



ETHERIDGE SHIRE COUNCIL

2022/2023

ANNUAL REPORT



Acknowledgement of Country

....“We would like to acknowledge the Traditional Owners of this land and pay our respects to the elders past, present and emerging for they hold the history, cultural practice and traditions, of their people.”





Welcome to Etheridge Shire Council's Annual Report for 2022 | 2023

Welcome to Etheridge Shire Council's 2022/2023 Annual Report. This report provides a summary of Council's performance and achievements for the past financial year (1 July 2022 to 30 June 2023).

This Annual Report is part of Council's commitment to open, transparent, and accountable governance. It informs Council, ratepayers, community members and other stakeholders of the achievements and challenges of the past financial year and provides key information required under the Local Government Act 2009 and other relevant legislation.

Copies of the 2022/2023 Annual Report and Council's Audited Financial Statements are available free of charge electronically on Council's website at www.etheridge.qld.gov.au or can be purchased from Council's Administration office.

Etheridge Shire Council aims to make this Annual Report transparent and easy to read. Council welcomes your feedback and suggestions for improvement.

If you have comments you wish to share, please direct them to Council's Director of Corporate Services by phoning 07 4079 9090 or emailing info@etheridge.qld.gov.au

MESSAGE FROM THE MAYOR

Hello and welcome to the Annual Report.

As Council enters the straight for the home run in this four-year term of Local Government, there is a clear sentiment across the Local Government region that it really feels like things are just getting normal for many Councils.

That is certainly the case for myself here in Etheridge. As this feeling of normality emerges it brings with it a sense of achievement that was not prevalent during the Covid years despite being able to deliver on key projects and govern through difficult and challenging times.

A strong cohesive Council along with a committed and dedicated staff roster has seen Council capitalise on a platform that has been constructed over the last three years.

Short term growth is always accompanied by growing pains bought about by change.

This is well and truly evidenced by the expansion in Councils Budget figures that reflect an increase from \$25,000,000 to \$75,000,000 over a three and a half year period.

Road works are the clear winner here as there has been 37.5 kilometers of new bitumen road construction in Etheridge Shire since 2021 as well as \$90,000,000 flood damage to be spent by July 2024 consisting of two allocations of \$36,000,000 and \$60,000,000. This has ensured that employment security and long-term opportunities for growth and sustainability are being managed.

Financially, Council has placed itself in a strong position with forward planning and well-managed execution of major projects across the Shire.

Communities have benefited greatly from public consultation and inclusion around events and other community considerations.

This Council will continue to have the best interest of all communities, industries, visitors and future generations' front and centre throughout deliberations to achieve the best possible outcomes for the Shire no matter what.

Once again, it has been a privilege to be part of a cohesive dedicated Council that has been unwavering in its pursuit of excellence relating to financial management, service delivery, sound governance, with growth and sustainability at the forefront of Councils deliberations.

I commend my report to all residents of Etheridge Shire as a record of Council's operations for the year 2022/23.

Kind Regards,



Cr Barry Hughes
MAYOR





Above: FNQROC Mayoral Delegation in Brisbane pictured with Minister for Housing, Meaghan Scanlon MP



Above: LGAQ 2023 Natural Resource Management Forum

Below: 2023 Western Queensland Alliance of Council's (WQAC) Assembly held in Winton



CHIEF EXECUTIVE OFFICER'S REPORT

It gives me great pleasure to present the 2022/2023 Annual Report for Etheridge Shire Council. This Annual Report represents Council's progress and performance against the 2021 – 2025 Corporate Plan and is the third full reporting year of this term.

The past financial year has seen a positive year for graziers and businesses with a better wet season, increases in the resources sector and another record year of tourism activity. Council has continued to focus on tourism, economic development and our road network throughout the Shire and currently has ongoing projects in this space.

Council's primary focus continues to be on delivery and the following projects continue to progress:

1. Shire roads, opening grades & flood restoration works
2. TMR roads, sealing & widening of highways
3. Etheridge Agriculture Precinct & Georgetown Industrial Estate
4. Independent Living Housing for the Aged
5. Additional short and long term staff housing

The council's financial management is commendable and remains strong to support the growth and development of the Shire. This can be attributed to the great strategic planning of the Executive Team and extensive advocacy by the Mayor and Councillors on behalf of the Etheridge communities. Furthermore, this year's budget has been made with proactive and future needs in mind, however Council's financial stability relies heavily on State and Federal grants.

Since joining Etheridge Shire Council in 2020, I have been pleased to see the enthusiasm and commitment of staff who are dedicated to serving our community and helping make Etheridge Shire the best it can be. Our employees continue to rise to the challenges that face them such as labour shortages and supply chain issues. Although we have struggled to fill pivotal roles within the organisation throughout the period, our efforts to attract and retain staff are a key focus, as is the continuation of building a skilled workforce.

In closing, the 2022/2023 financial year has been a successful and progressive year, and I wish to extend many thanks and congratulations to the Councillors, executives and staff for their dedication in delivering for our communities.

Thankyou kindly,



Ken Timms PSM
Chief Executive Officer



OUR ROAD MAP

Mission

To lead the community in line with our guiding principles to achieve our shared vision...

Vision

Etheridge Shire is a place of innovation, diversity and opportunity for all. We have a vibrant and cohesive community which is provided with quality services that maintain a high quality of life. Inclusive and progressive leadership ensures a sustainable community, economy and environment...

Guiding Principles

Safe – We focus on creating a safe workplace to ensure the wellbeing of our staff and the community;

Teamwork – We work together as one council towards shared goals and for the greater good of the community;

Respect – We will be inclusive, treat people with the courtesy and fairness, and ensure each individual is valued and heard;

Integrity – we will behave in a way that is honest, open and transparent. We will take responsibility for our actions and strive for excellence;

Value – We aim to deliver services efficiently, effectively and in an environmentally and financially sustainable manner; and

Engagement – We engage with our staff and community to inform our decision making, and create awareness of our activities.



OUR ROAD MAP

Our Corporate Vision...

The Corporate Plan is the key strategic business plan for the Council. It provides a focused framework for Council to plan and undertake its business and service delivery over the period of the plan, having regard to various issues, which may have been identified during the planning process, including community engagement.

In the plan, Council sets out:

What it would like to achieve over the period of the plan - Outcomes; and
How it intends going about achieving those outcomes - Strategies.

Our Council's Top 5 Strategic Aims

- A Sustainable transport network that meets community needs.
- A sustainable environment of natural assets, water, waste water and waste management.
 - A diversified economic development ensures a prosperous shire
 - Quality social infrastructure makes the shire a desirable place to live.
 - Best Practice corporate governance and organisational excellence.



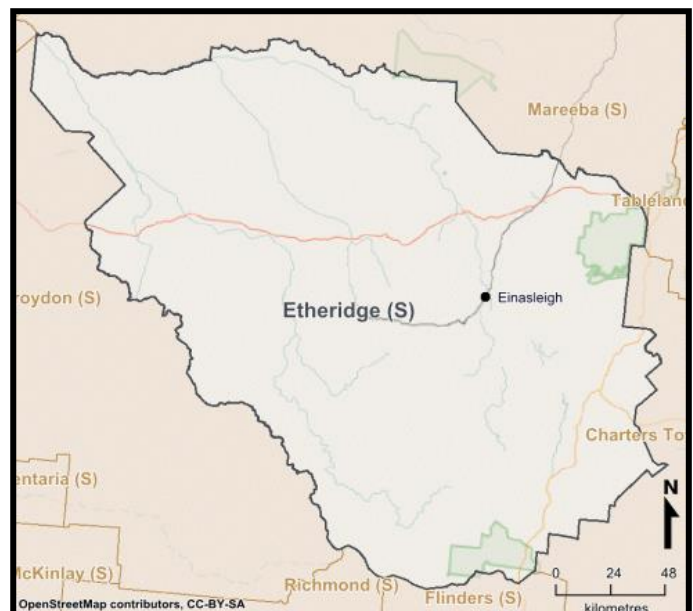
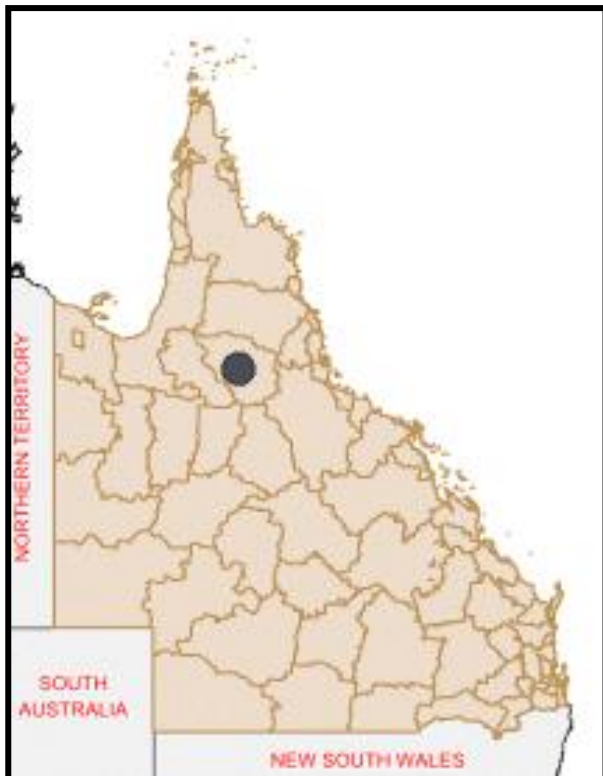
A copy of Council's Corporate Plan is available on its website: [Corporate Plan – Etheridge Shire Council](#)

FAST FACTS

Council acknowledges the *Ewamian* People as the Traditional Owners of most of the land and waters within the Etheridge Shire.

The *Tagalaka* and the *Gugu Badhun* Peoples also claim a connection to a portion of the Etheridge Shire

- 724 people
- Area 39,199 km²
- 2.3% of the total area of Queensland
- 734mm average rainfall per year
- 1 world class mineral collection
- Manages 1 student hostel
- Manages 1 childcare centre
- Annual Operating Budget \$56 million
- \$290 million in assets
- 310 water connections
- 1,752km of roads and 532 floodways and culverts
- 817 rate assessments (properties)
- Maintained 3.94 hectares of parks and 6,685 hectares of reserve land
- 242 tonnes of residential waste collected
- Manages 5 aerodromes
- Manages 4 landfill sites



SNAPSHOT OF ETHERIDGE SHIRE

The Etheridge Shire covers an area of 39,199 square kilometres and is located in the Gulf-Savannah area of Far-North Queensland, approximately 370 kilometres South-West of Cairns.

The Shire is made up of the following towns; Georgetown, Mt Surprise, Einasleigh, Forsayth & Kidston which have a combined urban area of 31.51km².

The Etheridge Shire has a very diverse economy, with agriculture, cattle grazing, mining (gold, copper, zinc & lead) tourism and renewable energy generators within the Shire.

The Shire is very accessible via road and air and there is a diversity of experiences for those visiting, living and investing in the Shire.

Just under 10% of the Shire's area is protected through national Park declarations.

The Shire's estimated resident population as at 30th June 2021 was 724 persons with an average annual growth rate of -0.7% over five years.

Population by age as at 30th June 2021:

- 17.5% aged 0-14 years
- 58.3% aged 15-64 years
- 24.2% aged 65+ years

Major Features of Etheridge Shire include Blackbraes National Park, Cobbold Gorge, Charleston Dam, Copperfield Gorge, Undara Lava Tubes, Talaroo Hot Springs, Terrestrial Information Centre, Antbed House, Agate Creek Fossicking area, O'Briens Creek Fossicking area, the Einasleigh, Etheridge and Gilbert Rivers, Greens Park, Heritage Park, Oak Park Race Club & Georgetown Golf Club.

Settlement History

European settlement dates from the 1860s, with land used mainly for sheep and cattle grazing. Population was minimal until the 1870s when gold mining commenced, with the establishment of the Georgetown and Forsayth townships.

Considerable growth took place during the late 1800s due to gold mining. The township of Einasleigh was established in 1900, largely due to copper mining. The town's population continued to grow through to the 1920s, then started to decline when mining activity waned.

The township of Mount Surprise was established in 1910, when the railway line was constructed between Forsayth and the Chillagoe smelters. As mining declined during the early 1900s, grazing became the dominant industry, although there was renewed mining activity in and around Forsayth from the 1980s.

The population of the Shire was relatively stable from the 1940s to the 1960s, at less than 900 people, and then increased to about 1,000 people in 1971. The population was relatively stable during the 1970s and 1980s, before rising to about 1,400 in 1991. The population then fluctuated slightly, rising to about 1,500 in 2011, and then declining to approximately 724 people in 2021.



SNAPSHOT OF ETHERIDGE SHIRE

The Terrestrial Centre is a unique tourist and community centre located in Georgetown which is owned and operated by the Etheridge Shire Council. It comprises:

1. TerrEstrial – The Ted Elliott Mineral Collection;
2. UnEarth Etheridge display
3. An accredited Visitor Information Centre (VIC);
4. Gift shop
5. Public library
6. Free wi-fi

Tourism is a growth industry for the Gulf Savannah Region. Although there is no firm figure on total tourism numbers, statistics kept by Council show increasing tourism numbers year on year, highlighting the growing popularity of the Shire's attractions and tourism operators.

The broader Gulf region destination has been branded to encourage tourism growth. The destination brand is known as "The Savannah Way"; a brand that describes a themed tourist adventure drive linking Cairns in the East and Broome in the West. The drive passes through four World Heritage Areas and 15 National Parks.

The Savannah Way brand promises a uniquely Australian experience in a safe and friendly environment. Directional and interpretative signage is located across Queensland along the drive. It is ranked in the top 10 for consumer awareness of all touring routes in Australia.

**Visitor numbers recorded at TerrEstrial Centre
Financial Years 2004/05 to 2022/23**

	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	TOTAL
JULY	2058	3548	3537	2681	2868	2532	2893	3212	2925	2851	2812	2967	3236	3516	3037	2844	1307	3748	2763	2763
AUGUST	2027	3045	2880	2133	2020	2166	1992	2337	2287	2139	1909	2005	2920	2530	2436	2087	1289	2494	2441	2441
SEPTEMBER	1322	1752	1707	1470	1317	1504	1408	1307	1120	1217	1324	1261	1446	1695	1257	1366	1471	1936	1697	27577
OCTOBER	676	823	694	677	462	539	385	494	554	433	444	463	530	585	517	591	511	763	603	10744
NOVEMBER	396	344	347	250	253	319	314	223	363	287	373	254	250	326	270	204	242	295	309	5619
DECEMBER	299	278	199	190	150	177	209	130	190	169	190	171	138	138	109	152	119	126	158	3292
JANUARY	321	242	170	191	106	281	166	159	195	248	214	140	184	167	129	164	96	123	149	3445
FEBRUARY	317	231	235	190	116	210	163	181	211	195	184	215	136	215	89	120	138	120	141	3407
MARCH	602	269	313	450	206	274	209	258	321	314	239	307	284	182	216	137	169	323	201	5274
APRIL	748	567	779	781	703	703	612	553	673	809	809	798	724	649	679	3	959	896	679	13124
MAY	1410	1497	1187	1397	1452	1362	1229	1328	1431	1260	1334	1522	1404	1284	1221	13	1814	1568	1310	25023
JUNE	2637	2601	2008	2208	2035	2255	1961	1904	2069	1992	2216	2460	2520	2041	2019	559	2662	2254	2029	40430
TOTAL	12813	15197	14056	12618	11688	12322	11541	12086	12339	11914	12048	12563	13772	13328	11979	8240	10777	14646	12480	143139



SNAPSHOT OF ETHERIDGE SHIRE

Little Gems Childcare Centre

Little Gems Childcare Centre is a not for profit childcare centre, operated by the Etheridge Shire Council. The centre is licensed under the Education and Care Services National Law to cater for 21 children, aged from six (6) weeks to five (5) years old. The centre is open Monday-Friday from 8:15am-4:30pm.

Little Gems implement The Early Years Learning Framework (EYLF). The EYLF is a national early learning framework for children. The framework acknowledges the important role educators, parents and the physical environment play in a child's learning. Our daily curriculum features a strong emphasis on sustainable practices and includes these as part of everyday life at the centre.

Throughout the year we have supported, raised funds and or promoted the following causes at the centre:

- World's Greatest Shave
- The Pyjama Foundation
- Science Week
- Clean up Australia Day
- NAIDOC Week
- Do it for Dolly Day
- World Environment Day
- Ride 2 School Day
- Harmony Week
- Reconciliation Week



COUNCILLORS

Mayor and Councillors

(Post Local Government Quadrennial Elections dated 28th March 2020 - current Council members)



Mayor
Barry Hughes

Mobile: 0458 621 233

Email: Barry.Hughes@etheridge.qld.gov.au



Deputy Mayor
Laurell Royes

Mobile: 0459 278 377

Email: Cr.Royes@etheridge.qld.gov.au



Councillor
Tony Gallagher

Mobile: 0448 089 144

Email: Cr.Gallagher@etheridge.qld.gov.au



Councillor
Joe Haase

Mobile: 0459 623 582

Email: Cr.Haase@etheridge.qld.gov.au



Councillor
Cameron Barns

Mobile: 0459 136 283

Email: Cr.Barns@etheridge.qld.gov.au



L-R Cr Barns, Mayor Hughes, Cr Royes, Cr Gallagher and Cr Haase

Councillor Remuneration and Allowances

Councillor Remuneration is governed by Chapter 8, Part 1, Division 1 of the Local Government Regulation 2012. Section 247 of the Regulation states that a local government must pay remuneration to each Councillor of the local government. The maximum amount of remuneration paid to a Councillor is set by the Local Government Remuneration Commission each year (refer to the Commission's Annual Report for their yearly determination. Unless decided by Council by resolution, Councillors are to be paid the amount set by the Local Government Remuneration Commission. For 2021/22, Council did not make a resolution to reduce the amount of remuneration they were eligible to receive.

From 1 July 2022 the remuneration determined by the Local Government Remuneration Tribunal was: -

	Remuneration (current) 2022/2023	Remuneration (current) 2021/2022	Remuneration 2020/2021
Mayor	110,386	108,222	108,222
Deputy Mayor	63,684	62,435	62,435
Councillors	55,192 (note 1)	54,110 (note 1)	54,110 (note 1)
	(As set by the Local Government Remuneration Tribunal effective 1/7/2022)	(As set by the Local Government Remuneration Tribunal effective 1/7/2021)	(As set by the Local Government Remuneration Tribunal effective 1/7/2020)

Remuneration paid to Councillors during 2022-2023

Councillor	General Meetings Attended	Special Meetings Attended	Remuneration (set by the Local Government Remuneration Tribunal)	Mileage & Other Allowances	Total Remuneration Paid
Mayor Barry Hughes	11	2	\$110,385	\$0	\$110,385
Deputy Mayor Laurell Royes	11	2	\$63,684	\$0	\$63,684
Cr Tony Gallagher	12	2	\$55,191	\$1,639	\$56,831
Cr Joe Haase	12	0	\$55,191	\$0	\$55,191
Cr Cameron Barns	11	2	\$53,658	\$5,310	\$58,968

Notes to the remuneration schedule

Note 1: The monetary amounts shown are per annum figures to apply from 1 July 2022. If an elected representative only serves for part of a full year (that is, 1 July to 30 June) they are only entitled to a pro-rata payment to reflect the portion of the year served.

Note 2: For Councillors in category 1 councils, a base payment of \$36,794.67 is payable for the 12 months commencing on 1 July 2022. A meeting fee of \$1,533.11 per calendar month (or fortnightly equivalent) is payable for attendance at, and participation in, scheduled meetings of council subject to certification by the mayor and/or chief executive officer of the council. Mayors and deputy mayors in category 1 councils are to receive the full annual remuneration level shown.

Note: Etheridge Shire Council is classified as a Category 1 Council.

Councillors will be provided with the following:

In addition to the above remuneration, Council has resolved to provide the addition support to Councillors:

- Secretarial support for Mayor and Councillors via the Executive Assistant to the Chief Executive Officer;
- Laptop computer and/or tablet device
- Use of council landline telephone and internet access, facsimile and/or scanner, printer, photocopier, paper shredder and stationery
- Any other administrative necessities which Council resolves are necessary to meet the business of Council.

(Refer to Council's Councillor Reimbursement of Expenses and Provision of Facilities Policy)

Committees (Info required)

Committees 2021-2022

Councillor	Committees
Cr Barry Hughes	NWQROC; FNQROC; FNQRRG; Chair of the Local Disaster Management Group; Chair of Audit Committee
Cr Laurell Royes	Local Disaster Management Group; Audit Committee; Chair of the Biosecurity Planning Advisory Committee
Cr Joe Haase	Aged Care Advisory Committee
Cr Cameron Barns	RADF Advisory Committee
Cr Tony Gallagher	Aged Care Advisory Committee

Complaints

Mayor & Councillor conduct

The Local Government Act 2009 (the Act) provides a framework for assessing complaints about the conduct or performance of Councillors.

Under the Act, each complaint is required to be assessed to determine whether it is about misconduct, inappropriate conduct, corrupt conduct under the Crime and Corruption Act 2001 or another matter. If the complaint is not frivolous, vexatious or lacking in substance, it is then referred to the appropriate individual, panel or tribunal for further action.

It is a requirement under sections 186(d) and (f) the *Local Government Regulation 2012* that the Annual Report contains details of complaints received about Councillors' conduct or performance. In 2022/23, no Councillor Complaints were received or made under s150(2), s150AH (1) or s150AR(1) of the *Local Government Act 1993*.

The table shows the reporting requirements contained in the *Local Government Regulation 2012* for the financial year.

Complaints on conduct and performance of Councillors			
Unresolved 30 June 2020/21 (carried over from 2018/19)	New Complaints received (in 2022/23)	Complaints resolved (in 2022/23)	Unresolved 30 June 2022/23 (carry over to 2023-24)
1	0	1	0

Further notations:

No complaints were received on conduct and performance of Councillors between 1 July 2022 and 30 June 2023.

No orders or recommendations were made by the Office of the Independent Assessor or Councillor Conduct Tribunal during the 2022/23 financial year.

Complaint orders/recommendations summary detail reported in accordance with section 186(e) of the Local Government Regulation 2012

186(e)(i) the name of each councillor for whom an order or recommendation was made under section 180 of the Act or an order was made under section 181 of the Act	186(e)(ii) a description of the misconduct or inappropriate conduct engaged in by each of the Councillors	186(e)(iii) a summary of the order or recommendation made for each Councillor
Nil	Nil	Nil

OUR PEOPLE

Human resource strategy in 2010-11: Council developed a Human Resource Strategy to provide Council with an integrated framework of policies and practices that will guide Council in meeting its workforce needs and enable individuals and the organisation to excel. Council's human resources strategy must be aligned and informed by Council's mission and goals yet remain flexible to accommodate a changing environment.

Council faces a number of key challenges:

- As changes to the demographics of the Australian population continue, the attraction of high-quality staff will become more acute as the generation of baby boomers move out of the workforce;
- With the contraction in the labour market, Council must remain competitive in the employment market to attract and retain skilled staff;
- Changes to the Local Government Award and the State Industrial Relations Act will see new challenges for Local Government in the way we recruit, remunerate and manage our employees.

Six (6) key principles of the strategy

• **Recruitment, selection and appointment**

Aim: Recruitment, selection and appointment policies, procedures and practices position Etheridge Shire Council to attract and retain high quality professional and skilled labour staff in a competitive labour market.

• **Reward, recognition and remuneration**

Aim: To apply flexible remuneration arrangements for staff and have appropriate mechanisms to attract, recognize and reward high performing staff.

• **Equity and diversity**

Aim: To build a socially inclusive working environment that enables all staff to contribute to their full potential and to embed the responsibility for staff equity initiatives and matters within Etheridge Shire Council management practices.

• **Staff development and workplace culture**

Aim: To provide formative staff development programs that enable staff to strengthen those skills, capabilities and experience which contribute to the achievement of organizational goals, job satisfaction and career aspirations.

• **Development of leadership & management capabilities**

Aim: The quality of front-line leadership and management is essential to the retention, motivation and engagement of staff as Etheridge Shire Council strives to meet new organizational challenges.

• **A safe, healthy and productive work environment**

Aim: To promote the highest practicable standard of occupational health and safety with the Etheridge Shire Council and to promote the good health and wellbeing of staff.

"...people are the key to Etheridge Shire Council's future.

The survival, growth and success of Etheridge Shire Council are

Directly linked to the quality of our staff as individuals and as collaborative team...."

Headcount of Council's staff by year

Annual headcount includes all staff except councillors. Full-time, part-time, casual, temps, apprentices and trainees. As at 30 June 2023, Etheridge Shire Council retained 65 employees, in comparison as at 30 June 2022, Council retained 66 employees.

FTE (full time equivalent)

58.4 2022-23 57.5 2021-22



Breakdown of staff

FYE 2023

47 Full time

6 Part time

7 Casuals

5 Apprentices / Trainees

FYE 2022

47 Full time

6 Part time

10 Casuals

3 Apprentices / Trainees



Training and development activities

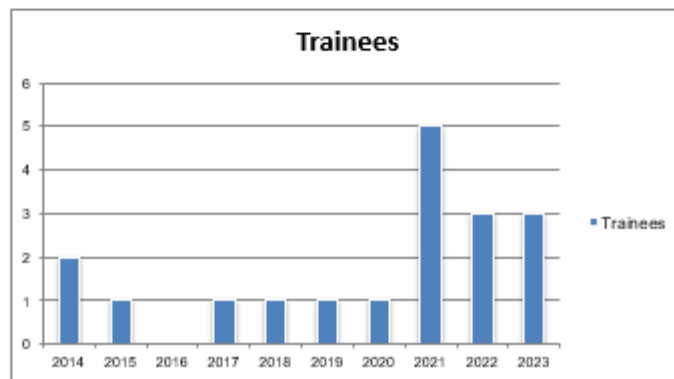
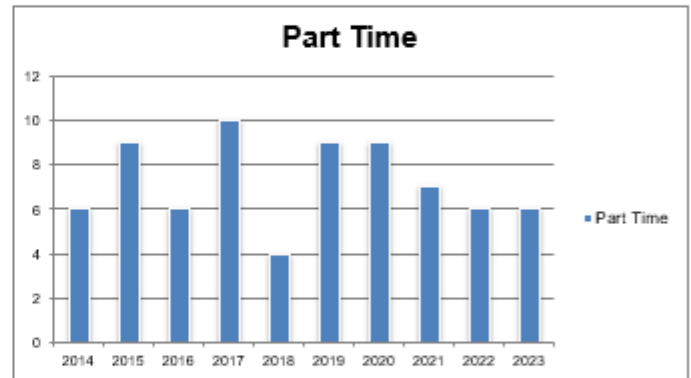
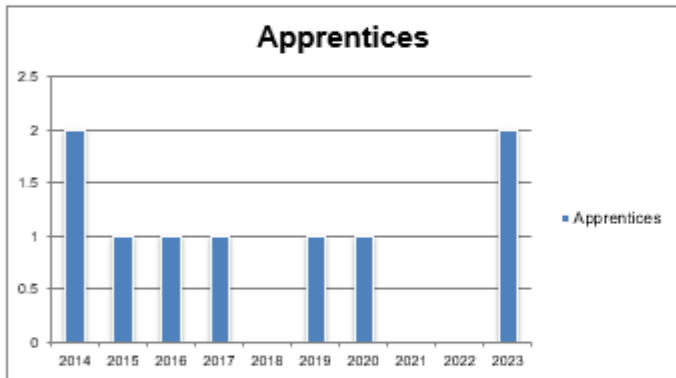
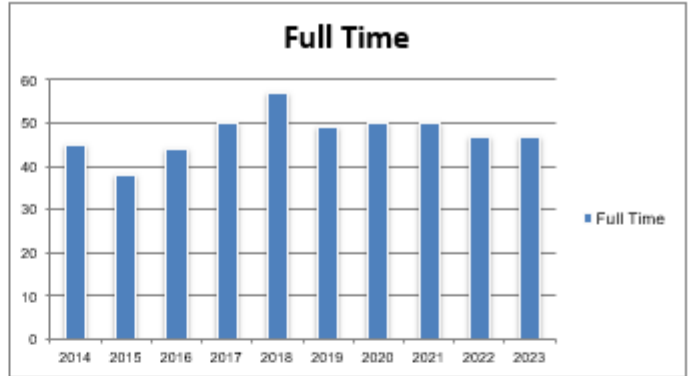
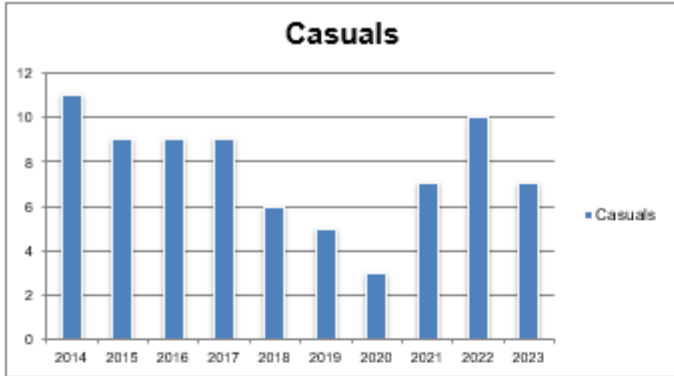
Staff undertook various forms of formal training during the 2022-2023 financial year. Courses included:

- Predominately Cert III Civil Construction and Plant Operations;
- TAFE Diesel Fitter (block training)
- Forklift Operations;
- Cert III Water Operations;
- PCS Web Training;
- First Aid & CPR; and
- Cert IV Workplace Health & Safety.

OUR PEOPLE

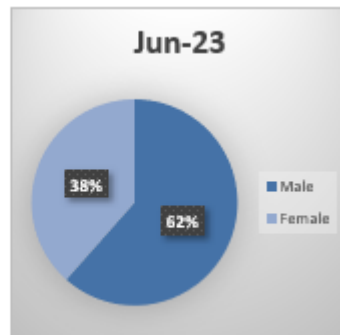
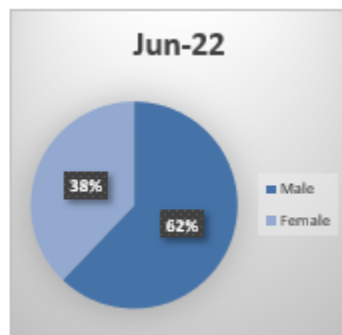
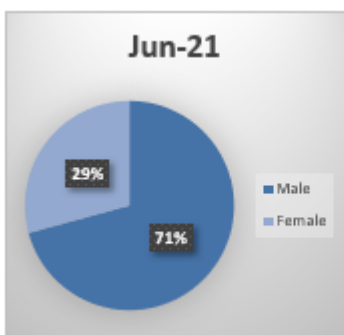
Work Force

The following charts give visual representations of the workplace demographics with a summary of changes over the past 10 years (2014 – 2023)



Employees by Gender

While the outdoor workforce is predominantly male, gender equity is promoted within all areas of Council. Both women and men are employed as labourers, machine operators, office administration staff, childcare and management. Council is proud to be and actively promotes itself as an equal opportunity employer.



Due to Councils average age in all our workforce being 46 years, for the 2022/2023 year, Council is continuing to provide cross skilling in all departments to ensure the ability to develop a sustainable and robust workforce for the future.

Training & Development

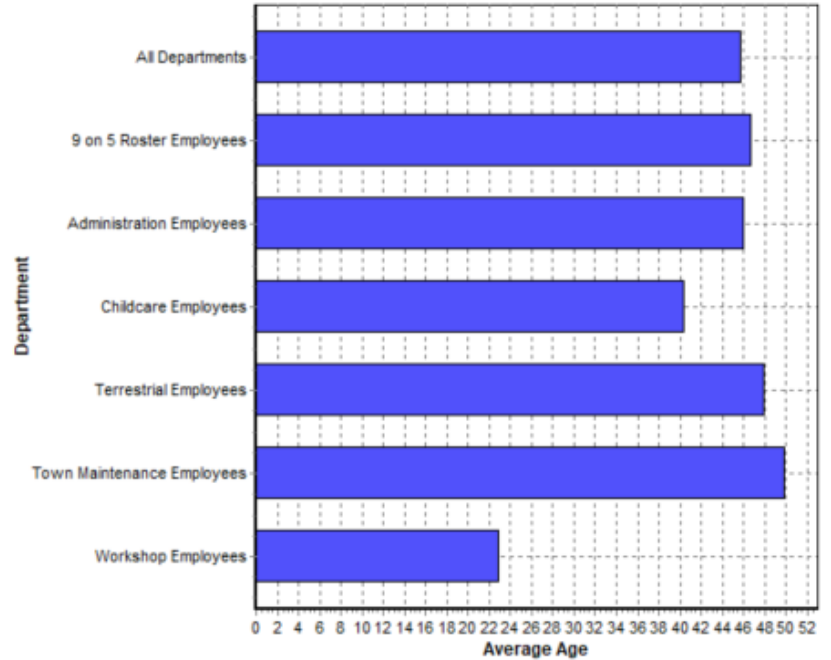
Council aims to provide formative staff development programs that enable staff to strengthen those skills, capabilities and experience which contribute to the achievement of organizational goals, job satisfaction and career aspirations.

Benchmarking

Striving for best practice is an ongoing task for Council and involves the continuous improvement of policies, procedures and other general functions of Council.

Continual review is essential when maintaining compliance with changes in legislation, industry standards, local government expectations and the needs of staff and the community. In 2023 Council reviewed and updated the employee Code of Conduct.

Average Age by Department



During 2022-2023 financial year, Council continued to review policies and procedures to ensure it maintained consistency with organisational and community needs. It is anticipated that during the 2023-24 financial year, additional policies and procedures will be implemented as the organisation and its needs evolve.

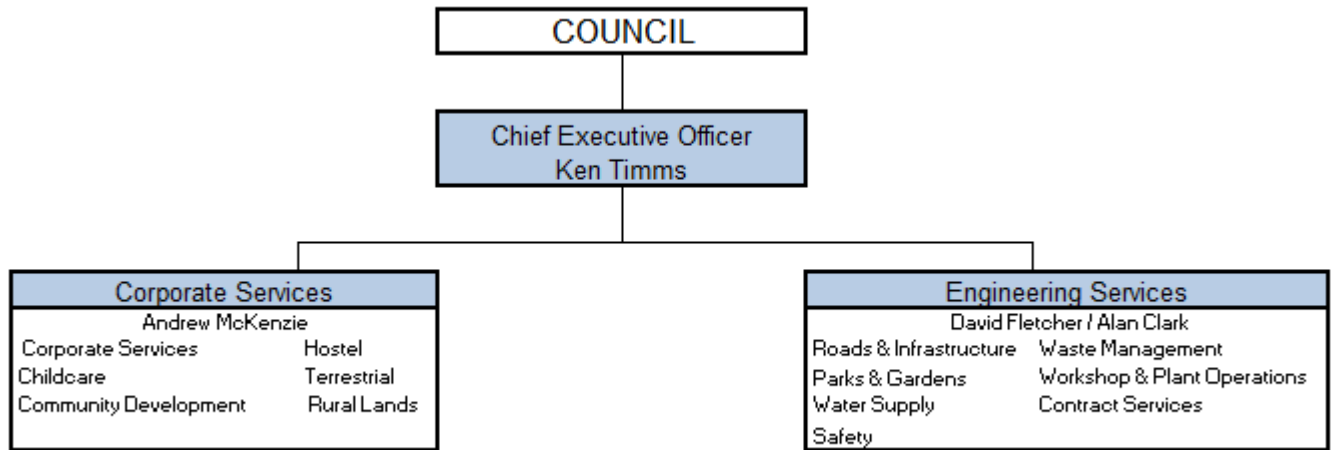
Mayor Barry Hughes presenting Abbey Taylor with her Certificate III in Early Childhood Education and Care.

Amazing work Abbey!



Images clockwise: Abbey Taylor completed her CERT III in Children's Services. Karen Butler Studying a Cert III in Children's Services at Little Gems. Congratulations to Greg Butler & Andrew Kernan on the completion of their Cert III in Water Operations

Organisation structure



Senior officer's remuneration

Under s201(1) of the *Local Government Act 2009* the annual report of a local government must state: -

The total of all remuneration packages that are payable (in the year to which the annual report relates) to the senior management of the local government and the number of employees in senior management who are being paid each band of remuneration.

Senior management of a local government is -

The Chief Executive Officer and all senior executive employees of the local government.

The Senior Officers at Etheridge Shire Council during the 2022- 2023 year were:

Chief Executive Officer

Ken Timms PSM

Director Corporate & Community Services

Andrew McKenzie

Director of Engineering Services

David Fletcher to 24/02/2023

Total remuneration packages for senior officers during 2022-2023

- 3 senior contract officers received total remuneration packages in the range of \$150,000 – \$250,000 +
- The 3 senior contracts totaled \$575,500.

Contracts are inclusive of salary, superannuation, motor vehicle, housing, telephone and uniforms and based on annual total package.

AWARDS & EVENTS

Etheridge Australia Day Awards 2023

Council's Australia Day Awards pay tribute to the outstanding people of the Etheridge community who have achieved beyond expectations in helping make Etheridge a great place to live. The Australia Day Awards also recognise those that have excelled in their chosen sport.

Council is proud to name the following list of award recipients for 2023 -

Australia Day Citizen of the Year
Australia Day Young Citizen of the Year
Community Event / Organisation of the Year
Senior Sports Medallion
Junior Sports Medallion
Senior Statesman

Deidre Hickey
Josie Prior
Etheridge Cares
Gill Graham
Nikki Bethel
Ralph & Lorna Bethel



2023 Australia Day Award Recipients.

L-R: Cara Gallagher, Tammy Hughes, Renae Woodforth, Irene Dempsey, Tenielle Verral, Kristy Bethel on behalf of Nikki Bethel, Josie Prior, Gill Graham & Deidre Hickey.

Bottom: Ralph & Lorna Bethel.

Regional Arts Development Fund (RADF)

Etheridge Council changed the RADF process in 2022 by forming a RADF Advisory Committee to ensure the RADF monies received were being utilised as to the community's priorities. Five members were selected by Council to represent all communities of Etheridge.

Council's allocation from Arts Queensland for the 22-23 year was \$24,000, with Council's co-contribution of \$2,700.

There were two Rounds of Community funding released with applicants being awarded with the following: -

Rebekkah Haase	Further Education re 'Arts'	\$4,000 (Individual)
Mt Surprise School	Music Video	\$5,925 (Mt Surprise)
Renee Bester	Resin Workshop	\$1,000 (Georgetown)
Jally Entertainment	Stage Play (Little Red in the hood)	\$5,000 (4 Communities)
Einasleigh Sports Assoc	Live Music	\$4,000 (Einasleigh)
Renee Bester	Silversmithing	\$1,500 (Georgetown)

All monies remaining from 22-23 year were added to the 23-24 year.



CORPORATE GOVERNANCE

❖ General meetings of council

Council holds monthly General Meetings to attend to the business of Council. Council must ensure decision making supports the achievement of the Corporate Plan, Operational Plan and Budget, in accordance with the *Local Government Act 2009* and other legislation.

The Local Government Act requires elected members to declare prescribed and declarable personal interests in matters before Council. For a Councillor to have a personal interest there must be an expectation of personal benefit (gain or loss) for the Councillor or an associate. The Local Government Act and Regulation outline the ways in which elected members must manage their personal interests. A register listing Councillor's material personal interests is maintained.

❖ Transactions with Related Parties

Key management personnel compensation (KMP)

KMP includes the Mayor, Councillors and Council's senior management staff (Chief Executive Officer and Directors). The compensation to the KMP for the financial year was as follows:

Short-term employee benefits	\$888,885
Long-term employee benefits	\$ 10,479
Post-employment benefits	\$ 53,352
Termination benefits	\$ 0

Transactions with other related parties

Other related parties include close family members of KMP and any entities controlled or jointly controlled by KMP or their close family members.

Close family members include a spouse, child or dependent of a KMP, child or dependent of a KMP's Spouse and any other family member expected to be influenced by a KMP in their dealings with Council.

Council employed 65 employees of which none were close family members of key management personnel.

There are entities and individuals identified as related parties of Council that also live and operate within the Etheridge Shire. On a regular basis ordinary citizen transactions occur between Council and its related parties. Some examples include:

- Payment of rates
- Use of Council facilities such as swimming pools and libraries
- Private Works.

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.

❖ Councillors code of conduct

It is so important the community has confidence in its Council and Councillors. The Minister for Local Government released a Code of Conduct for Councillors on 4th August 2020. All Queensland Local Government Councillors must comply with the Code of Conduct.

The Code provides Councillors with a frame of reference about their roles, obligations and acceptable behavioral standards.

To complement the transparency and compliance measures in the Local Government Act and Regulation, there are a number of requirements contained within section 186 of the Regulation that must be disclosed within Council's Annual Report, regarding complaints made about Councillors. These disclosures are made elsewhere in the Annual Report.

❖ Employee Code of Conduct

The Employee Code of Conduct assists Council in maintaining public trust and confidence in the integrity and professionalism of its employees by ensuring all employees maintain and enhance Council's reputation.

Employees are required to display the personal and professional behaviours that could be reasonably expected from persons holding positions that serve the community. More specifically, it requires employees to perform professional duties with care, skill, fairness and diligence.

Employees are required to engage in ethical conduct, treat all others with courtesy, respect and with due regard to the rights of others. All new employees are provided with training regarding their obligations under the Code of Conduct. Any alleged breaches of the code are investigated in accordance with Council's guidelines.

❖ External audit

Council is audited annually by Queensland Audit Office or a duly authorized representative of the QAO.

This provides a statutory mechanism for external review of Council's financial operations and other corporate matters affecting the sound management of the organisation.

Council has received an "Unmodified Audit Opinion" Report for 2022/23 financial year.

(Note: This is regarded as a good outcome)

❖ Tenders

Changes to Tenders in accordance with s228(8) of the *Local Government Regulation 2012*

Council had no occasion to invite tenderers to change their submissions in the manner contemplated in the Regulation throughout the course of 2022/23.

❖ **Administrative complaints process**

Council has adopted an 'Administrative Complaints Policy' which complies with the *Local Government Act 2009* and the *Local Government Regulation 2012*.

Complaints welcomed

- Council is committed to dealing fairly with administrative action complaints.
- Anyone who is dissatisfied about a decision or other action of the Council, a Council Officer can easily and simply lodge a complaint.
- Complainants are to be provided with information on the complaints process and, if necessary, assistance to make their complaint.
- Each complaint is initially assessed in terms of its seriousness, safety implications, complexity and degree of urgency.
- Council officers will receive complaints in a professional manner and welcome valid feedback as an opportunity for improvement of the Council's administrative practices.
- Complaints are to be responded to as quickly as possible and in accordance with the timeframes set out in the complaints process.
- Complainants will not suffer any reprisal from Council or its officers for making a complaint.
- Complaints are properly monitored with a view to continuous improvement of the council's business processes.
- If a complainant is not satisfied that a complaint has been satisfactorily resolved, he/she will be informed of any statutory right of review and, if they request, be provided with details of any further review mechanism that is available.

The complaints process has been established for resolving complaints by affected persons about administrative action of the Council.

However, the complaints process does not apply to a complaint-

1. That relates to competitive neutrality issues;
2. About official misconduct that should be directed to the Crime and Corruption Commission; made under the *Whistleblowers Protection Act 1994*; or relate to actions of an elected member of Council.

"A complaint is a statement of dissatisfaction regarding the unsatisfactory delivery of a product or service offered by Council or the unsatisfactory conduct of Council officers. A complaint may be received in person, over the phone or by written or documented communication including electronic communication."

A Complaint should not be confused with an action request. For example: -

A person may phone and request a pothole in a road be repaired.

This is a request for service. If they phone to complain that he/she had requested a pothole be repaired weeks

ago and nothing had been done, then this constitutes a complaint.

During the 2022/23 financial year a total of 71 'request for action' 27 complaints and 1 administrative action complaint was received throughout the year. This is an increase from 2021/22, mainly due to Council's implementation of Snap Send Solve that has opened a new pathway to register requests for action and complaints.

By 30th June 2023, 20 requests for action, complaints and (the single) administrative action complaint remained unresolved.

❖ **Revenue Policy**

The Revenue Policy, adopted annually at the budget meeting, governs Council's revenue raising activities. The policy provides details on how rates are levied and explains the differential rating system that more fairly shares the burden of rates including differential categories. All water and waste charges are based on this policy, as well as special levies, rate remissions, payments and discounts, and overheads on private work. Copies of the Revenue Policy are available from www.etheridge.qld.gov.au

❖ **Special Rates and Charges**

Under Section 190(d)(ii) and Section 190(g) of the *Local Government Regulation 2012*, Council is required to provide details of action taken in relation to, and expenditure on, a service facility or activity for which the local government made and levied a special rate or charge for the financial year and a summary of all rebates and concessions allowed by the local government in relation to rates.

Waste Management - Special Charge

A special charge was levied on properties within Forsyth, Einasleigh and Mt Surprise for "waste management".

The revenue from these rates was used as core funding for the maintenance and operations of all waste management facilities for the towns of Einasleigh, Mt Surprise and Forsyth. The Special Charge funds the activity. However, Council may determine to subsidise the service in view of the high costs of this service over the long term, and the undue hardship that may result if full cost recovery was sought from the special charge.

❖ **Rebates and Concessions**

Council has three different rebates and concessions in relation to rates. These are pensioner rate concession, natural hardship and economic or social incentives. Full details of these rebates and concessions are available within the Revenue Statement from www.etheridge.qld.gov.au.

❖ **Risk management**

Etheridge Shire Council is committed to establishing an environment that is not unduly risk averse, but one that enables risks to be logically and systematically identified, analysed, evaluated, treated, monitored and managed.

Risk is inherent in all of Council's activities and a formal and systematic process is adopted to minimise, and where possible, eliminate all risks that directly or indirectly impact on the Council's ability to achieve the vision and strategic objectives outlined in the Corporate Plan.

Enterprise Risk Management Guidelines have been developed to demonstrate the Council's commitment, by detailing the Integrated Risk Management framework to be employed by all staff members, contractors, committees and volunteers engaged in Council business and defining the responsibilities of individuals and committees involved in managing risk.

Council is committed to:

- Behaving as a responsible corporate citizen protecting employees, clients, contractors, visitors and the general public from injury and unnecessary loss or damage;
- Achieving its business objectives by minimising or eliminating the impact of risks it can realistically control;
- Creating an environment where all Council employees will take responsibility for managing risk (by developing and maintaining a strong risk management culture).

Formal risk registers cover strategic, operational and activity-based risks. Regular reviews of these registers take place to ensure the currency of the identified risks and track additional risks.

❖ Risk Tolerance

Council has implemented a "Risk Appetite & Tolerance Statement". Council generally considers "high" & "extreme" risks as not being acceptable and requires action to reduce either the likelihood of the risk occurring and / or the consequences should the risk occur.

❖ Fraud and corruption prevention

Etheridge Shire Council has developed a comprehensive Corporate Governance & Ethics Framework to ensure compliance with legislation and best practice democratic local government. The framework is not a policy or statement of intent, but rather a document which outlines Council's governance policies and practices. It provides readers with an overview of the governance program that has been put in place in order to assist elected members, management and employees in meeting their governance responsibilities. Council is committed to high standards of corporate governance and accountability and seeks continuous improvement in this regard.

Council's Fraud and Corruption Prevention Policy & Management Plan forms part of Council's overall approach to transparent corporate governance. The policy informs all Council officers, Councillors, consultants and contractors of Council's position regarding fraud and corruption and the consequences of failing to comply with the provisions of the policy.

Council is committed to:

- a zero-tolerance approach to fraud and corruption

- corruption and fraud control and management as an integral component of effective corporate governance
- transparent and accountable processes consistent with sound business practices and organisational standards of compliance
- preventing fraud and corruption and investigating all suspected incidents and taking appropriate action
- Maintaining an integrated Fraud and Corruption Prevention Framework to minimise the impact and reduce the risk of fraud and corruption within the work environment.

❖ Right to Information

Requests for information under the *Right to Information Act* (RTI) must be made on the required form (available on council's website or by contacting Council).

During the period 1 July 2022 to 30 June 2023 Council did not receive any RTI applications.

❖ Business Activities

A "business activity" of a Local Government is divided into two categories:

- a) *Roads business activity means.*
 - The construction or maintenance of State controlled roads for which the Local Government submits an offer to carry out work in response to a tender invitation other than through a sole supplier arrangement; or
 - Submission of a competitive tender for construction or road maintenance on the Local Government's roads which the Local Government has put out to tender or called for by another Local Government.
- b) *Business activity means*
 - Trading in goods and services to clients in competition with the private sector; or
 - Submission of a competitive tender in the Local Government's own tendering process in competition with others for the provision of goods and services to itself.

Excluded activities are (a) library services, (b) an activity or part thereof prescribed by legislation.

These business activities are referred to as type 3 activities.

Local Governments may elect to apply a Code of Competitive Conduct (CCC) to their identified business activities.

Council has not identified any type 1,2 or business units and has resolved not to apply the CCC to its business activities.

❖ Land and roads prescribed not to have a value

Etheridge Shire Council has control of 6,689 hectares of reserve land under the Land Act 1994 (which includes Reserves for Parks, Recreation, Water Supply, Rubbish Disposal and Local Government Purposes); and 1,797.1 km of Roads. This land does not have a value in the financial statements.

❖ Thresholds for recognition of non-current assets

In June 2023, Council resolved to set the recognition threshold of non-current assets as follows:-

Land	\$1
Buildings	\$10,000
Plant and Equipment	\$5,000
Furniture and Equipment	\$5,000
Roads (and associated components)	\$10,000
Water Infrastructure	\$10,000
Other Structures	\$10,000

Acquisitions below the above thresholds are to be treated as an expense.

❖ **Grants to community organisations (S. 189(1))**

Council revised its approach to providing grants and in-kind assistance to community organisations in 2022/23, following the adoption of an In-kind Support Policy, Grants to Community Organisations Policy and Sponsorship Policy.

Community organisations are invited to apply for assistance for their community events between the months of March to June. Council considers the applications when preparing its Annual Budget. For 2022/23, Council provided assistance to the following organisations: -

In-kind:

Einisleigh Race Club \$ 2,454.54

Sponsorship:

Mt Surprise P&C \$ 2,500.00

Infrastructure:

Georgetown Rodeo Association \$ 8,500.00
Einisleigh Rodeo Association \$10,000.00

Contribution:

Georgetown P&C \$ 3,800.00
Brittany Smith – Easter Event \$ 415.15

Other:

Georgetown P&C \$ 1,938.18
Forsyth Rural Fire \$ 5,000.00

❖ **Councillor Discretionary Funds (S. 189(2))**

Councillors do not have discretionary funds at their disposal. Accordingly, no funds were disbursed under Councillor's Discretionary Funds during the year.

❖ **Overseas travel (S.188)**

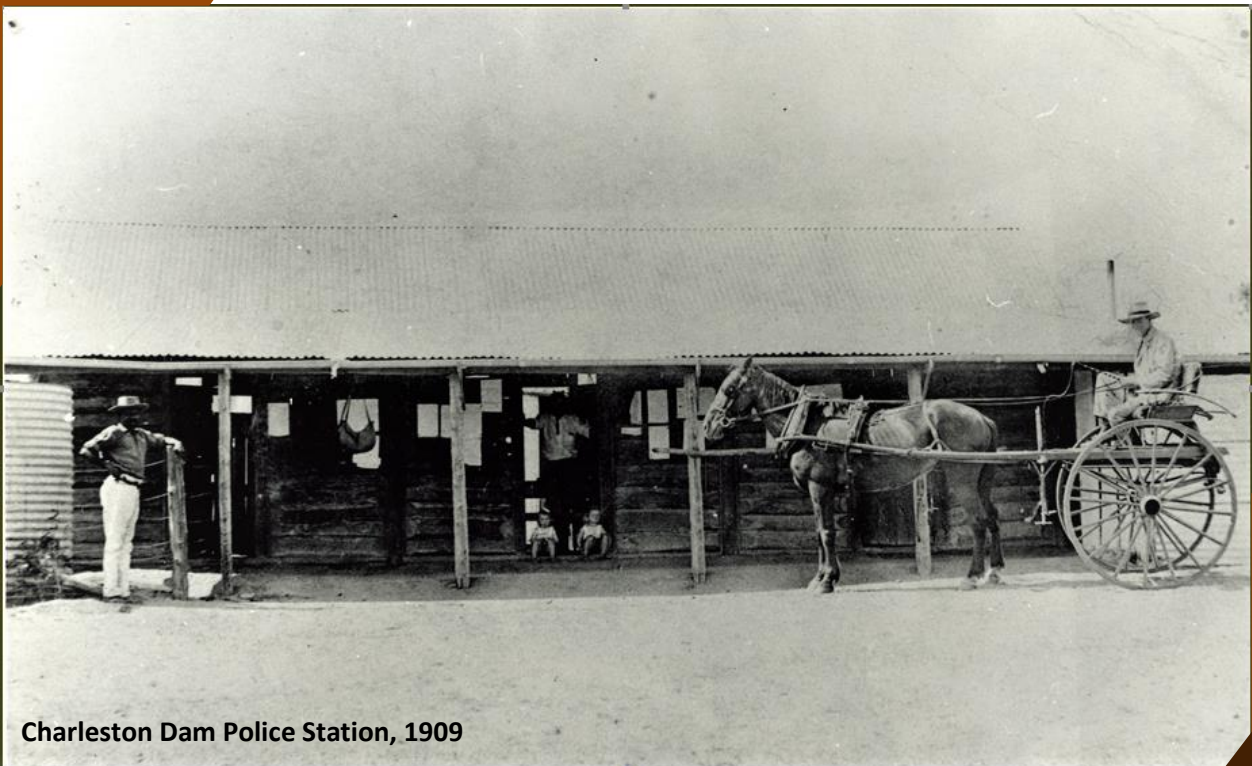
No Councillors or staff travelled overseas during 2022-2023 in an official capacity.



Lists of Registers

Council maintains a list of registers and documents that are available on request. These include:

- Register of assets
- Register of authorised persons
- Register of cemetery
- Register of complaints
- Register of conflict/material personal interest
- Register of tender / contracts
- Register of Councillor complaints
- Register of delegations
- Register of electoral gifts
- Register of gifts and benefits
- Register of administration policies
- Register of interests
- Register of land records
- Register of licensing
- Register of local laws and subordinate local laws
- Register of regulatory fees
- Register of roads and road maps
- Register of statutory policies
- Register of council policies



Charleston Dam Police Station, 1909

COMMUNITY FINANCIAL REPORT

A Community Financial Report contains a summary and analysis of a Local Government's financial performance and position for the financial year.

This report makes it easier for readers to understand Council's financial management and performance by focusing on the four key financial statements.



The Community Financial Report is a simplified version of Council's financial performance and position for the 2022/23 financial year. The aim of the report is to assist readers in evaluating Council's financial position without the need to interpret the financial information contained in the Annual Financial Statements.

Overview

Like every Queensland Local Government, Council's annual financial statements are audited by the Queensland Audit Office (QAO). For 2022/23 Council received an unqualified audit opinion. Essentially this means Council's annual financial statements give a "true and fair view of the Council's financial position as at 30 June 2023, and of its financial performance and cash flows for the year then ended".

Financial Snapshot as at 30 June 2023

	2022/23 \$ 000's	2021/22 \$ 000's	2021/20 \$,000	2019/20 \$,000	2018/19 \$,000
Total Income	56,487	42,044	29,932	36,510	27,762
Total Expense	56,479	38,289	23,695	26,902	24,204
Net Result (deficit)	7,296	3,755	6,237	9,608	3,558
Capital Expenditure	343	1,965	422	187	30
Cash Position	18,070	16,118	13,218	14,084	16,319
Total Assets	307,448	279,275	249,671	222,788	210,571
Total Liabilities	16,945	10,212	4,418	6,457	3,856
Community Equity	290,503	269,073	245,253	216,331	206,715
% of Revenue derived from Rates	4.5%	5.5%	7.5%	6.3%	8.4%
% of Revenue derived from Grants	59.9%	55.4%	50.4%	56.7%	54.6%
% of Revenue derived from Sales Contracts and Recoverable Works	31.5%	37.75%	39%	35%	33.9%
Total Loans (whole dollars)	\$29	\$41.5	\$52.58	\$62.57	\$72

Statement of Comprehensive Income

Revenue

There are two main categories of revenue: recurrent and capital. Recurrent revenue is money raised that is used to fund Council's operations and is generally sourced from rates, levies and charges, grants, subsidies and donations, contract and recoverable works revenue, interest, fees and charges, rent and other income.

Capital revenue is used to fund asset replacement or new assets. Capital revenue is sourced from grants, subsidies and donations, as well as gains/losses on disposal of assets.

Revenues	2022/23 \$ 000's	2021/22 \$ 000's	2020/21 \$,000	2019/20 \$,000	2018/19 \$,000
<u>Recurrent Revenue</u>					
Rates, Levies and Charges	2,536	2,307	2,239	2,313	2,196
Fees and Charges	172	295	217	208	305
Other Income	447	252	227	359	657
Sales Revenue	17,817	15,874	11,708	12,945	9,435
Grants, Subsidies, Contributions and Donations	33,823	18,266	8,510	10,279	13,378
<u>Capital Revenue</u>					
Grants, Subsidies, Contributions and Donations	1,692	5,040	6,587	10,406	1,791
Other Capital Income	-	10	444	-	-
<u>Total Revenue</u>	<u>56,487</u>	<u>42,044</u>	<u>29,932</u>	<u>36,510</u>	<u>27,762</u>

Expenses

Like revenue, expenses can also be classified as recurrent and capital.

Recurrent expenses are incurred by Council in providing services to the community. On the other hand, capital expenses relate to cost of replacing or constructing new assets.

Expenses can take the form of wage & salaries, materials and services, finance costs and depreciation. These line items represent the cost to Council of providing services, operating facilities and maintaining assets.

Expenses	2022/23 \$ 000's	2021/22 \$ 000's	2020/21 \$,000	2019/20 \$,000	2018/19 \$,000
<u>Recurrent Expenses</u>					
Employee benefits	6,965	6,754	6,385	6,149	6,028
Materials and services	43,782	25,262	12,859	16,624	14,318
Finance Costs	3	3	8	9	11
Depreciation	5,385	4,305	4,021	3,933	3,818
<u>Capital Expenses</u>	344	1,965	422	187	30
<u>Total Expenses</u>	<u>56,480</u>	<u>38,289</u>	<u>23,695</u>	<u>26,902</u>	<u>24,204</u>

Net Result

The net result is the difference between Revenue and Expense and is expressed as either a surplus (when revenue exceed expense) or a deficit (when expense exceed revenue).

As Council's operations are heavily dependent upon external funding and the timing of payments to when the revenue is recognized (usually in arrears), the net result can fluctuate from year to year and may mislead readers. For example, grants may be received in advance, with the associated expenditure incurred the following year. It is therefore important to look over the longer-term trends in the net result to assess Council's performance.

Net Result	2022/23 \$ 000's	2021/22 \$ 000's	2020/21 \$,000	2019/20 \$,000	2018/19 \$,000
<u>Net Result</u>	<u>7</u>	<u>3,755</u>	<u>6,237</u>	<u>9,602</u>	<u>3,558</u>

The Statement of Financial Position

The Statement of Financial Position (also known as a Balance Sheet), presents Council's financial position at the end of the financial year. The Statement measures what Council owns (assets) and what Council owes (liabilities), with the difference being net community wealth (equity).

Assets

Assets are generally classified as current and non-current. Current assets are those that can be quickly converted to cash or cash equivalents. Naturally cash is a current asset, as is accounts receivable, and inventory. Non-current assets are assets that cannot be easily converted to cash and have a useful life that may extend over a number of years. Non-current assets are usually made up of land, buildings and property, plant and equipment (PPE).

At the end of the financial year Council had increased its total assets by \$28.2M. Council's cash position increased by \$1.9M (in round terms). Total assets under Council's stewardship nears \$307.5M.

Assets	2022/23 \$ 000's	2021/22 \$ 000's	2020/21 \$,000	2019/20 \$,000	2018/19 \$,000
<u>Current Assets</u>					
Cash & cash equivalents	18,070	16,118	13,218	14,084	16,319
Receivables and other	2,766	1,004	367	1,218	2,883
Contract assets	4,716	4,391	4,570	5,464	-
Inventory	515	708	478	395	410
<u>Non-current Assets</u>					
Property, plant and equipment	281,381	257,055	231,038	201,627	190,959
<u>Total Assets</u>	<u>307,448</u>	<u>279,275</u>	<u>249,671</u>	<u>222,788</u>	<u>210,571</u>

Liabilities

Liabilities are similarly classified as current & non-current. Current liabilities are those that will be paid in the following financial year, whereas non-current liabilities will be over a number of subsequent financial years.

Council's liabilities (payables) comprise amounts owing for known obligations including borrowings, trade and other payables. Provisions are best estimates of anticipated future obligations. Council maintains provisions for employee entitlements for long service leave and restoration of the Shire's landfills to be realized in future years. Contract liabilities generally represent grant funds received in advance that Council must honour in future years.

Liabilities	2022/23 \$ 000's	2021/22 \$ 000's	2020/21 \$,000	2019/20 \$,000	2018/19 \$,000
<u>Current Liabilities</u>					
Payables	2,196	3,772	1,943	672	2,149
Contract liabilities	11,809	3,385	652	3,484	-
Borrowings	13	12	11	10	10
Provisions	808	772	944	930	279
<u>Non-current Liabilities</u>					
Borrowings	16	30	41	52	62
Provisions	2,103	2,241	827	1,309	1,355
<u>Total Liabilities</u>	<u>16,945</u>	<u>10,212</u>	<u>4,418</u>	<u>6,457</u>	<u>3,856</u>

Community Equity

Community Equity is the difference between Total Asset and Total Liabilities. It represents the Shire's net worth.

Community Equity	2022/23 \$ 000's	2021/22 \$ 000's	2020/21 \$,000	2019/20 \$,000	2018/19 \$,000
<u>Community Equity</u>	<u>290,503</u>	<u>269,063</u>	<u>245,252</u>	<u>216,330</u>	<u>206,715</u>

The Statement of Changes in Equity

Council Equity represents the Council's net worth. It is the difference between Total Assets, less Total Liabilities and is made up of Retained Surpluses and the Asset Revaluation Reserve. The Statement of Changes in Equity explains how the community net worth changes over financial years. The 2022/23 increase (\$28.8M) reflected asset revaluations. Asset revaluations are undertaken by professional, independent and qualified consultants.

The Statement of Cash Flows

The Statement of Cash Flows identifies the cash movements (in / out flows) throughout the year. The statement shows Council's ability to cover its expenditures and where those funds are derived.

Council's cash flows from operating activities incorporate the recurrent activities of Council. The cash flows from investing activities shows Council spent \$6M (2021/22 \$6.18M) investing in property, plant and equipment, the majority of which is funded from Council grant and subsidies and own source revenue. This includes capital works on Council's road network and infrastructure assets.

Financial Ratios

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

	2022/23	2021/22	2020/21	2019/20	2018/19
	%	%	%	%	%
Operating Surplus Ratio (Target 0-10%) ¹	-3	1.85	-1.62	-3.8	6.9
Asset Sustainability Ratio (Target >90%) ²	26	0	0.00	7.56	28.5
Net Financial Liabilities Ratio (Target not >90%) ³	-17	-33	-62.07	-43.91	-60.7

1. The Operating Surplus Ratio: The operating surplus ratio measures the extent to which revenue raised (excluding capital grants and contributions) covers operational expenses. It is calculated by dividing the Net Result by total Recurrent Revenue. The sustainability target is between 0%-10%. Council's Operating Surplus Ratio is within the sustainability target.
2. Asset Sustainability Ratio: This ratio measures the amount of capital expenditure on the renewal of existing assets compared to the depreciation expense. It is calculated by dividing capital expenditure on asset renewal by the depreciation expense. The sustainability target is >90%. Council's Asset Sustainability Ratio is below the sustainability target.
3. Net Financial Liabilities Ratio: This ratio measures the extent to which Council can fund its liabilities through its operating revenues. It is calculated by total liabilities minus current assets divided by recurrent revenue. The target sustainability ratio is not >90%. Council's Net Financial Liabilities Ratio is well within the sustainability target.

Against the Department's sustainability measures, Council faces some challenges into the future. Being heavily dependent upon external revenue (and noting the timing of receipts to expenses), Council projects Operating Surplus ratios outside the sustainability targets for 7 of the next 10 years. Similarly, Council will be unable to meet the sustainability target for Asset Sustainability Ratio, given its large asset base, relatively low 'own source revenue' to fund asset replacement. This is further compounded by grants being tied to new asset construction and not asset replacement or renewal. Finally, and recognising Council's low debt levels (\$29,761), Council is easily able to exceed the sustainability measure for Net Financial Liabilities ratio well into the future.

Policies



COUNCILLOR REIMBURSEMENT OF EXPENSES AND PROVISION OF FACILITIES POLICY

1. BACKGROUND AND CONTEXT

Division 2 of the *Local Government Regulation 2012* states that an Expenses Reimbursement Policy is a policy providing for the following—

- a) Payment of reasonable expenses incurred, or to be incurred, by councillors for discharging their duties and responsibilities as councillors;
- b) Provision of facilities to the councillors for that purpose.

Furthermore, Section 250 of the *Local Government Regulation 2012* states the following -

1. A local government must adopt, by resolution, an expenses reimbursement policy; and
2. A local government may, by resolution, amend its expenses reimbursement policy at any time.

2. PURPOSE AND SCOPE

The councillors' reimbursement of expenses and provision of facilities policy (as required under Section 250 of the *Local Government Regulation 2012*) ensures accountability and transparency in the reimbursement of expenses incurred by councillors and ensures that councillors are provided with reasonable facilities to assist them in carrying out their civic duties.

3. POLICY PROVISIONS

Expenses will be paid to a councillor through administrative processes approved by Etheridge Shire Council's Chief Executive Officer (CEO) subject to the limits outlined in this policy, or council endorsement by resolution.

Expense Categories

Professional development

- Professional development - Council will reimburse expenses incurred for mandatory professional development and/or discretionary professional development deemed essential for the councillors' role. The Mayor attends the Local Government Association Queensland (LGAQ), Australian Local Government Association (ALGA) and any other relevant conferences/seminars/workshops as the primary delegate (council shall appoint the other delegates). Councillors can attend workshops, courses, seminars and conferences that are related to the role of a councillor. Approval to attend is made by council resolution and therefore councillors should advise the CEO of their desire to attend an event. The CEO will provide a report to council seeking approval on behalf of the councillor.

Discretionary professional development

- Each councillor can attend (at their own discretion) workshops, courses, seminars and conferences that improve the skills relevant to their role. This training is initially limited to \$5000 per councillor over the current term of office but will be reviewed annually when setting the budget. There is no requirement for a council resolution to approve these attendances, however, the councillor would need to submit a request to the CEO (prior to attendance) and provide all relevant documentation within 14 days of attending the event to ensure their expenses are reimbursed.

Travel as required to represent council

- Council will reimburse local, interstate and, in some cases, intrastate and overseas travel expenses (such as flights, motor vehicle, accommodation, meals and associated registration fees) deemed necessary to achieve the business of council where a councillor is an official representative of council and the activity/event and travel has been endorsed by resolution of council.
- Council will pay for reasonable expenses incurred for overnight accommodation when a councillor is required to stay outside or in some cases within the Etheridge Shire. All councillor travel approved by council will be booked and paid for by council. This includes transfers to and from airports (e.g., taxis, trains and buses).

Private vehicle usage

- Councillors' private vehicle usage will be reimbursed if the usage is for official council business. This includes travel to and from councillors' principal place of residence to:
 - attend official council business/meetings/functions/community events and public meetings in the role of councillor;
 - Investigate issues/complaints regarding council services raised by residents/rate payers and visitors to the region.
- Councillors making a claim for reimbursement of private vehicle usage can do so by submitting the appropriate form detailing the relevant travel based on logbook details. The amount reimbursed will be based on the published Australian Tax Office business-use-of-motor vehicle-cents-per-kilometre method and kilometre rate applicable at the time of travel.

The government has made changes to the cents per kilometre method. From 1 July 2015, separate rates based on the size of the engine are no longer available. You use a single rate of 68 cents per kilometre for all motor vehicles for the 2018–19 income year. The Commissioner of Taxation will determine the rate for future income years.

Rates per business kilometre		
Engine capacity		Cents per kilometre
Ordinary engine	Rotary engine	
N/A	N/A	68 cents

Meals

- Council will reimburse reasonable costs of meals for a councillor when the councillor has incurred the cost personally and the meal was not provided within the registration cost of the approved activity/event, upon production of a valid tax invoice. If a councillor elects not to produce tax invoices and seek reimbursement for meals while attending official council business, he/she may claim the following meal allowance where the meal was not provided within the registration costs of the approved activity/event: \$25 for breakfast (if the councillor is required to depart their home prior to 6am) \$15 for lunch and \$45 for dinner (if the councillor returns to their home after 9pm). Expenses relating to the consumption of alcohol will not be reimbursed.
- Should the councillor choose not to attend a provided dinner/meal, then the full cost of the alternative meal shall be met by the councillor.

Incidental daily allowance

- An incidental daily allowance of \$10.00 up to five nights away and \$15.00 after five nights will be paid to councillors to cover incidental costs incurred while they are traveling and staying away from home overnight.
- Councillors claiming this allowance should do so on the appropriate form within 14 days of the conclusion of the event and submit to the CEO for reimbursement.

Hospitality

- Councillors may have occasion to incur hospitality expenses while conducting council business apart from civic receptions organised by council. The Mayor may particularly require additional reimbursement when entertaining dignitaries outside of official events.

- To allow for this expense, the following amounts can be claimed: \$500 per annum for councillors and up to \$5,000 per annum for the Mayor.

Accommodation

- Councillors may need to stay away from home overnight while attending to council business. When attending conferences, councillors should take advantage of the package provided by conference organisers (if applicable) and therefore stay in the recommended accommodation unless prior approval has been granted by the CEO. All councillor accommodation for council business will be booked and paid for by council. Suitable accommodation will be sought within a reasonable distance to the venue that the councillor is to attend. Should more than one councillor attend the same event, council will book and pay for a separate room for each attending councillor.

Provision of facilities

- Council will provide facilities for the use of councillors in the conduct of their respective roles with council. All facilities provided remain the property of council and must be returned when the councillor's term expires.
- The facilities provided by council to councillors are to be used only for council business unless prior approval has been granted by resolution of council.

Facility Categories

(a) Administrative tools and access to council office amenities

Councillors will be provided with the following:

- secretarial support for Mayor and councillors via the Executive Assistant to the Chief Executive Officer;
- laptop computer and/or tablet device
- use of council landline telephone and internet access, fax and/or scanner, printer, photocopier, paper shredder and stationery
- Any other administrative necessities, which council resolves are necessary to meet the business of council.

Maintenance costs of council-owned equipment

Council is responsible for the ongoing maintenance and reasonable wear-and-tear costs of council-owned equipment that is supplied to councillors for official business use. This includes the replacement of any facilities that fall under council's Asset Replacement Program.

Uniforms and safety equipment

Council will provide to a councillor:

- Uniform allowance as per staff policy
- Necessary safety equipment for use on official business (e.g., safety helmet, boots and safety glasses).

Use of council vehicles on council business

Councillors will have access to a suitable council vehicle for official business. A councillor wishing to use a council vehicle for council business use must submit a request to the CEO at least two days prior, except in exceptional circumstances as determined between the councillor concerned, Mayor and CEO.

Private use of council vehicles

The Mayor will be provided with a fully maintained Toyota Prado (or equivalent) including all running costs provided for unlimited and unrestricted use by the Mayor for council business in recognition of the duties required to be performed by the Mayor and the irregular hours required to attend council, community and civic responsibilities. This vehicle is also available for councillor's use while the Mayor is not utilizing the vehicle.

Fuel costs

- All fuel used in a council-owned vehicle on official council business will be provided or paid for by council.

Car parking amenities

- Councillors will be reimbursed for parking costs they have paid while attending to official council business (e.g., secured vehicle parking at the airport).

Telecommunication needs: mobile phones

Either of the following options for mobile phones shall be available to councillors

Mobile phone provided by council

- Where a councillor is provided with a mobile phone by council, all costs attributed to council-business use shall be paid by council (including total plan costs).

Insurance cover

Councillors will be covered under relevant council insurance policies while discharging civic duties. Specifically, insurance cover will be provided for public liability, professional indemnity, councillors' liability and personal accident. Council will pay the excess for injury claims made by a councillor resulting from the conduct of official council business and on any claim made under insurance cover.

Council will cover costs incurred through injury, investigation, hearings or legal proceedings into the conduct of a councillor, or arising out of (or in connection with) the councillor's performance of his/her civic functions. If it is found the councillor breached the provisions of the Local Government Act 2009 the councillor will reimburse council with all associated costs incurred by council.

Limit

Council may by resolution reduce or limit benefits receivable under this policy.

Returning of Facilities

It is outlined within this policy that Council will provide reasonable facilities to a Councillor during their term to assist Councillors in carrying out their civic duties.

Councillors are entitled to use these facilities until such time as their term of office comes to an end. If a Councillor is not re-elected the term of office ends when the returning officer declares the result of the election of the council.

However, to ensure that facilities are returned in a reasonable period, and to assist the Chief Executive Officer in the collection of facilities (as stated within this policy), it is required that all Councillors return all facilities to the Chief Executive Officer on or before the Friday preceding the Quadrennial Local Government Elections, or if a Councillor resigns during their term, the facilities are to be returned to the Chief Executive Officer prior to their last day in active office.

Misuse of Council Provided Resources for Electoral Purposes

This policy provides for the following –

- a) A payment of reasonable expenses incurred, or to be incurred, by councillors for discharging their duties and responsibilities as councillors;
- b) Provision of facilities to the councillors for that purpose.

A breach of the reimbursement of expenses and facilities policy is a misuse of information or material acquired in or in connection with the performance of the councillor's responsibilities and would be "misconduct" (as provided in Chapter 6, Part 2, Division 6 of the *Local Government Act 2009*).

Therefore, elected members should pay particular care in any campaign activity to ensure that there can be no possible perception of use of council provided resources / facilities for activity that could be perceived as having some electoral flavour.

4. AUTHORITIES AND ACCOUNTABILITIES

Expenses will be paid to a councillor through administrative processes approved by Etheridge Shire Council's Chief Executive Officer (CEO) subject to the limits outlined in this policy, or council endorsement by resolution.

5. RELATED DOCUMENTATION

Local Government Regulation 2012

Section(s) 249, 250, 251

S.249 what div 2 is about?

- (1) This division is about the expenses reimbursement policy.
- (2) The **expenses reimbursement policy** is a policy providing for the following -
- a) payment of reasonable expenses incurred, or to be incurred, by councillors for discharging their duties and responsibilities as councillors;
 - b) provision of facilities to councillors for that purpose.

S.250 Requirement to adopt expenses reimbursement policy or amendment

- (1) A local government must adopt an expenses reimbursement policy.
- (2) A local government may, by resolution, amend its expenses reimbursement policy at any time.

S.251 Notification of adoption of expenses reimbursement policy

- (1) As soon as practicable after a local government adopts or amends its expenses reimbursement Policy, the local government must -
- a) Ensure a copy of the policy may be inspected and purchased by the public at the local government's public office; and
 - b) Publish the policy on the local government's website.
- (2) The price for purchasing a copy of the policy must be no more than the cost to the local Government of making the copy available for purchase.

S.252 Meetings about expenses reimbursement policy

A local government cannot resolve under section 275 that a meeting at which a proposed expenses reimbursement policy is discussed (including its adoption or amendment, for example) be closed.

6. APPROVAL TABLE

Approved by Council		Meeting number and date	
Post-Election Meeting – Dated 11 th April 2016 General Meeting – Dated 15 th January 2017 General Meeting – Dated 15 th January 2018		GMCCS5 – 23 rd January 2019	
		Resolution number	
		2019/GM2527	
Effective date		Review date	
11 th April 2016		30 th January 2020	
Policy Author			
Director Corporate & Community Services			
Current incumbent			
David Munro			
Implementation Officer			
Chief Executive Officer			
Current incumbent		Contact number	Official file no.
David Munro		07 4079 9005	

Internal Audit

It is a requirement under Section 190 of the Local Government Regulation 2012, that the annual report has summary of the activities undertaken by the Internal Auditor.

The Internal Audit function represents an integral part of Etheridge Shire Council's governance framework. It is designed to provide the organisation's stakeholders with assurance that business processes are operating appropriately and effectively in accordance with organisational and legislative requirements. The Internal Audit function is designed to assess and evaluate the control measures the organisation has adopted, or plans to adopt, to manage the operational risks to which the local government operations are exposed.

During 2021/22 Council reviewed its Internal Audit function, adopting a new Internal Audit Charter (Policy), reinstating an Audit Committee and appointing Pacifica Chartered Accountants as its Internal Auditor (following the expiry of Arabon Pty Ltd appointment as Internal Auditor on 31st December 2021).

In accordance with s207 of the Local Government Regulation 2012, Council must:

- Undertake an internal audit each financial year;
- Prepare an internal audit plan after evaluating operational risks and relevant accounting documentation;
- Monitor its implementation of the internal audit plan;
- Prepare and present an internal audit progress report; and
- At least once per financial year, a summary of Internal Audit recommendations and the actions taken by management, if any, in response to the recommendations

The purpose of Council's Internal Audit function is to objectively evaluate the organisation's business processes, work practices and systems of internal control to report opportunities for improvement and recommend enhancements to improve effectiveness and control.

Internal Audit operates across all levels of the organisation, with the aim of developing practical recommendations to improve the adequacy and effectiveness of Council financial control systems, activities, operations and procedures.

The Internal Audit Committee reports to Council. To ensure the internal audit activity is directed to areas of most benefit, a number of Council processes have been selected for review over the three (3) year life of the Internal Audit Plan, starting with 'Recoverable Works' in recognition of the value to Council of its contracting to Department of Transport & Main Roads, Queensland Reconstruction Authority and members of the public.

MEETING OUR CORPORATE PLAN

A Sustainable Transport Network That Meets Community Needs

Shire Rural Roads are all Weather, Town Streets are Bitumen with Footpaths, Kerb, Channelling and Drainage

<u>Strategies</u>	<u>Officer</u>	<u>Actions</u>	<u>Comp Date</u>	<u>KPI</u>	<u>4th Quarter</u>
An asset management strategy to support the monitoring, maintenance, replacement and enhancement of Council's road assets.	DES	Develop and implement a shire roads intervention level policy	Nov-22	Policy adopted by Council and Implemented	Being developed
	DES	Identify the current status of shire rural roads and town streets	Sep-22	Updated road register	Road register updated
	DES	Implement maintenance programs on Towns Streets	Dec-22	Program implemented	Program being developed
	DES	Implement maintenance programs on Rural Roads	Jan-23	Program implemented	Program being developed
	DES	Implement maintenance programs on bridges, floodways, drainage etc	Feb-23	Program implemented	Program being developed and Copperfield Bridge being assessed.
Develop and implement a comprehensive, sustainable and funded, 10-year Capital Works Program for roads, incorporating road train access and drainage.	DCS	Funded road depreciation for asset replacement	May-23	AMP updated	Depreciation is charged in line with AMP
	DES	Implement capital programs on Towns Streets	Mar-23	Program implemented	Program being developed
	DES	Implement capital programs on Rural Roads	Mar-23	Program implemented	Program being developed
	DES	Implement capital programs on bridges, floodways, drainage etc	Mar-23	Program implemented	Program being developed
Lobby for adequate funding to enable the repair of the shire road network affected by natural disaster.	DES	Implement reinstatement program for NDRRA	Apr-23	Works are programmed and under budget	2021 works completed and acquitted upon activation of 2023 event. 2023 submission lodged with QRA April 2023.
Work with regional groups and our communities to upgrade Local Roads of Regional Significance.	DES	Attend regional meetings and meet with government representatives	Monthly	Attendance to regional FNQROC meetings	Council have attended Regional Meetings and advocated on behalf of ESC.

Transport and Main Roads is Committed to Developing a Network that is Fully Sealed to Road Train Route Standard

<u>Strategies</u>	<u>Officer</u>	<u>Actions</u>	<u>Comp Date</u>	<u>KPI</u>	<u>4th Quarter</u>
Maintain relationship with the Department of Transport and Main Roads to undertake road construction and maintenance (Road Train Routes).	DES	Implement TMR programs for RMPC & NDRRA	Feb-23	Contract TMR works on track and under budget	Projects completed in the allocated time frames.
	DES	Attend regional meetings and meet with government representatives to lobby for increased commitment to Main Roads Network	Monthly	Attendance to FNQROC regional meetings	Attended TMR and FNQROC meetings
	DES	Create an audit of TMR infrastructure in the Shire (list of km of Gravel, single lane bitumen and narrow/ problem bridges)	Nov-22	Audit presented to Council	Not commenced
Continue to lobby to raise the national profile of the Georgetown to Forsyth, Kennedy, Gulf and Gregory Development Roads and Bridges and for additional funding for high priority widening and sealing.	DES	Implement TMR upgrade programs	Jun-23	TMR contracts awarded to Council and completed on time and within budget	GDR work nearing completion. KDR project to commence mid July 2023

There are Multiple Public Transport Options

<u>Strategies</u>	<u>Officer</u>	<u>Actions</u>	<u>Comp Date</u>	<u>KPI</u>	<u>4th Quarter</u>
An asset management strategy to support the monitoring, maintenance, replacement and enhancement of Council's airports and airfield assets.	DES	Implement maintenance programs for airports	Mar-23	Annual maintenance program implemented	Completed.
	DCS	Funded airport depreciation for asset replacement	May-23	AMP updated	Depreciation is charged in line with AMP
	DES	Implement capital program for airports	Feb-23	Program implemented	Completed.
Advocate for improved airfield infrastructure and services.	DES	Attend regional meetings and meet with government representatives	Quarterly	Attendance at FNQRRG regional meetings	Council have attended Regional Meetings and advocated on behalf of ESC.
Advocate for improved rail and bus services	CEO	Attend regional meetings and meet with government representatives	Annually	Attendance at FNQROC & NWQROC regional meetings	Council have attended Regional Meetings and advocated on behalf of ESC.

A Sustainable Environment of Natural Assets, Water, Waste Water and Waste Management

Best Practice Water and Waste Water Management

<u>Strategies</u>	<u>Officer</u>	<u>Actions</u>	<u>Comp Date</u>	<u>KPI</u>	<u>4th Quarter</u>
An asset management strategy to support the monitoring, maintenance, replacement and enhancement of Council's water and waste water assets.	DES	Implement maintenance programs for the water networks	Oct-22	Maintenance program developed and implemented	Program to be documented
	DES	Implement maintenance programs for the water treatment plants	Dec-22	Maintenance program developed and implemented	General maintenance underway
	DES	Develop and implement a water and waste water intervention level policy	Mar-23	Policy developed and presented to Council	Not commenced
Develop and implement a comprehensive, sustainable and funded, 10-year Capital Works Program to deliver good quality, reliable water and waste water supplies for all communities	DCS	Funded water depreciation for asset replacement	Dec-22	AMP updated	Depreciation is charged in line with AMP
	DES	Implement Capital programs for the water networks	Mar-23	Program developed and implemented	Underway
	DES	Improvement of the Water Treatment Plants at Georgetown and Forsayth	Dec-22	Upgrade Forsayth WTP operations	Underway
Water Reservoirs are operating and environmentally compliant	DES	Implement maintenance programs for the water reservoirs	Mar-23	Program developed and implemented	Completed and implemented. A review is now required.
	DES	Charleston Dam is completed and operational	Oct-22	Charleston Dam online and operational	Some maintenance issues are required and there are restoration works required on the fish ladder.
Lobby for adequate funding to enable the repair and maintenance of shire water and waste water network affected by natural disaster or other events	CEO	Attend regional meetings and meet with government representatives	Monthly	Advocated at FNQROC / NWQROC regional meetings	Council have attended Regional Meetings and advocated on behalf of ESC.

Best Practice Waste Management

<u>Strategies</u>	<u>Officer</u>	<u>Actions</u>	<u>Comp Date</u>	<u>KPI</u>	<u>4th Quarter</u>
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An asset management strategy to support the monitoring, maintenance, replacement and enhancement of Council's collection and waste management facilities throughout shire	DES	Implement waste collection programs at each town	Nov-22	Strategy presented to Council for adoption	Being undertaken and program to be documented.
	DCS	Funded depreciation for asset replacement	Mar-23	AMP updated	Depreciation is charged in line with AMP
	DES	Implement waste disposal programs at each facility	Jan- 23	Strategy presented to Council for adoption	Council in both the FNQROC and NWQROC strategies.
	DCS	Effective education program and encourage recycling, reuse and reduction of community waste	Jan-23	Successful media campaign held	This will be done Regionally as the first Action in the Regional Resource Recovery Plan which is targeted to commence in 2024.

Best Practice Natural Environment and Pest Management

<u>Strategies</u>	<u>Officer</u>	<u>Actions</u>	<u>Comp Date</u>	<u>KPI</u>	<u>4th Quarter</u>
Develop Council's Biosecurity Plan in consultation with landowners and other stakeholders to reduce the impact of existing and emerging pests.	DCS	Implement works program for biosecurity	Dec-22	Plan adopted by Council	Commenced
In partnership with the community and external agencies, promote and support best practice management of the natural environment.	CEO	Attend regional meetings and meet with government representatives	Monthly	Advocated at FNQROC / NWQROC regional meetings	Council have attended Regional Meetings and advocated on behalf of ESC.
Minimise the potential of disease outbreaks through implementation of an integrated mosquito management program.	DCS	Implement program as required	Jan-23	Program developed and adopted by Council	Fogging trial completed Mosquito Management Plan referred to EHO to commence with budget allocation in 23/24 to resource it.

An Energy Efficient Shire

<u>Strategies</u>	<u>Officer</u>	<u>Actions</u>	<u>Comp Date</u>	<u>KPI</u>	<u>4th Quarter</u>
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Support of renewable energy. carbon reduction programs and Council's carbon footprint	CEO	Identify the current status of Council's renewable energy portfolio	Jan-23	Council Status recognised	Council and Community reports completed.
	DES	Attend regional meetings and meet with government and industry representatives	Half Yearly	Attendance at FNQWaste regional meetings	Attending FNQWaste regional meetings.

Industry has Sustainable Environmental Practices

<u>Strategies</u>	<u>Officer</u>	<u>Actions</u>	<u>Comp Date</u>	<u>KPI</u>	<u>4th Quarter</u>
Companies and industries are environmentally compliant	CEO	Attend regional meetings and meet with government and industry representatives	Bi-Monthly	Advocated at regional meetings	Council have attended Regional Meetings and advocated on behalf of ESC.

A Diversified Economic Development Ensures a Prosperous Shire

A Variety of Land and Housing Options for the Community

<u>Strategies</u>	<u>Officer</u>	<u>Actions</u>	<u>Comp Date</u>	<u>KPI</u>	<u>4th Quarter</u>
Maintain a compliant planning scheme that supports the future development of our shire	DCS	Implement the planning scheme	Monthly	Planning applications processed	Planning Scheme implemented. Land Use studies for Georgetown and Mt Surprise completed
	DCS	Review and update planning scheme	May-23	Plan review and presented to Council	Not commenced
Review and update the asset management strategy to support the monitoring, maintenance, replacement and enhancement of Council's housing stock	DCS	Implement maintenance program for Council housing	Mar-23	Maintenance program implemented	In Progress (attached to asset valuations)
	DCS	Funded depreciation for asset replacement	Apr-23	AMP updated	Depreciation is charged in line with AMP
Advocating for the release of State Land for future development across the shire	CEO	Promote residential, rural residential and industrial subdivisions throughout shire as land become available and demand increases.	Monthly	Successful media campaign held	Industrial land in Georgetown acquired

A Diversified Economic Base: Rural, Tourism, Mining and Support Services

<u>Strategies</u>	<u>Officer</u>	<u>Actions</u>	<u>Comp Date</u>	<u>KPI</u>	<u>4th Quarter</u>
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Facilitate the development and marketing of a distinctive regional image.	CEO	Review and update shire marketing image	Feb-23	Strategy developed and adopted by Council	Currently developing a concept, this is now pending the development of an Economic Development Plan
Support community development to expand and meet the growing needs of the region through infrastructure, income diversification and advocacy	CEO	Develop and implement a Tourism Plan by consulting with all relevant stakeholders	Feb-23	Plan developed and adopted by Council	Completed
	CEO	Area Promotion	Monthly	Successful Media Campaign Held	Not yet commenced
	CEO	Review the TerrEstrial VIC Business Plan, with a view to identify latent opportunities and extending the tourist experience to include interactive activities.	Apr-23	Business case developed and adopted by Council	Further work to be carried out
Support skills development (youth, business, industry)	DCS	Develop and implement a community skills development program	Dec-22	Program implemented	In progress
	DCS	Review procurement policy and monitor the outcomes	Half Yearly	Outcome report presented to Council for consideration	In progress
Advocate for the development of the Etheridge Agriculture Precinct and associated agricultural industries	CEO	Attend regional meetings and meet with government and industry representatives	Monthly	Attendance at FNROQ / NWQROC regional meetings	Council have attended Regional Meetings and advocated on behalf of ESC.

Quality Social Infrastructure Makes the Shire a Desirable Place to Live

An Active Community with a Variety of Recreational Activities

<u>Strategies</u>	<u>Officer</u>	<u>Actions</u>	<u>Comp Date</u>	<u>KPI</u>	<u>4th Quarter</u>
Review and update the comprehensive asset management strategy to support the monitoring, maintenance, replacement and enhancement of Council's parks, garden and recreational facilities	DES	Develop and implement a comprehensive, sustainable and funded, 10-year Capital Works Program for parks, garden and recreational facilities	Apr-23	Program developed and implemented	Being developed as part of Sport & Rec plan.
	DCS	Maintain the public conveniences	Monthly	Facilities meet expectations	Public conveniences maintained
	DCS	Maintain the Shire's Cemeteries.	Monthly	Facilities meet expectations	Town Cemeteries maintained. Developing service levels for other cemeteries
	DCS	Maintain Swimming Pool as a safe and attractive venue.	Monthly	Facilities meet expectations	Swimming Pool maintained.

Establishment suitable recreational activities/facilities at water reservoirs	CEO	Construct recreation facilities at Charleston Dam to encourage activity-based tourism.	Apr-23	Project complete	Further developments to be undertaken in 2023/24.
	CEO	Continue our partnership with Department to further enhance the visitor experience on the Copperfield Dam, including construction of recreation facilities to encourage activity-based tourism.	Monthly	Attendance at FNROC / NWQROC regional meetings	Council have attended Regional Meetings and advocated on behalf of ESC.
Enhance and improve the aesthetics of each town.	DES	Review and implement Georgetown beautification plan	Mar-23	Project approved and underway	Suggest that a Councillor briefing is necessary to progress this program.
	DES	Review beautification plans for Einasleigh, Forsayth and Mt Surprise	May-23	Plan presented to Council for consideration	Not commenced
Advocate for funding for additional sport and recreation infrastructure.	CEO	Review Council's sport and recreation long term plan	Apr-23	Status of current plan considered and reviewed	Seeking funding to undertake the development of same.
	CEO	Attend regional meetings and meet with government and industry representatives	Monthly	Attendance at FNROC / NWQROC regional meetings	Council have attended Regional Meetings and advocated on behalf of ESC.

An Invigorated Community with a Variety of Multi-Aged Services

<u>Strategies</u>	<u>Officer</u>	<u>Actions</u>	<u>Comp Date</u>	<u>KPI</u>	<u>4th Quarter</u>
Review and update the comprehensive asset management strategy to support the monitoring, maintenance, replacement and enhancement of Council's Health, Aged Care, Childcare facilities	DCS	Develop and implement a comprehensive, sustainable and funded, 10-year Capital Works Program for Social facilities	May-23	Program developed and implemented	Not commenced
	CEO	Advocate to State and Federal Governments, supporting residents to address social inequity, disadvantage, livelihoods and general well-being.	Monthly	Attendance at FNQROC / NWQROC regional meetings	Council have attended Regional Meetings and advocated on behalf of ESC.
	CEO	Partner with state government agencies to improve social conditions and livability.	Monthly	Attendance at FNQROC / NWQROC regional meetings	Council have attended Regional Meetings and advocated on behalf of ESC.
Ensure that services to the community for childcare, youth hostel and aged care are provided.	DCS	Review and implement strategies for an efficient use of the 'Georgetown Hostel'	Mar-23	Current strategy review and updated	Not commenced
	DCS	Review and implement strategies for an efficient operation of the childcare business, including after school care	Mar-23	Current strategy review and updated	Commenced

	DCS	Review and implement strategies for youth programs for leadership, recreation, entertainment and healthy socialization	Feb-23	Current strategy review and updated	In progress. CDEO to workshop potential youth programs with Council in Q4
	DCS	Review and implement strategies for an efficient operation of programs for seniors	Jan-23	Current strategy review and updated	ILF progresses. CDEO to workshop potential Seniors programs with Council in Q4
Construct care facilities to retain citizens in the community.	DCS	Develop plans to build aged care facilities.	Nov-22	Plan presented to Council for consideration	Procurement delayed pending confirmation of funding.
	DCS	Develop plans to build special care facilities.	Jun-23	Overall strategy developed for Consideration	Procurement delayed pending confirmation of funding.
Advocate and facilitate the provision and improvement of central and remote health services.	CEO	Meet with government lobbying for health concerns, including a doctor to the region, aged care and respite and palliative care support.	Monthly	Attendance to regional meetings	Council have attended Regional Meetings and advocated on behalf of ESC.
Advocate and facilitate for improvements in educational services to be provided within the shire	CEO	Attend Schools and meet with representatives of the school and P&Cs	Half yearly	Attendance to meetings	Not yet commenced, however a Councillor is in regular contact with Shire Schools.
Advocate for sufficient policing and emergency service facilities	CEO	Meet with government representatives	Quarterly	Attendance to DDMG meetings	Mayor, Deputy Mayor and CEO participate in quarterly TEAMS meetings.

A Culturally Aware Community

<u>Strategies</u>	<u>Officer</u>	<u>Actions</u>	<u>Comp Date</u>	<u>KPI</u>	<u>4th Quarter</u>
Review and update the comprehensive asset management strategy to support the monitoring, maintenance, replacement and enhancement of Council's social infrastructure	DCS	Develop and implement a comprehensive, sustainable and funded, 10-year Capital Works Program for Social Infrastructure	Jun-23	Program developed and implemented	Not commenced
Provide libraries, as learning and information centres	DCS	Review and implement strategies for library service	Jan-23	Strategy is reviewed and implemented	In progress
Engage with and support local arts and cultural groups.	DCS	Review and implement strategies for engaging with arts and cultural groups	Nov-22	Strategy is reviewed and implemented	RADF Committee allocated grants throughout the year. CDEO to workshop potential cultural development programs with Council in Q4

Build and strengthen the Shire's identity through the support and provision of a variety of events and branding our corporate image.	DCS	Support volunteers, community groups and events	Sep-22	Community assistance policy is reviewed and implemented	Ongoing promotion of assistance available under Council's Community Assistance policies. Approx \$85,000 provided to community organisations during 2022/23.
Encourage local historians to preserve and promote local history and heritage.	DCS	Support important social milestones on appropriate anniversary dates.	Dec-22	Community calendar of events is developed and supported	Community Events are promoted on our Website and Social Media Platforms.

A Variety of Modern Communication Mechanisms Available for the Whole Shire

<u>Strategies</u>	<u>Officer</u>	<u>Actions</u>	<u>Comp Date</u>	<u>KPI</u>	<u>4th Quarter</u>
Improve co-operation and communication with relevant stakeholders and all levels of government in the strategic planning of future community infrastructure.	DCS	Develop and maintain a current advocacy plan for the provision of telecommunication services, telemetry and media.	Jan-23	Plan is developed and Implemented	Meetings continue with Telstra.
Review and update the comprehensive asset management strategy to support the maintenance, replacement and enhancement of Council's communication assets.	DCS	Maintain radio re-transmission services for Mt Surprise, Forsayth and Einasleigh.	Monthly	Services are operational	Services maintained.
	DCS	Assist a commercial entity to introduce local radio services.	Jun-23	Options are considered and implemented	Tabled at Oct 2022 meeting with commercial operator given 12 months to provide service.

Best Practice Corporate Governance and Organisational Excellence

Council Provides Community Leadership Through Financial Sustainability and an Open and Accountable Governance

<u>Strategies</u>	<u>Officer</u>	<u>Actions</u>	<u>Comp Date</u>	<u>KPI</u>	<u>4th Quarter</u>
Councillors take a leadership role in the community, serve as a role model and provide strategic direction for the continued growth and development of the region.	CEO	Review and implement Council's strategic plans	Monthly	Delegations from the monthly Council meetings	Review is progressing on a needs basis.
	CEO	Attend local and regional meetings with community, government and industry representatives	Monthly	Opportunities to attend regional meeting is given	Every opportunity is taken to meet stakeholders in any location.

Pursue and nurture an environment of honesty and integrity in which elected members, managers and staff work together in a spirit of trust and teamwork.	CEO	Adopt appropriate governance structures and make appropriate delegations.	Apr-23	Organisational structure is reviewed	Not yet commenced.
	CEO	Ensure the administration of the region is governed through open and transparent decision-making and reporting processes.	Mar-23	Meetings and legislative requirements are met	An internal Audit Committee Meeting is scheduled for July 23.
	DCS	Develop and implement a comprehensive, sustainable and funded, 10-year Capital Works Program for Corporate Assets	May-23	AMP is updated	Depreciation is charged in line with AMP
	DCS	Maintain compliance with legislation, local laws, policies	Monthly	Local Laws, policies and procedures are reviewed on a regular basis for compliance	Compliance continuously reviewed
Actively participate in the membership of regional development and other organisations in order to achieve mutual regional priorities.	CEO	Actively participate in the regional organisations and statutory supported planning instruments	Monthly	Attendance to regional meetings	Council have attended Regional Meetings and advocated on behalf of ESC.
	CEO	Build the Council's data analytic capability.	Apr-23	Statistical data is collected	Not yet commenced.

Effective Communication Between Council and the Community Across the Community

<u>Strategies</u>	<u>Officer</u>	<u>Actions</u>	<u>Comp Date</u>	<u>KPI</u>	<u>4th Quarter</u>
Using appropriate media, promote civil and respectful discussion and participation in relevant issues.	CEO	Branding of Shire	Monthly	Media channel are used to promote Council operations	Council is building a presence on social media and a new E Newsletter has been developed. Other branding options are being developed.
Disseminate accurate and relevant information within the organization, the community and other relevant audiences.	CEO	Review of Council communication mechanisms	Oct-22	Current communication processes are reviewed and report to Council for consideration	The new "Drop in Sessions" have had a 75% success rate and further improvements are being considered.
Review the current practice of holding consultation meetings throughout the Shire and distribution of newsletter 'Inform' to maximise effective community engagement.	CEO	Council will embrace exceptional customer service, valuing staff and promoting ethical standards of practice, supported by clear policies and strategies;	Monthly	Item is raised at every Council meeting to ensure compliance	Issue is raised at every Council Meeting.

Council Operations Support Quality Service Provision and Good Governance

<u>Strategies</u>	<u>Officer</u>	<u>Actions</u>	<u>Comp Date</u>	<u>KPI</u>	<u>4th Quarter</u>
Ensure the transparency of Council's financial operations and performance and promote awareness within the community of Council's financial management and other strategies.	DCS	Review and implement strategies for an efficient operation of Council administration and finances sections	Nov-22	Number of issues raised	GL re-write completed. Audit Committee meeting held. Audit recommendations being implemented.
	DCS	Review and implement strategies for an efficient operation of Council's internet and internal technology capabilities.	Dec-22	Capabilities of the system is reviewed and reported to Council	Council's website under review. ICT network & fleet progressively upgraded in accordance with strategic replacement model
	DCS	Review and implement a fair and equitable rating system	Feb-23	Review is undertaken and outcomes are reported to Council for their consideration	Rate modelling completed for 23/24
Pursue opportunities for external income sources to enhance financial capacity beyond traditional methods	CEO	Review Council's strategies / operations to reduce costs to Council	Monthly	Report to Council on options of gaining additional revenue sources	Every opportunity for additional funding is raised on a monthly basis.
Ensure the efficiency of procurement and stores activity.	DCS	Review and implement strategies for an efficient operation of the procurement and stores sections	Oct-22	Undertake a review of processes and if required implement improvements	To be completed in Q4
Ensure the efficiency of depot and engineering administration	CEO	Review and implement strategies for an efficient operation of Councils depot and engineering sections	Nov-22	Review current practices and report back to Council on possible improvements	Every opportunity is taken to review procedures and processes.
	DES	Effective works program to better utilize alignments between all funding.	Dec-22	Program to be reported back to Council for consideration	Currently under review as part of the Flood Restoration Works Program.
Maintain a profitable fleet business and manage contractor hire arrangements.	DES	Review and implement strategies for an efficient operation of Council's Plant Fleet	Oct-22	AMP for Council plant and machinery is reviewed and implemented	Not commenced
	DES	Review and implement strategies for efficient use of contractors.	Sep-22	Report is presented to Council for consideration	Not commenced
	DES	Develop a Plant Replacement and upgrade schedule and maintain the operational capacity of plant.	Sep-22	An annual plant for plant replacement is presented to Council, including a 10-year replacement Program	An annual plant for plant replacement is presented to Council, including a 10-year replacement Program

Desirable Staffing Balance that Reflects Council and Community Expectations

<u>Strategies</u>	<u>Officer</u>	<u>Actions</u>	<u>Comp Date</u>	<u>KPI</u>	<u>4th Quarter</u>
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Develop, review and implement a staffing strategy to the efficiency of Council operations	CEO	Review and implement strategies to increase the capacity of Council	Oct-22	As a part of the organisational review.	Part of the Organisation review and amount of work being requested.
Provide accountable, professional, responsible, timely and accessible services to external and internal customers that reflect the values of the organization.	DCS	Review and implement strategies to for customer services	Dec-22	The current process for customer requests and complaints is review and any outcome is presented to Council for consideration	Refinements made in Q4 2022. Snap Send Solve implemented. Customer complaint management system remains under review and improvement

Council is Effective in Attracting and Retaining Qualified, Experienced and Committed Staff

<u>Strategies</u>	<u>Officer</u>	<u>Actions</u>	<u>Comp Date</u>	<u>KPI</u>	<u>4th Quarter</u>
Ensure Councillors and staff are provided with relevant learning and personal development opportunities to achieve stated strategic priorities and corporate objectives.	CEO	Promote a drug free environment.	Monthly	Outcomes from testing is considered	Random testing being undertaken on a regular basis to ensure compliance.
	CEO	Review and implement strategies for an efficient training and development programs	Monthly	A training needs analysis is developed	Not yet commenced
Implement effective HRM strategy throughout the organisation.	CEO	Review HRM practice for Council.	Dec-22	An annual review is undertaken of current practices	Policy review commenced.
Develop and implement organisation well-being programs.	CEO	Well-being program is part of a HRM review.	Dec-22	An annual review is undertaken of current practices	A program is in place and available to all personnel.
Develop and implement proactive WHS and enterprise risk strategies to reduce threats to the Council and the community.	CEO	Promote and support a safe and healthy work environment in which the importance of family and work/life balance is recognised.	Feb-23	Annual review is favourable, and incidents are minimised	Completed

Council if Effective in Planning, Preparing and Responding to Natural Disasters

<u>Strategies</u>	<u>Officer</u>	<u>Actions</u>	<u>Comp Date</u>	<u>KPI</u>	<u>4th Quarter</u>
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Ensure a preparedness to respond to natural disasters and other emergencies and engage in planning activities aimed at minimising the impact of such disasters on the community.	CEO	Advocate for improved weather information infrastructure in the region (stream gauge stations, rainfall gauge stations and radar).	Nov-22	Suitable weather forecasting is place.	An additional 3 river gauges have been put in place. A Recent exercise, it is noted a further gauge is required.
Maintain a compliant, resourced disaster management plan	CEO	Review and update disaster management plan	Sep-22	Get ready is successful	Plan has been reviewed and desktop exercise undertaken.



FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30TH JUNE 2023

PART B

Etheridge Shire Council
Financial Statements
for the year ended 30 June 2023

Etheridge Shire Council

Financial statements

For the year ended 30 June 2023

	Page
Table of contents	1
Statement of Comprehensive Income	2
Statement of Financial Position	3
Statement of Changes in Equity	4
Statement of Cash Flows	5
Notes to the financial statements	
1 Information about these financial statements	6
2a Analysis of results by function	7
2b Analysis of results by function	8
3 Revenue	9
4 Rental, interest and other income	11
5 Capital income	11
6 Employee benefits	11
7 Materials and services	12
8 Finance costs	12
9 Capital expenses	12
10 Cash and cash equivalents	13
11 Receivables	14
12 Inventories	14
13 Property, plant and equipment	15-22
14 Contract balances	23
15 Payables	23
16 Borrowings	23
17 Provisions	24
18 Commitments for expenditure	24
19 Contingent assets and liabilities	24
20 Transactions with related parties	25
21 Asset revaluation surplus	25
22 Superannuation	25
23 Reconciliation of net result for the year to net cash inflow (outflow) from operating activities	26
24 Events after reporting period	26
25 Financial instruments and financial risk management	26
Management Certificate	
Independent Auditors Report	
Current-year Financial Sustainability Statement	
Certificate of Accuracy	
Independent Auditors Report - Current year financials	
Sustainability Statement	
Unaudited Long Term Financial Sustainability Statement	
Certificate of Accuracy - Unaudited Long Term Financial Sustainability Statement	

Etheridge Shire Council
Statement of Comprehensive Income
For the year ended 30 June 2023

	<u>Note</u>	2023 \$	2022 \$
Income			
Revenue			
Recurrent revenue			
Rates, levies and charges	3(a)	2,536,003	2,307,366
Fees and charges	3(b)	171,648	294,842
Sales revenue	3(c)	17,817,228	15,873,786
Grants, subsidies, contributions and donations	3(d)	33,823,356	18,265,635
Total recurrent revenue		<u>54,348,235</u>	<u>36,741,628</u>
Capital revenue			
Grants, subsidies, contributions and donations	3(d)	1,691,855	5,039,933
Total capital revenue		<u>1,691,855</u>	<u>5,039,933</u>
Rental income	4(a)	186,815	178,520
Interest received	4(b)	208,898	71,333
Other income	4(a)	51,203	2,545
Other capital income	5	-	10,027
Total income		<u>56,487,006</u>	<u>42,043,987</u>
Expenses			
Recurrent expenses			
Employee benefits	6	(6,965,132)	(6,753,713)
Materials and services	7	(43,782,646)	(25,261,634)
Finance costs	8	(2,688)	(3,349)
Depreciation	13	(5,385,639)	(4,305,255)
		<u>(56,136,106)</u>	<u>(36,323,951)</u>
Capital expenses	9	(343,604)	(1,965,326)
Total expenses		<u>(56,479,710)</u>	<u>(38,289,277)</u>
Net result		<u>7,296</u>	<u>3,754,710</u>
Other comprehensive income			
Items that will not be reclassified to net result			
Increase / (decrease) in asset revaluation surplus	21	21,432,825	20,055,206
Total comprehensive income for the year		<u>21,440,121</u>	<u>23,809,916</u>

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

**Etheridge Shire Council
Statement of Financial Position
as at 30 June 2023**

	<u>Note</u>	2023 \$	2022 \$
Current assets			
Cash and cash equivalents	10	18,070,155	16,117,806
Receivables	11	2,766,252	1,003,856
Inventories	12	514,612	707,613
Contract assets	14	4,716,257	4,391,238
Total current assets		<u>26,067,276</u>	<u>22,220,513</u>
Non-current assets			
Property, plant and equipment	13	281,380,833	257,054,604
Total non-current assets		<u>281,380,833</u>	<u>257,054,604</u>
Total assets		<u>307,448,109</u>	<u>279,275,117</u>
Current liabilities			
Payables	15	2,195,890	3,771,993
Contract liabilities	14	11,809,037	3,385,241
Borrowings	16	13,510	11,705
Provisions	17	808,027	772,421
Total current liabilities		<u>14,826,462</u>	<u>7,941,360</u>
Non-current liabilities			
Borrowings	16	16,251	29,796
Provisions	17	2,102,522	2,241,189
Total non-current liabilities		<u>2,118,773</u>	<u>2,270,985</u>
Total liabilities		<u>16,945,236</u>	<u>10,212,345</u>
Net community assets		<u>290,502,873</u>	<u>269,062,772</u>
Community equity			
Asset revaluation surplus		197,211,150	175,778,324
Retained surplus		93,291,723	93,284,448
Total community equity		<u>290,502,873</u>	<u>269,062,772</u>

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

Etheridge Shire Council

**Statement of Changes in Equity
For the year ended 30 June 2023**

	Asset revaluation surplus	Retained surplus	Total
	\$	\$	\$
Balance as at 1 July 2022	175,778,325	93,284,427	269,062,752
Net result	-	7,296	7,296
Other comprehensive income for the year			
Increase in asset revaluation surplus	21,432,825	-	21,432,825
Total comprehensive income for the year	21,432,825	7,296	21,440,121
Balance as at 30 June 2023	197,211,150	93,291,723	290,502,873
Balance as at 1 July 2021	155,723,119	89,529,717	245,252,836
Net result	-	3,754,710	3,754,710
Other comprehensive income for the year			
Increase in asset revaluation surplus	20,055,206	-	20,055,206
Total comprehensive income for the year	20,055,206	3,754,710	23,809,916
Balance as at 30 June 2022	175,778,325	93,284,427	269,062,752

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

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

	Note	2023 \$	2022 \$
Cash flows from operating activities			
Receipts from customers		18,936,194	17,841,375
Payments to suppliers and employees		<u>(52,180,496)</u>	<u>(30,065,618)</u>
		(33,244,302)	(12,224,243)
Interest received	4a	209,785	71,333
Rental Income	4a	186,815	178,520
Non Capital grants and contributions		40,833,393	20,986,152
Borrowing costs		<u>(2,688)</u>	<u>(7,777)</u>
Net cash inflow (outflow) from operating activities	23	<u>7,983,003</u>	<u>9,003,985</u>
Cash flows from investing activities			
Payments for property, plant and equipment	13	(9,317,000)	(11,985,685)
Grants, Subsidies contributions and Donations	3(d)	2,703,971	5,232,058
Proceeds from sale of property plant and equipment	9	594,114	661,000
Net cash inflow (outflow) from investing activities		<u>(6,018,915)</u>	<u>(6,092,627)</u>
Cash flows from financing activities			
Proceeds from borrowings		-	-
Repayment of borrowings		<u>(11,740)</u>	<u>(11,079)</u>
Net cash inflow (outflow) from financing activities		<u>(11,740)</u>	<u>(11,079)</u>
Net increase (decrease) in cash and cash equivalent held		<u>1,952,348</u>	<u>2,900,279</u>
Cash and cash equivalents at the beginning of the financial year		16,117,807	13,217,528
Cash and cash equivalents at end of the financial year	10	<u>18,070,155</u>	<u>16,117,807</u>

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

Etheridge Shire Council

Notes to the financial statements

For the year ended 30 June 2023

1	Information about these financial statements	1.D	Estimates and judgements (continued)
1.A	Basis of preparation <p>Etheridge Shire Council ("Council") is constituted under the Queensland Local Government Act 2009 and is domiciled in Australia.</p> <p>These general purpose financial statements, covering the period 1 July 2022 to 30 June 2023, have been prepared in accordance with the Local Government Act 2009 and the Local Government Regulation 2012.</p> <p>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 items of property, plant and equipment.</p>		<p>The significant judgements, estimates and assumptions relate to the following items with specific information provided in the relevant note:</p> <p>Valuation, depreciation and impairment of Property, Plant and Equipment - Note 13 Provisions - Note 17 Contingent Liabilities Note 19 Revenue - Note 3</p>
1.B	New and revised Accounting Standards adopted during the year. <p>Council adopted all standards which became mandatorily effective for annual reporting periods beginning 1 July 2022. None of these adopted Standards has resulted in a material impact on reported positions, performance or cash flows.</p>	1.E	Rounding and comparatives <p>The Financial statements are denominated in Australian dollars. Figures may be subject to small, insignificant rounding adjustments. Comparative information is generally restated for reclassifications, errors and changes in accounting policies unless permitted otherwise by transition rules in a new Accounting Standard.</p>
1.C	Standards issued by the AASB, not yet effective. <p>The AASB has issued Australian Accounting Standards and Interpretations which are not effective at 30 June 2023. These standards have not been adopted by Council and will be included in the financial statements on their effective date.</p>	1.F	Taxation <p>Council is exempt from income tax, however Council is subject to Fringe Benefits Tax, Goods and Services Tax ('GST') and payroll tax on certain activities. The net amount of GST recoverable from the ATO or payable to the ATO is shown as an asset or liability respectively.</p>
1.D	Estimates and judgements <p>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.</p>		

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

2. Analysis of Results by Function

2(a) Council functions - component descriptions

- 1 Governance**
Elected and Executive corporate leadership. Comprises support functions for Mayor and Councillors, council and committee meetings, statutory requirements, human resources, media and public relations, planning, economic development and workplace health and safety.
- 2 Corporate Services**
Administration, Finance and organisational support. Based on providing Financial Reporting and Management reporting. This function includes the administration, building, finance, information technology and communication services of council.
- 3 Community Services**
Services directed toward meeting community outcomes. Community functions provide support to emergency services, growing aged care services and child care and education support, disaster management, sporting and recreation, animal control and day to day community and cultural activities.
- 4 Infrastructure**
Civil works and services. Centered on providing high quality and effective road network. Provides and maintains transport infrastructure, including the maintenance and provision of the roads, drainage and footpath networks.
- 5 Utilities**
Major goal is providing safe, sustainable water services. Includes activities relating to flood and waterways management. This function includes the goal of sustainably managing refuse sites including refuse collection and disposal services. Council does not provide sewerage infrastructure.

2(a) Council functions - component descriptions for previous year 2021-22.

- 1 Organisational excellence and governance
- 2 Improving Shire Communications Infrastructure and mechanisms
- 3 Resilient Transport Infrastructure
- 4 Delivering Potable and Irrigation Water
- 5 Natural Assets Environment and Economy
- 6 Commercial Services

Etheridge Shire Council
Notes to the financial statements
For the year ended 30 June 2023
2 (b) Analysis of results by function

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

Year ended 30 June 2023

Functions	Gross program income						Total income	Rental / Other income	Total income	Gross program Recurring	Gross program Capital	Total expenses	Net result from recurring operations	Net Result	Assets
	Recurring			Capital											
	Grants	Other	Grants	Other	Grants	Other									
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000									
Governance	158	6	40	-	-	205	-	205	(1,095)	-	(1,095)	(930)	(890)	-	
Corporate Services	7,351	2,480	-	-	-	9,831	(296)	9,535	(4,867)	-	(4,867)	4,667	4,667	39,681	
Community Services	206	784	-	-	-	990	-	990	(2,697)	-	(2,697)	(1,707)	(1,707)	-	
Infrastructure	24,457	18,945	1,651	-	-	45,053	-	45,053	(46,205)	-	(46,205)	(2,802)	(1,151)	267,766	
Utilities	-	628	-	-	-	628	-	628	(1,540)	-	(1,540)	(912)	(912)	-	
Total Council	32,172	22,843	1,692	-	-	56,411	(296)	56,411	(56,403)	-	(56,403)	(1,684)	7	307,448	

Year ended 30 June 2022

Functions	Gross program income						Total income	Rental / Other income	Total income	Gross program Recurring	Gross program Capital	Total expenses	Net result from recurring operations	Net Result	Assets
	Recurring			Capital											
	Grants	Other	Grants	Other	Grants	Other									
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000									
Organisational excellence and governance	7,901	1,846	-	10	65	9,822	-	9,822	(4,558)	(612)	(5,170)	5,254	4,652	264,246	
Improving Shire Communications, Infrastructure and mechanisms	-	-	-	-	181	181	-	181	(295)	-	(295)	(114)	(114)	-	
Equitable Social Infrastructure	54	4	580	-	-	638	-	638	(1,238)	-	(1,238)	(1,180)	(600)	21	
Resilient Transport Infrastructure	10,116	15,790	2,743	-	5	28,654	-	28,654	(27,198)	-	(27,198)	(1,287)	1,456	7,051	
Delivering potable and irrigation water	-	367	1,467	-	1	1,835	-	1,835	(1,096)	-	(1,096)	(728)	739	6,442	
Natural Assets Environment and Economy	14	173	-	-	-	187	-	187	(1,009)	(1,353)	(2,362)	(822)	(2,175)	727	
Commercial Services	181	296	250	-	-	727	-	727	(930)	-	(930)	(453)	(203)	788	
Total Council	18,266	18,476	5,040	10	252	42,044	-	42,044	(36,324)	(1,965)	(38,289)	670	3,755	279,275	

Year ended 30 June 2022
As per 2022-23 component descriptions

Functions	Gross program income						Total income	Rental / Other income	Total income	Gross program Recurring	Gross program Capital	Total expenses	Net result from recurring operations	Net Result	Assets
	Recurring			Capital											
	Grants	Other	Grants	Other	Grants	Other									
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000									
Governance	31	465	10	-	-	506	-	506	(1,642)	(612)	(2,254)	(1,611)	(1,748)	-	
Corporate Services	6,436	1,626	-	-	246	8,308	-	8,308	(5,655)	-	(5,655)	2,654	2,654	21,513	
Community Services	196	484	317	-	-	997	-	997	(2,343)	-	(2,343)	(1,662)	(1,345)	-	
Infrastructure	11,634	15,765	2,792	-	6	30,197	-	30,197	(25,224)	(1,353)	(26,577)	2,181	3,619	257,762	
Utilities	-	569	1,467	-	-	2,036	-	2,036	(1,460)	-	(1,460)	(891)	576	-	
Total Council	18,266	18,476	5,040	10	252	42,044	-	42,044	(36,324)	(1,965)	(38,289)	670	3,755	279,275	

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

3 Revenue

(a) Rates, levies and charges

Rates, levies and other annual charges are recognised as revenue, when council earns the right to entitlement, at the commencement of the associated rating period.

Prepaid rates are customer rates payments received prior to the rating period, initially recognised as a financial liability until the commencement of the rating period. Council has no entitlement to such funds, and consequently, any such receipts are held to the credit benefit of customers rates accounts, until commencement of the ratings period.

<u>Note</u>	2023	2022
	\$	\$
General rates / Community levy	2,295,495	2,132,325
Water consumption, rental and sundries	447,779	412,984
Waste management	162,810	149,991
Total rates and utility charge revenue	2,906,084	2,695,300
Less: Discounts	(370,081)	(387,934)
	<u>2,536,003</u>	<u>2,307,366</u>

(b) Fees and charges

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

The performance obligation relates to the specific services which are provided to the customers and generally the payment terms are within 30 days of the provision of the service.

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.

TerrEstrial centre - admission fees	52,950	47,696
Agistment	32,700	29,712
Other fees and charges	85,998	217,434
	<u>171,648</u>	<u>294,842</u>

(c) Sales revenue

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

Revenue from contracts and recoverable works generally comprises a recoupment of material costs together with an hourly charge for use of equipment and employees. This revenue and the associated costs are recognised by reference to the stage of completion of the contract activity based on costs incurred at the reporting date. Where consideration is received for the service in advance it is included in contract liabilities and is recognised as revenue in the period when the service is performed.

<u>Note</u>	2023	2022
	\$	\$
Rendering of services		
Contract and recoverable works	17,328,739	15,493,956
Private and Other works	237,627	131,595
	<u>17,566,365</u>	<u>15,625,551</u>
Child care centre	119,962	101,772
Hostel fees	56,067	71,943
	<u>176,029</u>	<u>173,714</u>
Sale of goods		
TerrEstrial Centre - goods	74,834	74,522
	<u>74,834</u>	<u>74,522</u>
Total sales revenue	<u>17,817,228</u>	<u>15,873,786</u>

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

(d) Grants, subsidies, contributions and donations (Cont)

Grant income under AASB15

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

Performance obligations vary in each agreement but include milestone events, completion to a specification or standard, within a certain time frame. Payment terms vary depending on the terms of the grant, cash is received upfront for some grants and on the achievement of certain payment milestones for others.

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

Where control is transferred over time, revenue is recognised using either costs or time incurred.

Grant income under AASB 1058

Assets arising from transfers within the scope of AASB 1058, are recognised at the fair value of the asset at the time of transfer. Council recognises any associated liability or equity item relationships similarly at this time, with any resultant benefit then being recognised as either income or expense.

Capital grants

Where council receive funding under an enforceable contract to acquire or construct a specified item of property, plant and equipment which will be under Council's control on completion, revenue is recognised as and when the obligation to construct or purchase is completed.

For construction projects, this is generally as the construction progresses in accordance with costs incurred.

Donations and contributions

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

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 are recognised as revenue when Council obtains control of the asset and there is sufficient data in the form of drawings and plans to determine the approximate specifications and values of such assets. Non-cash contributions with a value in excess of the recognition thresholds are recognised as non-current assets. Those below the thresholds are recorded as expenses.

	2023 \$	2022 \$
(i) Operating		
General purpose grants	133,333	101,755
State government subsidies and grants	23,994,302	10,357,202
Commonwealth government subsidies and grants	9,690,774	7,800,744
Donations	4,947	5,934
Total recurrent grants, subsidies, contributions and donations	<u>33,823,356</u>	<u>18,265,635</u>

(ii) Capital

Capital revenue includes grants and subsidies received and tied to specific projects for the replacement or upgrade of existing, non-current, assets and investment in new assets.

State government subsidies and grants	1,505,639	1,932,407
Commonwealth government subsidies and grants	186,215	3,107,526
Total capital grants, subsidies and contributions	<u>1,691,855</u>	<u>5,039,933</u>

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

	2023		2022	
	\$	\$	\$	\$
	Revenue recognised at a point in time	Revenue recognised over time	Revenue recognised at a point in time	Revenue recognised over time
Grants and subsidies	9,824,107	25,686,157	8,009,136	15,290,497
Donations	4,947	-	5,934	-
	<u>9,829,054</u>	<u>25,686,157</u>	<u>8,015,070</u>	<u>15,290,497</u>

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

	2023 \$	2022 \$
4 Rental, interest and other income		
4 (a) Rental Income		
Council earns rental income from employee provided housing standard residential tenancy agreements. Bond deposits are lodged with the RTA. Council also has an arms length commercial office agreement with a contractor under a services provision contract.		
Rental Income	186,815	178,520
Other income	51,203	2,545
Total Rental and other income	<u>238,018</u>	<u>181,065</u>
4 (b) Interest received		
Interest received		
earned on at call deposit accounts	199,341	59,162
earned on overdue rates and charges	9,557	12,171
Total interest and other income	<u>208,898</u>	<u>71,333</u>

	2023 \$	2022 \$
5 Capital income		
Gain / loss on disposal of non-current assets		
Proceeds from sale of property, plant and equipment	-	10,027
Less: Carrying value of property, plant and equipment	13	-
Total profit on disposal of property, plant and equipment	<u>-</u>	<u>10,027</u>
Total capital income	<u>-</u>	<u>10,027</u>

6 Employee benefits		
Employee benefit expenses are recorded when the service has been provided by the employee.		
Staff wages and salaries	5,063,868	5,013,028
Councillors' remuneration	316,283	368,896
Annual, personal and long-service leave entitlements	841,124	920,314
Other employee related expenses	154,332	134,977
Superannuation	589,526	563,647
	<u>6,965,132</u>	<u>7,000,862</u>
Less: Capitalised employee expenses	-	(247,149)
	<u>6,965,132</u>	<u>6,753,713</u>

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

	2023 Number	2022 Number
Total Council employees at the reporting date:		
Elected members	5	5
Administration staff (Inc Exec)	15	20
Childcare	4	30
Depot and works staff	36	4
Total full time equivalent employees	<u>60</u>	<u>59</u>

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

	2023	2022
Note	\$	\$
7 Materials and services		
Expenses are recorded on an accruals basis as Council receives the goods or services.		
Consumables	344,252	359,543
Professional services	706,627	587,158
Contract works	19,426,675	12,607,348
Repairs and maintenance	1,961,793	1,790,484
Other materials and services	20,087,316	8,638,362
Water and waste management	895,531	951,996
Communications	114,967	131,115
Insurances	245,485	195,627
	<u>43,782,646</u>	<u>25,261,634</u>
Total audit fees quoted by the Queensland Audit Office relating to the 2022-23 financial statements are		
8 Finance costs		
Finance costs charged by the Queensland Treasury Corporation	2,688	3,349
	<u>2,688</u>	<u>3,349</u>
9 Capital expenses		
Increased/ (Decreased) provision for landfill closure and monitoring	17 (112,776)	1,353,064
Loss on disposal of non-current assets		
Proceeds from sale of property, plant and equipment	(594,114)	(660,827)
Less: Carrying value of disposed property, plant and equipment	1,050,492	1,273,089
	<u>456,379</u>	<u>612,262</u>
Total capital expenses	<u>343,603</u>	<u>1,965,326</u>

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

<u>Note</u>	2023 \$	2022 \$
10 Cash and cash equivalents		
Cash and cash equivalents in the statement of cash flows include cash on hand, all cash and cheques received but not banked at the year end, deposits held at call with Queensland Treasury Corporation which are not considered at risk of changes in value.		
Cash at bank and on hand	18,307	330,431
Deposits at call	18,051,848	15,787,376
Balance per Statement of Financial Position and Cash Flows	<u>18,070,155</u>	<u>16,117,806</u>

Cash is held with Bendigo Bank in standard business banking accounts. This bank has a Standard and Poor's short term credit rating of A1+ and a long term rating of AA-. Deposits at call are capital guaranteed and held with Queensland Treasury Corporation.

Restricted cash and cash equivalents over Government grants and subsidies

Council's cash and cash equivalents may be subject to internal and external restrictions identifying amounts for specific purpose allocation. Council's internal restriction are over financial assistance grants for the ensuing financial year, received in advance.

Cash and Cash equivalents	18,070,155	16,117,806
Less: Externally imposed restrictions on use	(1,910,344)	
Unrestricted cash	<u>16,159,811</u>	<u>16,117,806</u>

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

Future capital works	164,374	871,970
Future constrained works	1,745,970	2,513,271
Unspent and restricted Government grants and subsidies	<u>1,910,344</u>	<u>3,385,241</u>

(ii) Internal allocations of cash at the reporting date:

Internal allocations of cash may be lifted by a Council with a resolution.

Future recurrent expenditure	7,499,230	4,476,359
Total internally allocated cash	<u>7,499,230</u>	<u>4,476,359</u>

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 external, third parties. Council performs a custodial role in respect of these monies, imposing internal restrictions on their use for other Council purposes, and they are neither considered revenue nor recognised as a Council asset.

<u>Note</u>	2023 \$	2022 \$
Trust funds held for outside parties		
Monies collected or held on behalf of other entities yet to be paid out	1,539	1,778
	<u>1,539</u>	<u>1,778</u>

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

11 Receivables

Receivables, loans and advances are amounts owed to Council at year end. They are recognised as the amount due, arising from an advance, completion of a sale or service delivery transaction. Settlement of receivables is required within 30 days from invoice date with additional transaction security not normally obtained. Debts are regularly assessed for collectability and allowance made, where appropriate, for impairment expense. All known bad debts were expensed at balance date with any future recovery of these written-off amounts, to be recognised as income. Impairment expense is the difference between the receivables carrying amount and the estimated recoverable amount, if any. Identified impairment expense is recognised as a finance cost. Council applies normal business credit protection procedures prior to providing goods or services, to minimise credit risk. Council does not impair rate receivables as it is empowered under the provisions of the Local Government Act 2009 to recover any outstanding rate debt from proceeds on disposal of the rateable property.

	2023	2022
	\$	\$
Current		
Rates	134,477	53,729
Prepays	70,206	99,433
Other debtors	<u>2,561,569</u>	<u>850,693</u>
Total current receivables	<u>2,766,252</u>	<u>1,003,856</u>
Less: Loss Allowance	-	-
	<u><u>2,766,252</u></u>	<u><u>1,003,856</u></u>

12 Inventories

Land Held fo resale

Land acquired by Council with the intention of reselling it (with or without further development) is classified as inventory. This land is valued at the lower of cost or net realisable value and, being an inventory item, is classified as a current asset. Proceeds from the sale will be recognised as sales revenue on the signing of a legal, unconditional contract of sale.

Inventories Held for Distribution

Inventories held for distribution are:

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

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

(a) Inventories held for sale

Real estate for resale	53,093	53,093
	<u>53,093</u>	<u>53,093</u>

(b) Inventories held for distribution

Plant and equipment stores	461,518	654,520
	<u>461,518</u>	<u>654,520</u>

Total inventories	<u><u>514,611</u></u>	<u><u>707,613</u></u>
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13 Property, plant and equipment

30-Jun-23												Total		
Land	Land improvements	Buildings	Other Structures	Fleet, Plant and Equipment		Furniture and Office Equipment		Road, drainage and bridge network		Water	Waste	TerrEstrial Collection	Work in progress	
				Fair Value	At Cost	Fair Value	At Cost	Fair Value	Fair Value					
		Fair Value	Fair value	At Cost	At Cost	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	At Cost	
		Level 3	Level 3	Level 3	Level 3	Level 3	Level 3	Level 3	Level 3	Level 3	Level 3	Level 3	At Cost	
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
		1,701	12,827	27,897	14,167	12,038	1,067	219,681	11,204	1,466	727	12,994	9,317	315,770
		-	-	-	-	-	-	-	-	-	-	-	-	9,317
		-	-	-	-	(1,258)	-	(585)	(67)	-	-	-	-	(1,910)
		-	853	1,910	982	-	-	21,229	821	-	189	-	-	25,984
		69	-	1,041	702	2,259	27	8,528	7,108	-	-	(19,733)	-	(0)
		-	-	-	-	-	-	-	-	-	-	-	-	-
		1,770	13,680	30,848	15,851	13,039	1,084	248,853	19,065	1,466	916	2,578	-	348,160
Accumulated depreciation and impairment														
		-	-	8,976	5,377	4,972	446	33,491	4,762	678	-	-	-	58,701
		-	128	882	424	740	65	2,777	290	74	-	-	-	5,380
		-	-	-	-	(744)	-	(32)	(40)	-	-	-	-	(816)
		-	-	651	383	-	-	3,297	182	-	-	-	-	4,513
		-	128	10,509	6,184	4,968	511	39,533	5,194	752	-	-	-	67,778
		1,770	13,552	20,339	9,667	8,071	563	209,319	13,872	714	916	2,578	-	281,383
Carrying amount as at 30 June 2023														
		Land: Not depreciated:	Land: Improvements: 7 - 100	40 - 100	2 - 20	2 - 20	2 - 20	5 - 100	20 - 80	20 - 60	20 - 40	-	-	-
		69	-	70	280	-	-	973	80	-	-	-	-	1,401
		-	-	971	422	-	-	7,555	7,028	-	-	-	-	16,044

Etheridge Shire Council
Notes to the Financial Statements
For the year ended 30 June 2023
13 Property, plant and equipment

Note	Land	Land improvements	Buildings		Other Structures	Fleet, Plant and Equipment		Furniture and Office Equipment		Road, drainage and bridge network	Water		Waste		Territorial Collection	Work in progress	Total
			Fair Value Level 3 \$'000	Fair Value Levels 2 & 3 \$'000		At Cost Levels 3 \$'000	Fair Value Level 3 \$'000	At Cost Levels 3 \$'000	Fair Value Level 3 \$'000		Fair Value Level 3 \$'000	Fair Value Level 3 \$'000	Fair Value Level 3 \$'000	At Cost \$'000			
	Fair Value Level 2 \$'000	Fair Value Level 3 \$'000	Fair Value Levels 2 & 3 \$'000	Fair Value Level 3 \$'000	Fair value Level 3 \$'000	At Cost Levels 3 \$'000	Fair Value Level 3 \$'000	At Cost Levels 3 \$'000	Fair Value Level 3 \$'000	Fair Value Level 3 \$'000	Fair Value Level 3 \$'000	Fair Value Level 3 \$'000	Fair Value Level 3 \$'000	Fair Value Level 3 \$'000	Fair Value Level 3 \$'000	At Cost \$'000	
	1,596	-	25,605	14,426	-	10,263	198,384	659	12,110	-	727	-	20,830	284,600	10,819	-	
5	78	(429)	-	-	-	(1,977)	(17)	-	-	-	-	-	10,741	(1,715)	708	-	
19	27	-	1,437	1,193	-	-	20,275	(866)	-	-	-	-	-	-	-	-	
	-	-	856	(1,452)	3,752	408	1,039	(40)	1,466	-	-	-	(19,285)	(0)	-	-	
	1,701	12,827	27,898	14,167	12,038	1,067	219,681	11,204	1,466	727	12,994	315,770					
	Accumulated depreciation and impairment																
	-	-	10,853	4,917	5,562	423	28,181	3,604	-	-	-	-	-	-	-	-	53,580
	-	-	809	409	565	23	2,217	209	73	-	-	-	-	-	-	-	4,305
5	-	-	-	-	(1,160)	-	-	-	-	-	-	-	-	-	-	-	(1,160)
19	-	-	(2,686)	654	-	-	3,083	950	-	-	-	-	-	-	-	-	2,011
	-	-	-	(604)	-	-	-	(1)	605	-	-	-	-	-	-	-	-
	-	-	8,976	5,376	4,987	446	33,491	4,762	678	-	-	-	-	-	-	-	58,716
	1,701	12,827	18,922	8,791	7,051	621	186,190	6,442	788	727	12,994	257,054					
	Land: Not depreciated, Improvement s: 7-40	Land: Not depreciated, Improvement s: 7-40	40 - 100	20-60	43,952	43,952	25-65	25-65	25-65	25-65	25-65	25-65	25-65	-	-	-	-

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

13 Property, plant and equipment

(a) Recognition

Purchases of property, plant and equipment are recognised as assets unless they are below asset recognition thresholds, currently \$10,000 with the exception of land, \$1, and plant, \$5,000. Replacement of a major component of an asset, in order to maintain its service potential, is treated as the acquisition of a new asset. Routine operational maintenance, repair costs and minor renewals to maintain the asset component and useful life of the non-current asset are expensed as incurred. Individual assets valued below the asset recognition threshold, are recognised as assets when they form part of a larger, connected network (e.g. individual components of a park). Land beneath roads, and reserve land under the *Land Act 1994* or *Land Title Act 1994*, is controlled by the Queensland State Government and not recognised in Council's Financial Statements.

(b) Measurement

Property, plant and equipment assets are initially recorded at cost. Subsequently, each class of property, plant and equipment is stated at cost or fair value less, where applicable, any accumulated depreciation and accumulated impairment loss.

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

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

When Council raises a provision for the restoration of a Council-controlled site, such as a landfill site, the provision is initially recognised against property, plant and equipment.

(c) Depreciation

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

Land, work in progress, TerrEstrial mineral collection, road formations and formation work associated with the construction of dams, levee banks and reservoirs are not depreciated.

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

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

Each non-current physical asset and group of assets, held at cost, is assessed for indicators of impairment annually. If an indicator of possible impairment exists, the Council determines the asset's recoverable amount. Any amount by which the carrying amount of the asset exceeds this recoverable amount is recorded as the impairment loss.

Etheridge Shire Council

Notes to the financial statements

For the year ended 30 June 2023

13 Property, plant and equipment

(e) (i) Valuation

Council's valuation policies and procedures are set by Management. They are reviewed annually taking into consideration an analysis of movements in fair value and other relevant information. Within every 5 year period, Council arranges a full comprehensive valuation of assets by engaging an external, professionally qualified valuer. During this year, Council's Terrestrial Collection was comprehensively valued. In the prior year, Council had multiple classes comprehensively valued. The purpose of these rolling valuations is to ensure carrying amount of each class of asset does not materially differ from its fair value at the reporting date. The valuation process involves the valuer physically sighting a representative sample of Council assets across all asset classes and making their assessments of the condition of the assets at the date of inspection. During the intervening years, Council uses internal and external consulting engineers to assess for material differences in the assumptions for useful life, remaining lives and costs with all infrastructure assets. These results are also considered in combination with suitable indexes from the Australian Bureau Statistics. Jointly, these methods are combined to form the basis of a desktop valuation in the intervening years.

Any revaluation increment arising from the revaluation of an asset is credited to the appropriate asset class 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. Separately identified components of assets are measured on the same basis as the assets to which they relate.

(ii) Valuation processes

Council considers the carrying amount of its property, plant and equipment on an annual basis compared to fair value and makes adjustment where these are materially different. Every 3-5 years, council performs a full comprehensive revaluation by engaging an external professionally qualified valuer.

In accordance with AASB 13 fair value measurements are categorised on the following basis:

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

(ii) Valuation techniques used to derive fair values

Asset class and fair value hierarchy	Valuation approach	Last comprehensive valuation date	Valuer engaged	Key assumptions and estimates	Index applied (change in index recognised 30/06/2023)	Other Interim revaluation adjustments
Land (Level 2) \$'000 2023: \$ 1701 2022: \$ 27	Market Value	31-Mar-22	Heron Todd White	The property market for residential land and houses is in limited supply, with only a few recent period sales and limited housing and building construction. Land values were assessed using the direct comparison approach, whereby Land owned by Council has a zoning particular to Council's ownership, such as "Community Infrastructure". In these cases, land values have been assessed based upon sale of other land with similar, physical attributes, with allowances being made for the restrictive zoning. Valuation inputs were used where comparable sales evidence was available and meaningful comparisons were possible, without significant adjustment or evidence analysis, or significant professional judgement by Shepherds. Sales evidence was sourced from RP Data, active estate agents and gathered as part of Shepherds normal business processes. Comparable sales evidence can be obtained from Shepherds valuation report.	Nil	Nil
Buildings (Level 2) \$'000 2023: \$ 2780 2022: \$ 2779	Market Value	31-Mar-22	Comprehensive Valuer 2022: Heron Todd White	Comprehensive onsite inspections conducted between Dec 2021, in accordance with AASB13 and AASB16. The property market for residential land and houses is very small with only a few sales in recent years, and with few houses or buildings under construction during the inspection period. Where there is a market for Council building assets, fair value has been derived from sales prices of comparable properties. In the absence of sales evidence, reference has been made to: <ul style="list-style-type: none"> Rawlinsons, Australian Construction Handbook; Shepherds industry experience and business processes. In determining the level of accumulated depreciation, the asset has been disaggregated into significant components which exhibit useful lives. Allowance has been made for the typical asset life cycle and renewal treatments of each component. Condition was assessed taking into account both physical characteristics as well as holistic factors such as functionality, capability, utilisation and obsolescence. Where "depth in market" can be identified, we have assessed the fair value of an asset as the best estimate of price reasonably obtained in the market at the date of valuation.	6.60%	Nil

13 Property, Plant and Equipment (continued)
(e) (ii) Valuation techniques used to derive fair values

Asset class and fair value hierarchy	Valuation Approach	Last comprehensive valuation date	Valuer engaged	Key assumptions and estimates (related data sources)	Index applied (change in index recognised 30/06/2023)	Other Interim revaluation adjustments
Buildings (level 3) \$ 000's	Current Replacement Cost	31-Mar-22	Comprehensive Valuer Heron Todd White	Where Council buildings are of specialist nature and there is no active market for the assets, fair values have been determined on the basis of replacement with a new asset of similar type and service. The gross current values have been derived from reference to market data for recent projects and costing guides issued by the Australian Institute of Quantity Surveyors. (Rawlinson's Australian Construction Handbook.) Where there is no depth of market, the net current value of a building asset is the gross current value less accumulated depreciation to reflect the consumed or expired service potential of the asset. In determining the level of accumulated depreciation, the asset has been disaggregated into significant components which exhibit useful lives. Allowance has been made for the typical asset life cycle and renewal treatments of each component. Condition was assessed taking into account both physical characteristics as well as holistic factors such as functionality, capability, utilisation and obsolescence. Once the accumulated depreciation has been calculated, it is aggregated into a parent asset for aggregation within the financial	6.60%	Nil
2023: \$16,821						
2022: \$17,162						

Water Infrastructure (Level 3)	Current Replacement Cost (CRC)	31-Mar-22	Comprehensive Valuer Shepherd	CRC was calculated based on expected replacement costs. In all cases the assets were disaggregated to component level to ensure a reliable measure of cost and service capacity and deterioration of estimated remaining life. Unit rates were developed from a combination of past construction project averages and first principles calculations for assets, where recent construction unit costs are not known. Accumulated Depreciation The accumulated depreciation cost was determined by an assessment of the age from either its construction date or by a condition assessment where an asset was close to the end of its life or where reliable construction data information was unavailable. Where site inspections were not conducted (i.e. for passive assets and active assets for which site inspections were not undertaken), the remaining useful life was calculated on an age basis after taking into consideration current and planned maintenance records.	5.91%	Nil
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13 Property, Plant and Equipment (continued)

(e) (ii) Valuation techniques used to derive fair values

Asset class and fair value hierarchy	Valuation Approach	Last comprehensive valuation date	Valuer engaged	Key assumptions and estimates (related data sources)	Index applied (change in index recognised 30/06/2023)	Other Interim revaluation adjustments
Roads, Bridges and Drainage Networks (Level 3)	Current Replacement Cost	31-Mar-21	Comprehensive Valuer Shepherd Interim Valuer	<p>Roads Council categorises its road infrastructure into urban and rural roads and then further sub-categorises into sealed and unsealed roads. All road segments are then componentised into formation, 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.</p> <p>CRC was calculated by reference to asset linear and area specifications, estimated labour and material inputs, services costs, and overhead allocations. Council assumes pavements are constructed to depths of 200mm for urban areas and 150mm for rural roads.</p> <p>For internal construction estimates, material and services prices were based on existing supplier contract rates or supplier price lists and labour wage rates were based on Council's Enterprise Bargaining Agreement (EBA). All direct costs were allocated to assets at standard usage quantities according to recently completed similar projects. Where construction is outsourced, CRC was based on the average of completed similar projects over the last few years.</p> <p>Accumulated depreciation In determining the level of accumulated depreciation, roads were disaggregated into significant components which exhibited different useful lives. A consumption assessment was undertaken based on defects/condition assessments for each segment. For sealed surfaces defect % by Area and Average International Roughness Index, for sealed pavements % of rutting by area and average international roughness index, for unsealed pavements % of gravel remaining were all used to determine remaining lives.</p>	9.3%	Australian Bureau of Statistics Indexes, ABS Catalogues, No. 6427 Producer Price Indexes, Australia Queensland"

13 Property, Plant and Equipment (continued)

(e) (ii) Valuation techniques used to derive fair values

Asset class and fair value hierarchy	Valuation Approach	Last comprehensive valuation date	Valuer engaged	Key assumptions and estimates (related data sources)	Index applied (change in index recognised 30/06/2023)	Other Interim revaluation adjustments
Roads,	Current	31-Mar-21	Comprehensive	Bridges Each bridge was assessed individually, with the valuation varying according to deck area condition and size. Construction estimates were determined on a basis similar to roads.	9.3%	Australian Bureau of Statistics No. 6427
Bridges and Networks (Level 3)	Replacement Cost		Valuer Interim Valuer Shepherd June 30, 2022	Accumulated depreciation The accumulated depreciation cost was determined by an assessment of the age from either its construction date or by a condition assessment where an asset was close to the end of its life or where no reliable construction data information was available. Drainage Infrastructure Similar to roads, drainage assets are managed by major components pipes, headwalls surfaces and pits. Consistent with roads, 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 yet grouped into urban and rural types. Where drainage assets are located underground, and physical inspection is not possible the age, size and type of construction material are used to determine the fair value at reporting date. Accumulated depreciation The accumulated depreciation cost was determined by an assessment of the age from either its construction date or by a condition assessment where an asset was close to the end of its life or where no reliable construction data information was available.		Producer Price Indexes, Australia Table 17, Index Number 3101 Queensland" Indexation was adopted on June 30, 2022
Other Infrastructure	Current Replacement Cost	31-Mar-22	Comprehensive Valuer Shepherd	Other Structures Include small shelters, play equipment, fencing and various airstrip and remaining land improvement assets. CRC was calculated based on expected replacement costs, where unit rates were developed from a combination of past construction project averages, from first principles' calculations or indexation. Accumulated depreciation The accumulated depreciation cost was determined by an assessment of the age from either its construction date or by a condition assessment where an asset was close to the end of its life or where no reliable construction data information was available.	6.6%	Australian Bureau of Statistics Indexes, ABS Catalogues, No. 6427 Producer Price Indexes, Australia Table 17, Index Number 3101 "Road and Bridge Construction Queensland"

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

	2023	2022
Note	\$	\$
14 Contract balances		
<p>Contract assets represents the excess of costs incurred in relation to a contract with the customer or construction of an asset over the amounts that council has invoiced the customer or the grantor. Where Council has invoiced the customer or the grantor amounts in excess of what it has incurred in relation to a contract or in constructing an asset, this gives rise to a contract liability.</p>		
	2023	2022
	\$	\$
(a) Contract assets	4,716,257	4,391,238
(b) Contract liabilities		
Funds received upfront to construct Council controlled assets	2,209,105	871,970
Non-capital performance obligations not yet satisfied	9,599,932	2,513,271
	<u>11,809,037</u>	<u>3,385,241</u>
(c) Revenue recognised that was included in the contract liability balance at the beginning of the year		
Funds received in advance to construct controlled assets	186,144	291,851
Non-capital performance obligations not yet satisfied	2,513,333	359,716
	<u>2,699,477</u>	<u>651,567</u>
Satisfaction of Contract Liabilities		
<p>The contract liabilities in relation to capital grants relate to funding received prior to the work being performed since revenue is recognised as council constructs the assets. Council expects to recognise the contract liability as income in the subsequent year.</p>		
(d) Significant changes in contract balances		
<p>The increase of contract liabilities balance relates primarily to QRA flood damage grants whereby Council generally receives the initial 30% upfront prior to the commencement of construction, Council received the 2022 flood damage event upfront payment during the year. Whilst council did commence work, the funds expended prior to the end of the year remained below the initial payment received. These funds were expected to be expended during the 2024 financial year.</p>		
15 Payables		
<p>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.</p>		
Current		
Creditors	810,896	1,135,040
ATO Payable	-	7,198
Accrued wages and salaries	96,205	4,560
Accrued expenses	1,250,884	2,585,796
Other creditors	34,805	39,399
Other payables	3,100	-
	<u>2,195,890</u>	<u>3,771,993</u>
16 Borrowings		
<p>Borrowings are initially recognised at fair value plus any directly attributable transaction costs. Thereafter, they are measured at amortised cost. Principal and interest repayments are made quarterly in arrears.</p>		
<p>All borrowings are in \$A denominated amounts and interest is expensed as it accrues. No interest has been capitalised during the current or comparative reporting period. Expected final repayment dates vary from 31 December 2023 to 31 December 2025.</p>		
<p>Council also aims to comply with the Queensland Treasury Corporation's (QTC) borrowing guidelines and ensure that sustainability indicators remain within acceptable levels at all times.</p>		
Current		
Loans - QTC	13,510	11,705
	<u>13,510</u>	<u>11,705</u>
Non-current		
Loans - QTC	16,251	29,796
	<u>16,251</u>	<u>29,796</u>

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

17 Provisions

Liabilities are recognised for employee benefits such as annual and long service leave entitlements, in respect of services provided by employees up to reporting date. Short term benefits, which are expected to be settled within 12months, are calculated on wage and salary levels which are expected to be paid during that time frame. Amounts expected to be settled later than this timeframe are calculated on projected future wage and salary levels, discounted to present value.

Long Service Leave

The provision for long service leave represents the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date. The liability is calculated using current pay rates and projected future increases in those rates and includes related employee on-costs. The estimates are adjusted for the probability of the employee remaining in 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.

Refuse dump restoration

Council has established and maintains a provision for the restoration of the five township landfill sites at the end of their useful lives. Council estimates these sites are estimated to close between 2026 and 2055 and the restoration program will continue over a subsequent thirty years post-closure care program.

The calculation of the provisions use assumptions including application of environmental legislation, site closure dates, available technologies and engineering cost estimates. These uncertainties may result in future actual expenditure differing from amounts currently provided. The provisions are reviewed at least annually and updated based on the facts and circumstances available at the time.

Refuse restoration provision represents the present value of anticipated future costs associated with the closure of the dump sites, decontamination and monitoring of historical residues and leaching on these sites.

	Note	Current		Non-current	
		2023	2022	2023	2022
		\$	\$	\$	\$
Current					
Annual leave		530,045	497,167	-	-
Long service leave		277,982	275,253	114,296	140,186
Refuse site rehabilitation		-	-	1,988,226	2,101,003
		<u>808,027</u>	<u>772,421</u>	<u>2,102,522</u>	<u>2,241,189</u>

Movements in non-employee benefit provisions:

	2023	2022
	\$	\$
Refuse site rehabilitation		
Balance at beginning of financial year	2,101,003	747,939
Increase due to unwinding of discount	77,402	13,239
Additional provisions	-	1,248,949
Amounts used	-	(20,677)
Increase/(decrease) due to change in discount rate	(3,303)	(330,847)
Increase/decrease due to change in inflation rate	(82,565)	442,400
Expenditure rehabilitation	(2,569)	-
Increase/decrease in provision due to change in timing of cost.	(623,833)	-
Increase/decrease in provision due to change in projected cost.	522,092	-
Balance at end of financial year	<u>1,988,226</u>	<u>2,101,003</u>

18 Commitments for expenditure

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

Management of ESC Student Hostel (permits attendance variations)	72,500	72,500
Town maintenance arrangement - Mt Surprise due for tender offer.	-	52,500
Town maintenance arrangement - Einasleigh due for tender offer.	-	35,000
	<u>72,500</u>	<u>160,000</u>

19 Contingent assets and liabilities

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

Local Government Mutual

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

As at 30 June 2023, the financial statements reported an accumulated surplus and it is not anticipated any liability will arise.

Local Government Work Care

Council is a member of the Queensland local government worker's compensation self-insurance scheme, Local Government Work Care. Under this scheme Council has provided an indemnity by way of bank guarantee in favour of LGW, drawn against deposits held with QTC to cover short fall funding in the event the self-insurance licence was cancelled and there were insufficient funds available to cover the outstanding liabilities. Only the Queensland Government's workers regulator may exercise any part of the guarantee should the above circumstances arise. The Council's maximum exposure to the bank guarantee is \$86,303 (2022: \$98,073).

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

	2023	2022
	\$	\$
20 Related party transactions		
(a) Transactions with key management		
Key Management Personnel : Etheridge Shire Council Mayor and Councillors, Chief Executive Officer, Director Corporate Services and Director Engineering Services		
Compensation paid to KMP comprises:		
Short-term employee benefits	888,885	771,405
Long term benefits	10,479	21,171
Post employment benefits	53,352	51,066
Termination benefits	-	-
Total	<u><u>952,716</u></u>	<u><u>843,642</u></u>
(b) Loans and guarantees to/from related parties	-	-
There are no loans or guarantees provided to or held with related parties.		
(c) Commitments to/from other related parties		
There are no specific commitments or contracts for future transactions.	-	-
Unspecified transactions may occur during the ordinary course of business.	-	-
(d) Transactions with related parties		
Purchases of materials and services from entities controlled by KMP.	9,443	15,969
(e) Transactions with related parties that have not been disclosed		
Most of the people and entities that may be considered related parties live and operate within Etheridge Shire. Consequently related party transactions may occur during the ordinary course of business. These may include payment of rates, use of community provided facilities at no charge (e.g.) Georgetown swimming pool and Council Library.		
21 Asset revaluation surplus		
The asset revaluation surplus comprises movements of Council's non-current assets, reflecting changing values of assets under direct valuation, conducted by appropriately qualified and independent valuers		
Balance at the beginning of the financial year	175,778,324	155,723,119
Roads, Drainage and Bridges	17,893,607	17,141,195
Land	-	105,435
Land Improvements	852,721	-
Buildings	1,259,273	4,123,292
Water	639,761	(1,854,220)
Other Structures	598,565	539,504
Terrestrial Collection	188,898	-
Increment in revaluation and indexation surplus on assets	21,432,825	20,055,206
Balance at the end of the financial year	<u><u>197,211,149</u></u>	<u><u>175,778,325</u></u>
22 Superannuation		
Total superannuation contributions paid by Council for employees	589,526	563,647
	<u><u>589,526</u></u>	<u><u>563,647</u></u>
All employees have contributions paid to compliant employee choice funds and LGIA. Council contributes at the current SGL rate of 10.5% of an employees eligible gross ordinary earnings before overtime. Where employees choose to make an additional contribution of 6% of eligible earnings, Council increases its SGL contribution to 12%.		
Effective July 2023, the SGL rate was increased to 11%.		

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

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

	2023 \$	2022 \$
Net result	<u>7,296</u>	<u>3,754,709</u>
Non-cash items:		
Depreciation and amortisation	<u>5,385,639</u>	<u>4,305,255</u>
	<u>5,385,639</u>	<u>4,305,255</u>
Investing and development activities (non-cash):		
Net (profit)/loss on disposal of non-current assets	456,378	585,651
Capital Grants and Contributions	<u>(1,691,855)</u>	<u>(5,005,266)</u>
	<u>(1,235,477)</u>	<u>(4,419,615)</u>
Changes in operating assets and liabilities:		
(Increase)/ decrease in receivables	(1,716,635)	(637,165)
(Increase)/decrease in inventory	301,425	(229,861)
Increase/(decrease) in payables	(1,730,287)	2,301,675
Increase/(decrease) in contract liabilities	7,074,084	2,685,850
Increase/(decrease) in provisions	(103,043)	1,243,136
	<u>3,825,544</u>	<u>5,363,635</u>
Net cash inflow from operating activities	<u><u>7,983,002</u></u>	<u><u>9,003,984</u></u>

24 Events after the reporting period

There were no material adjusting events after the balance date.

25 Financial instruments and financial risk management

Financial assets and financial liabilities

Etheridge Shire Council has exposure to the following risks

- Credit risk
- Liquidity risk
- Market risk

Risk management framework

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

Councillors approve policies for overall risk management, as well as specifically for managing credit, liquidity and market risk. The Council's risk management policies are established to identify and analyse the risks faced, to set appropriate limits and controls and to monitor these risks and adherence against limits. The Council aims to manage volatility to minimise potential adverse effects on the financial performance of the Council.

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's audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

Etheridge Shire Council does not enter into derivatives.

Credit risk

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

Exposure to credit risk is managed through regular analysis of credit counterparty ability to meet payment obligations. The carrying amount of financial assets represents the maximum credit exposure.

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 .

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

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

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

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.

Council manages its exposure to liquidity risk by maintaining sufficient cash deposits, both short and long term, to cater for unexpected volatility in cash flows. These facilities are disclosed in note 10.

The following table sets out the liquidity risk in relation to financial liabilities held by Council. It (principal and interest) of financial liabilities at the end of the reporting period, excluding the impact of netting agreements:

Council	0 to 1 year	1 to 5 years	Over 5 years	Total contractual cash flows	Carrying amount
	\$	\$	\$	\$	\$
2023					
Trade and other payables	810,897	-	-	810,897	810,897
Loans - QTC	13,510	16,251	-	29,761	29,761
	<u>824,407</u>	<u>16,251</u>	<u>-</u>	<u>840,658</u>	<u>840,658</u>
2022					
Trade and other payables	1,135,040	-	-	1,135,040	1,135,040
Loans - QTC	11,705	29,796	0	41,501	41,501
	<u>1,146,745</u>	<u>29,796</u>	<u>0</u>	<u>1,176,541</u>	<u>1,176,541</u>

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

Market risk

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

Interest rate risk

Etheridge Shire Council is exposed to interest rate risk through investments with QTC and other financial institutions.

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

Sensitivity

Sensitivity to interest rate movements for variable financial assets and liabilities based on the carrying amount at reporting date.

The Council does not account for any fixed-rate financial assets or financial liabilities at Fair Value through Profit or Loss, therefore a change in interest rates at the reporting date would not affect profit or loss.

Council has conducted an interest rate sensitivity analysis depicting the impact of a 1% change in interest rates. Council has however elected not to separately disclose this table as its overall impact has been determined not to be material.

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

QTC Generic Debt Pool - the generic debt pool products approximate a fixed rate loan. There is a negligible impact on interest sensitivity from changes in interest rates for generic debt pool borrowings.

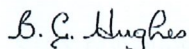
Etheridge Shire Council
Financial statements
For the year ended 30 June 2023

Management Certificate
For the year ended 30 June 2023

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

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

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

Date: 13 / 11 / 2023



Chief Executive Officer
Ken Timms

Date: 13 / 11 / 2023

INDEPENDENT AUDITOR'S REPORT

To the councillors of Etheridge Shire Council

Report on the audit of the financial report

Opinion

I have audited the financial report of Etheridge Shire Council.

In my opinion, the financial report:

- a) gives a true and fair view of the council's financial position as at 30 June 2023, and of its financial performance and cash flows for the year then ended
- b) complies with the *Local Government Act 2009*, the Local Government Regulation 2012 and Australian Accounting Standards.

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

Basis for opinion

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

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

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

Other information

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

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

The councillors are responsible for the other information.

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

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

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

Responsibilities of the councillors for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

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

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

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

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

Report on other legal and regulatory requirements

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

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

Prescribed requirements scope

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



Sri Narasimhan
as delegate of the Auditor-General

15 November 2023

Queensland Audit Office
Brisbane

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

Measures of Financial Sustainability	How the measure is calculated	Actual -Council	Target
Council's performance at 30 June 2023 against key financial ratios and targets:			
Operating surplus ratio	Net result (excluding capital items) divided by total operating revenue (excluding capital items)	-3%	Between 0% and 10%
Asset sustainability ratio	Capital expenditure on the replacement of assets (renewals) divided by depreciation expense.	26%	greater than 90%
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue (excluding capital items)	-17%	not greater than 60%

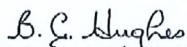
Note 1 - Basis of Preparation

The current year financial sustainability statement is prepared in accordance with the requirements of the Local Government Regulation 2012 and the Financial Management (Sustainability) Guideline 2013. The amounts used to calculate the three reported measures are prepared on an accrual basis and are drawn from the council's audited general purpose financial statements for the year ended 30 June 2023.

**Certificate of Accuracy
For the year ended 30 June 2023**

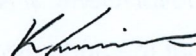
This current-year financial sustainability statement has been prepared pursuant to Section 178 of the *Local Government Regulation 2012* (the regulation).

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



Mayor
Barry Hughes

Date: 13 / 11 / 2023



Chief Executive Officer
Ken Timms

Date: 13 / 11 / 2023

INDEPENDENT AUDITOR'S REPORT

To the Councillors of Etheridge Shire Council

Report on the Current-Year Financial Sustainability Statement

Opinion

I have audited the accompanying current-year financial sustainability statement of Etheridge Shire Council for the year ended 30 June 2023, comprising the statement, explanatory notes, and the certificate of accuracy given by the Mayor and the Chief Executive Officer.

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

Basis of opinion

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

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

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

Emphasis of matter – basis of accounting

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

Other Information

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

At the date of this auditor's report, the available other information in Etheridge Shire Council's annual report for the year ended 30 June 2023 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 formed a separate opinion on the general purpose financial report.

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

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

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

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

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

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

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

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

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

- Evaluate the overall presentation, structure and content of the statement, including the disclosures, and whether the statement represents the underlying transactions and events in a manner that achieves fair presentation.

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



Sri Narasimhan
as delegate of the Auditor-General

15 November 2023

Queensland Audit Office
Brisbane

Measures of Financial Sustainability	Measure	Target	Actuals at 30 June 2023	Projected for the years ended									
				30 June 2024	30 June 2025	30 June 2026	30 June 2027	30 June 2028	30 June 2029	30 June 2030	30 June 2031	30 June 2032	

Council

Operating surplus ratio	Net result divided by total operating revenue	Between 0% and 10%	-3%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Asset sustainability ratio	Capital expenditure on the replacement of assets (renewals) divided by depreciation expense	greater than 90%	26%	97%	99%	85%	89%	87%	90%	88%	86%	84	
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue	not greater than 60%	-17%	-14%	-16%	-34%	-33%	-34%	-33%	-33%	-34%	(36)	

Council's Financial Management Strategy

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

Certificate of Accuracy
For the long-term financial sustainability statement prepared as at 30 June 2023

This long-term financial sustainability statement has been prepared pursuant to Section 178 of the *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.

B. G. Hughes

 Mayor
 Barry Hughes

Date: 13 / 11 / 2023

Ken Timms

 Chief Executive Officer
 Ken Timms

Date: 13 / 11 / 2023

