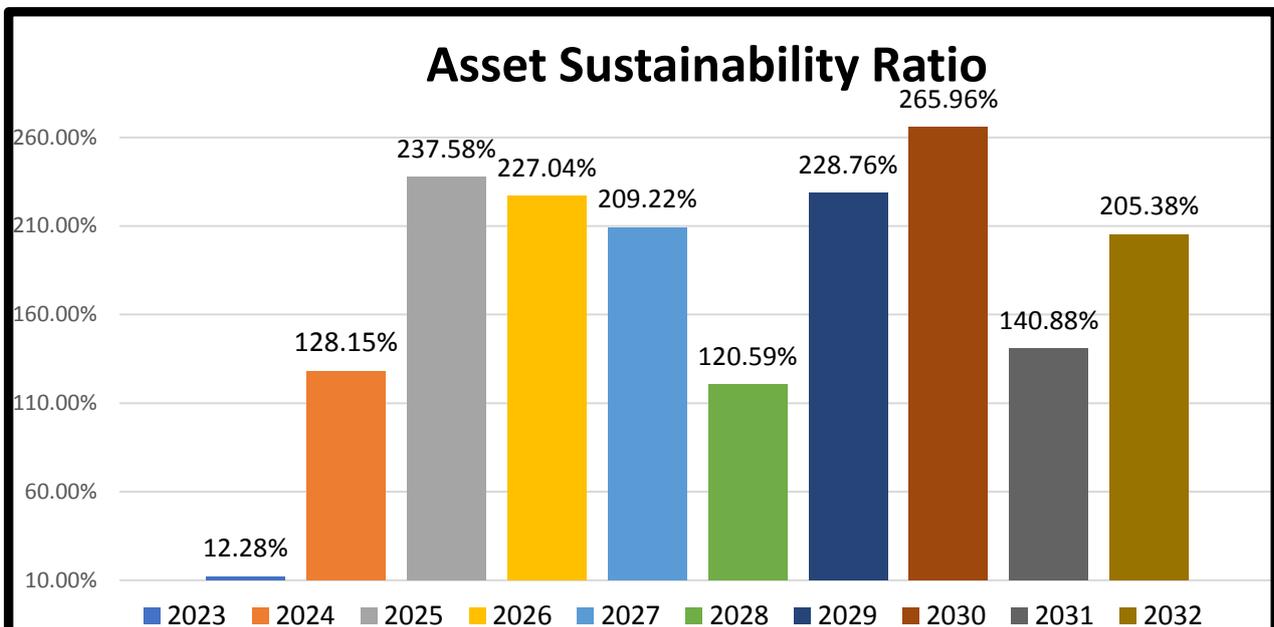
Capital Expenditure on the replacement of Assets (Renewals)

Depreciation Expense

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

Council's 2022-23 Asset Sustainability Ratio was 12.28%

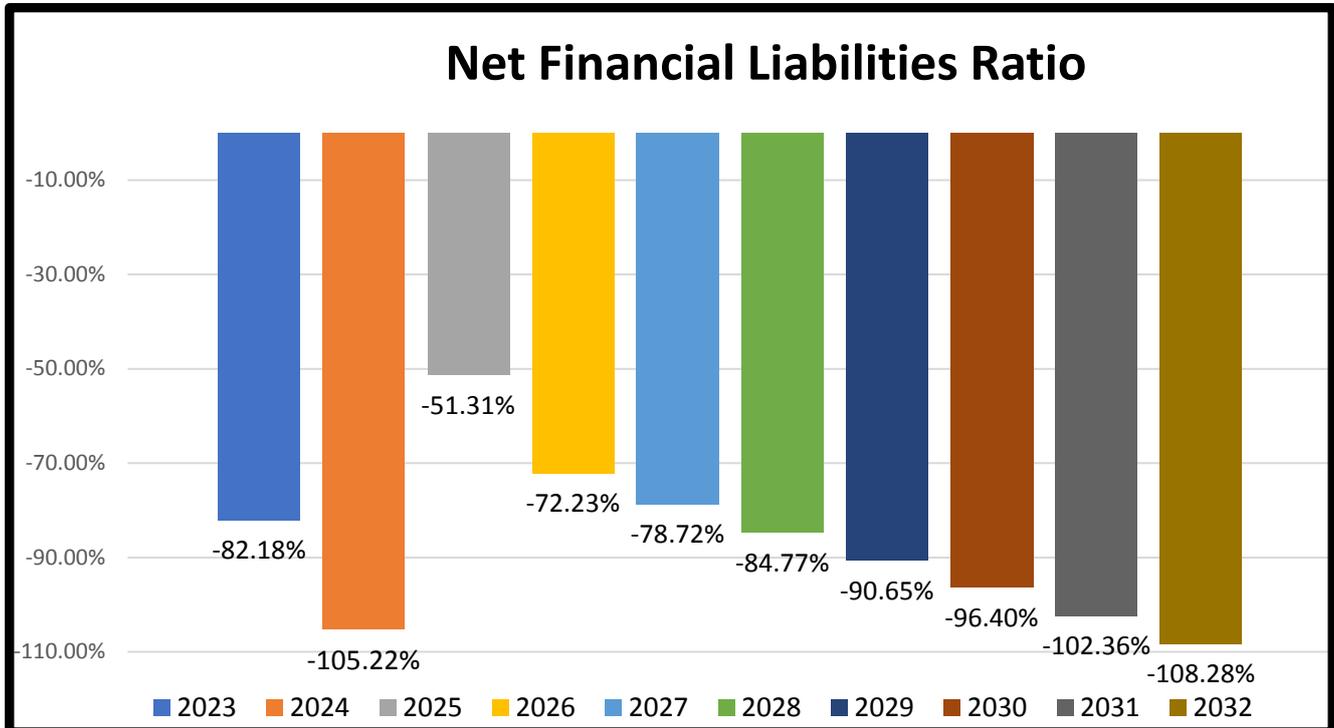
The long term forecast indicates that Council will meet the set target in the coming years for the renewal of its infrastructure assets.





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 2023 was -82.18%.

Council borrowings at year end were \$8.09M, trade and other payables of \$3.2M and contract liabilities of \$1.3M thus with few other liabilities the ratio is low.

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PARTICULAR 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 2022-2023 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 2022-2023 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 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

From 01 July 2023:

January 2023 Council Meeting

The Commission has decided to increase the maximum remuneration levels for Mayors, Deputy Mayors and Councillors by 4.0% from 01 July 2023.

Resolution 3645 – That Council receive the Local Government Remuneration Commission Annual Report 2021-22 and accept the Remuneration Schedule applicable for Flinders Shire, to apply from 01 July 2023.

Position	Annual Remuneration*	Meeting Allowance**	Total Allowance
Mayor Allowance	\$114,801.00	Nil	\$114,801.00
Deputy Mayor Allowance	\$66,231.00	Nil	\$66,231.00
Councillor Allowance	\$38,266.67	\$19,133.28	\$57,399.95

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* 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.

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	1	\$82,789.47	N/A		\$82,789.47
Deputy Mayor K Middleton	12	1	\$47,763.00	N/A	\$184.00	\$47,947.00
Cr K Carter	12	1	\$27,595.98	\$13,797.99		\$41,393.97
Cr C Haydon	12	1	\$27,595.98	\$13,797.99	\$7,536.00	\$48,929.97
Cr N Flute	12	1	\$27,595.98	\$13,797.99	\$3,832.00	\$45,255.97
Cr A Bode	11	1	\$27,595.98	\$13,797.99	\$3,300.80	\$44,694.77
Cr T Mitchell	12	1	\$27,595.98	\$13,797.99		\$41,393.97

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)	Registration Fees	iPad Allowance	Uniforms	Misc. Expenses	TOTAL
Mayor McNamara J	\$6,161.41	\$1,923.63	\$227.88		\$197.45	\$8,510.37
Deputy Mayor K Middleton	\$1,768.94	\$1,356.26	\$227.88		\$35.72	\$3,388.80
Cr K Carter	\$795.45	\$72.57	\$227.88		\$35.72	\$1,131.62
Cr C Haydon	\$3,417.00	\$2,394.14	\$227.88		\$35.72	\$6,074.74
Cr N Flute	\$1,280.40	\$72.57	\$227.88		\$35.72	\$1,616.57
Cr A Bode	\$487.36	\$737.72	\$227.88		\$35.72	\$1,488.68
Cr T Mitchell	\$2,082.90	\$1,199.84	\$227.88		\$35.72	\$3,546.34

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Facilities Provided:

<p>The Mayor was provided with the following items:</p> <ul style="list-style-type: none"> • Laptop – Office Use Only • Printers – Office Use Only • iPad Pro • Car 	<p>All Councillors were provided with the following items:</p> <ul style="list-style-type: none"> • iPad Pro
---	---

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>)	1
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 under section 150I(2), 150AH(1) or 150AR (1) of the Act was made	See details below
	DETAILS: C/23/00037 – Cr Kim Middleton	
186 (e) (ii)	A description of the unsuitable meeting conduct, inappropriate conduct or misconduct engaged in by each of the councillors	See details below
	DETAILS: C/23/00037 – Inappropriate Conduct: It was alleged that Cr Middleton breached Council planning laws by not obtaining appropriate approvals for three structures located next to a 'Rodeo Arena' on his property.	
186 (e) (iii)	A summary of the decision, order or recommendation made for each councillor	See details below
	DETAILS: C/23/00037 – 1. Pursuant to section 150AG(1)(a) of the LG Act, Cr Kim (Clancy) Middleton engaged in inappropriate conduct in respect of the complaint considered by the investigation; and 2. Pursuant to sections 150AG(1)(b) and 150AH(1)(b)(i) of the LG Act, Council orders that Cr Middleton makes a public admission that the councillor has engaged in inappropriate conduct.	
186 (f) (i)	The number of complaints referred to the assessor under section 150P(2)(a) of the Act by the local government, a councillor of the local government or the Chief Executive Officer of 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(1)(a), (b) & (e) of the Act (<i>Decision about conduct</i>)	1



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>	1
186 (f) (ix)	The number of applications heard by the conduct tribunal, under chapter 5A, part 3, division 6 of the Act about whether a councillor engaged in misconduct or inappropriate conduct <i>(Application to conduct tribunal about misconduct and connected inappropriate conduct)</i>	Nil

ADMINISTRATIVE ACTION COMPLAINTS

(Local Government Regulations 2012 section 187)

The annual report for a financial year must contain:

Legislation	Description
187 (1)(a)	<p>A statement about the local government's commitment to dealing fairly with administrative action complaints</p> <p>DETAILS: The following is a brief summary of the Council adopted policy "Complaints Management Policy".</p> <p>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.</p> <p>Principles: Council is committed to a complaints management process which ensures the transparent, effective and timely resolution of complaints.</p> <p>Scope: This policy has been established to provide a clear administrative method of handling and resolving of all complaints made by affected persons.</p>
187 (1)(b)	<p>A statement about how the local government has implemented its complaints management process, including an assessment of the local government's performance in resolving complaints under the process.</p> <p>DETAILS: Council has adopted and implemented its Complaints Management Policy and Complaints Management Procedure in accordance with the requirements of Section 268(1) of the <i>Local Government Act 2009</i> and Section 306 of the <i>Local Government Regulation 2012</i>. Regular training is provided to Council Officers, with a focus on legislative compliance, responsibilities, awareness of obligations regarding Council's Administrative Actions Complaints Process and investigation procedures.</p>

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The annual report must also contain particulars of:

Legislation	Description	Number
187 (2)(a)(i)	Number of administrative complaints made to the local government during 2022-2023	Nil
187 (2)(a)(ii)	Number of administrative complaints resolved by the local government under the complaints management process during 2022-2023	Nil
187 (2)(a) (iii)	Number of administrative action complaints not resolved by the local government under the complaints management process 2022-2023	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 2021-2022	Nil

OVERSEAS TRAVEL

(Local Government Regulation 2012 section 188)

During the 2022-2023 period there was **no** overseas travel undertaken, in an official capacity, by a Councillor or Council employee.

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 2022-2023 for the purpose of allocation as community grants.

Regional Arts Development Fund*

Community Group	Purpose	Amount
Cameron Downs State School	Pottery Classes	\$1,000.00
Hughenden Country Music	Junior Contestant Champion/Band/Course Fees	\$10,600.00
GRAND TOTAL		\$11,600.00

*RADF Year runs from 01 September – 31 August

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Community Grant - Facility and Equipment

Community Group	Purpose	Amount
Projects – July to December 2022		
TOTAL		\$0.00
Projects – January to June 2023		
Hughenden Hammerheads Swimming Club	Equipment	\$2,500.00
Prairie Jockey Club Inc	Erect Shed over Playground	\$11,564.50
TOTAL		\$14,064.50
GRAND TOTAL		\$14,064.50

Community Sponsorship – Event Support

Community Group	Purpose	Amount
Events - July to December 2022*** Round.		
Hughenden Tennis Club	Junior Tennis Coaching	\$1,000.00
St Francis School	2022 Annual Fete	\$1000.00
Hughenden Netball Association	Flinders Challenge Netball Carnival 2022	\$1000.00
Flinders Classic Challenge and Campdraft	Flinders Classic Challenge and Campdraft 2022	\$1000.00
Hughenden Bowls Club	Invitation Triples Bowls Tournament	\$1,000.00
Hughenden Country Music Association Inc	Hughenden Country Music Festival 2022	\$1000.00
Hughenden Campdraft	Campdraft Event 2022	\$1,000.00
Hughenden Town and Country Club Inc	Hughenden Rugby 7s 2022	\$1000.00
Prairie Jockey Club	Prairie Races 2022	\$1000.00
Stamford Race Club Inc	Entertainment for Races 2022	\$1,000.00
Hughenden Chamber of Commerce	Brodie Street Christmas Party	\$10,000.00
TOTAL		\$20,000.00
Events – January to June 2023		
Hughenden RSL	Anzac Day - Gun Fire Breakfast	\$1,000.00
Flinders Hack & Pony Club	Showjumping School	\$1,000.00

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Hughenden Swimming Club	Come & Try Day	\$1,000.00
Hughenden Show Society	Hughenden Show 2023	\$20,000.00
TOTAL		\$23,000.00
GRAND TOTAL		\$43,000.00

Community Sponsorship – Event Development

Community Group	Purpose	Amount
Events – July to December 2022		
TOTAL		\$0.00
Events – January to June 2023		
Flinders Hack & Pony Club	Reaching Out - Outreach Camp	\$5,000.00
TOTAL		\$5,000
GRAND TOTAL		\$5,000

Quick Response Stream - Donations

Community Group	Purpose	Amount
Donations – July to December 2022		
Radschool	Venue Hire	\$500.00
Hughenden Kindergarten & Early Childhood Centre	Kindy Open Fun Day	\$500.00
Cameron Downs State School	Trivia Night	\$350.00
Campdraft 4 A Cause	Entertainment	\$500.00
Lions Club Hughenden	1RAR Army Band Performance	\$500.00
Hughenden Hammerheads Swimming Club	Come & Try Club Nights & BBQ	\$500.00
Hughenden Chambers of Commerce	Street Christmas Party (Insurance)	\$1,048.51
Hughenden Lions Club	Prizes Christmas Lights Competition	\$500.00
Hughenden State School	Annual Awards Night Contribution	\$250.00
Cameron Downs State School	Annual Awards Night Contribution	\$250.00
Prairie State School	Annual Awards Night Contribution	\$250.00

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St Francis School	Annual Awards Night Contribution	\$250.00
TOTAL		\$6,398.51
Donations – January to June 2023		
Prairie Jockey Club Inc	Kids Entertainment on Race Day 2023	\$500.00
Hughenden Tennis Club	Purchase of New Racquets	\$500.00
TOTAL		\$1,000.00
GRAND TOTAL		\$7,398.51

Quick Response Stream – Contribution for Sporting Excellence

Name	Purpose	Amount
Donations – July to December 2022		
Mac Hamilton	State Championships Athletic	\$500.00
Kiah Patterson	State Championships Athletic	\$500.00
TOTAL		\$1,000.00
Donations – January to June 2023		
Lincoln Corney	Rugby League State Championships	\$500.00
Bonte Johnstone	13-19 years Netball State Championships	\$500.00
Travis Mullaly	Rugby League State Championships	\$500.00
Jakeb Sladden	Rugby League State Championships	\$500.00
George Herrod	Rugby League State Championships	\$500.00
TOTAL		\$2,500.00
GRAND TOTAL		\$3,500.00

Shopfront Improvement Stream

Business	Purpose	Amount
Nil	Nil	Nil
GRAND TOTAL		\$0.00

In-Kind Support

Nil

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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.

At the November 2022 meeting Council adopted the Corporate Plan 2023-2028. The Corporate Plan 2023-2028 outlines Council's direction for the next five years, setting goals for our community and clearly outlining the role of the council to realise our combined vision for our economy, community and environment.

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.

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 2022-2023 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 2023.

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 2022-2023 financial year was **zero**.

Registers and Public Documents

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

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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 determine, by vote, that a conflict of interest does exist, they must direct that councillor to leave the meeting.	Councillor's interests are available on Council's website
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



Item	Description	Access
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

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 2022-2023 financial year the Audit Committee met on 26 October 2022 and 5 December 2022. The Committee considered and recommended to Council the adoption of the 2021- 2022 Financial Statements at its meeting held on 26 October 2022.

Council's Independent Chair of the Audit Committee is Mr Graeme Kanofski and Council's Internal Auditors are Pacifica Chartered Accountants, Cairns.

Annual Report 2022-2023

TRIM Ref: SF23/230 R23/4486

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At the June 2023 Council meeting a new Enterprise Risk Management Policy and Enterprise Risk Management Framework and Guidelines were adopted. These two documents will support and strengthen Council's audit framework

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 2023.

Discovery • Opportunity • Lifestyle



Flinders Shire Council
Annual Financial Statements
for the year ended 30 June 2023

Flinders Shire Council

Financial statements

For the year ended 30 June 2023

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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 2023

	Note	2023 \$	2022 - Restated \$
Income			
Revenue			
Recurrent revenue			
Rates, levies and charges	3(a)	4,692,453	4,440,625
Fees and charges	3(b)	1,794,147	1,740,872
Sales revenue	3(c)	16,717,411	29,762,329
Grants, subsidies, contributions and donations	3(d)	14,980,774	11,719,944
Total recurrent revenue		<u>38,184,786</u>	<u>47,663,770</u>
Capital revenue			
Grants, subsidies, contributions and donations	3(d)	3,693,626	3,807,969
Total capital revenue		<u>3,693,626</u>	<u>3,807,969</u>
Rental income		506,857	414,465
Interest received	4(a)	1,326,183	250,403
Other income	4(b)	803,211	527,364
Other capital income	5	304,861	29,943
Total income		<u>44,819,524</u>	<u>52,693,914</u>
Expenses			
Recurrent expenses			
Employee benefits	6	12,580,475	11,730,901
Materials and services	7	21,847,434	24,520,096
Finance costs	8	328,537	272,690
Depreciation and amortisation			
Property, plant and equipment	14	5,671,698	5,493,991
		<u>40,428,143</u>	<u>42,017,678</u>
Capital expenses			
	9	438,239	369,584
Total expenses		<u>40,866,382</u>	<u>42,387,262</u>
Net result		<u>3,953,142</u>	<u>10,306,652</u>
Other comprehensive income			
Items that will not be reclassified to net result			
Increase / (decrease) in asset revaluation surplus		20,425,759	16,124,737
Total other comprehensive income for the year		<u>20,425,759</u>	<u>16,124,737</u>
Total comprehensive income for the year		<u>24,378,901</u>	<u>26,431,389</u>

Council has made a retrospective restatement as a consequence of a correction of an error in the financial year ended 30 June 2022. Details are disclosed in Note 29.

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 2023**

	Note	2023 \$	2022 - Restated \$
Current assets			
Cash and cash equivalents	10	45,232,658	41,549,257
Receivables	11	3,748,330	6,043,180
Inventories	12	574,525	530,220
Contract assets	16	753,985	1,381,421
Other assets	13	301,618	63,327
Total current assets		<u>50,611,116</u>	<u>49,567,405</u>
Non-current assets			
Receivables	11	1,400	1,400
Property, plant and equipment	14	272,453,077	250,242,499
Intangible assets	15	1,022,400	1,022,400
Total non-current assets		<u>273,476,877</u>	<u>251,266,299</u>
Total assets		<u>324,087,993</u>	<u>300,833,704</u>
Current liabilities			
Payables	17	3,241,902	3,909,419
Contract liabilities	16	1,360,346	1,386,172
Borrowings	18	895,223	875,065
Provisions	19	2,251,100	1,921,204
Total current liabilities		<u>7,748,572</u>	<u>8,091,860</u>
Non-current liabilities			
Borrowings	18	7,198,873	8,094,909
Provisions	19	2,118,521	2,003,809
Total non-current liabilities		<u>9,317,394</u>	<u>10,098,718</u>
Total liabilities		<u>17,065,965</u>	<u>18,190,578</u>
Net community assets		<u>307,022,027</u>	<u>282,643,126</u>
Community equity			
Asset revaluation surplus	20	116,783,769	96,358,010
Retained surplus		190,238,258	186,285,116
Total community equity		<u>307,022,027</u>	<u>282,643,126</u>

Council has made a retrospective restatement as a consequence of a correction of an error in the financial year ended 30 June 2022. Details are disclosed in Note 29.

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 2023**

	Asset revaluation surplus	Retained surplus	Total
	\$	\$	\$
Balance as at 1 July 2022	96,358,010	186,285,116	282,643,126
Net result	-	3,953,142	3,953,142
Other comprehensive income for the year			
Increase / (decrease) in asset revaluation surplus	20,425,759	-	20,425,759
Total comprehensive income for the year	20,425,759	3,953,142	24,378,901
Balance as at 30 June 2023	116,783,769	190,238,258	307,022,027
Balance as at 1 July 2021	80,233,273	175,978,464	256,211,737
Correction of Recognition of Contract Assets and Liabilities AASB 15	-	599,900	599,900
	80,233,273	176,578,364	256,811,637
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
Restated Balance as at 30 June 2022	96,358,010	186,285,116	282,643,126

Council has made a retrospective restatement as a consequence of a correction of an error in the financial year ended 30 June 2022. Details are disclosed in Note 29.

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

Flinders Shire Council
Statement of Cash Flows
For the year ended 30 June 2023

	Note	2023 \$	2022 \$
Cash flows from operating activities			
Receipts from customers		26,901,972	36,392,267
Payments to suppliers and employees		<u>(34,794,998)</u>	<u>(37,918,646)</u>
		(7,893,026)	(1,526,379)
Interest received		1,326,183	250,403
Rental Income		506,857	414,465
Recurrent grants, subsidies, contributions and donations		15,827,452	12,780,251
Borrowing costs		<u>(328,537)</u>	<u>(272,690)</u>
Net cash inflow (outflow) from operating activities	24	<u>9,438,929</u>	<u>11,646,050</u>
Cash flows from investing activities			
Payments for property, plant and equipment		(8,688,008)	(9,494,448)
Grants, subsidies, contributions and donations - Capital		2,848,658	5,737,319
Proceeds from sale of property plant and equipment		959,699	565,214
Net cash inflow (outflow) from investing activities		<u>(4,879,650)</u>	<u>(3,191,915)</u>
Cash flows from financing activities			
Proceeds from borrowings		-	-
Repayment of borrowings		<u>(875,878)</u>	<u>(856,255)</u>
Net cash inflow (outflow) from financing activities		<u>(875,878)</u>	<u>(856,255)</u>
Net increase (decrease) in cash and cash equivalent held		<u>3,683,401</u>	<u>7,597,880</u>
Cash and cash equivalents at the beginning of the financial year		41,549,257	33,951,377
Cash and cash equivalents at end of the financial year	10	<u>45,232,658</u>	<u>41,549,257</u>

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 2023

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 2022 to 30 June 2023. 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 2022, 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 2023, 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

Council makes 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.

1.F Financial assets and financial liabilities

Council recognises a financial asset or a financial liability in its Statement of Financial Position when, and only when, Council becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are presented separately from each other and offsetting has not been applied.

1.G 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.

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 2023

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 2023

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	8,978,969	4,551,036	-	-	13,530,005	(1,423,691)	-	(1,423,691)	12,106,314	12,106,314	86,588,257
Economy	-	17,791,207	786,506	304,861	18,882,574	(21,498,492)	(438,239)	(21,936,730)	(3,707,285)	(3,054,156)	13,973,206
Environment	-	356,677	-	-	356,677	(1,362,516)	-	(1,362,516)	(1,005,839)	(1,005,839)	1,572,379
Community	1,836,002	1,158,621	23,444	-	3,018,067	(6,967,333)	-	(6,967,333)	(3,972,710)	(3,949,266)	34,340,668
Infrastructure	4,165,803	1,975,378	2,883,676	-	9,024,857	(9,122,382)	-	(9,122,382)	(2,981,201)	(97,525)	187,613,482
Resources	-	7,344	-	-	7,344	(53,730)	-	(53,730)	(46,386)	(46,386)	-
Total Council	14,980,774	25,840,263	3,693,626	304,861	44,819,524	(40,428,143)	(438,239)	(40,866,382)	392,894	3,953,142	324,087,993

Year ended 30 June 2022 - Restated

Functions	Gross program income				Total income	Gross program expenses		Total expenses	Net result from recurrent operations	Net Result	Assets
	Recurring		Capital			Recurring	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	2,024,713	-	5,768,212	(8,058,418)	-	(8,058,418)	(4,314,918)	(2,290,206)	174,416,533
Resources	-	4,976	-	-	4,976	(65,501)	-	(65,501)	(60,525)	(60,525)	-
Total Council	11,719,944	37,136,060	3,807,969	29,942	52,693,914	(42,017,678)	(369,584)	(42,387,262)	6,838,326	10,306,652	300,833,704

Flinders Shire Council
Notes to the financial statements
For the year ended 30 June 2023

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.

	2023	2022
	\$	\$
General rates	2,488,941	2,313,913
Separate rates	118,126	112,066
Water	1,001,616	958,670
Sewerage	888,986	834,535
Garbage charges	232,021	216,964
Other rates, levies & charges	13,725	52,415
Total rates and utility charge revenue	4,743,415	4,488,563
Less: Pensioner remissions	(50,962)	(47,938)
	<u>4,692,453</u>	<u>4,440,625</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	53,082	49,077
Community care packages	640,792	545,865
Saleyards	-	14
Parks & reserves	175,515	135,277
Caravan park	557,564	696,762
Fees & Permits	109,597	139,481
Other fees & charges	257,596	174,396
	<u>1,794,147</u>	<u>1,740,872</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	3,529,992	4,276,705
Main road contract revenue, Hann Highway 99B	6,001,497	3,377,785
Main road contract revenue, Hughenden/Richmond 14C	1,647,237	6,495,136
Main road contract revenue, Hughenden/Charters Towers 14B	-	811
Main road contract revenue, Torrens Creek Aramac 5703	4,210,252	10,169,023
Main roads contract revenue, Hughenden/Muttaburra 5701	1,328,433	828,289
Main Roads contract revenue, Hughenden/Winton 99C	-	605,038
Main road contract revenue, Flood Damage	-	4,009,542
Total sales revenue	<u>16,717,411</u>	<u>29,762,329</u>

Flinders Shire Council
Notes to the financial statements
For the year ended 30 June 2023

(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 obligation 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.

	2023 \$	2022 - Restated \$
(i) Operating		
General purpose grants	12,010,476	9,981,771
State government subsidies & grants	1,608,026	412,232
Commonwealth government subsidies & grants	1,352,737	1,325,941
Donations	9,535	-
	<u>14,980,774</u>	<u>11,719,944</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)	1,421,445	1,279,352
Commonwealth government subsidies & grants (capital)	2,272,181	2,528,617
Total capital grants, subsidies and contributions	<u>3,693,626</u>	<u>3,807,969</u>

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

	Note	2023 Revenue recognised at a point in time \$	2023 Revenue recognised over time \$	2022 Revenue recognised at a point in time \$	2022 Revenue recognised over time \$
Grants and subsidies	3d	14,139,721	4,534,679	11,708,218	3,819,695
		<u>14,139,721</u>	<u>4,534,679</u>	<u>11,708,218</u>	<u>3,819,695</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	1,286,379	208,001
Interest from overdue rates and utility charges	39,804	42,402
	<u>1,326,183</u>	<u>250,403</u>

(b) Other income

Other income	651,093	362,901
Corporate service recoveries	21,697	30,586
Insurance claim recoveries	4,476	24,500
Merchandise income	125,945	109,377
Sundry income	-	-
	<u>803,211</u>	<u>527,364</u>

Flinders Shire Council
Notes to the financial statements
For the year ended 30 June 2023

	2023	2022
Note	\$	\$
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 -	(535,271)
	<u>-</u>	<u>29,943</u>
Proceeds from disposal of land and improvements	625,922	-
Less: Carrying value of disposed land	(350,800)	-
	<u>275,122</u>	<u>-</u>
Movement in Landfill Provision	29,739	-
	<u>29,739</u>	<u>-</u>
Total gain / (loss) on disposal of non-current assets	<u>304,861</u>	<u>29,943</u>

6 Employee benefits

Employee benefit expenses are recorded when the service has been provided by the employee.

Staff wages and salaries	9,989,577	8,877,886
Councillors' remuneration	448,514	441,207
Annual, sick and long service leave entitlements	1,613,846	1,506,891
Superannuation	23 1,094,263	1,028,168
	<u>13,146,201</u>	<u>11,854,152</u>
Other employee related expenses	255,657	450,922
	<u>13,401,858</u>	<u>12,305,074</u>
Less: Capitalised employee expenses	(821,383)	(574,173)
	<u>12,580,475</u>	<u>11,730,901</u>

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

Total Council employees at the reporting date:

	2023	2022
	Number	Number
Elected members	7	7
Administration staff	37	46
Depot and outdoors staff	70	68
Total full time equivalent employees	<u>114</u>	<u>121</u>

7 Materials and services

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

	2023	2022
	\$'000	\$'000
Advertising, marketing and promotion	126,219	127,106
Administration supplies and consumables	(15,947)	31,786
Audit of annual financial statements by the Auditor-General of Queensland	59,700	55,880
Communications and IT	514,248	579,088
Community services	3,399,021	2,400,958
Contractors	80,908	57,410
Repairs and maintenance	10,967	12,378
Recoverable works	11,128,121	17,524,096
Road construction	2,602,836	2,183,262
Flood damage roadworks	961,395	488,817
Special projects	20,807	28,652
Other materials and services	2,949,537	1,022,127
Insurance	9,622	8,536
	<u>21,847,434</u>	<u>24,520,096</u>

Total audit fees quoted by the Queensland Audit Office relating to the 2022-23 financial statements are \$59,700 (2022: \$55,880).

8 Finance costs

Finance costs charged by the Queensland Treasury Corporation	170,846	190,468
Unwinding discount rate	76,474	12,071
Bank charges	81,218	70,151
	<u>328,537</u>	<u>272,690</u>

Flinders Shire Council
Notes to the financial statements
For the year ended 30 June 2023

	2023	2022
Note	\$	\$
9 Capital expenses		
Loss on disposal of non-current assets		
Proceeds from sale of property, plant and equipment	333,777	-
Less: Carrying value of disposed property, plant and equipment	14 (772,016)	-
	<u>438,239</u>	<u>-</u>
Recognition of Landfill Restoration Provision	19 -	369,584
	<u>438,239</u>	<u>369,584</u>
Total capital expenses		

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 received 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	8,734,934	853,543
Deposits at call	33,497,724	37,695,714
Term deposits	3,000,000	3,000,000
Balance per Statement of Financial Position	<u>45,232,658</u>	<u>41,549,257</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	918,740	28,087
Unspent government grants and subsidies - Capital	441,606	1,358,085
Total externally imposed restrictions on cash assets	<u>1,360,346</u>	<u>1,386,171</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	159,511	139,901
	<u>159,511</u>	<u>139,901</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	419,310	482,453
Other income accruals	115,568	32,062
Other debtors	3,253,846	5,610,522
	<u>3,788,725</u>	<u>6,125,037</u>
Less: Loss Allowance	(40,395)	(81,857)
	<u>3,748,330</u>	<u>6,043,180</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 2023

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:

	2023	2022
	\$	\$
Rates and Utility Charges	419,310	482,453
State & Commonwealth Government	3,121,714	5,358,585
Other	249,100	285,399
Total	<u>3,790,125</u>	<u>6,126,437</u>

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.

	2023	2022
	\$	\$
Inventories held for sale		
Miscellaneous saleable items	65,348	49,401
	<u>65,348</u>	<u>49,401</u>
Inventories held for distribution		
Plant and equipment stores	606,354	480,819
	<u>606,354</u>	<u>480,819</u>
Less Provision for Obsolete Stock	(97,178)	-
Total inventories	<u>574,525</u>	<u>530,220</u>
13 Other assets		
GST recoverable	50,989	9,015
Prepayments	250,629	54,312
	<u>301,618</u>	<u>63,327</u>

Flinders Shire Council
Notes to the financial statements
For the year ended 30 June 2023

14 Property, plant and equipment

30 June 2023

Basis of measurement
Fair value category

Asset values

Opening gross value as at 1 July 2022

- Other additions

Disposals

Transfer from WIP

Write offs and other adjustments relating to WIP

Revaluation adjustment to other comprehensive income(asset revaluation surplus)

Closing gross value as at 30 June 2023

Accumulated depreciation and impairment

Opening balance as at 1 July 2022

Depreciation expense

Depreciation on disposals

Revaluation adjustment to asset revaluation surplus

Accumulated depreciation as at 30 June 2023

Carrying amount as at 30 June 2023

Range of estimated useful life in years

Additions comprise:

Renewals

Other additions

Total additions

30 June 2022

Fair value category

Asset values

Opening gross value as at 1 July 2021

Minor adjustment to opening balances

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

Minor adjustment to opening balances

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

Total written down value as at 30 June 2022

Range of estimated useful life in years

Note	Work In Progress	Land and improvements	Building & Other Structures	Plant & Equipment	Corporate & IT	Road Network	Water Network	Sewerage Network	Stormwater Drainage Network	Waste / Landfill	Total
	Cost	Fair Value	Fair Value	Cost	Cost	Fair value	Fair value	Fair Value	Fair Value	Cost	
	Level 2	Level 2 & 3	Level 2 & 3			Level 3	Level 3	Level 3	Level 3		\$
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
	5,798,527	14,131,915	72,814,415	18,735,552	912,248	145,861,113	21,097,857	24,926,857	16,452,915	628,460	321,359,858
	8,688,008	-	-	-	-	-	-	-	-	-	8,688,008
5,9	-	(350,800)	(303,794)	(614,694)	-	(707,920)	-	-	-	-	(1,977,208)
	(9,903,324)	840,000	2,585,682	2,307,845	28,225	3,310,611	465,248	365,712	-	-	(0)
	(108,675)	-	-	-	-	-	-	-	-	-	(108,675)
20	-	-	7,703,764	-	-	13,308,888	1,844,471	2,937,447	793,659	-	26,588,230
	4,474,536	14,621,115	82,800,067	20,428,703	940,473	161,772,693	23,407,577	28,230,016	17,246,574	628,460	354,550,213
	-	-	18,394,228	10,320,112	447,800	28,196,515	6,751,434	4,737,339	1,641,472	628,460	71,117,360
	-	-	1,641,306	952,474	68,741	2,259,496	319,113	368,157	142,412	-	5,671,698
	-	-	(149,468)	(411,332)	-	(293,592)	-	-	-	-	(854,392)
	-	-	2,104,356	-	-	2,747,952	626,864	600,203	83,096	-	6,162,471
20	-	-	21,890,421	10,861,254	516,540	32,910,371	7,697,411	5,725,699	1,866,980	628,460	82,097,136
	4,474,536	14,621,115	60,909,646	9,567,449	423,933	128,862,322	15,710,166	22,504,317	15,379,594	-	272,453,077
	N/a	N/a	4 to 143	3 to 30	3 to 50	18 to 200	9 to 137	13 to 167	20 to 137	N/a	-
	-	-	-	-	-	571,233	-	-	-	-	571,233
	-	1,235,295	1,784,485	2,307,845	39,157	2,410,472	339,520	-	-	-	8,116,775
	-	1,235,295	1,784,485	2,307,845	39,157	2,981,706	339,520	-	-	-	8,688,008

Note	Work In Progress	Land and improvements	Building & Other Structures	Plant & Equipment	Corporate & IT	Road Network	Water Network	Sewerage Network	Stormwater Drainage Network	Waste / Landfill	Total
	Cost	Fair Value	Fair Value	Cost	Cost	Fair value	Fair value	Fair Value	Fair Value	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	-	-	-	-	-	-	-	-	-	9,494,448
9	-	-	-	(1,244,036)	-	(113,828)	(296,330)	-	-	-	(1,654,194)
	(8,860,729)	111,696	3,296,117	2,111,971	74,454	2,288,473	689,382	183,199	105,536	-	0
	(313,352)	-	-	-	-	-	-	-	-	-	(313,352)
20	-	(111,696)	6,418,805	-	-	10,804,526	1,578,447	1,218,785	1,827,950	-	21,736,917
	-	-	999	(1,999)	-	293	184	1,411	562	-	1,450
	5,798,527	14,131,915	72,814,415	18,735,552	912,248	145,861,113	21,097,857	24,926,857	16,452,915	628,460	321,359,859
	-	-	15,216,243	9,880,111	393,973	24,064,793	6,199,540	4,131,591	1,322,616	628,460	61,837,327
	-	-	-	-	-	-	-	-	-	-	-
	-	-	1,310,035	1,248,572	53,827	2,092,068	295,907	365,976	127,606	-	5,493,991
9	-	-	-	(808,576)	-	(48,131)	(262,216)	-	-	-	(1,118,923)
	-	-	1,868,103	-	-	2,088,631	518,241	239,546	190,394	-	4,904,915
20	-	-	(153)	5	-	(846)	(38)	226	856	-	50
	-	-	18,394,228	10,320,112	447,800	28,196,515	6,751,434	4,737,339	1,641,472	628,460	71,117,360
	5,798,527	14,131,915	54,420,187	8,415,440	464,448	117,664,598	14,346,423	20,189,518	14,811,443	-	250,242,499
	N/a	N/a	4 to 143	3 to 30	3 to 50	18 to 200	9 to 137	13 to 167	20 to 137	N/a	-

Flinders Shire Council
Notes to the financial statements
For the year ended 30 June 2023

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 the Council's 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 2023

(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.

Flinders Shire Council
Notes to the financial statements
For the year ended 30 June 2023

(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) 2023: \$2.4M 2022: \$1.5M	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	7.75% to 14.25%	Nil
Buildings & Other Structures (level 3) 2023: \$58.5M 2022: \$52.9M	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	7.75% to 14.25%	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	5.4% to 10.90%	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	8.3% to 12.80%	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	8.6% to 13.60%	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	3.5% to 4.9%	Nil

Flinders Shire Council
Notes to the financial statements
For the year ended 30 June 2023

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.

	2023	2022
	\$	\$
Licence		
Water Licence - at cost	1,022,400	1,022,400
Total value of intangibles at end of year	<u>1,022,400</u>	<u>1,022,400</u>

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.

	2023	2022 - Restated
	\$	\$
(a) Contract assets	<u>753,985</u>	<u>1,381,421</u>
(b) Contract liabilities		
Funds received upfront to construct Council controlled assets	441,606	1,358,085
Non-capital performance obligations not yet satisfied	918,740	28,087
	<u>1,360,346</u>	<u>1,386,172</u>

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

	2023	2022
	\$'000	\$'000
Funds to construct Council controlled assets	1,221,901	951,777
Non-capital performance obligations	28,087	-
	<u>1,249,987</u>	<u>951,777</u>

(c) Significant changes in contract balances

The completion of a number of capital projects has seen a reduction in the contract liability balances for capital works. This has been offset by an increase in other grant funding for projects relating to flood recovery and disaster management.

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.

	2023	2022
	\$	\$
Current		
Creditors and accruals	2,586,385	2,967,783
Prepaid rates	127,646	83,770
Other employee entitlements	421,074	379,447
ATO - net GST payable/(receivable)	(81,069)	292,039
Goods received not yet invoiced	160,041	169,527
Other Payables	27,826	16,853
	<u>3,241,902</u>	<u>3,909,419</u>

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 Australian dollar-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 2023

18 Borrowings (continued)

	2023	2022
	\$	\$
Current		
Loans - Queensland Treasury Corporation - Current	792,983	772,825
Loans - other - current	102,240	102,240
	<u>895,223</u>	<u>875,065</u>
Non-current		
Loans - Queensland Treasury Corporation - Non-Current	6,687,673	7,481,469
Loans - other - Non-current	511,200	613,440
	<u>7,198,873</u>	<u>8,094,909</u>

The QTC loan market value at the reporting date was \$6,442,525. 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 2023 or 2022 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 2023

19 Provisions (continued)

Current and Non-Current Provisions

	2023	2022
	\$	\$
Current		
Annual leave	1,226,455	1,097,425
Long service leave	1,024,646	823,779
	<u>2,251,100</u>	<u>1,921,204</u>
Non-Current		
Long service leave	224,386	156,409
Provision for tip restoration	1,894,135	1,847,400
	<u>2,118,521</u>	<u>2,003,809</u>

Movement in tip restoration provisions:

	2023	2022
	\$	\$
Balance at beginning of financial year	1,847,400	758,480
Increase/(decrease) due to unwinding of discount rate	76,474	12,071
Increase/(decrease) due to change in discount rate	40,104	(276,302)
Increase/(decrease) due to change in inflation rate	(69,843)	119,295
Increase/(decrease) due to change in timing of cost estimates	-	(164,181)
Increase/(decrease) due to revision of cost estimates	-	1,398,037
Balance at end of financial year	<u>1,894,135</u>	<u>1,847,400</u>

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

	2023	2022
	\$	\$
Contractual commitments		
Contractual commitments at end of financial year but not recognised in the financial statements are as follows:		
Other commitments	761,709	597,851
Contract and recoverable works	2,263,082	4,803,653
Road construction	395,582	194,839
Building construction	41,397	69,058
	<u>3,461,770</u>	<u>5,665,401</u>

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	10,292	174,526
Building and construction	250,841	675,345
Land and improvements	-	423
Plant and equipment	750,526	-
Other	502,551	165,102
	<u>1,514,210</u>	<u>1,015,396</u>

These expenditures are payable as follows:

Within one year	1,514,210	1,015,396
One to five years	-	-
Later than five years	-	-
	<u>1,514,210</u>	<u>1,015,396</u>

Flinders Shire Council
Notes to the financial statements
For the year ended 30 June 2023

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 2023 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. The total amount of the bank guarantee is \$57,320,000.

The indemnity amount provided by Flinders Shire Council as at 30 June 2023 in relation to the Local Government Workcare Bank Guarantee is \$353,653. The latest audited financial statements for Local Government Workcare are as at 30 June 2022 and show an accumulated and no liability is expected to arise.

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 managed by the LGIAsuper trustee as trustee for LGIAsuper trading as Brighter Super.

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 other 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.

	2023	2022
Note	\$	\$
Superannuation contributions made to the Regional Defined Benefits Fund	42,990	50,442
Other superannuation contributions for employees	1,051,273	977,726
Total superannuation contributions paid by Council for employees	1,094,263	1,028,168

Flinders Shire Council
Notes to the financial statements
For the year ended 30 June 2023

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

	2023 \$	2022 - Restated \$
Net result	3,953,142	10,306,652
Non-cash items:		
Depreciation and amortisation	5,671,698	5,493,991
Write off WIP in P&L	108,675	313,352
Unwinding discount on provisions	76,474	12,071
	<u>5,856,847</u>	<u>5,819,414</u>
Net (profit)/loss on disposal of non-current assets	133,378	(29,942)
Capital grants and contributions	(2,848,658)	(5,737,319)
	<u>(2,715,281)</u>	<u>(5,767,261)</u>
Changes in operating assets and liabilities:		
(Increase)/Decrease in trade and other receivables	2,294,850	(78,925)
(Increase)/Decrease in inventories	(44,305)	(66,546)
(Increase)/ decrease in contract assets	627,436	2,566,753
(Increase)/decrease in other assets	(238,291)	24,790
Increase/(decrease) in payables	(667,516)	(2,008,019)
Increase/(decrease) in contract liabilities	(25,826)	422,905
Increase/(decrease) in employee leave entitlements	397,873	426,287
	<u>2,344,221</u>	<u>1,287,245</u>
Net cash inflow from operating activities	<u><u>9,438,929</u></u>	<u><u>11,646,050</u></u>

25 Reconciliation of liabilities arising from financing activities

2023

	As at 30 June 2022 \$	Cash flows \$	Non-cash changes (new leases) \$	As at 30 June 2023 \$
Borrowings	8,969,974	(875,878)	-	8,094,096

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

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 2023

27 Financial instruments and financial risk management

(a) Financial assets and financial liabilities

Council has the following categories of financial assets and financial liabilities:

- Cash and cash equivalents (Note 10)
- Receivables (Note 11)
- Payables (Note 17)
- Borrowings (Note 18)

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

This note provides information (both qualitative and quantitative) to assist statement users evaluate the significance of financial instruments on the Council's financial position and financial performance, including the nature and extent of risks and how the Council manages these exposures.

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 the Council will have sufficient liquidity to meet its liabilities as and when they fall due, under both normal and stressed condition circumstances, without incurring unacceptable losses or risking damage to Council's reputation.

This is achieved by maintaining sufficient cash balances and undrawn facilities, both short and long term, to cater for unexpected volatility in cash flows.

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
	\$	\$	\$	\$	\$
2023					
Trade and other payables	2,586,385	-	-	2,586,385	2,586,385
Loans - QTC	944,483	2,819,131	4,669,179	8,432,793	7,480,656
Loans - other	102,240	408,960	102,240	613,440	613,440
	<u>3,633,108</u>	<u>3,228,091</u>	<u>4,771,419</u>	<u>11,632,618</u>	<u>10,680,481</u>
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>

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 2023

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 appropriately managed.

Sensitivity

No reasonably expected movement in interest rates would have a material impact on the profit or equity of Council.

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

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 2023

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;

	2023	2022
	\$	\$
Short-term employee benefits	1,353,088	1,163,464
Post-employment benefits	95,967	75,282
Long-term benefits	246,015	155,119
Total	1,695,070	1,393,865

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 114 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	2023	2022
	\$	\$
Purchase of materials and services for entities controlled by KMP	117,416	37,858
Revenue from KMP and entities controlled by KMP	1,215	36,682
Key management personnel services provided by a related entity	221,403	263,713
	340,034	338,253

(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 voluntary committee members 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 2023

29 Correction to prior period error

In preparing the annual financial statements for year ended June 2023, Council identified errors in the recognition of contract assets and contract liabilities in the year ended June 2022.

The 2022 contract assets were restated with a net increase of \$599,900 to the overall result.

These errors and omission have been corrected and the financial statements for year ended 30 June 2022 have been restated. The adjustments are as follows:

Contract assets

Original balance per audited Financial statements	781,521
Adjustment	599,900
Restated contract assets at 30 June 2022	<u>1,381,421</u>

Net Community Assets / Equity

Original balance per audited Financial statements	282,043,227
Adjustment	599,900
Restated Net Community Assets / Equity at 30 June 2022	<u>282,643,126</u>

Grants, subsidies, contributions and donations - Capital

Original balance per audited Financial statements	3,208,069
Adjustment	599,900
Restated Grants, subsidies, contributions and donations - Capital at 30 June 2022	<u>3,807,969</u>

Flinders Shire Council
Financial statements
For the year ended 30 June 2023

Management Certificate
For the year ended 30 June 2023

These general purpose financial statements have been prepared pursuant to sections 176 and 177 of the *Local Government Regulation 2012* (the Regulation) and other prescribed requirements.

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

- (i) the prescribed requirements of the *Local Government Act 2009* and *Local Government Regulation 2012* for the establishment and keeping of accounts have been complied with in all material respects; and
- (ii) the general purpose financial statements, as set out on pages 1 to 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



Chief Executive Officer
Hari Boppudi

Date: 30/10/2023

Date: 30/10/23

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 2023, and of its financial performance and cash flows for the year then ended
- b) complies with the *Local Government Act 2009*, the Local Government Regulation 2012 and Australian Accounting Standards.

The financial report comprises the statement of financial position as at 30 June 2023, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including material accounting policy information, and the certificate given by the Mayor and Chief Executive Officer.

Basis for opinion

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

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

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

Other information

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

At the date of this auditor's report, the available other information in Flinders Shire Council's annual report for the year ended 30 June 2023 was the current year financial sustainability statement and long-term financial sustainability statement.

The councillors are responsible for the other information.

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

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

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

Responsibilities of the councillors for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

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

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

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

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

Report on other legal and regulatory requirements

In accordance with s. 40 of the *Auditor-General Act 2009*, for the year ended 30 June 2023:

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

Prescribed requirements scope

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



David Adams
as delegate of the Auditor-General

31 October 2023

Queensland Audit Office
Brisbane

Flinders Shire Council
Current-year Financial Sustainability Statement
For the year ended 30 June 2023

Measures of Financial Sustainability

How the measure is calculated

Actual -Council

Target

Council's performance at 30 June 2023 against key financial ratios and targets:

Operating surplus ratio	Net result (excluding capital items) divided by total operating revenue (excluding capital items)	0.96%	Between 0% and 10%
Asset sustainability ratio	Capital expenditure on the replacement of assets (renewals) divided by depreciation expense.	12.28%	greater than 90%
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue (excluding capital items)	-82.18%	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 2023.

Certificate of Accuracy
For the year ended 30 June 2023

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: 30/10/2023


 Chief Executive Officer
 Hari Boppudi

Date: 30/10/23

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 2023, comprising the statement, explanatory notes, and the certificate of accuracy given by the Mayor and the Chief Executive Officer.

In accordance with s. 212 of the Local Government Regulation 2012, in my opinion, in all material respects, the current year financial sustainability statement of Flinders Shire Council for the year ended 30 June 2023 has been accurately calculated.

Basis of opinion

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

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

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

Emphasis of matter – basis of accounting

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

Other information

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

At the date of this auditor's report, the available other information in [name of council]'s annual report for the year ended 30 June 2023 was the general purpose financial report and long-term financial sustainability statement.

The councillors are responsible for the other information.

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

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

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

Responsibilities of the councillors for the current year financial sustainability statement

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

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

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

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

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

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

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



David Adams
as delegate of the Auditor-General

31 October 2023

Queensland Audit Office
Brisbane

Flinders Shire Council
 Unaudited Long-Term Financial Sustainability Statement
 Prepared as at 30 June 2023

Measures of Financial Sustainability	Measure	Target	Actuals at 30 June 2023	Projected for the years ended									
				30 June 2024	30 June 2025	30 June 2026	30 June 2027	30 June 2028	30 June 2029	30 June 2030	30 June 2031	30 June 2032	
Council													
Operating surplus ratio	Net result (excluding capital items) divided by total operating revenue (excluding capital items)	Between 0% and 10%	0.96%	-2.35%	14.38%	15.34%	14.32%	13.55%	15.34%	15.90%	15.23%	14.64%	
Asset sustainability ratio	Capital expenditure on the replacement of assets (renewals) divided by depreciation expense.	greater than 90%	12.28%	128.15%	237.58%	227.04%	209.22%	120.59%	228.76%	265.96%	140.88%	205.38%	
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue (excluding capital items)	not greater than 60%	-82.18%	-105.22%	-51.31%	-72.23%	-78.72%	-84.77%	-90.65%	-96.40%	-102.36%	-108.28%	

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 2023	
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: 30/10/2023	Date: 30/10/23