

Annual Report 21/22



Burdekin
Shire Council

We respectfully acknowledge the Bindal and Juru people of the Birri Gubba nation as the traditional custodians of the land on which we live and work.





Contents

About our Council

Shire Profile	05
Mayor's Report	06
Chief Executive Officer's Report	08
Our Councillors	10
Organisational Structure	11
Milestones this Financial Year	12
Community Financial Report	14

Alignment to Corporate Plan

Infrastructure	20
Economic Development	23
Social Wellbeing	24
Environment	26
Organisational Sustainability	27

Reporting

Corporate Governance	30
Statutory Information	32

Financials

Financial Statements	37
-----------------------------	-----------

About our Council





Shire Profile

Nestled on the North Queensland coast at the mouth of the Burdekin River, the Burdekin Shire features a blend of unspoilt natural beauty and thriving, friendly rural communities.

The Burdekin Local Government Area encompasses 5,053 square kilometres and was home to 16,842 people at 30 June 2021 as estimated by the Australian Bureau of Statistics.

Featuring an average of 300 days of sunshine per annum, abundant water supplies fed by an underground aquifer and unparalleled access to the largest city and port in North Queensland, it is no surprise the Burdekin is known as the sugar cane capital of Australia and a hub of agriculture, horticulture, manufacturing and innovation.

16,842 
residents

8,230 
households

\$1.29 billion 
gross regional product

9,295 
local jobs

Agriculture 
largest industry

\$560 million 
annual agriculture output

\$25 million 
building approvals in 21/22

\$18.9 million 
tourism value add in 21/22

46 
net new businesses in 21/22

Mayor's Report

"It's worth remembering that it is often the small steps, not the giant leaps, that bring about the most lasting change."

(Her Majesty Queen Elizabeth II, 1926-2022)

Over the past several years, Burdekin Shire Council has worked tirelessly on long-term strategies and master plans - and in the past financial year, we have begun to reap the rewards. Ground broke on stage 2 of the South Ayr water supply project and Burdekin Water Park, and the Home Hill 5ML Reservoir was officially opened. Councillors and staff are continuing to think to the future, with funding applications for several additional projects as part of various strategies pending. The Giru Multisport Courts, identified as a community priority as part of the 2021 Giru Community Action Plan, are also set to be officially opened in the coming months.

This financial year also saw the Burdekin community settle in to the 'new normal' we have become accustomed to as the COVID-19 pandemic endures. Many events made a return for the first time in several years including the Burdekin Library's Ready Set Go in collaboration with the Burdekin Early Childhood Network, and Seniors Month and Get Ready Burdekin community events.

2021/22 was also a time of innovation and trialling new ideas across the organisation: the Burdekin's signature destination event, the *Sweet Days, Hot Nights Festival*, switched to an exciting two-year program. This extended program will feature the headline events (the Burdekin Cultural Fair featuring First Fire and Australian Hand Cane Cutting Championships) one year and a range of associated events the following year. This format allowed festival organisers to host two inaugural associated events, the Farming in Focus Forum and Feast by the Field, in May 2022. Both events were a success and proved the potential of the new two-year format.

While our community has become accustomed to COVID-19, this financial year also saw several outbreaks of the virus in our community.



Burdekin Shire Council worked closely with Queensland Health through the Townsville Hospital and Health Service to open a drive-through testing facility at the Ayr Showgrounds to provide symptomatic residents with an option for fast PCR testing locally. The clinic only remained open for one month while demand was high, however the amount of use within that timeframe demonstrated the community need for it at the time.

Wellbeing was another key focus this financial year. Externally, a number of mental health programs and events were delivered including a presentation from Antonio Winterstein as part of Mental Health Week in October 2021; youth wellbeing sessions with the Johnathan Thurston Academy in February 2022; a men's mental health evening, Farmers and Friends, in February 2022; and a Ladies Long Lunch featuring Jules Sebastian in March 2022. Internally, wellbeing was also a focus with a presentation to staff from ex-NRL player and Mackay City Councillor Martin Bella as a part of Safe Work Month and Mental Health Week in October 2021.

Resilience, as always, has been an integral theme of the past year: Council Officers delivered a range of activities in October 2021 as a part of Get Ready Burdekin Week in preparation for the 2021-22 disaster season and provided training to Local Area Wardens from across the Shire as part of a one-day workshop in April 2022.

The Local Disaster Management Group (LDMG) monitored several weather events over the Summer months which had minimal impact on the Shire, however activated to respond to two major floods in the Haughton River catchment which impacted the township of Giru in April and May 2022. I want to commend the residents and businesses in Giru for always being proactive, and thank all emergency services including the Burdekin SES for providing support to residents as required.

I also want to thank all tiers of Government for their continued support: Council is fortunate to have a range of large-scale projects in development at the moment funded by both State and Federal Governments, which would take a Local Government of our size an unreasonable amount of time to be able to afford on our own.

Finally, I want to sincerely thank Burdekin Shire Council's Councillors, Senior Leadership Group and staff for their commitment to continuing to build better in all areas of our Shire. I am proud to present Council's 2021/22 Annual Report for your perusal.



Cr Lyn McLaughlin
Mayor - Burdekin Shire Council





The 2021/22 financial year has been a challenging one in many respects as we continue to contend with the ongoing impacts of COVID-19 and global conflicts which have significantly impacted supply chains and increased the cost of materials. Lengthy delays in the supply of equipment and materials has required a flexible approach to the delivery of Council's capital works program.

Despite these challenges, the Council has had a successful year with the completion of 90% of its planned capital works program including a large rural roadworks program, urban drainage upgrades and significant water projects. In recent years the Council has focused on water resiliency projects and the new Home Hill 5 megalitre water reservoir was completed during the year, whilst the Ayr water supply upgrade project is progressing well including the construction of a new 10 megalitre reservoir.

The Council has been fortunate to receive significant state government funding support for the water supply upgrades. It has also benefitted from the allocation of funds under a new round of the Works for Queensland program, which is being used for the construction of a new water park at the Ayr swimming pool complex.

Funding has also been provided by the Federal Government through the Local Roads and Community Infrastructure program with projects undertaken to upgrade the entrance and improve disabled access at the Burdekin Memorial Hall, create a Youth Hub at Watsons Green and upgrade the existing damaged tennis courts at Giru, which was nearing completion as at 30 June.

The Council has experienced challenges during the year with the recruitment of staff to fill vacancies in our workforce and this is currently an ongoing issue, as it is for other industry sectors. In other workforce matters, a new enterprise

Chief Executive Officer's Report

bargaining Certified Agreement was successfully negotiated for a three year period, with the new agreement being certified by the Queensland Industrial Relations Commission in November 2021.

Whilst ongoing staff vacancies have created challenges for Council, our responsiveness to operational issues has been maintained through the ongoing commitment our staff have to the delivery of services to the community. Customer Request Management is one area of focus across the organisation, and we were able to achieve a 90% completion rate within targeted time frames, which is an excellent result that exceeds the targets adopted in the Operational Plan.

The Council has taken some new initiatives in the economic development program with the establishment of a relationship with Smart Precinct North Queensland (SPNQ) to provide business support and advisory services to local businesses through the creation of Smart Hub Burdekin. A very successful Farming in Focus forum was held in May as part of the two year program for the *Sweet Days, Hot Nights Festival*.

Looking to the year ahead, the Council has some key priorities to achieve including the completion and opening of the new water park at the Ayr Swimming pool complex, securing grant funding

support for the development of the next stage of the Ayr Industrial Estate, commencement of construction of the Macro-algae Bioremediation facility at the Ayr/Brandon Waste Water Treatment Plant, upgrading of our core business system Technology One to enable enhanced mobility of operations and the finalisation and adoption of the new Planning Scheme.

The Financial Statements attached to this Annual Report indicate that Council finished the year in a good financial position, with an operating surplus being achieved. This reflects the emphasis placed by Council on the sound financial management of its resources.

I express my thanks to the Mayor, Cr Lyn McLaughlin, the Councillors and the Executive Leadership Team for their strategic direction of Council. Of course, we would not be able to achieve anything without the support of our dedicated staff, who have worked hard over the past year to provide a high standard of services and facilities to the community. Thank you for your contribution.



Terry Brennan
CEO - Burdekin Shire Council



Our Councillors

Councillor Lyn McLaughlin Mayor





Cr McLaughlin is Council's representative on:

- Burdekin Community Advisory Network (THHS)
-  Burdekin Local Disaster Management Group
-  Burdekin Shire Rivers Improvement Trust
-  Burdekin Water Futures
-  North Queensland Regional Organisation of Councils
- North Queensland Regional Roads and Transport Group
- Reef Guardian Councils
- Townsville District Disaster Management Group

Councillor Sue Perry Deputy Mayor






Cr Perry is Council's representative on:

- Audit Committee
-  Burdekin Local Disaster Management Group
- Community and Cultural Development Advisory Group
- Community Grants Panel
-  Regional Arts Development Fund Committee

Councillor Kaylee Boccalatte Councillor



Cr Boccalatte is Council's representative on:

-  Economic Development Advisory Group
- Burdekin Shire Rivers Improvement Trust
- Lower Burdekin Water Board
 -  Finance and Audit
 -  Communication Focus Group

Councillor John Bonanno Councillor



Cr Bonanno is Council's representative on:

- Biosecurity Plan Working Group
-  Community and Cultural Development Advisory Group
- Home Hill Chamber of Commerce
- North Queensland Sports Foundation
- Regional Arts Development Fund Committee

 Chair
 Deputy Chair

 Alternate
 Subcommittee

Councillor Michael Detenon Councillor



Cr Detenon is Council's representative on:

- Audit Committee
- Ayr Chamber of Commerce
-  Bowen-Burdekin Local Marine Advisory Committee
- Economic Development Advisory Group
- Reef Guardian Councils

Councillor John Furnell Councillor




Cr Furnell is Council's representative on:

- Burdekin Community Association
- Burdekin Local Disaster Management Group
- Burdekin Neighbourhood Centre Association
- Community and Cultural Development Advisory Group
- Local Authority Waste Management Advisory Committee
- North Queensland Resource Recovery Group
- Townsville Area Palliative Care Plan 2020-24 Working Group

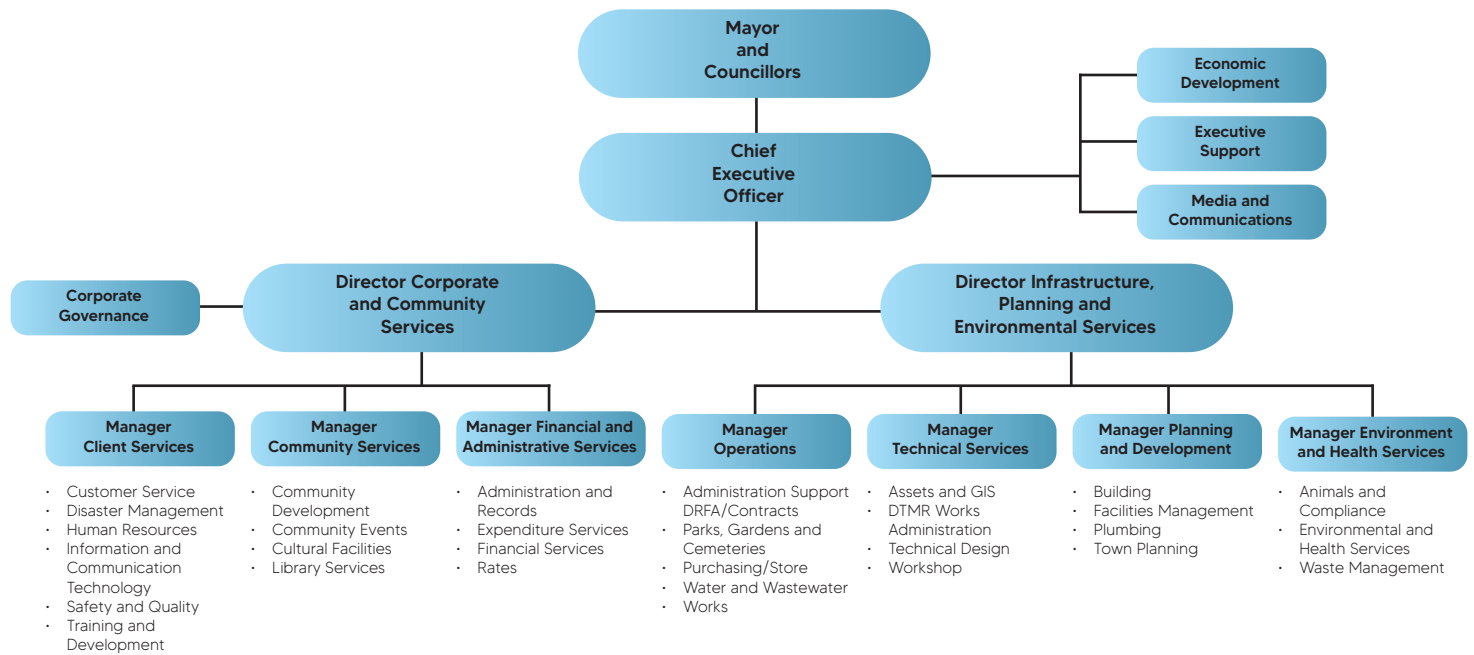
Councillor Max Musumeci Councillor



Cr Musumeci is Council's representative on:

- Burdekin Bowen Integrated Floodplain Management Advisory Committee
-  Burdekin Road Safety Advisory Committee
- Community Grants Panel
- Economic Development Advisory Group
- Lower Burdekin Landcare Association

Organisational Structure



Vision

A prosperous, connected and inclusive community built on the Shire's strong rural foundations.

Mission

To achieve our vision through leadership, partnerships and outstanding service.

Values

Honesty

We are open and truthful in everything we do in order to build and maintain trust within our organisation and the community we serve.

Teamwork

We are one team that works together to achieve positive outcomes for the community.

Respected

We strive to earn the respect of our colleagues and the community by listening, responding and consulting in our decisions and actions.

Community Focussed

We provide services for the improvement of our community in which we live, work and play.

Motivated

We are passionate about what we do and genuinely believe making a difference matters.

Supported

We value each other's wellbeing in striving to create a caring and healthy workplace and community.



- Ready, Set Go
- District Disaster Management Group meeting at Burdekin Theatre
- Burdekin Water Park tenders open
- Burdekin Be Active Trail stage 2

July 2021

- Cane cutter monument installed
- Youth Public Speaking workshop
- Burdekin Industry Breakfast
- Storytime with Tania Cox

September 2021

- Discounted pet microchipping
- National Recycling Week

November 2021

August 2021

- Burdekin Library Short Story Competition
- National Tree Day community planting

October 2021

- Seniors Month Luncheon and Expo
- Coffee & Connections for Mental Health Week
- Safe Work Month
- Get Ready Burdekin Week

December 2021

- Burdekin Water Park tender awarded to Playscape Creations
- Community Christmas Carols
- Corporate Plan community consultation
- All-abilities play equipment installed at Brolga Park, Giru



Milestones this Financial Year

- Opened COVID-19 drive-through testing clinic
- Captured in Burdekin photo contest
- Australia Day Ceremony

January 2022

- Smart Hub Burdekin launch
- Ladies Long Lunch
- Burdekin Industry Breakfast
- Burdekin Mystery Feast

March 2022

- LDMG stood up (second Haughton flood)
- Farming in Focus Forum
- Feast by the Field
- National Volunteer Week

May 2022

February 2022

- Adopted Corporate Plan 2022-27
- JTBelieve Youth session
- Farmers and Friends mental health event
- Burdekin Memorial Hall upgrade

April 2022

- Wild dog trapping workshop
- Local Area Warden workshop
- LDMG stood up (Haughton flood)
- Home Hill Storywalk
- Fast Track North Queensland

June 2022

- Queensland Day Fun and Fitness Expo
- Burdekin Pet Fair
- Burdekin Reef Fest
- Burdekin Industry Breakfast
- Home Hill 5ML Reservoir officially opened by Nikki Boyd MP



Community Financial Report

The Community Financial Report is prepared to provide a simplified version of Council's financial statements for the year ended 30 June 2022. This report provides the community the opportunity to have a greater understanding of Council's financial performance and position.

The Community Financial Report is prepared in accordance with section 179 of the *Local Government Regulation 2012*.

The report provides a summary of Council's:

- Statement of Comprehensive Income
- Statement of Financial Position
- Statement of Changes in Equity
- Statement of Cash Flows
- Measures of Financial Sustainability

Council's Result at a Glance

	2022 \$
Recurrent (operating) income	53,476,509
Recurrent (operating) expenditure	50,712,221
Operating position	2,764,288
Capital income	11,891,119
Capital expenses	2,495,377
Net Result	12,160,030
Total Assets	664,955,398
Total Liabilities	33,617,155
Net Community Assets	631,338,243
Total Capital Works Expenditure	24,145,455

Statement of Comprehensive Income

The Statement of Comprehensive Income summarises Council's revenue and expenditure during the financial year. The day to day operations of Council are considered recurrent revenue and expenses. Capital revenue and expenses relate mainly to Council renewing, upgrading, building or purchasing new community assets.

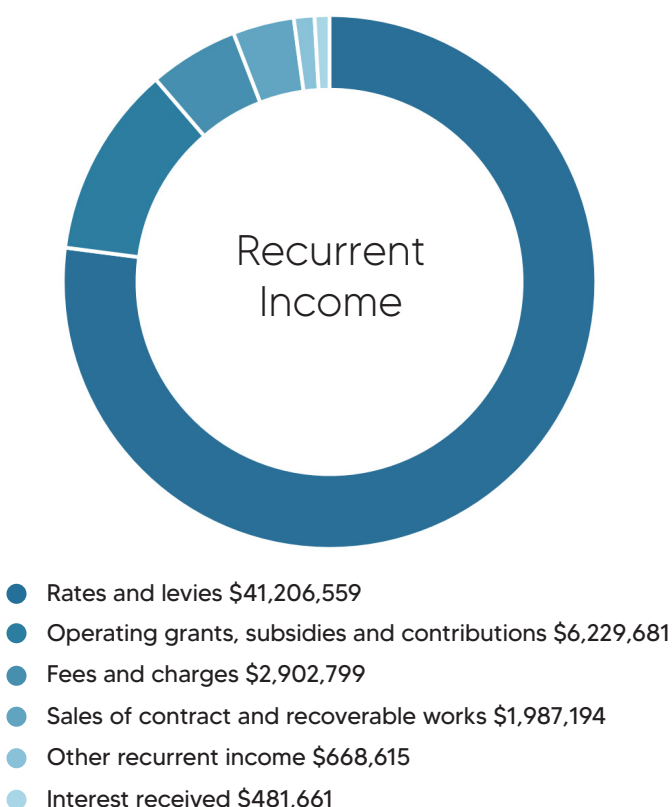
Recurrent Income - Where did the money come from?

Council's recurrent revenue is from various sources including rates and levies, grants and subsidies, fees and charges, sale of contract and recoverable works and other recurrent income.

Own sourced revenue is revenue from Council's rates and levies, and fees and charges.

This year 82.48% of recurrent revenue was generated from Council's own source revenue. The continued support of grant funding provided to Council from the State and Federal governments reduces the financial burden on ratepayers.

The following chart shows the different sources of recurrent income:

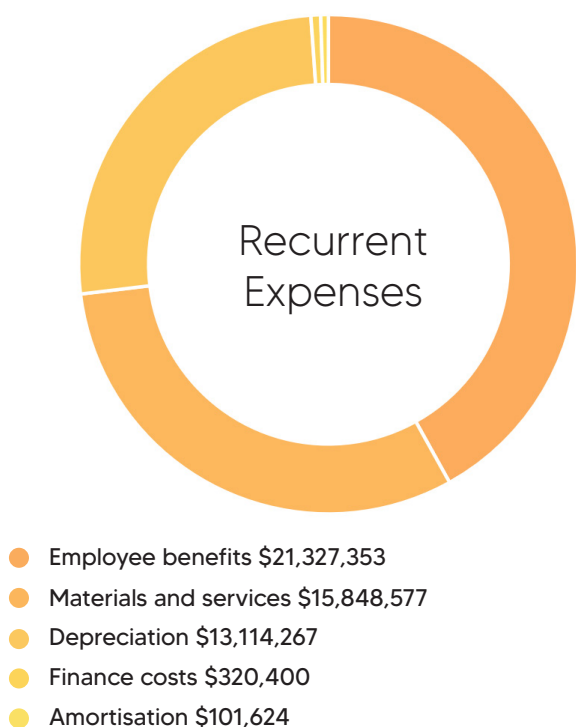


Recurrent Expenses - Where was the money spent?

Council's recurrent expenses include employee benefits, materials and services, depreciation, amortisation and finance costs. Incurring these expenses is a result of Council's day to day operations which includes administering corporate functions, providing services, operating community facilities and maintaining community assets. Council reports on these expenses each month to ensure compliance with policies and adopted budget.

The depreciation expense reflects the reduction in the value of property, plant and equipment during an asset's useful life. Council officers review assets annually considering the value, condition and remaining useful life. This ensures the depreciation expense is reflective of the asset utilisation.

The following chart shows the different sources of recurrent expenses:



Statement of Financial Position

The Statement of Financial Position outlines what Council owns (Assets) and what it owes (Liabilities) at a point in time. Council's net wealth is determined by deducting total liabilities from total assets; the larger the net equity the stronger the financial position.

Council's Financial Position at 30 June 2022:

What we own		\$664,955,398
Current Assets	\$75,007,665	
Non-current Assets	\$589,947,733	
What we owe		\$33,617,155
Current Liabilities	\$13,824,807	
Non-current Liabilities	\$19,792,348	
Total Community Equity		\$631,338,243

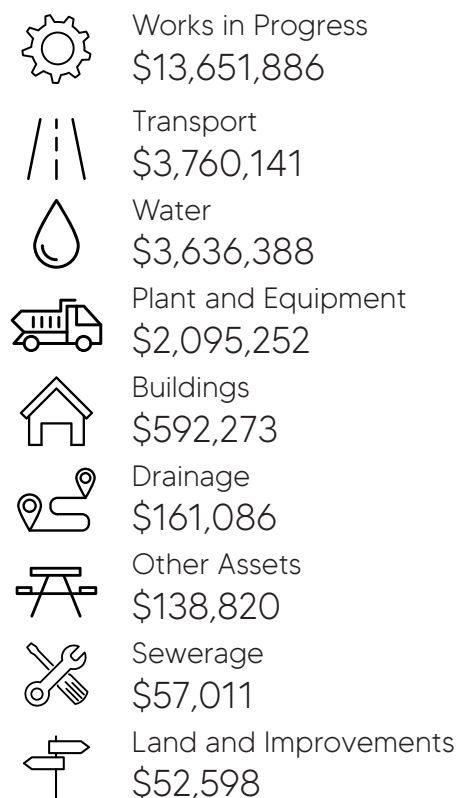
Assets - What do we own?

Council's assets are represented by cash and cash equivalents, receivables (money owing to Council), inventories, contract assets (grants not yet received for capital works undertaken), other assets, property, plant and equipment and intangible assets. At 30 June 2022, Council's assets totalled \$664,955,398.

Council's most significant asset class is property, plant and equipment, which equates to 88.6% of Council's total assets.

In 2021/22, Council spent \$24,145,455 to renew, upgrade and build new community assets.

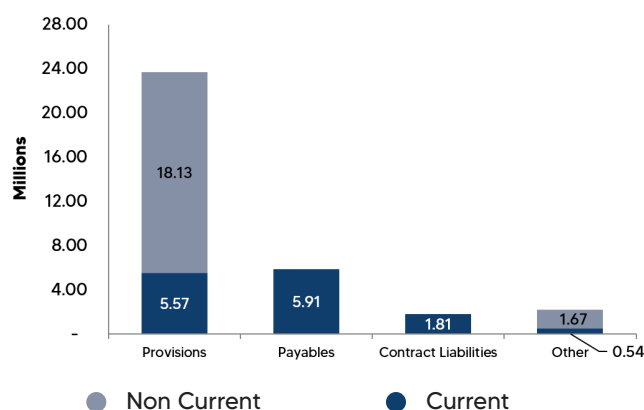
Capital Expenditure by Asset class:



Liabilities - What do we owe?

Council's liabilities include accounts payable (money owed to suppliers), provisions for future rehabilitation costs of landfill sites, amounts owed to employees both now and in the future and revenue received in advance.

Council's liabilities increased to \$33,617,155 in 2021/22. This was mainly due to a prepayment of four years of the State waste levy by the Queensland Government to meet future liabilities.



Statement of Changes in Equity

The Statement of Changes in Equity illustrates how the net worth of Council has changed as a result of activities undertaken during the period. This statement summarises the movements in the asset revaluation surplus and retained surplus.

The retained surplus increased to \$272,727,776 at 30 June 2022. The asset revaluation surplus increased to \$358,610,467 as a result of an increase on revaluation of council's assets of \$35,927,005.

Statement of Cash Flows

The Statement of Cash Flows shows how Council has spent and received cash through the year. This statement differs to the other financial statements as it excludes non-cash items such as depreciation and amortisation. The cash transactions are categorised into being from operating, investing or financing activities.

This means it groups Council's normal operations, investment in property, plant and equipment and repayment of borrowings. In 2021/22 Council's cash increased by \$4,408,904. Some of Council's cash is subject to external restrictions therefore limiting discretionary or future use.

Financial Sustainability Measures

Financial sustainability is achieved through Council's ability to maintain infrastructure and remain financially viable over the long term.

The three levels of financial sustainability outlined in section 169(5) of *Local Government Regulation 2012* are: Operating Surplus Ratio; Asset Sustainability Ratio; and Net Financial Liabilities Ratio. The ratios help to demonstrate the relationship between key numbers in Council's financial statements.

There are target ranges set by the Department of State Development, Infrastructure, Local Government and Planning to be considered as planning tools to assess Council's current sustainability strategy over the long term and are not necessarily intended to be met each financial year.

Operating Surplus Ratio

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

Target	2022	2021
Between 0% and 10%	5.17%	0.26%

Council is within the target range for this ratio. This demonstrates that Council has been able to use operational revenue to fund operational expenditure and will be able to fund future capital expenditure while maintaining the service levels expected by ratepayers.

Asset Sustainability Ratio

This ratio is an approximation of the extent to which the infrastructure assets (long life assets, e.g. water, sewerage, roads, etc.) managed by Council are being replaced as they reach the end of their useful lives.

Target	2022	2021
Greater than 90%	88.56%	107.54%

Council was marginally below the target for this ratio however assets have been renewed within appropriate timeframes. Council's capital program is regularly reviewed to ensure that service levels are maintained and renewals for assets are optimised.

Net Financial Liabilities Ratio

This ratio is an indicator of the extent to which the net financial liabilities of Council can be serviced by its operating revenues.

Target	2022	2021
Not greater than 60%	-77.40%	-71.90%

Council has met the requirements for this ratio. Council's current assets exceed total liabilities and therefore there is the capacity to borrow funds if required.

Alignment to Corporate Plan



Our Achievements

Our Performance

Council's Operational Plan 2021/2022 detailed the key activities undertaken by Council to progress towards achieving the strategic objectives detailed in the adopted Burdekin Shire Council Corporate Plan 2017-2022.

Council's activities within the 2021/2022 financial year fall into five key strategic areas with highlights outlined below. A more detailed performance assessment is provided in the following sections of this report.

Infrastructure

- Completion of the Home Hill 5ML capacity Water Reservoir.
- Commenced construction of the 10ML Water Reservoir at the South Ayr Water Treatment Plant.
- Design and construction of the duplicate trunk water main from South Ayr Water Treatment Plant to ANZAC Park.
- Upgrade to the entrance of Burdekin Memorial Hall including facade and all access ramp.
- Refurbishment of Ayr Showgrounds Public Toilets.
- Reconstruction of sections of Beach Road, School Road, and Rita Island Road.
- Bitumen sealing of gravel road for section of SS Wakefield Avenue in the township of Jerona.
- Conley Street drainage upgrade.
- Drainage upgrade in Chippendale Street from Wilmington Street to Cox Street.
- Solar-powered surveillance security camera installed at Clare Transfer Station.
- Ground water monitoring bores installed at legacy landfill site at Cacciola's Pit.

Economic Development

- Launch of Smart Hub Burdekin in partnership with Smart Precinct NQ.
- Business mentoring sessions commenced with 12 Burdekin businesses.
- Hosted Burdekin Industry Breakfasts in September 2021, March, and June 2022 with a total of over 100 attendees.
- Launch of new Investment Film "Burdekin Insights", promoting Burdekin Economy and Lifestyle.
- Farming in Focus Forum hosted in May 2022 with 80 attendees and 15 exhibitors.
- Hosted inaugural Feast by the Field event promoting Burdekin agriculture.
- Facilitation of small business workshops to promote business resilience.
- Hosted the French Ambassador as part of the Regional Development Australia Roadshow.
- Development of marketing strategy for Ayr Industrial Estate.
- In excess of 5,000 planning and development enquiries with approximately 95% of enquiries responded to within two days.
- 469 development applications received for assessment.
- 471 development approvals issued. 95% of development applications are determined within 20 business days from decision stage commencement.
- Regulatory functions performed and enforcement action taken, as necessary.



Social Wellbeing

- Replacement of accessible carousel at ANZAC Park.
- Enhancements to Brolga Park, Giru.
- Burdekin Pet Fair hosted in June 2022.
- 124 food premises and 25 rental accommodation and caravan parks approved and licensed.
- Three new sand bagging machines secured for SES facilities.
- Emergency preparedness street stalls and community engagement, including Get Ready Week in October 2021.
- Local Disaster Management Plan adopted by Council December 2021.
- Complete refurbishment of Giru Tennis Court into multipurpose sports court.
- Targeted mens, womens and youth mental health and wellbeing events facilitated.
- Further improvements to Watson's Green, Home Hill.

Environment

- Aquatic weed control activities in cooperation with landowners in 11 local waterways.
- Drone trial commenced for weed control activities.
- Revegetation works commenced at Alva as part of Council's Dune Management Strategy.
- 572 feral pigs shot during nine aerial exercises.
- 20 pig baiting events conducted with twelve landowners participating.
- Workshop for wild dog trapping hosted in April 2022.
- 75% (195) of impounded animals either rehomed or returned to their owner.
- 34 abandoned vehicles removed from local roads.

Organisational Sustainability

- 141 media releases and 499 unique news items across social media platforms.
- Implementation of new Meeting Minute software Resolve.
- Implementation of new Governance software RelianSys.
- Improvements made to Council's Controlled Document Management System.
- Replacement of Council's internal telephony system.
- 19,290 phone calls received through the Customer Service Centre and 5936 customer requests created.
- 2,771 ICT helpdesk requests logged with 98% resolved within agreed timeframes.
- 77 vacant positions advertised within the year.
- Six internal safety audits conducted.
- Five Audit Committee Meetings held.
- 92% of Policy documents reviewed and current.
- 100% of new employees received Code of Conduct awareness training.
- Review of Fraud and Corruption Control Plan.
- Implementation of Council's annual Internal Audit program.

Infrastructure

Infrastructure for future needs

Council began development of the Burdekin Shire Aquatic Facilities Strategy to help guide future service delivery, asset management and facility management/maintenance regimes as recommended by the Sport and Recreation Plan 2018. Work has commenced on development of the strategy with the final document expected to be adopted in 2022/23.

Council continued improvement works at Plantation Park with the construction of internal roadworks, additional carparks and footpaths adjacent to the public toilets, Gudjuda Deck Café, and pottery club. The park has continued to grow in popularity since the construction of the nature play space and the visitor information centre.

Council delivered 90% of the planned Annual Capital Works Program during the financial year. This includes the construction and renewal of footpaths, drainage, sealed and unsealed roads.

Designs were produced for works to assist with leachate management at the Kirknie Landfill, including new internal electrical works. Ergon mains power to the site was also agreed to and contracted with final connection expected by December 2022.

A three-bay shed was erected at Kirknie Landfill to provide for more efficient storage of equipment and consumables and a water production bore was installed to provide operational benefits to the site including enhanced firefighting capability.

A legacy landfill site known as Cacciola's Pit has had two new ground water monitoring bores installed to provide more relevant monitoring data and information to base future treatment recommendations on.

A new solar security camera was installed at the Clare Transfer Station to provide surveillance at an isolated site and assist in continuing the operation of the site on a restricted hours basis.

Management and maintenance of community assets

In February 2022, an upgrade to the facade and accessibility ramp at the front entrance of the Burdekin Memorial Hall in Home Hill was completed. The renewed exterior was largely funded by the Federal Government's Local Roads and Community Infrastructure Program (LRCIP) and is the first major refurbishment to the entrance since 1982.

Many residents who are connected to the town sewerage network would not be aware of the maintenance projects that have been undertaken to ensure the network remains operational and compliant with relevant legislation. Throughout the year the Ayr Sewage Treatment Plant required valve and pump replacements, upgrades to the mains power cutover switch and replacement of pump station wet well lids and lids at the top of the primary digester. Aged equipment at the top of the primary clarifier at the Home Hill Sewage Treatment Plant was also replaced this year along with concrete repairs to the wall of the primary clarifier. Upgrades to the software and telemetry system used to gather real-time data from remote locations and control equipment and conditions were also undertaken during the year. These measures help to ensure Council is able to continue to deliver wastewater services to the community.

Safe and effective transport networks

A number of road reconstruction works were carried out throughout the year including a 500m section of Pelican Road, Mona Park and a 600m section of Bapty Road in Home Hill. Reconstruction and widening works were also undertaken on Airville Road, Mount Kelly Road and a section of Rita Island Road. Under the State Government's Transport Infrastructure Development Scheme funding program (TIDS) over three kilometres of School Road, Clare was reconstructed and widened and a one kilometre section of Beach Road, Ayr, was reconstructed, improving the surface quality and safety of this road.

Over 19 kilometres of urban and rural roads benefitted from the annual reseal program which included rural chip seal of 12.6km, urban asphalt seal of 0.983km and urban chip seal of 5.76km. Rural reseals were carried out in sections of Webber Road, Old Clare Road, Giddy Road, Keith Venables Road, Five Ways Road, and Aerodrome Road. Urban reseals included sections of Eighth, Twelfth and Fourteenth Streets, and Eighth, Ninth, Tenth, Thirteenth and Fourteenth Avenues in Home Hill along with sections of Irving, Hobart, Parker, and Sydney streets in Ayr.

Securing and managing water resources

A major project that came to fruition in the 2021/22 financial year was the Home Hill Water 5ML reservoir. Improving Home Hill's water supply quality and resilience, this project included the construction and commissioning of a permanent long-term treated water storage reservoir, with ultra-violet and sodium hypochlorite disinfection upgrades, a bypass pipeline and security upgrades. This significant infrastructure project was co-funded by the State Government and Council.

Home Hill's water supply security was further improved through the completion of Stage 2 of the Bore Pump Replacement Program which included the installation of envelope protection slabs and security fencing.

The town water supply security in Ayr will also be improved with commencement of construction of a 10ML water reservoir beginning this year. The reservoir in South Ayr will include the same disinfection upgrades as the Home Hill reservoir and is due to be commissioned in the 2022/23 financial year. The construction of a duplicate trunk water main from the South Ayr Water Treatment Plant to Anzac Park was another integral project completed this year, helping to build the quality and resiliency of water supply in Ayr. Designs have also commenced for a water filtration plant to be built at the South Ayr Water Treatment Plant.

The process of water meter reading will now be more streamlined and accurate in the Mount Kelly and Giru water service areas following the installation of smart water meters. Smart water meters help with early detection of water leaks and quicker, safer, and more efficient meter reading without having to access customers' properties. Smart water meters have a longer lifespan than mechanical water meters helping to extend the life of Council's infrastructure assets. Council intends to continue the smart water meter project across all areas of the Shire.



Effectively employ technology

Council took another step in the maturity of its core software system, Technology One, throughout the year, with the development of a considered business plan to transition its ICT systems to a Connected Intelligence Anywhere (CIA) platform. As the name suggests, CIA will enhance service delivery and productivity through enhanced mobility and streamlined intuitive end to end processes. The transition of Council's cores systems to the CIA environment is expected to occur during the 2022/23 and 2023/24 financial years.

As another tangible deliverable and sign of Council's commitment to utilising technology to simplify service delivery was the advancement of the Procurement Pathways Project. This project aims to streamline Council's procurement activities, standardise associated documentation and make it easier for local businesses to 'do business' with Council. A new procurement portal is set to be launched in the 2022/23 year.

Data management and storage has been improved with the replacement of the on-premise enterprise storage system, resulting in better performance and reliability, and additional storage for data.

Improved access and availability during disasters is one of the expected advantages of Council's newly implemented cloud-based call centre system, Genesys. The modern software has already improved reporting capability and offers significant improvement in functionality allowing operators to answer calls from the community and stakeholders from any location where internet services are operational. Council also replaced the on-premise telephony system, providing interoperability with mobile telecommunication devices and desk phones.

Council's surveillance camera network was expanded and improved with additional cameras being positioned in ANZAC Park, Watson's Green and the Home Hill Comfort Stop to improve public safety and assist in the investigation of possible crimes.



Economic Development

Encourage innovation

Early in 2022 Council entered a partnership with Smart Precinct NQ which included the establishment of Smart Hub Burdekin – a portal to support innovators as well as small and medium businesses in our region. Smart Precinct NQ already has a significant presence in the Townsville North Queensland region, and Council is excited for the development of Smart Hub Burdekin to better arm our local businesses for success. Smart Hub Burdekin allows small and medium businesses to access free one-on-one advisory sessions, advice on accessing grants and opportunities to network and learn from other small businesses.

Strengthen networks

Council hosted a series of Burdekin Industry Breakfasts which created a space for professionals to come together and share ideas and build relationships. Strong industry networks can provide a source of new ideas and perspectives, a platform for exchanging information about challenges and lessons learned, or a forum to build upon common goals and collaborate for shared success. Presenters at Industry Breakfasts this year included CopperString 2.0 and NBN, Smart Precinct NQ, Haughton Pipeline Stage 2 Project and Regional Development Australia.

Encourage re-investment and attract new investment to the Burdekin

The inaugural Farming in Focus Forum, presented by QSL (Queensland Sugar Limited) and hosted in conjunction with the Townsville Enterprise Secure your Future series, provided an opportunity for primary producers to network and gain a better understanding of emerging industry knowledge.

The Burdekin is renowned for having primary producers who are resilient, innovative, and keen to explore and invest in new opportunities. This forum provided a chance for sugar cane growers from throughout the region to be informed and expand their knowledge and networks to increase their business, identify future opportunities and boost their sugar production. Council's Economic Development team worked with businesses looking to expand in the Burdekin, providing information about the development approval process at pre-lodgement meetings.

Plan and coordinate our communities

Council continues to develop its new planning scheme which will be the framework for managing development in the region over the next 25 years. The new scheme is in the final stages of consultation and is expected to be adopted by Council by the end of 2022.

Plans to undertake an audit of Council's local government infrastructure plan (LGIP) have been developed for the forward year and will include consideration of trunk infrastructure networks (water, sewerage) along with public parks and community facilities. This audit will focus on key infrastructure providing essential services to the community.

The expansion of the Ayr Industrial Estate continues to be a priority project for Council and the planned project is anticipated to provide opportunities for new business services, existing businesses expansion and broaden the employment opportunities within the local economy. Development approvals are in place and extensive project planning has been undertaken. Further progression of this project is at this stage reliant on grant funding, with funding applications submitted.

Social Wellbeing

Safe, healthy, inclusive and socially engaged communities

Council continued to encourage residents to remain active with Stage 2 of the Burdekin Be Active Trail in Home Hill, which included the continuation of pathways on Ninth Avenue from Fourth Street to Eighth Street, completed throughout the year.

In February and March 2022 Council hosted two very successful mental health and wellness events with the Farmers and Friends evening featuring guest speakers Johnathan Thurston and Antonio Winterstein and the Ladies Long Lunch with guest speakers Jules Sebastian, Stephanie Schmidt, Brooke Winterstein and Dr Amanda Marano. Youth mental health was also a focus for Council with plans put in place for an innovative and strategic Youth Mental Health Program – Sing it out to be delivered in the 2022/23 financial year.

Licensing and inspections of food and accommodation premises are one way Council continues to ensure the health and safety of the community. This year, 100 per cent of the premises requiring a food licence were inspected to ensure conformity with the *Food Act 2006* (Qld) and Food Safety Standards. All premises requiring a local law rental accommodation or caravan park approval were also inspected at least once in the year to ensure conformance with the relevant local laws.

Council continued its animal control regulatory service responding to 727 requests during the year. This was a five percent increase in the number of requests received compared to last financial year. Requests included dog attacks, dangerous dogs, straying animals and barking complaints. Out of hours animal patrols continued throughout the year in response to demand.

Strong community organisations

Council aims to support community organisations through the provision of grant assistance, in-kind support, and interest-free loans. Strong community organisations help the community to become empowered.

This year, Council appointed an externally funded Community Engagement and Capacity Building Officer to plan, facilitate, deliver, and promote programs to build capacity within sporting and community organisations. The position will be integral to Council's ongoing community engagement and capacity building activities in 2022/23.

Creating places of community identity

In September 2021, Council installed a hand cane cutter monument, sculpted by Queensland chainsaw artist Matty George alongside the Home Hill Lions Club Diorama facing the Bruce Highway. The impressive monument was inspired by the backbreaking work of a by-gone era, which has been celebrated through the Australian Hand Cane Cutting Championships, now a part of the Sweet Days Hot Nights Festival.

Following feedback received from Giru residents via the Our Town, Our Future consultation held in 2020, Council progressed a project, with the support and guidance of Tennis Queensland to completely refurbish the tennis courts in Giru to transform them into a multi-purpose recreation precinct catering for tennis, netball, and cricket. This renewed facility will become a central meeting place for Giru residents and provide an opportunity for the community to grow its sporting participation.

Provision of public spaces

Town entrance signage was installed on the outskirts of the Shire along with new signage at the entrance to Plantation Park, a popular location for locals and visitors to our region. Council also made the decision to purchase vacant land adjacent to Plantation Park on the Bruce Highway.

Build a robust and resilient community

Disaster readiness and resilience were the key messages delivered to residents during Get Ready Week in October 2021. Council promoted awareness of disaster risks at street stalls and with library displays and ran a promotion to give away a free generator.

Our local SES who play a vital role during disaster events received Council's support to secure funding from the Queensland Resilience and Risk Reduction Fund for the supply of three new sand-bagging machines to assist with flood preparation and mitigation. Council's Local Disaster Management Plan and Subplans were reviewed, updated, and adopted by Council in December 2021. Training for Local Disaster Management Group Members and Council Officers has contributed to readiness for possible future disaster events.



Environment

Balancing the needs of the community and the environment

Extensive planning has been undertaken for the construction of an Australian-first Macro-algae Bioremediation Facility to be constructed at the Ayr Wastewater Treatment Plant. This exciting and innovative project will use algal ponds to remove nitrogen and phosphorous from the wastewater stream prior to discharge, significantly improving effluent quality and environmental outcomes. The project is estimated to cost around \$8.3 million and Council is awaiting the outcome of funding applications to commence works.

Council continues to focus on its waste management responsibilities with the operation of the Kirknie Landfill and four transfer stations. All facilities operate under an Environmental Authority administered by the Department of Environment and Science. Council is part of the North Queensland Regional Organisation of Councils (NQROC) and assisted with the development and release of the North Queensland Waste and Resource Recovery Strategy 2020-2030 in October 2021. Council is also involved in the development of the Regional Waste Management Plan which will feed off and add value to the Strategy.

Mosquito management and treatment continues to be a high public health focus for Council to prevent the transmission of vector borne viruses. For most of the year, all current breeding sites are monitored for larvae twice weekly and treated with larvicide as required. Aerial treatments of outlying coastal sites remains an important treatment method.

A sustainable environment

Council secured further funding under the Local Government Illegal Dumping Partnership Program – Round 2A and has employed a part time Illegal Dumping Officer for a 12-month period from March 2022. This will greatly assist in addressing and reducing the instances of illegal dumping in the Shire.

As part of Council's preventative measures proposed in the Burdekin Bushfire Risk Mitigation Plan, staff participated in two online meetings with Burdekin Area Fire Management Group throughout the year. Several "cool burn" operations have been undertaken in conjunction with mitigation activities on Council land at Saltwater Creek, and on Barratta Road.

Feral animals can cause major impacts on the local environment and can harm livestock and damage crops. Council conducted several control activities resulting in 572 feral pigs shot during seven aerial exercises in the Shire and 12 landowners participating in the wild dog baiting program.

In accordance with Council's adopted Dune Management Strategy, revegetation work commenced at Alva in January 2022. New educational signs were also installed at vehicle access points to the beach and Yongala Drive was re-fenced on both sides. The works are designed to protect the sand dunes at Alva and the adjacent road infrastructure.



Organisational Sustainability

Strong engagement with the community

Council has many processes and activities involving the public in decision, education or sharing of information. While it is not possible or effective to consult with the community on every issue, Burdekin Shire Council engages the community to enhance Council's decisions and to facilitate well-informed community participation in policy, plans, programs, and service levels.

Council published 141 media releases and 499 unique social media news items to ensure the community was kept up to date throughout the year. Council has continued to engage with the community through several of its advisory groups including the Community Development & Cultural Advisory Group, the Youth Council, The Economic Development Advisory Group and the RADF (Regional Arts Development Fund) Advisory Group.

In January, Council sought feedback from the community on the draft 2022-2027 Corporate Plan. The plan provides the direction for Council decisions and activities over the next five-year period and community sentiment plays an important part in shaping the final plan. The Corporate Plan was adopted by Council in February.

Council also conducted a survey regarding the Clare Transfer Station in May 2022, seeking feedback from affected residents on the operation, opening hours and whether the facility should be manned or unmanned. As a result of the survey, Council decided to continue with the current manned opening hours of 10am-1pm each Sunday.

An organisational culture that embraces our values

Regular Executive Leadership Team meetings were held throughout the year. The Senior Leadership Group also met monthly to discuss key projects and management issues. Coordination of activities was undertaken via a range of processes, including management meetings, project team meetings, specific working groups and monthly Capital Project Coordination Group meetings monitoring delivery of the capital program.

COVID-19 related workforce matters were coordinated through an internal committee, meeting at critical periods to ensure the safety of our staff and the continuation of the delivery of services to the community.

Council representatives attended various meetings of North Queensland Regional Organisation of Councils (NQROC) and sub-committees throughout the year. A service level agreement (SLA) was executed with Townsville Enterprise Limited (TEL) for 2021/22 financial year reflecting relevant strategic priorities from the Corporate Plan and updates on progress received. Discussions commenced for a new SLA for 2022/23.

Council's Mayor and Deputy Mayor attended the Civic Leaders Summit at the Sunshine Coast in June 2022. This event, hosted by the Local Government Association of Queensland (LGAQ), provided an opportunity for Council leaders to meet with other Councillors, Mayors, and other key stakeholders to focus on personal development and the business of leadership in a supportive environment. The Summit focussed on how leaders create trust, and use influence through their relationships with others, to achieve a shared purpose. During the year Councillors and senior officers also attended an Elected Member Update (EMU) conducted by the LGAQ. Councillors have also been provided with opportunities to complete online training as it was made available throughout the year.

Commitment to continuous improvement, customer service and accountability

Council's Customer Service Centre is the first point of contact for customers seeking information, advice, or assistance with council matters. This year, our call centre received 19,290 calls with a service level of 87% - meaning 87% of calls were answered within 20 seconds. A total of 5936 customer requests were logged throughout the year, 90% of these were completed within the agreed timeframes.

Council's operational areas of Works, Water Wastewater and Parks and Gardens have set and exceeded targets for compliments vs complaints in every reporting quarter this year. Our Customer Service Team continued to increase their knowledge of Council operations through the Professional Development and Training Program, enhancing their skills and knowledge to better serve the community.

Council's broader Performance Development Program continues to provide opportunities for staff at all levels of the organisation to improve the overall performance of Council by identifying training and support needs and acknowledging the achievement of agreed performance objectives.

Create a workplace that is regarded as an 'Employer of Choice'

An internal committee initiated several projects this year to ensure workers feel safe, are healthy, satisfied and engaged. A group of volunteer staff members spent time one warm weekend in November, revamping an otherwise neglected courtyard garden at the Council Chambers into a zen garden.

All plants and materials for this project were donated and the transformation of this common space between office buildings now offers a place for staff to sit and enjoy some fresh air and sunshine at morning tea or lunch breaks. The solar-powered water feature provides a pleasant ambience, even when walking past the new zen garden space.

This year, Council introduced a Burdekin Fitness Passport for employees and their family members. The program is offered on an opt in basis, allowing employees to sign up and enjoy wide access to a range of gyms, pools, and fitness facilities for the fraction of the price of regular gym membership fees at no cost to Council.

Operational standards adopted this year contributing to a positive workplace culture and a safe and healthy work environment include the Bullying, Discrimination and Sexual Harassment Complaint Handling Operational Standard, Work Health and Safety Issue Resolution Operational Standard and the Drug and Alcohol Operational Standard.

Negotiations for a new certified agreement were finalised during the first quarter of the financial year and the new agreement was certified by the Queensland Industrial Relations Commission in November 2021 for a three-year term.



Reporting



Corporate Governance

Complaints management

Council has an established system for identifying and managing administrative action complaints. Council acknowledges members of the public have a right to make a complaint if they are not satisfied with the actions taken or decisions made by Council. Council has adopted an early resolution approach and wherever possible, matters are resolved before a formal administrative action complaint is lodged. Council's Complaints Management Policy provides guidance for a clear and transparent process for managing complaints and is supported by the Administrative Action Complaints Management Procedure and a Guideline for Managing Unreasonable Complainant Customer Conduct. This framework provides a system to ensure complaints are handled equitably and fairly whilst ensuring the prudent management of staff resources and prioritising the health and safety of employees.

Assessment of performance in resolving complaints

The table below outlines the number of complaints received and resolved within the 2021/22 financial year. Council's Governance Unit and Executive Leadership Team have maintained oversight of the complaints management process throughout the year. All administrative action complaints are recorded in the Customer Request Management (CRM) system which allows for a transparent and consistent workflow to be applied to record actions taken in relation to each complaint matter. While many complaints can be resolved to the satisfaction of the complainant, Council routinely advises customers of their right to internal review should they not be satisfied with the outcome of their complaint matter. Council also encourages customers to contact the Office of the Queensland Ombudsman if they are still unsatisfied with the outcome of the internal review process.

Administrative action complaints received 1 July 2021 - 30 June 2022	23
Administrative action complaints resolved 1 July 2021 - 30 June 2022	21
Administrative action complaints from previous financial years resolved within 2021/22 financial year	1

Risk management

Effective risk management is integral to an organisation realising its objectives. Council's commitment to identifying, assessing, rating, and treating risk is evidenced through the implementation of the adopted Enterprise Risk Management Framework throughout the organisation. Risk registers are maintained for all identified operational and strategic risks and a review of the risks, their ratings and the identified controls is conducted annually. Council's Risk Management Committee meets bi-monthly to review new and emerging risk areas and support the Executive Leadership Team to maintain a risk management focus. This year, Council implemented a new governance software, RelianSys, to log, monitor and report on risks associated with all council activities. The user-friendly software provides a dashboard overview of all Council operational risks and allows for risk mitigation measures to be assessed for effectiveness. Annual risk register reviews were conducted in conjunction with training in the new software.

Right to Information and Privacy

Council is committed to maintaining a culture that respects each individual's right to privacy. Council's Privacy Policy outlines this commitment and aims to ensure information is collected, maintained, and stored in compliance with regulatory requirements. During this financial year Council received and processed three applications received under the *Right to Information Act 2009* within the required timeframes. Council has adopted a 'push model' which takes a proactive approach to the routine release of information. One of the ways Council achieves this is via publication of information to our public website. Council's Publication Scheme details what information is available freely.

Audit committee

The Audit Committee operates under a Charter approved by Council. Under the Charter, the role of the committee is to provide independent assurance and assistance to Council on:

- The risk, control, and compliance frameworks.
- The Council's external accountability responsibilities as prescribed in the Local Government Act and its Regulations.

The Audit Committee convened on five occasions throughout the financial year and considered the following matters:

- Financial Statements for the year ended 30 June 2021.
- Follow up on issues raised by the Queensland Audit Office in the 2021 financial audit.
- Annual report for the year ended 30 June 2021.
- Internal audit function, including oversight of the approved internal audit program
- Council's Long Term Financial Forecast.
- Council's Investment Policy.
- Council's Risk Management Framework.
- Disaster recovery and business continuity issues.
- COVID-19 and its effect on Council activities.
- Fraud and Corruption Control Plan.
- Audit Committee Charter.
- Council owned infrastructure and other asset valuations.

Internal audit

Council's internal audit function is an essential component required for maintaining a culture of accountability and transparency. The internal audit function assists Council to achieve its objectives by applying a systematic and disciplined approach to analyse, evaluate, and improve the effectiveness of Council's risk management, control, and governance processes. This year was the first year of the three-year internal audit plan developed and delivered by independent contractor BDO.

Two internal audits were carried out during the 2021/22 financial year:

- Strategic Workforce Planning and Succession Management; and
- Grant Funding Management.

A report outlining the findings, implications and recommended management action items relating to the Strategic Workforce Planning and Succession Management audit were presented to management and the Audit Committee throughout the year. The report relating to the Grant Funding Management audit will be presented next financial year.

Public interest disclosures

A public interest disclosure is a disclosure about alleged wrongdoing in the public sector that serves the public interest. The *Public Interest Disclosure Act 2010* clearly details Council's responsibilities to effectively identify and deal with matters that may meet the definition of a Public Interest Disclosure (PID). Council's PID Program operates in conjunction with the Complaints Management System and Fraud and Corruption Control Plan and is overseen by the Governance Unit.

Statutory Information

This section of the report contains information which is prescribed by the *Public Sector Ethics Act 1994*, *Local Government Act 2009* and *Local Government Regulation 2012* to be disclosed in Council's Annual Report for the period.

Public Sector Ethics Act 1994

Section 23 of the *Public Sector Ethics Act 1994* (PSEA) requires each Annual Report to include an Implementation Statement giving details of the actions taken during the reporting period to comply with sections 15, 21 and 22 of the PSEA. Implementation Statement for the 2020/21 reporting period is as follows:

Preparation of Codes of Conduct (s15)

The Burdekin Shire Council Code of Conduct for Workers was approved by the Chief Executive Officer on 12 April 2019 following a comprehensive review and update process. The Code can be accessed by all workers via Council's intranet site and Record Management System.

Education and training (s21)

Compulsory Code of Conduct training was provided to all new employees during the financial year.

Procedures and practices (s22)

Council's administrative procedures and management practices have proper regard for the principles and values contained within the *Public Sector Ethics Act 1994* and the Code of Conduct for Workers has been modelled from the principles.

Local Government Act 2009

Identifying beneficial enterprises (s41)

Council did not conduct any beneficial enterprises within the 2021/22 financial year.

Identifying significant business activities (s45)

(a) During the 2020/21 financial year, Council operated the following business activities:

- Waste collection
- Water
- Sewerage

(b) None of the above activities satisfied the statutory threshold for classification as a significant business activity.

(c) The competitive neutrality principle was not applied as Council does not have any significant business activities.

(d) Council did not commence any new business activities within this period i.e., all the listed business activities were also conducted in the preceding financial year.

Remuneration paid to senior management employees (s201)

(1a) The value of remuneration packages of senior management employees was: \$818,013.

(1b) The number of senior management employees who are being paid each band of remuneration:

Pay band	Number of senior management employees within band
\$200,001-300,000	2
\$300,001-400,000	1

(1c) Burdekin Shire Council has not resolved to allow Councillors to appoint Councillor advisors.

Local Government Regulation 2012

Particular resolutions (s185)

A copy of resolutions made under section 250(1) of the *Local Government Regulation 2012*.

On 14 December 2021, Council adopted a resolution to update the Councillor Expenses Reimbursement Policy.

A list of any resolutions made during the financial year under section 206(2) of the *Local Government Regulation 2012*.

On 8 June 2021, in accordance with section 206(2) of the *Local Government Regulation 2012*, Council resolved to adopt a revised Non-Current Asset Accounting Policy with an effective date of 1 July 2021. The policy details the classes of property, plant and equipment assets and sets the amount for each different type of physical asset below which the value of an asset must be treated as an expense. The below table, from the adopted Non-Current Asset Accounting Policy, details the thresholds for each asset type:

Asset Type	Threshold (GST exclusive)
Land	\$1
Land Improvements	\$5,000
Buildings	\$5,000
Infrastructure (roads and bridges, water, sewerage)	\$5,000
Plant and Equipment	\$5,000
Office equipment, furniture and fittings	\$5,000
All other assets (including intangible assets)	\$5,000

Councillors (s186)

(a) For each Councillor, the total remuneration, including superannuation contributions, paid to the Councillors during the 2021/22 financial year were:

Name	Mayor	Deputy Mayor	Councillor	Telephone/Data	Total	Council 12% Superannuation
Boccalatte, Kaylee			\$55,497.33	\$600.00	\$56,097.33	\$6,659.67
Bonanno, John			\$55,497.33	\$600.00	\$56,097.33	\$6,659.67
Detenon, Michael			\$55,497.33	\$600.00	\$56,097.33	\$6,659.67
Furnell, John			\$55,497.33	\$600.00	\$56,097.33	\$6,659.67
McLaughlin, Lyn	\$112,384.26				\$112,384.26	\$13,486.23
Musumeci, Max			\$55,497.33	\$600.00	\$56,097.33	\$6,659.67
Perry, Sue		\$64,836.45		\$600.00	\$65,436.45	\$7,780.32
TOTAL (\$)	\$112,384.26	\$64,836.45	\$277,486.65	\$3,600.00	\$458,307.36	\$54,564.90

No Councillor receives a car allowance. The mayor is provided with a vehicle for business and private use and the Councillors have access to a Council vehicle for business use only. The mayor is also provided with a telephone and therefore does not receive the monthly telephone data allowance.

Councillors (s186)

(b) The expenses incurred by, and the facilities provided to, each Councillor in accordance with Burdekin Shire Council's Councillor Expense Reimbursement Policy in 2021/22 financial year were as follows:

Name	Food/Beverages	Conferences	Travel/ Accommodation	Functions	Total
Boccalatte, Kaylee	\$27.00	\$926.43	\$119.24		\$1,072.67
Bonanno, John	\$106.07	\$1,400.00	\$224.00	\$175.00	\$1,905.07
Detenon, Michael					-
Furnell, John	\$94.27		\$406.50	\$175.00	\$675.77
McLaughlin, Lyn	\$263.85	\$2,426.44	\$2,159.65	\$583.93	\$5,433.87
Musumeci, Max		\$469.09	\$179.00		\$648.09
Perry, Sue	\$64.40	\$2,426.43	\$989.96	\$109.09	\$3,589.88
TOTAL (\$)	\$555.59	\$7,648.39	\$4,078.35	\$1,043.02	\$13,325.35

Mayor Cr Lyn McLaughlin, Cr John Furnell, and Cr John Bonanno attended the 2021 Local Government Association of Queensland conference, which provides free registration for two Councillors (Cr McLaughlin and Cr Furnell) as delegates - however as Cr Bonanno attended as an observer, his attendance attracted a fee.

Each Councillor is provided with either a laptop computer or tablet device to be used for Council work. Each Councillor is provided with appropriate Personal Protective Equipment for use during Council inspections. Councillors have access to Council vehicles (including fuel provisions) for Council business such as travel to and from conferences and training. Hospitality expenses of \$9.09 and meeting related expenses of \$1,077.86 were incurred during the year in accordance with Council's adopted Councillor Expenses Reimbursement Policy.

(c) The number of meetings each Councillor attended during the 2021/22 financial year were as follows:

Name	Ordinary and Special Meetings held	Ordinary and Special Meetings attended	Meetings absent while on Council business	Leave of absence
Boccalatte, Kaylee	23	22	0	1
Bonanno, John	23	22	0	1
Detenon, Michael	23	23	0	0
Furnell, John	23	23	0	0
McLaughlin, Lyn	23	23	0	0
Musumeci, Max	23	22	0	1
Perry, Sue	23	23	0	0

(d) The total number of the following during the financial year:

Orders	LGA section	Number
Orders made by the Chairperson dealing with unsuitable meeting conduct.	150I(2)	Nil
Orders made by the local government where the local government has decided that the Councillor has engaged in inappropriate conduct.	150AH(1)	Nil
Decisions, orders and recommendations made by the conduct tribunal in relation to misconduct by a Councillor.	150AR(1)	Nil

(e) The total number of each of the following during the financial year:

Requirement	Details
The name of each Councillor for whom a decision, order or recommendation mentioned in paragraph (d) was made	Not applicable
A description of the unsuitable meeting conduct, inappropriate conduct or misconduct engaged in by each of the Councillors.	Not applicable
A summary of the decision, order or recommendation made for each Councillor.	Not applicable

(f) The number of each of the following during the financial year:

Details	LGA section	Number
Complaints referred to the assessor under section 150P(2)(a) of the Act by local government entities for the Local Government.	150P(2)(a)	Nil
Matters, mentioned in section 150P(3) of the Act, notified to the Crime and Corruption Commission.	150P(3)	Nil
Notices given to the assessor about Councillor conduct.	150R(2)	Nil
Notices given to the assessor about the Councillor's conduct and all information held by the local government that relates to the conduct.	150S(2)(a)	Nil
Decisions made under section 150W(1)(a), (b) and (e) of the Act by the assessor to dismiss the complaint about the conduct under section 150X of the Act; to refer the suspected inappropriate conduct to the Local Government to deal with; or to take no further action under section 150Y of the Act.	150W(1)(a), (b) and (e)	1
Referral notices accompanied by a recommendation mentioned in section 150AC(3)(a) of the Act.	150AC(3)(a)	Nil
Occasions information given to the assessor under section 150AF(4)(a) of the Act, indicating a Councillor may have engaged in misconduct.	150AF(4)(a)	Nil
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.	Chapter 5A, Part 3, Division 5	Nil
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.	Chapter 5A, Part 3, Division 6	Nil

Overseas travel (s188)

No overseas travel was made in an official capacity during the period by any employee, Councillor, or the Mayor.

Grants to community organisations and discretionary funds (s189)

The local government's expenditure for 2021/22 on grants to community organisations.

The total summary of cash grants, donations, standing donations, and in-kind support has been broken into six categories:

Category	Amount
Art and Culture	\$200.00
Community Assistance	\$800.00
Community Development	\$39,876.00
Recreation and Sport	\$9,519.12
Welfare	\$86,294.87
In-Kind	\$79,752.50
Standing donations	\$72,397.18
Total	\$288,839.67

(2) No Councillors at Burdekin Shire Council have discretionary funds.

Other contents (s190)

Council did not operate any commercial business units.

Council did not levy any special rates or charges for a service, facility or activity supplied by another local government for the financial year.

Council issued three invitations to two tenderers to change a tender due to a change of specifications under section 228(8) during the financial year.

The following registers were kept by Council during the financial year:

- Register of Interest for Councillors and their Related Persons
- Register of Interests for Senior Executive Employees and their Related Persons
- Councillor Conduct Register
- Register of Gifts and Benefits
- Strategic and Operational Risk Register
- Register of Delegations
- Register of Loss of Council Assets
- Council Policy Register
- Register of Impounded Animals
- Animal Register (Cats and Dogs)
- Road Map and Register
- Burial Register
- Register of Backflow Prevention Devices
- Register of Pre-Qualified Suppliers
- Register of Local Laws
- Register of Fees and Charges
- Register of Development Applications
- Register of Decision Notices regarding Development Applications
- Register of Declared Conflicts of Interest (Employees)

Council granted concessions to pensioners in accordance with the Council resolution made at the Budget Meeting on 22 June 2021 as a pensioner rebate. The rebate was calculated as half the sum of the relevant General Rates up to a maximum rebate set at \$374. In total, Council received pensioner rebate applications for 943 properties and remitted \$339,319.43 in concessions.

Council did not receive any investigation notices in the financial year under section 49 for competitive neutrality complaints.

No competitive neutrality complaint reports were received, or responses required during the financial year under section 52(3).

Financial Statements





Burdekin Shire Council

Annual Financial Statements

**for the financial year ended
30 June 2022**

BURDEKIN SHIRE COUNCIL

Financial Statements

For the year ended 30 June 2022

Table of Contents

Note

Statement of Comprehensive Income

Statement of Financial Position

Statement of Changes in Equity

Statement of Cash Flows

Notes to and forming part of the Financial Statements

1 Information about these financial statements

2 Analysis of results by function

Financial performance

3 Revenue

4 Grants, subsidies and contributions

5 Other capital income

6 Employee benefits

7 Materials and services

8 Finance costs

9 Other capital expenses

Assets

10 Cash and cash equivalents

11 Trust funds

12 Receivables

13 Other assets

14 Property, plant and equipment

15 Contract balances

Liabilities

16 Payables

17 Provisions

18 Other liabilities

19 Asset revaluation surplus

20 Commitments for expenditure

21 Events after balance date

22 Contingent liabilities

23 Superannuation

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

25 Transactions with related parties

26 Financial instruments

Management Certificate

Independent Auditor's Report

Financial Sustainability Statements

Certificate of Accuracy - Current-Year Financial Sustainability Statement

Independent Auditor's Report - Current-Year Financial Sustainability Statement

Certificate of Accuracy - Long-Term Financial Sustainability Statement (unaudited)

BURDEKIN SHIRE COUNCIL
Statement of Comprehensive Income
For the year ended 30 June 2022

	Note	2022 \$	2021 \$
Income			
Recurrent			
Rates and levies	3 (a)	41,206,559	39,760,170
Fees and charges	3 (b)	2,902,799	2,871,661
Interest received		481,661	544,342
Sale of contract and recoverable works		1,987,194	1,886,575
Other recurrent income		668,615	497,216
Grants, subsidies and contributions	4 (a)	6,229,681	5,147,693
		<u>53,476,509</u>	<u>50,707,657</u>
Capital			
Grants, subsidies and contributions	4 (b)	11,624,938	8,868,005
Other capital income	5	266,181	119,176
		<u>11,891,119</u>	<u>8,987,181</u>
Total income	2 (b)	<u>65,367,628</u>	<u>59,694,838</u>
Expenses			
Recurrent			
Employee benefits	6	(21,327,353)	(21,591,092)
Materials and services	7	(15,848,577)	(16,101,655)
Finance costs	8	(320,400)	(225,445)
Depreciation	14 (e)	(13,114,267)	(12,585,851)
Amortisation		(101,624)	(74,215)
		<u>(50,712,221)</u>	<u>(50,578,258)</u>
Capital			
Other capital expenses	9	(2,495,377)	(1,512,367)
Total expenses	2 (b)	<u>(53,207,598)</u>	<u>(52,090,625)</u>
Net result		<u>12,160,030</u>	<u>7,604,213</u>
Other comprehensive income			
Items that will not be reclassified to net result			
Increase in asset revaluation surplus	19 (a)	35,927,005	7,099,073
Total other comprehensive income for the year		<u>35,927,005</u>	<u>7,099,073</u>
Total comprehensive income for the year		<u>48,087,035</u>	<u>14,703,286</u>

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

BURDEKIN SHIRE COUNCIL

Statement of Financial Position

As at 30 June 2022

	Note	2022 \$	2021 \$
Current assets			
Cash and cash equivalents	10	69,326,399	64,917,495
Receivables	12 (a)	1,247,512	1,521,406
Inventories		603,236	602,156
Contract assets	15 (a)	1,919,043	1,151,812
Other assets	13 (a)	1,911,475	1,647,323
Total current assets		<u>75,007,665</u>	<u>69,840,192</u>
Non-current assets			
Receivables	12 (b)	341,018	272,906
Property, plant and equipment	14 (e)	589,140,360	545,656,761
Intangible assets		396,150	497,774
Other assets	13 (b)	70,205	61,323
Total non-current assets		<u>589,947,733</u>	<u>546,488,764</u>
TOTAL ASSETS		<u>664,955,398</u>	<u>616,328,956</u>
Current liabilities			
Payables	16	5,911,555	6,602,757
Provisions	17 (a)	5,569,551	5,798,704
Contract liabilities	15 (b)	1,808,386	2,384,317
Other liabilities	18 (a)	535,315	1,856
Total current liabilities		<u>13,824,807</u>	<u>14,787,634</u>
Non-current liabilities			
Provisions	17 (b)	18,126,667	18,591,574
Other liabilities	18 (b)	1,665,681	-
Total non-current liabilities		<u>19,792,348</u>	<u>18,591,574</u>
TOTAL LIABILITIES		<u>33,617,155</u>	<u>33,379,208</u>
NET COMMUNITY ASSETS		<u>631,338,243</u>	<u>582,949,748</u>
Community equity			
Asset revaluation surplus	19	358,610,467	322,683,462
Retained surplus/(deficit)		<u>272,727,776</u>	<u>260,266,286</u>
TOTAL COMMUNITY EQUITY		<u>631,338,243</u>	<u>582,949,748</u>

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

BURDEKIN SHIRE COUNCIL
Statement of Changes in Equity
For the year ended 30 June 2022

	Total	Retained surplus/(deficit)	Asset revaluation surplus Note 19
	2022	2022	2022
	\$	\$	\$
Balance as at 1 July 2021	582,949,748	260,266,286	322,683,462
Correction to opening balance	301,460	301,460	-
Restated opening balance as at 1 July 2021	583,251,208	260,567,746	322,683,462
Net result	12,160,030	12,160,030	-
Other comprehensive income for the year			
Asset revaluation surplus	35,927,005	-	35,927,005
Total comprehensive income for the year	48,087,035	12,160,030	35,927,005
Balance as at 30 June 2022	631,338,243	272,727,776	358,610,467

Statement of Changes in Equity
For the year ended 30 June 2021

	Total	Retained surplus/(deficit)	Asset revaluation surplus Note 19
	2021	2021	2021
	\$	\$	\$
Balance as at 1 July 2020	568,241,597	252,657,208	315,584,389
Correction to opening balance	4,865	4,865	-
Restated opening balance as at 1 July 2020	568,246,462	252,662,073	315,584,389
Net result	7,604,213	7,604,213	-
Other comprehensive income for the year			
Asset revaluation surplus	7,099,073	-	7,099,073
Total comprehensive income for the year	14,703,286	7,604,213	7,099,073
Balance as at 30 June 2021	582,949,748	260,266,286	322,683,462

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

BURDEKIN SHIRE COUNCIL

Statement of Cash Flows

For the year ended 30 June 2022

		2022	2021
	Note	\$	\$
Cash flows from operating activities			
Receipts			
Receipts from customers		50,417,875	49,128,491
Operating grants, subsidies and contributions		6,316,011	5,310,476
Pre-paid waste levy		2,198,884	-
Interest received		468,207	563,659
Payments			
Payments to suppliers and employees		(41,892,898)	(40,277,364)
Interest expense		-	(4,402)
Net cash inflow (outflow) from operating activities	24	<u>17,508,079</u>	<u>14,720,860</u>
Cash flows from investing activities			
Commonwealth government grants		1,555,291	1,243,933
State government subsidies and grants		10,034,004	7,469,442
Subsidies and grants arising from contract assets and liabilities		(1,429,492)	(2,049,058)
Capital contributions		2,433	154,630
Payments for property, plant and equipment		(24,145,455)	(19,551,140)
Payments for intangible assets		-	(164,062)
Proceeds from sale of property, plant and equipment		907,579	35,137
Net movement in loans to community organisations		(23,535)	38,810
Net cash inflow (outflow) from investing activities		<u>(13,099,175)</u>	<u>(12,822,308)</u>
Cash flows from financing activities			
Repayment of borrowings		-	(346,051)
Net cash inflow (outflow) from financing activities		<u>-</u>	<u>(346,051)</u>
Net increase (decrease) in cash and cash equivalents held		<u>4,408,904</u>	<u>1,552,501</u>
Cash and cash equivalents at beginning of the financial year		<u>64,917,495</u>	<u>63,364,994</u>
Cash and cash equivalents at end of the financial year	10	<u>69,326,399</u>	<u>64,917,495</u>

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

BURDEKIN SHIRE COUNCIL
Notes to the Financial Statements
For the year ended 30 June 2022

1 Information about these financial statements

(a) Basis of preparation

These general purpose financial statements are for the period 1 July 2021 to 30 June 2022 and have been prepared in accordance with the *Local Government Act 2009* and the *Local Government Regulation 2012*. Council is a not-for-profit entity for financial reporting purposes and these financial statements comply with Australian Accounting Standards and Interpretations as applicable to not-for-profit entities.

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

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

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

(c) Standards issued by the AASB not yet effective

The AASB has issued Australian Accounting Standards and Interpretations which are not effective at 30 June 2022. These standards have not been adopted by Council and will be included in the financial statements on their effective date. Future standards are not expected to have a material impact on Council's financial statements.

(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
- Grants, subsidies and contributions - note 4
- Valuation and depreciation of property, plant and equipment - note 14
- Provisions - note 17
- Contingent liabilities - note 22
- Financial instruments - note 26

(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.

(f) Taxation

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

BURDEKIN SHIRE COUNCIL
Notes to the Financial Statements
For the year ended 30 June 2022

2 Analysis of results by function

(a) Components of Council functions

The activities relating to the Council's components reported on in note 2 (b).

Administration

Deliver responsible governance, efficient service and administrative support for Council's operations and strategic initiatives. The services include recruitment, training and development, employee and public relations, customer service, information technology services, secretarial and minutes support, records management, quality assurance, Council properties management, revenue, purchasing, creditors, payroll, debtors, budgeting, statutory and financial reporting, debt management, taxation, and financial, asset and systems management.

Community and Cultural

Council's community and cultural services objective is to provide a broad range of cultural, recreation and sport facilities, welfare and area promotion. The services include libraries, theatre, memorial hall, art and cultural activities, recreation and sport facilities, area promotion, welfare, disaster management, tourism and economic development.

Development

Development services aim to ensure all new development outcomes meet regulatory obligations including relevant Acts, the Planning Scheme, building codes, council policies and local laws. Development services comprises of development administration, town planning, building services, plumbing and facilities management.

Environmental

The objectives for Council's environmental services are to protect the public health of the community and encourage environmental responsibility throughout the community. These services include public health administration, food and rental accommodation licencing, local law enforcement and investigation of environmental nuisances, animal control, vector control, pest management, land protection, aquatic weed removal, protection of the environment, caravan parks and swimming pools.

Engineering

Engineering services objective is to provide safe and efficient transport networks, stormwater drainage systems, flood mitigation and warnings systems and a modern fleet of construction equipment and light vehicles which meet the requirements of the community, external stakeholders and regulatory responsibilities. Services provided include the design, construction, management and maintenance of relevant infrastructure and the procurement and maintenance of Council's fleet. The department also manages Council's relationship with Transport and Main Roads including the Road Maintenance Performance Contract.

Waste

Waste management services aim to provide efficient and compliant waste and recycling policies, infrastructure and services including waste receptacles, waste collection and disposal and waste management and education. Council operates or facilitates four transfer stations at Ayr, Home Hill, Giru and Clare and a landfill at Kirknie Road, Home Hill. Services also include the review, assessment and treatment of legacy landfills and investigation of illegal dumping.

Sewerage

Council provides sewerage services to the towns of Ayr, Brandon and Home Hill. The objectives of the service is to provide disposal and treatment of commercial, industrial and domestic sewage in a manner which safeguards public health and is consistent with Council's responsibilities and obligations under Queensland legislation. The services include the collection of sewage from customers within Council's adopted service areas via reticulation networks including pump stations, gravity and pressure sewers, and the treatment of the collected waste to a standard within environmental licence parameters determined by the regulator.

Water

Council is a registered water service provider under the provisions of the *Water Supply (Safety and Reliability) Act 2008*. Council provides potable water supply service to the towns of Ayr, Brandon, Home Hill and Giru and also to the rural residential settlement of Mt Kelly and the beachside settlement of Alva. The service objective is to provide an adequate supply of quality drinking water that complies with aesthetic and health parameters stipulated in the Australian Drinking Water Guidelines (2011). The services include the pumping, treatment and disinfection of raw water prior to the reticulated supply to customers via individual metered property connections.

BURDEKIN SHIRE COUNCIL
Notes to the Financial Statements
For the year ended 30 June 2022

2 Analysis of results by function (continued)

(b) Income and expenses defined between recurring and capital, and assets are attributed to the following programs

For the year ended 30 June 2022

Functions	Recurrent revenue Grants	Recurrent revenue Other	Capital revenue Grants	Capital revenue Other	Total Income	Recurrent Expenses	Capital Expenses	Total Expenses	Operating surplus/(deficit) from recurrent operations	Net result for year	Assets
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Administration	4,057,902	28,368,900	9,650	(56,291)	32,380,161	(7,029,628)	(16,245)	(7,045,873)	25,397,174	25,334,288	96,248,701
Community and Cultural	293,184	522,345	524,230	-	1,339,759	(5,054,577)	(692,515)	(5,747,092)	(4,239,048)	(4,407,333)	27,333,528
Development	-	464,297	-	-	464,297	(1,348,280)	-	(1,348,280)	(883,983)	(883,983)	-
Environmental	99,116	1,238,874	559,664	-	1,897,654	(6,921,928)	(34,029)	(6,955,957)	(5,583,938)	(5,058,303)	15,019,941
Engineering	1,390,714	2,069,473	2,108,356	113,711	5,682,254	(16,272,452)	(1,154,290)	(17,426,742)	(12,812,265)	(11,744,488)	431,966,999
Waste	101,209	5,237,738	-	211,194	5,550,141	(4,888,173)	(541,751)	(5,429,924)	450,774	120,217	10,790,626
Sewerage	-	4,452,672	-	33,210	4,485,882	(4,474,047)	(52,042)	(4,526,089)	(21,375)	(40,207)	40,579,076
Water	-	5,180,085	8,387,395	-	13,567,480	(4,723,136)	(4,505)	(4,727,641)	456,949	8,839,839	43,016,527
Total	5,942,125	47,534,384	11,589,295	301,824	65,367,628	(50,712,221)	(2,495,377)	(53,207,598)	2,764,288	12,160,030	664,955,398

For the year ended 30 June 2021

Functions	Recurrent revenue Grants	Recurrent revenue Other	Capital revenue Grants	Capital revenue Other	Total Income	Recurrent Expenses	Capital Expenses	Total Expenses	Operating surplus/(deficit) from recurrent operations	Net result for year	Assets
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Administration	2,537,388	27,580,091	158,011	(7,204)	30,268,286	(7,508,657)	(34,851)	(7,543,508)	22,608,822	22,724,778	91,258,917
Community and Cultural	323,265	417,717	1,360,857	-	2,101,839	(4,847,075)	(129,980)	(4,977,055)	(4,106,093)	(2,875,216)	26,780,002
Development	38,852	581,245	-	-	620,097	(1,326,381)	-	(1,326,381)	(706,284)	(706,284)	-
Environmental	32,500	1,145,678	295,799	5,326	1,479,303	(6,565,527)	(15,627)	(6,581,154)	(5,387,349)	(5,101,851)	14,056,637
Engineering	1,926,929	1,982,209	4,958,772	158,924	9,026,834	(16,316,745)	(1,215,343)	(17,532,088)	(12,407,607)	(8,505,254)	405,775,295
Waste	46,518	4,986,493	37,928	114,872	5,185,811	(4,873,126)	(39,743)	(4,912,869)	159,885	272,942	10,138,054
Sewerage	-	4,409,347	146,390	-	4,555,737	(4,493,798)	(51,983)	(4,545,781)	(84,451)	9,956	37,730,740
Water	-	4,699,425	1,755,618	1,888	6,456,931	(4,646,949)	(24,840)	(4,671,789)	52,476	1,785,142	30,589,311
Total	4,905,452	45,802,205	8,713,375	273,806	59,694,838	(50,578,258)	(1,512,367)	(52,090,625)	129,399	7,604,213	616,328,956

BURDEKIN SHIRE COUNCIL
Notes to the Financial Statements
For the year ended 30 June 2022

3 Revenue

(a) Rates and levies

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

	2022	2021
	\$	\$
General rates	28,195,447	27,447,391
Special rates	6,615	6,630
Environmental levy	87,209	86,925
Water	4,999,289	4,526,756
Sewerage	4,106,166	3,978,669
Garbage charges	4,151,152	4,056,157
Rates and utility charge revenue	41,545,878	40,102,528
Less: Pensioner remissions	(339,319)	(342,358)
	<u>41,206,559</u>	<u>39,760,170</u>

(b) Fees and charges

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

The performance obligation relates to the specific services which are provided to the customers and generally the payment terms are within 30 days of the provision of the service or in some cases, the customer is required to pay on arrival, for example caravan parks. 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.

	2022	2021
	\$	\$
Building and development fees	456,126	577,211
Caravan parks	543,140	480,829
Animal management	137,687	127,795
Waste disposal	719,679	705,126
Trade waste	226,749	282,406
Cultural facilities	240,535	178,019
Cemetery fees	160,370	189,155
Other fees and charges	418,513	331,120
	<u>2,902,799</u>	<u>2,871,661</u>

4 Grants, subsidies and contributions

Grant income under AASB 15 Revenue from Contracts with Customers

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.

The performance obligations vary in 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. 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 Income of Not-for-Profit Entities

Capital grants

Where Council receives 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.

BURDEKIN SHIRE COUNCIL
Notes to the Financial Statements
For the year ended 30 June 2022

4 Grants, subsidies and contributions (continued)

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

Physical assets contributed to Council by developers in the form of roadworks, stormwater, water and wastewater infrastructure and park equipment are recognised as revenue when the development becomes "on Council maintenance" (i.e. the Council obtains control of the assets and becomes liable for any ongoing maintenance) and there is sufficient data in the form of drawings and plans to determine the approximate specifications and values of such assets. Non-cash contributions with a value in excess of the recognition thresholds are recognised at fair value as non-current assets. Those below the threshold are recorded as expenses.

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

	2022 \$	2021 \$
(a) Recurrent		
General purpose grants	5,108,203	3,315,502
State government subsidies and grants	833,922	1,589,950
Contributions	287,556	242,241
	<u>6,229,681</u>	<u>5,147,693</u>

Council received prepayments for the Financial Assistance Grant of 50% in June 2021 and 75% in April 2022.

	2022 \$	2021 \$
Grants recognised at a point in time	5,875,713	3,981,454
Contributions recognised at a point in time	287,556	242,240
Grants recognised over time	66,412	923,999
	<u>6,229,681</u>	<u>5,147,693</u>

(b) Capital

	2022 \$	2021 \$
Commonwealth government grants	1,555,291	1,243,933
State government subsidies and grants	10,034,004	7,469,442
Contributions	2,433	154,630
Developer contribution of physical assets at fair value	33,210	-
	<u>11,624,938</u>	<u>8,868,005</u>

	2022 \$	2021 \$
Grants and contributions recognised at a point in time	145,827	287,830
Grants and contributions recognised over time	11,479,111	8,580,175
	<u>11,624,938</u>	<u>8,868,005</u>

5 Other capital income

	2022 \$	2021 \$
Gain on disposal of non-current assets	54,987	4,304
Revision of the future restoration expenditure	-	108,094
Discount rate adjustment	211,194	6,778
	<u>266,181</u>	<u>119,176</u>

6 Employee benefits

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

	Note	2022 \$	2021 \$
Total staff wages and salaries		17,346,786	17,430,121
Councillors' remuneration		445,771	445,771
Annual, sick and long service leave entitlements		3,141,277	3,423,120
Superannuation	23	<u>2,312,876</u>	<u>2,288,322</u>
		23,246,710	23,587,334
Other employee related expenses		514,912	589,479
		<u>23,761,622</u>	<u>24,176,813</u>
Less capitalised employee expenses		<u>(2,434,269)</u>	<u>(2,585,721)</u>
		<u>21,327,353</u>	<u>21,591,092</u>

BURDEKIN SHIRE COUNCIL
Notes to the Financial Statements
For the year ended 30 June 2022

6 Employee benefits (continued)

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

	2022	2021
Total full time Equivalent Council employees at 30 June		
Elected members	7	7
Administration staff	124	122
Depot and outdoors staff	128	129
	<u>259</u>	<u>258</u>

Key management personnel compensation

Employee benefits include transactions with key management personnel and their close family members. The key management personnel include the Mayor, six Councillors, Chief Executive Officer and two Directors. Key management personnel employee benefits, including accrued leave entitlements are:

	2022	2021
	\$	\$
Short-term employee benefits	1,223,426	1,202,987
Post-employment benefits	132,780	126,907
Long-term employee benefits	22,434	31,225
	<u>1,378,640</u>	<u>1,361,119</u>

Detailed remuneration disclosures are provided in the annual report.

7 Materials and services

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

	2022	2021
	\$	\$
Audit of annual financial statements by the Auditor-General of Queensland	74,908	73,091
Waste levy payment	802,138	726,294
Waste levy refund*	(487,574)	(427,404)
Contract payments	2,606,860	2,548,050
Electricity	1,205,148	1,241,973
Materials	1,384,737	1,584,103
Plant hire external	2,421,499	2,620,101
Trade/contract services	1,319,093	1,547,466
Plant and equipment expenses	1,389,660	1,140,671
Communications and IT	1,272,155	1,245,175
Other material and services	3,859,953	3,802,135
	<u>15,848,577</u>	<u>16,101,655</u>

*The State Government rebated \$535,577 of the state waste levy to mitigate the direct impacts on households.

The audit fee quoted by the Queensland Audit Office relating to the 2021/22 financial statements is \$77,500 (2020/2021: \$73,500).

8 Finance costs

	Note	2022	2021
		\$	\$
Finance costs charged by the Queensland Treasury Corporation		-	4,402
Bank charges		76,208	68,790
Impairment of receivables and bad debts written-off		261	2,230
Restoration	17	243,931	150,023
		<u>320,400</u>	<u>225,445</u>

9 Other capital expenses

	2022	2021
	\$	\$
Loss on write-off of non-current assets	1,953,626	1,512,367
Revision of future restoration expenditure	541,751	-
	<u>2,495,377</u>	<u>1,512,367</u>

	2022	2021
	\$	\$
Loss on write-off of non-current assets		
Buildings	701,823	119,290
Plant and Equipment	16,245	1,382
Transport	1,105,549	1,192,560
Water	4,505	24,840
Sewerage	52,042	51,983
Drainage	25,190	1,135
Other Assets	48,272	87,708
Computer Software	-	33,469
	<u>1,953,626</u>	<u>1,512,367</u>

BURDEKIN SHIRE COUNCIL
Notes to the Financial Statements
For the year ended 30 June 2022

10 Cash and cash equivalents

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

	2022	2021
	\$	\$
Cash at bank and on hand	3,767,982	3,981,337
Deposits at call	65,558,417	60,936,158
	<u>69,326,399</u>	<u>64,917,495</u>

External restrictions on cash are disclosed as Contract Liabilities as per Note 15 (b) and Other Liabilities as per Note 18.

Council may be exposed to credit risk through its investments in the QTC Cash Fund and deposits held with banks and other financial institutions. The QTC Cash Fund is an asset management portfolio that invests with a wide range of high credit rated counterparties. Deposits with the QTC Cash Fund are capital guaranteed.

11 Trust funds

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

	2022	2021
	\$	\$
Trust funds held for outside parties		
Monies collected or held on behalf of other entities	159,573	-
Security deposits	35,465	43,217
	<u>195,038</u>	<u>43,217</u>

12 Receivables

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

Loans and advances relate to loans made to various community organisations with varying terms however generally with a maximum of 10 years and are considered interest free. The credit risk on these loans is considered low and security is not normally obtained.

Debts are regularly assessed for collectability and allowance is made, where appropriate, for impairment. All known bad debts were written-off at 30 June and any loss is recognised in finance costs.

As Council is empowered under the provisions of the *Local Government Act 2009* to sell an owner's property to recover outstanding rate debts, therefore Council does not impair rate receivables. Interest was charged on outstanding rates at a rate of 8% per annum. No interest is charged on other debtors. There is no concentration of credit risk for rates and utility charges, fees and other debtors receivable. 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 and other debtors payable by State and Commonwealth governments and their agencies are effectively government guaranteed and both governments have high credit ratings. Accordingly, Council determines the level of credit risk exposure to be immaterial and therefore does not record an Expected Credit Loss for these counterparties.

In other cases, Council assesses the credit risk before providing goods, or services and applies normal business credit protection procedures to minimise the risk.

By the nature of Council's operations, there is a geographical concentration of risk in Council's area. As the area is largely agricultural, there is also a concentration in the agricultural sector.

	2022	2021
	\$	\$
(a) Current		
Rateable revenue and utility charges	503,866	810,597
Other debtors	693,790	616,116
Less credit loss allowance	(2,021)	(1,761)
Loans and advances to community organisations	51,877	96,454
	<u>1,247,512</u>	<u>1,521,406</u>
(b) Non-current		
Loans and advances to community organisations	<u>341,018</u>	<u>272,906</u>

BURDEKIN SHIRE COUNCIL
Notes to the Financial Statements
For the year ended 30 June 2022

13 Other assets

	2022	2021
	\$	\$
(a) Current		
Water charges yet to be levied	1,114,120	900,137
GST recoverable	400,132	331,394
Escrow	200,000	200,000
Prepayments	197,223	215,792
	<u>1,911,475</u>	<u>1,647,323</u>
(b) Non-current		
Prepayments	<u>70,205</u>	<u>61,323</u>

14 Property, plant and equipment

(a) Recognition

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

Land under the roads and reserve land which falls under the *Land Act 1994* or the *Land Title Act 1994* is controlled by the Queensland Government pursuant to the relevant legislation. This land is not recognised in these financial statements.

(b) Measurement

Property, plant and equipment assets are initially recorded at cost. Subsequently, each class of property, plant and equipment is stated at cost or fair value 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, including freight, design fees, architect's fees and all other establishment costs. Direct labour and materials incurred in the acquisition or construction of assets are treated as capital expenditure.

Property, plant and equipment received in the form of contributions, are recognised as assets and revenues at fair value.

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

(c) Depreciation

Assets are depreciated from the date of acquisition or, in respect of constructed assets, from the time an asset is completed and commissioned ready for use.

Land, work in progress, unlined channels, heritage asset, road subgrade and unsealed pavements are not depreciated.

Depreciation, where applicable, is calculated on a straight-line basis such that the cost of the asset less its residual value (where applicable) is recognised progressively over its estimated useful life to Council. Management believe that the straight-line basis appropriately reflects the pattern of consumption of all Council assets.

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

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

Depreciation methods, estimated useful lives and residual values are reviewed at the end of each reporting period and adjusted where necessary to reflect any changes in the pattern of consumption, physical wear and tear, technical or commercial obsolescence, or management intentions.

(d) Impairment

Property, plant and equipment held at cost is assessed for indicators of impairment on an annual basis. If an indicator of impairment exists, the asset's recoverable amount is determined. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

BURDEKIN SHIRE COUNCIL
Notes to the Financial Statements
For the year ended 30 June 2022

14 Property, plant and equipment (continued)
(e) Movements

	Fair Value Level 2 & 3	Fair Value Level 2 & 3	Cost	Fair Value Level 3	Fair Value Level 3	Fair Value Level 3	Fair Value Level 3	Fair Value Level 3	Fair Value Level 3	Cost	Cost
For the year ended 30 June 2022											
Gross value as at 30 June 2022	25,897,161	80,678,752	18,475,368	492,528,633	61,935,585	94,845,642	55,156,390	34,492,764	81,600	17,743,176	\$
Less accumulated depreciation	(6,811,829)	(39,490,924)	(7,512,299)	(119,875,658)	(27,499,066)	(55,706,619)	(21,230,172)	(14,585,283)	(2,861)	-	\$
Closing written down value as at 30 June 2022	19,085,332	41,187,828	10,963,069	372,652,975	34,436,519	39,139,023	33,926,218	19,927,481	78,739	17,743,176	\$
For the period ended 30 June 2021											
Gross value as at 30 June 2021	24,581,289	75,795,584	17,621,518	453,243,720	50,956,316	87,287,787	48,939,975	32,596,743	-	13,927,971	\$
Less accumulated depreciation	(5,681,829)	(36,254,276)	(7,356,158)	(103,734,346)	(24,238,806)	(50,389,542)	(18,575,710)	(13,063,475)	-	-	\$
Closing written down value as at 30 June 2021	18,899,460	39,541,308	10,265,360	349,509,374	26,717,510	36,898,245	30,364,265	19,533,268	-	13,927,971	\$

* ARS denotes - Asset Revaluation Surplus

BURDEKIN SHIRE COUNCIL
Notes to the Financial Statements
For the year ended 30 June 2022

14 Property, plant and equipment (continued)

(f) Valuation

Key Judgements and estimates

Some of the Council's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or a liability, Council uses market-observable data to the extent it is available and other inputs as necessary.

This financial year due to inflationary factors such as COVID-19 pandemic, world events including the Ukraine war, natural disasters, supply chain issues and increased demand, there have been some major increases in material costs for a number of assets which has impacted the valuation of assets. The high increases in material costs are somewhat offset by more modest increases in wages and internal plant hire. It is not known at this time whether the increases will be only temporary due to the above factors.

The major classes affected by these particular materials are Transport, Drainage, Water Supply and Sewerage.

(i) Processes

Council considers the carrying amount of its property, plant and equipment on an annual basis compared to fair value and makes adjustment where these are materially different. At least every 3-5 years, Council performs a full comprehensive revaluation. For buildings, land, bridges, other assets and specific water and sewerage assets this is achieved by engaging an external professionally qualified valuer.

Council engineers, asset managers and asset officers undertake the internal valuation of infrastructure assets. The road component values (seal, pavement and subgrade) result from applying unit rates derived from Council's construction costs where there is sufficient representative samples, otherwise an index is applied based on similar construction type. All other infrastructure assets are valued using a first principles methodology incorporating current plant hire and wage rates, material and design costs and agreed installation rates. Condition of these infrastructure assets is assessed by either Council staff or a contractor physically sighting a sample of assets or by using aged based analysis. Process guidelines, maintenance history and regular inspection reports are also considered.

In the intervening years, with respect to the valuation of land, buildings, other assets, bridges and specific water and sewerage assets, a "desktop" valuation is undertaken. The 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 to apply to each of these asset classes. Council staff assess the condition and cost assumptions associated with all other infrastructure assets and an appropriate cost index is derived from quotes and current actual costs incurred for wages, plant hire and materials.

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 measurements for assets are categorised on the following basis:

- Level 1 - Fair value based on quoted prices (unadjusted) in active markets for identical assets
- Level 2 - Fair value based on inputs that are directly or indirectly observable, such as prices for similar assets.
- Level 3 - Fair value based on unobservable inputs for the asset

Council's policy is to recognise transfers in and out of the fair value hierarchy levels as at the end of the reporting period. There were no transfers between the levels during the year.

(ii) Techniques used to derive fair values

Land and Improvements (level 2 and 3)

Land fair values were comprehensively revalued by independent valuer, APV Valuers and Asset Management effective 31 May 2019. Fair value of land is measured at current market value, which is derived by reference to market based evidence including observable historical sales data for properties of similar nature and specification in the same localities. Where there is a lack of appropriate comparable sales evidence, the valuation is based on the closest comparable sales in terms of the characteristics of the parcel and sales evidence. Council's fair value measurement is either a level 2 or 3, depending on whether the land is subject to use and/or sale restrictions and whether there is an active market. As at 31 March 2022 APV Valuers and Asset Management undertook a desktop review. The overall change to cost as at 31 March 2022 was an increase of 6.78%.

	2022	2021
Land and Improvements	\$	\$
- Non-specialised (level 2)	11,158,732	11,991,422
- Specialised (level 3)	7,926,600	6,908,038
	<u>19,085,332</u>	<u>18,899,460</u>

BURDEKIN SHIRE COUNCIL
Notes to the Financial Statements
For the year ended 30 June 2022

14 Property, plant and equipment (continued)

Buildings (level 2 and 3)

The fair value of buildings were comprehensively revalued by independent valuer, Jones Lang LaSalle Pty Ltd effective 31 March 2020. Where there is an active market for Council building assets, fair value has been derived from sales evidence, with value adjustments taking into consideration location, development potential, aspect, size and date of sale. Where Council buildings are of a specialist nature and there is no active market for the assets, fair value has been determined on the basis of replacement cost to construct a modern equivalent asset. Cost data has been sourced from recent Council projects and cost guides such as Rawlinsons and Cordells. Allowances for physical depreciation and obsolescence has been deducted from the new replacement cost to determine fair value. As at 31 March 2022 Jones Lang LaSalle Pty Ltd provided an index for the 24 month period of 7% which has been applied.

	2022	2021
	\$	\$
Buildings		
- Non-specialised (level 2)	1,562,046	1,545,298
- Specialised (level 3)	39,625,782	37,996,010
	41,187,828	39,541,308

Infrastructure assets (level 3)

All Council infrastructure assets consisting of Transport, Drainage, Water, Sewerage and Other Assets are recorded at fair value using written down current replacement cost. This valuation comprises the asset's current replacement cost (CRC) less accumulated depreciation calculated to reflect the already consumed or expired future economic benefits of the asset. Council first determined the gross cost of replacing the full service potential of the asset and then adjusted this amount to take account of the expired service potential of the asset.

CRC was measured by reference to the average cost at which the gross future economic benefits of the asset could currently be obtained in the normal course of business. Where existing assets were over designed, had excess capacity, or were redundant an adjustment was made so that the resulting valuation reflected the cost of replacing the existing economic benefits based on an efficient set of modern equivalent assets to achieve the required level of service output within the Council's planning horizon.

The fair value was determined using methods relevant to the asset class as described under individual asset categories below.

Transport infrastructure

Roads

All road segments are componentised into subgrade, pavement, and seal (where applicable). Council assumes that environmental factors such as soil type, climate and topography are consistent across each segment. Council also assumes a segment is designed and constructed to the same standard and uses a consistent amount of labour and materials.

CRC was calculated by reference to asset linear and area specifications, estimated labour and material inputs, services costs and overhead allocations. Council also assumes that all raw materials can be sourced from local suppliers.

Council completed a comprehensive valuation (including a full condition of its roads) effective 31 March 2019. Council staff have undertaken a full review of unit rates and a desktop review of condition as at 30 April 2022. The review of unit rates has resulted in an increase to cost of 7.67%.

Bridges

A comprehensive revaluation of bridge assets was undertaken by independent valuers, AssetVal Pty Ltd, effective 31 March 2022. Each bridge was assessed individually, with the valuation varying according to the material type used for construction, the deck area, condition and size. AssetVal Pty Ltd construction estimates considered raw materials, plant, labour and oncosts. These were applied to the known measurements of the assets to calculate the current replacement cost. The raw cost of material, as well as plant and labour hire rates, were established either through suppliers, quoted prices, or cost guides (e.g. Australian Rawlinson's Construction Handbook). Oncosts were established using industry standards which were then tailored to suit Council.

Drainage infrastructure

Drainage assets are managed by component including segments of conduit, pits, manholes and channels. A full review of unit rates and a desktop review of condition was undertaken internally by Council staff as at 30 April 2022. The review of unit rates has resulted in an increase to cost of 7.99%.

Council assumes that environmental factors such as soil type, climate and topography are consistent across each segment and that a segment is designed and constructed to the same standard and uses a consistent amount of labour and materials. Where drainage assets are located underground and physical inspection is not possible, the age, size and type of construction material, together with current and planned maintenance records are used to determine the fair value at reporting date.

BURDEKIN SHIRE COUNCIL
Notes to the Financial Statements
For the year ended 30 June 2022

14 Property, plant and equipment (continued)

Water and sewerage infrastructure

A full revaluation of water and sewerage infrastructure fair value was determined by a combination of independent valuers, Jones Lang LaSalle Pty Ltd and internal valuations effective 31 March 2020. Jones Lang LaSalle Pty Ltd undertook a valuation of specific water assets (inc. boreholes, buildings, elevated storage, pumps, telemetry, aerator, chlorination equipment) and sewerage assets (inc. treatment plants, buildings, pump stations). Replacement costs have been determined using unit rates based on greenfield project costs and include all materials, labour and direct costs. These unit rates have been developed based on a variety of sources including in-house Council project costs, product suppliers, and published construction cost information, such as Rawlinson's and Cordell's. Allowances for physical depreciation and obsolescence were based on on-site condition and obsolescence assessments and were deducted from the new replacement cost to determine fair value. The remaining water and sewerage assets CRC were determined internally by Council staff after reviewing unit rates and condition. The value of sewers was compared with current relined costs and the higher of the two values was adopted as the replacement unit rate.

Jones Lang LaSalle Pty Ltd provided an index for the specific water and sewerage assets, with Council staff internally reviewing the unit rates for the remaining assets. The following changes to cost - water 8.82% and sewerage 8.67% have been applied as at 31 March 2022.

Other assets

Other assets were comprehensively revalued by independent valuer, APV Valuers and Asset Management effective 31 May 2019. Where Council's other assets are specialised in nature the valuation has been undertaken using the written down current replacement cost methodology. As at 31 March 2022 APV Valuers and Asset Management undertook a desktop review which resulted in a 4.49% change in cost.

Sensitivity of valuation to unobservable inputs

Council's assets that are valued using written down CRC utilise a number of inputs into the valuation methodology. These inputs require judgement and are therefore classed as unobservable. The use of different judgements could result in a different valuation.

15 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 grantor. Where Council has invoiced the customer or grantor amounts in excess of what it has incurred in relation to a contract or in constructing an asset, this gives rise to a contract liability.

	2022	2021
	\$	\$
(a) Contract assets	1,919,043	1,151,812
	2022	2021
	\$	\$
(b) Contract liabilities	1,808,386	2,384,317
Funds received upfront to construct and repair Council controlled assets		

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

	2022	2021
	\$	\$
Funds to construct and repair Council controlled assets	2,289,677	2,135,495

16 Payables

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

	2022	2021
	\$	\$
Current		
Creditors and accruals	3,181,511	3,940,912
Prepaid Rates	2,730,044	2,661,845
	5,911,555	6,602,757

Creditors and accruals are anticipated to be paid within one year except for contract retentions of \$91,359 which will be paid within two years.

BURDEKIN SHIRE COUNCIL
Notes to the Financial Statements
For the year ended 30 June 2022

17 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 oncosts. 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 oncosts. The estimates are adjusted for the probability of the employee remaining in the Council's employment or other associated employment which would result in the Council being required to meet the liability. Adjustments are then made to allow for the proportion of the benefit earned to date, and the result is discounted to present value. The provision is discounted using the Commonwealth Bond yield rates.

Restoration

A provision is made for the cost of restoring refuse sites where it is probable the Council will be liable, or required, to do this 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 and decontamination of these sites. The calculation of this provision requires assumptions such as application of environmental legislation, site closure dates, available technologies and engineering cost estimates. These assumptions 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 refuse sites is reviewed at least annually and updated based on the facts and circumstances available at the time. Management estimates that for the open site, Council will remediate the old trenches and waste mounds in 2031 with an estimated project cost of \$14,835,520. The remaining area is estimated to close in 2069 with a projected estimated cost of \$5,416,410. The remaining closed sites are estimated to be remediated between 2024 and 2025 with projected cost of \$6,072,017.

Where refuse sites are on state reserve land which the Council does not control, the provision for restoration is treated as an expense in the year the provision is first recognised. Changes in the provision thereafter are treated as an expense or income.

		2022	2021
(a) Current		\$	\$
Annual leave		2,402,728	2,472,914
Long service leave		3,166,823	3,325,790
		<u>5,569,551</u>	<u>5,798,704</u>
(b) Non-current			
Long service leave		280,521	316,870
Restoration		17,846,146	18,274,704
		<u>18,126,667</u>	<u>18,591,574</u>
(c) Details of movements in restoration provision	Note	2022	2021
		\$	\$
Balance at beginning of the year		18,274,704	20,129,790
Increase due to change in time	8	243,931	150,023
Increase (decrease) due to change in discount rate		(2,215,877)	(1,639,618)
Increase (decrease) in estimate of future cost and change in date of restoration		1,543,388	(365,491)
		<u>17,846,146</u>	<u>18,274,704</u>

This is the present value of the estimated future cost of restoring the refuse sites.

18 Other liabilities

	2022	2021
(a) Current	\$	\$
Unearned revenue	2,112	1,856
Prepaid waste levy	533,203	-
	<u>535,315</u>	<u>1,856</u>
(b) Non-current		
Prepaid waste levy	1,665,681	-
	<u>1,665,681</u>	<u>-</u>

BURDEKIN SHIRE COUNCIL
Notes to the Financial Statements
For the year ended 30 June 2022

19 Asset revaluation surplus

The asset revaluation surplus comprises adjustments relating to changes in value of property, plant and equipment that do not result from the use of those assets. Increases and decreases on revaluation are offset within a class of assets.

(a) Movements in the asset revaluation surplus

	\$	\$
Balance at beginning of the year	322,683,462	315,584,389
Adjustments to the property, plant and equipment through revaluations 14 (e)	34,923,959	5,208,836
Adjustment to land and improvements arising from change in rehabilitation costs	1,003,046	1,890,237
Balance at end of the year	<u>358,610,467</u>	<u>322,683,462</u>

(b) Asset revaluation surplus analysis

The closing balance is comprised of the following asset categories

Land and Improvements	6,445,856	4,761,115
Buildings	30,252,623	27,779,502
Transport	247,426,068	224,128,130
Water	14,844,384	12,877,305
Sewerage	31,365,695	27,932,901
Drainage	16,133,275	13,858,335
Other Assets	12,142,566	11,346,174
	<u>358,610,467</u>	<u>322,683,462</u>

20 Commitments for expenditure

	2022 \$	2021 \$
(a) Contractual commitments		
Contractual commitments at the reporting date but not recognised in the financial statements		
Service contracts over next 1 to 5 years	<u>6,267,622</u>	<u>8,058,905</u>
(b) Capital commitments		
Commitment for the construction of the following assets contracted for at the reporting date but not recognised as liabilities		
Infrastructure - payable not later than 1 year	<u>5,951,096</u>	<u>3,958,205</u>

21 Events after balance date

There were no material financial adjusting events after balance date.

22 Contingent liabilities

Local Government Workcare

Council is a member of the Queensland local government workers compensation self-insurance scheme, Local Government Workcare. Under this scheme Council has provided a bank guarantee to cover bad debts which may remain should the self insurance licence be cancelled and there was insufficient funds available to cover outstanding liabilities. Only the Queensland Government's workers compensation authority may call on any part of the guarantee should the above circumstances arise. Council's maximum exposure to the bank guarantee is \$363,290.

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 2021 the LGM financial statements reported an accumulated surplus and it is not anticipated any liability will arise.

Council's Chief Executive Officer is a board member of Local Government Workcare and Local Government Mutual. These two entities are considered related parties to Council.

BURDEKIN SHIRE COUNCIL
Notes to the Financial Statements
For the year ended 30 June 2022

22 Contingent liabilities (continued)

Security for grant funds

Council was required as part of the condition of receiving capital grant funds of \$1,050,000 from the Department of Communities to mortgage as security a parcel of freehold land and improvements.

It is not envisaged that Council will breach the contract.

Industrial estate development

In 2020, Council entered into contracts to acquire land to facilitate the expansion of the Ayr Industrial Estate to provide economic growth and employment in the Burdekin region. These contracts were settled during the 2020 financial year and contained various terms and conditions.

Under the various terms and conditions of the land contracts Council has contingent assets/liabilities which include escrow payments, call option, relocation costs and land swaps in the new development.

23 Superannuation

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

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

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

The last completed actuarial assessment of the scheme 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.

	Note	2022	2021
		\$	\$
Superannuation contributions made to the Regional Defined Benefits Fund		129,887	149,029
Other superannuation contributions for employees		2,182,989	2,139,293
	6	<u>2,312,876</u>	<u>2,288,322</u>

From 1 July 2022 LGIASuper is trading as Brighter Super.

BURDEKIN SHIRE COUNCIL
Notes to the Financial Statements
For the year ended 30 June 2022

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

	Note	2022 \$	2021 \$
Net result		12,160,030	7,604,213
Non-cash items			
Impairment of receivables and bad debts written-off	8	261	2,230
Depreciation	14 (e)	13,114,267	12,585,851
Amortisation		101,624	74,215
Change in restoration provisions expensed to finance costs	8	243,931	150,023
		<u>13,460,083</u>	<u>12,812,319</u>
Investing and development activities			
Capital grants, subsidies and contributions	4 (b)	(11,624,938)	(8,868,005)
Other capital income	5	(266,181)	(119,176)
Other capital expenses	9	2,495,377	1,512,367
		<u>(9,395,742)</u>	<u>(7,474,814)</u>
Changes in operating assets and liabilities			
(Increase)/decrease in receivables		229,056	81,504
(Increase)/decrease in other assets		(273,034)	394,671
(Increase)/decrease in contract assets		86,330	174,790
(Increase)/decrease in inventories		(1,080)	(77,931)
Increase/(decrease) in payables		(691,202)	948,432
Increase/(decrease) in contract liabilities		-	(12,007)
Increase/(decrease) in provisions		(265,502)	270,541
Increase/(decrease) in other liabilities		2,199,140	(858)
		<u>1,283,708</u>	<u>1,779,142</u>
Net cash inflow from operating activities		<u><u>17,508,079</u></u>	<u><u>14,720,860</u></u>

25 Transactions with related parties

(a) Subsidiaries

Council did not have any subsidiaries during the financial year.

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

Most of the entities and people that are related parties of Council live and operate within the Shire. Therefore, on a regular basis ordinary citizen transactions occur between Council and its related parties. Some examples include payment of rates, animal registration, use of council facilities e.g. library, theatre, swimming pools.

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

26 Financial instruments

Financial assets and financial liabilities

Council has exposure to credit, liquidity and market risks arising from financial instruments.

Risk management framework

Council is responsible for the establishment and oversight of the risk management framework, together with developing and monitoring risk management policies. Council approves policies and registers for overall risk management, as well as specifically for managing credit, liquidity and market risk.

The Council's risk management policies and registers are established to identify and analyse the risks faced, to set appropriate limits and controls and to monitor these risks and adherence against limits. The Council aims to manage volatility to minimise potential adverse effects on the financial performance of the Council. Council does not enter into derivatives.

The Council's audit committee oversees how management monitors compliance with the Council's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Council. The Council audit committee is assisted in its oversight role by internal audit. Internal audit undertakes planned reviews in accordance with the endorsed three year internal audit plan, the results of which are reported to the audit committee.

BURDEKIN SHIRE COUNCIL
Notes to the Financial Statements
For the year ended 30 June 2022

26 Financial instruments (continued)

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 the Council's investments and receivables.

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

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

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

Liquidity risk

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

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

The Council does not have any overdraft facilities at the reporting date.

Market risk

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

Interest rate risk

The Council is exposed to interest rate risk through investments with QTC and other financial institutions. Council has access to a mix of variable and fixed rate funding options through QTC and other financial institutions so that interest rate risk exposure can be minimised.

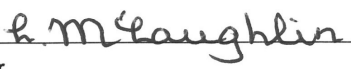
BURDEKIN SHIRE COUNCIL
FINANCIAL STATEMENTS
For the year ended 30 June 2022

Management Certificate
For the year ended 30 June 2022

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

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

- (i) the prescribed requirements of the *Local Government Act 2009* and *Local Government Regulation 2012* for the establishment and keeping of accounts have been complied with in all material respects; and
- (ii) the general purpose financial statements 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. L.A. McLaughlin

Date: 07/09/2022



Chief Executive Officer

T.P. Brennan

Date: 7/9/2022

INDEPENDENT AUDITOR'S REPORT

To the councillors of Burdekin Shire Council

Report on the audit of the financial report

Opinion

I have audited the financial report of Burdekin Shire Council.

In my opinion, the financial report:

- a) gives a true and fair view of the council's financial position as at 30 June 2022, and of its financial performance and cash flows for the year then ended
- b) complies with the *Local Government Act 2009*, the Local Government Regulation 2012 and Australian Accounting Standards.

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

Basis for opinion

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

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

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

Other information

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

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

The councillors are responsible for the other information.

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

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

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

Responsibilities of the councillors for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

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

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

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

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

Report on other legal and regulatory requirements

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2022:

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

Prescribed requirements scope

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



8 September 2022

Sri Narasimhan
as delegate of the Auditor-General

Queensland Audit Office
Brisbane

BURDEKIN SHIRE COUNCIL
Current-Year Financial Sustainability Statement
For the year ended 30 June 2022

Measures of financial sustainability

- (i) **Operating surplus ratio**
Operating surplus (Net result excluding capital items) divided by total operating revenue (excluding capital revenue).
- (ii) **Asset sustainability ratio**
Capital expenditure on the replacement of assets (renewals) divided by depreciation expense.
- (iii) **Net financial liabilities ratio**
Total liabilities less current assets divided by total operating revenue (excluding capital items).

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

Ratio	Target	Actual
Operating surplus	Between 0% and 10%	5.17%
Asset sustainability	Greater than 90%	88.56%
Net financial liabilities	Not greater than 60%	-77.40%

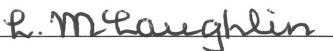
Note 1 - Basis of Preparation

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

Certificate of Accuracy
For the year ended 30 June 2022

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

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



Mayor

Cr. L.A. McLaughlin

Date: 07/09/2022



Chief Executive Officer

T.P. Brennan

Date: 7/9/2022

INDEPENDENT AUDITOR'S REPORT

To the councillors of Burdekin Shire Council

Report on the current-year financial sustainability statement

Opinion

I have audited the accompanying current-year financial sustainability statement of Burdekin Shire Council for the year ended 30 June 2022, comprising the statement, explanatory notes, and the certificate of accuracy given by the Mayor and the Chief Executive Officer.

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

Basis of opinion

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

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

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

Emphasis of matter – basis of accounting

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

Other Information

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

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

The councillors are responsible for the other information.

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

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

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

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

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

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

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

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

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

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

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

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



8 September 2022

Sri Narasimhan
as delegate of the Auditor-General

Queensland Audit Office
Brisbane

BURDEKIN SHIRE COUNCIL
Long-Term Financial Sustainability Statement (unaudited)
 Prepared as at 30 June 2022

Measures of Financial Sustainability

- (i) **Operating surplus ratio**
 Operating surplus (Net result excluding capital items) divided by total operating revenue (excluding capital revenue).
- (ii) **Asset sustainability ratio**
 Capital expenditure on the replacement of assets (renewals) divided by depreciation expense.
- (iii) **Net financial liabilities ratio**
 Total liabilities less current assets divided by total operating revenue (excluding capital items).

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

		Operating surplus ratio	Asset sustainability ratio	Net financial liabilities ratio
Target		Between 0% and 10%	Greater than 90%	Not greater than 60%
Actuals at 30 June 2022		5.17%	88.56%	-77.40%
Projected for the years ended	30 June 2023	0.10%	138.70%	-52.40%
	30 June 2024	0.30%	157.80%	-46.90%
	30 June 2025	0.50%	127.20%	-47.00%
	30 June 2026	0.50%	123.00%	-46.50%
	30 June 2027	0.60%	126.40%	-45.70%
	30 June 2028	0.50%	127.10%	-51.10%
	30 June 2029	0.70%	109.80%	-60.50%
	30 June 2030	0.60%	108.50%	-68.50%
	30 June 2031	0.70%	105.10%	-75.80%

Financial Management Strategy

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

Certificate of Accuracy
For the long-term financial sustainability statement prepared as at 30 June 2022

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

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


 Mayor

Cr. L.A. McLaughlin

Date: 07/09/2022


 Chief Executive Officer

T.P. Brennan

Date: 7/9/2022



Burdekin Shire Council
PO Box 974, Ayr, Queensland, 4807
burdekin.qld.gov.au
(07) 4783 9800

