



BURKE SHIRE *Council*

2021 - 2022 ANNUAL REPORT



Table Of Contents

Introduction.....	3
Report from the Mayor	4
Report from the Chief Executive Officer	7
Elected Representatives	9
2021/22 Results at a Glance	12
Community Financial Report	14
Grants to Community Organisations.....	19
Capital Works Projects.....	20
Capital Works Projects.....	21
Corporate Plan.....	23
1. GOOD GOVERNANCE	24
2. HEALTHY, INCLUSIVE, SUSTAINABLE COMMUNITIES.....	25
3. ASSET SUSTAINABILITY	26
4. SUSTAINABLE ENVIRONMENT	27
5. ECONOMY	28
6. PEOPLE, PERFORMANCE AND CULTURE	30
7. WORKPLACE HEALTH AND SAFETY.....	31
Internal Audit Function.....	32
Statutory Requirements	33
Councillors	35
Other Matters.....	39
Finance Plans and Reporting	45
Appendix A – 2021/22 Audit Financial Statements.....	46

COUNCIL ADMINISTRATION OFFICE
Musgrave Street
Burketown Queensland 4830

POSTAL ADDRESS
PO Box 90 Burketown
Queensland 4830
Email: office@burke.qld.gov.au

Introduction

Purpose of the Annual Report

This Annual Report offers the public insight into the primary activities undertaken by, and the financial position of the Burke Shire Council for the past financial year.

As legislated by the *Local Government Act 2009*, the report discloses the audited financial statements for the reporting year. This disclosure, coupled with a community financial report, demonstrates Council's commitment to open and accountable governance and provides a medium by which constituents may understand the Shire's financial position and performance.

The annual report also communicates how Burke Shire Council has achieved its goals as set out in the corporate and operational plans, and highlights its major achievements during the reporting year.

About Burke Shire

Burke Shire is characterised by great fishing, abundant sunshine and friendly people. The local government area spans more than 40,000 square kilometres, with a population of 328 living mainly in the communities of Burketown and Gregory or on vast pastoral stations. The Shire is in the North West Minerals Province, with an economic past and future linked to mining. Burke also supports a growing tourism industry as nomads seek warmer climes and greater adventure during the southern winter.

A diversity of natural attractions, stunning colours and amazing birdlife entices drive tourists. The Savannah Way, which connects Cairns to Broome, runs through Burke Shire from the lovely Leichardt River falls to Hells Gate and the Northern Territory border. The rugged country surrounding Hells Gate is one of the world's oldest landscapes, where impressive rock formations tell of the land's evolution and natural art galleries from early Indigenous peoples can be found in nearby caves.

Four mighty rivers – the Albert, Leichhardt, Nicholson and Gregory – provide habitat for waterbirds, crocodiles, barramundi and even sharks as they empty into the Gulf of Carpentaria. The towns of Burketown and Gregory are blessed to draw their drinking water from these sources. Burketown boasts hot mineral springs, abundant birdlife and the elusive, magnificent morning glory cloud formation that rolls in from the sea during mid spring. From Gregory, tourists can access idyllic Adels Grove and the beautiful Lawn Hill Gorge at Boodjamulla National Park, along with the World Heritage listed Riversleigh fossil site just outside the shire boundary.

The traditional custodians of the land as well as notable early explorers who traversed the southern gulf have helped make the Shire what it is today. We are proud of its landscape, its people and its history, and welcome all to experience this very special part of the world.

Report from the Mayor

This past year has continued to be a challenging one for Burke Shire Council with Coronavirus still impacting on staff, community and our support networks generally.

Concerns in relation to the mental health impacts on our community and staff saw Council, with the support of a Queensland Health grant of \$75,000, hold a Health and Wellbeing expo over a number of days in Burketown and Gregory.

This expo was very successful with a number of health providers present, including Rural Minds who focused on mental illness and suicide prevention. A wide range of activities such as fitness classes, free haircuts, free massages, free smoothies and painting competitions also proved very popular.

Other Council initiated events occurred during the year included Mates Day in the Park, Anzac Day, Community Gathering in Support of Ukraine and the Women and Children of Afghanistan, Remembrance Day, Community Christmas in the Park at Burketown and Gregory and the Order of the Outback Ball (very early July).

A number of community events were also held. The Gregory Downs Jockey Club ("Saddles") - moved to Mount Isa due to the weather impact on the track and the North West Canoe Club ("Paddles") event over the May Day long weekend was once again well supported. A new fishing event was held over the Easter weekend. This was the Mougibi (Burketown) Fishing Competition. Three hundred and ten people registered to take part in the competition and the event was very successful with profits donated to the community e.g., State School. Another successful Ladies Day was held at Hell's Gate Roadhouse. Gregory Sporting Association also held another successful Campdraft.



Ernie Camp
Mayor

Gregory community also saw two other significant events on their calendars. Firstly Gregory QCWA Branch held a high tea for those ladies in the region who are from overseas but have made Australia their home and whom, due to Covid, are unable to return home to visit loved ones. Ladies from Belgium, Denmark, Germany, Austria, USA, Ireland and The Philippines were the guests of honour. Secondly, with a combination of community and local club donations, a set of specially designed memorial gates were erected at the entrance to the Anzac monument in the park at Gregory and officially "opened" on Remembrance Day.

Council is amazed by the time and effort put in by volunteers to create such successful events and projects and thanks them for their ongoing support of, and for, the community.

Council continues to have a major focus on improving its financial sustainability. Sustainability is an enormous, ongoing challenge for smaller councils such as Burke, with a limited rates base and a significant reliance on grants and subsidy funding.

Council once again implemented a very tight budget for 2021/2022. As a result of strong submissions by Burke Shire Council, North West Queensland ROC and the Western Alliance of Councils, Burke Shire Council received a significant increase in its Federal Assistant Grant of \$3.560M to be implemented over three years. This is a game changer for Council and will significantly improve Council's

financial sustainability going into the future. Nevertheless, Council continues to look at smarter ways to deliver its level of service to the community.

An improvement in organisation culture has led to a decrease in staff turnover which is incredibly advantageous considering the current country-wide staff shortage. Attracting staff to this small remote region is challenging not just because of our location but also employing an individual may mean bringing not just one person but a family. Remote areas lack comparable services and facilities they may be seeking such as schooling, childcare and recreational activities. Consequently Council, as do many smaller Councils in a similar position, has to pay significantly above market rates to attract and secure critical staff. Despite this, due to our hardworking core workforce and Council's strong commitment to progress and sustainability, we effectively met all required obligations to funding partners, community and legislative requirements. Council also continues to invest heavily in training across the organisation to ensure operational efficiency, capacity building, resilience and business continuity.

In a Shire as remote as Burke, there is limited capacity to recoup costs through rates and works performed on behalf of State and Federal governments. Reliance upon (non-reliable) State and Federal funding streams which have become increasingly competitive due to being decreasingly funded also impacts upon our budget. These factors then create a challenge to provide our communities, residents, businesses and visitors with facilities, services and opportunities that meet modern expectations and legislative requirements-all while aiming for long term viability and sustainability. It is a juggling act our Management staff and Councillors must constantly perform to deliver those provisions.

Council received a very significant amount of \$12.801M in Operating Grants for 2021/2022, this included \$4.525M in Federal Assistant

Grant and \$7.969M in DRAF Flood Damage Grants. In addition, capital grants of \$3.914M were received.

Capital expenditure for the year totalled a significant \$5.268M. \$631K on Flood Warning Infrastructure Network (FWIN) and \$153K on Airport Lighting and Line marking. \$2.787M was spent on Roads Infrastructure, \$265K on Sewerage Infrastructure and \$996K on Water Infrastructure. The FWIN project was a Joint Procurement of Flood Warning infrastructure with our fellow NWROC councils. The construction of the new Burketown Landfill cell was also completed. Approximately \$7.969M was spent on major flood damage repairs during the year as well.

Housing continues to be a major issue for our Shire. Council's housing stock is limited and aging. We have continued to expend considerable funding in repairing and restoration this past year and will continue to do so into the coming year. Housing provision and maintenance is a major impost upon our budget and it is not possible to fully recover those costs through traditional channels. Therefore, Council is pleased to advise that its project to divest housing to staff is continuing to progress, with four Council staff now in their own homes and three further contracts pending. Council is also investigating the building of a number of low-cost homes to meet Shire demands.

There has also been a focus on development during the year. The South Burketown Subdivision saw the reconfiguration of 15 lots into 7 lots - comprising 5 rural residential lots and 2 public open space lots was approved by Council. Council has also developed a Business Innovation Scheme Policy and a Tourism strategy.

Council has also sold 9 house blocks and one house in Gregory. There has already been some economic activity on a number of these blocks. The realisation of these blocks has a positive financial result in that Council will

receive future rates on these blocks and also does not have to maintain them.

As a very small remote shire, our small businesses are pivotal to our local economy and support the community in many ways. They face many diverse and unique challenges that metropolitan small businesses may not, including but not limited to, barriers to accessing business support due to our remoteness, the seasonal nature of our businesses due to the Northern Wet Season, and the threat of natural disasters – most recently flooding in the Shire which isolated most of our Shire for nearly a month. Our small businesses in recent times have also been impacted by covid and the increased restrictions imposed by being in a designated Pandemic Exclusion Zone so it is also an opportunity to help businesses recover. Signing the Qld Government's Small Business Friendly Charter, facilitated by the Dept Small Business, Employment and Training, shows Council's continuing commitment to, and support of, our small businesses and a desire to strengthen mutual relationships to ensure their growth and sustainability. Developing and sustaining small business is at the heart of

strong and vibrant communities especially in remote areas. Pledging our support for our local small businesses we hope will ripple out to the wider Gulf region encouraging small business support and growth in our neighbouring Shires so that, regionally, we realise the long-held vision of the Southern Gulf as the Plains of Promise.

Burke Shire Council continues to strive to, and succeed in, punching well above its weight. It suffers regular climatic events as well as the ongoing challenges of financial sustainability and above average staff turnover in conjunction with a limited rates base. But it does not wilt in the face of those challenges: it stands tall, it thinks outside the box, it develops relationships of mutual benefit, it innovates and remains positive, tenacious and steadfast in its resolution to not just survive but sustain and strengthen.

I would like to thank the CEO, Management Group and all staff who work together with Council, standing tall and steadfast, adapting and adopting to achieve a strong customer service for the Burke Shire community.

Mayor Ernest Camp

Report from the Chief Executive Officer

The financial Year continued to be a very challenging one with the ongoing impact of COVID-19. This continues to impact on Council staff, our community and our networks. Nevertheless, there were some very good outcomes for the organisation during the Financial Year.

Financial Sustainability has been a continuing major focus for Burke Shire Council with its position improving significantly.

The following measures were implemented to further improve Council's Financial Sustainability:



Dan McKinlay - CEO

- Through the budget process there was a significant review of Council's outlays. As a result, Council once again adopted a budget that was below CPI. Indeed, Council's total expenses reflected a reduction of 2.14% over the previous financial year in the delivery of its 2021/2022 budget.
- Council has held its employment costs to the same level as the previous financial year.
- Council continues to review its levels of service and how we can deliver smarter, cost-effective services to the community.
- As a result of the Federal Assistance Grant methodology review, and after strong submissions by Burke Shire Council, North West Queensland ROC and the Western Alliance of Councils, Burke Shire Council received a significant increase in its Federal Assistance Grant of \$3.560M to be implemented over three years.

Significant Operating and Capital Grants were received during the financial year as follows:

Operational Grants

- | | |
|---------------------------------------------|----------|
| • General Purpose Federal Assistance grants | \$4.532M |
| • DRFA roads flood damage | \$7.969M |
| • Other | \$300K |

Capital Grants

- | | |
|----------------------------------------------------|----------|
| • Specific Purpose Government Subsidies and Grants | \$3.814M |
|----------------------------------------------------|----------|

Capital expenditure for the year totalled a significant \$5.268M. Approximately \$7.969M was spent on major flood damage repairs during the year as well.

Council continues to have a strong focus on Work Health and Safety performance. Staff recorded safety related training attendance totalled 597, while 138 WH&S inspections were conducted. This reflects Council's strong commitment to WH&S.

There is also a significant focus on training, 83% of the 2021/2022 learning and Development Plan was implemented. There were 53 professional development opportunities for both indoor and outdoor staff which included the vast majority of the workforce attending First Aid Training.

There were also significant improvements in governance as follows:

- Many policies were reviewed – both HR and Administration;
- Significant communication improvements across the organisation e.g., CEO’s weekly communication to staff and the reinvigoration of the Council Newsletter;
- Risk Management Strategic Risk Register was well advanced;
- Authorisation Cards implementation and training rolled out for all staff who were issued a card; and
- Website updated.

Other key initiatives were as follows:

- Three staff houses sold to staff and one to the public, with a number of other sales progressed;
- Health and wellbeing expo was held with a focus on mental health;
- Major drive to have dogs desexed in the shire - over 30 dogs have been desexed;
- Bio Security Plan further progressed;
- Tourism Plan 2022-2024 developed;
- Small Business Charter signed;
- 9 House blocks and one ex staff house in Gregory were sold;
- Burketown Water Treatment Plant upgraded;
- Business Innovation Scheme Policy was implemented; and
- South Burketown Subdivision was approved by Council.

The very good outputs that were achieved above would not have been possible if it wasn’t for the hard work and dedication of our Mayor, Councillors, Management and staff.

Daniel McKinlay
Chief Executive Officer

The Council

Elected Representatives

Burke Shire Council has an elected body of five Councillors, with specific powers, responsibilities, and duties set out in the *Local Government Act 2009* (the Act). Under the Act elections for the Mayor and Councillors are undertaken every four years, with the last election held on Saturday 28 March 2020.



The Council

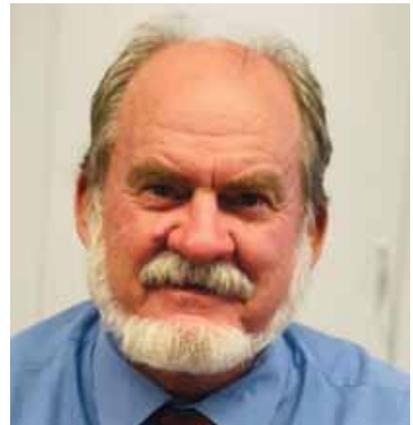
Elected Representatives

Meet the Councillors

Mayor

Councillor Ernie Camp

Cr Ernie Camp was re-elected Mayor at the 2020 elections having served as Mayor for the previous two terms, Deputy Mayor for the two terms prior to those and before that as a Councillor. In all, Cr Camp has been involved in Local Government for over 20 years. He is Chair of Gulf Savannah Development. As a grazier, he is a member of three agricultural representative groups: Agforce, Cattle Producer Australia and Gulf Cattleman's Association. Cr Camp is a member of the Gregory Downs Jockey Club and has been a race starter for many years. He is also a member of the Isolated Children's Parents Association (ICPA), Gregory Downs Sporting Association and Southern Gulf NRM. He is a committee member of the Queensland Government appointed North West Minerals Province Stakeholder Advisory Committee and also the State-wide Oversight Group which oversees the development, alignment and implementation of projects that are funded through the Land Protection Fund. He is a member of the LGAQ's Regional Economic Development Advisory Group.



Deputy Mayor

Councillor Tonya Murray

Cr Tonya Murray is a descendant of the Gangalidda people, one of the Traditional Owner groups in the Burke Shire. She has a keen interest in providing opportunities for young people, ensuring we minimise environmental impacts in our area and providing services & opportunities for locals. Cr Murray is also involved in various community organisations including the Burketown Rodeo & Sporting Association, Volunteer Marine Rescue, Burketown Fishing Club, Burketown Kindergarten Association and the Burketown State School P & C. Cr Murray is a Councillor on the audit committee.



The Council

Elected Representatives

Meet the Councillors

Councillors

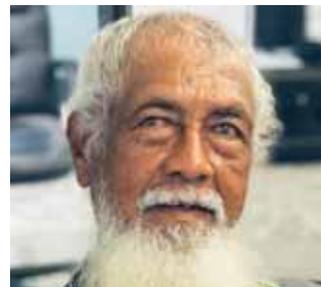
Councillor John Clarke

Cr Clarke was elected in the March 2016 elections. His interest in being a Councillor was driven through his belief in the importance of contributing to community. Cr Clarke wants to keep Council and governments connected to volunteers, the backbone of our communities. He has an interest in land management, as pest and weeds are becoming an increasingly big problem. Cr Clarke is President of the Gregory Downs Jockey Club, and member of the Gregory District Sporting Association and Planet Downs Fire Brigade.



Councillor John Yanner

After spending 20 years employed by Burke Shire Council as rural foreman, Cr Yanner put his hat in the ring and was elected as Councillor in the 2016 election. Along with his extensive knowledge and interest in the road network, Cr Yanner's interest in becoming a Councillor was driven by his desire to improve relationships between Council and community.



Councillor Rosita Wade

Councillor Wade was selected as a Councillor in the 2020 election. She and her husband own Morning Glory restaurant in the township of Burke. She has a passion for the community and has an interest in the finance side of council as she had previously worked in the finance section of council for approximately 6 years. Cr Wade is a Councillor on the audit committee.





Burke Shire Council

2021/22 Results at a Glance

This community financial report shows a summary of the Council's Financial Statements with the aim of providing understandable information to members of our community. The use of graphs allows readers to easily evaluate Council's financial performance and financial position. In addition, this report includes key financial statistics and ratios that can be useful indicators of Council's performance.

Summary of Operations for 2021/22

	\$'000
Operating Revenue	17,574
Operating Expenses	21,301
Operation Position	(3,727)
Capital Income	3,914
Capital Expenses	202
Net Result	(15)
Total Assets	178,597
Total Liabilities	7,620
Net Community Assets	170,977

Burke Shire Council

2021/22 Results at a Glance

The Financial Statements in this report cover a 12-month period ending 30 June 2022. The Financial Statements contained in this report include:

- **Statement of Comprehensive Income** - displays Council's revenue and expenses with the resulting profit or loss amount known as the net result attributable to Council. This also displays Council's other comprehensive income.
- **Statement of Financial Position** - displays the assets (what we own), liabilities (what we owe) and community equity (total assets minus total liabilities). Community equity can be a reflection of how healthy the position of Council is at any given point in time.
- **Statement of Cash Flows** - reports how revenue received and expenses paid impact on Council's cash balances.
- **Statement of Changes in Equity** - presents a summary of transfers to and from equity accounts including retained surplus, capital and other reserves.
- **Notes to the Financial Statements** - provides a detailed breakdown of all significant items in the Financial Statements and what these items represent.

Background

Assumption and Principles

Under the requirements of the *Local Government Regulation 2012*, Council is required to prepare general purpose Financial Statements for the 2021-22 financial year. This report has been prepared in accordance with Australian Accounting Standards and complies with the requirements of the *Local Government Act 2009* and the *Local Government Regulation 2012*.

Council controls and manages infrastructure assets that are largely unique to the public sector. These infrastructure assets include roads, bridges, footpaths, water and sewerage treatment and network assets, which generally have very long useful lives and can only be used for providing local government services. The costs associated with the maintenance, depreciation and replacement of these assets form a material part of Council's annual expenditure.

Burke Shire Council, like many smaller Councils, does not generate enough self-funding revenue with a limited rates base and a significant reliance on grant and subsidy funding.

As a result, Council has a high level of unfunded depreciation and also breaches some of its sustainability ratios. This is common for smaller remote Councils.

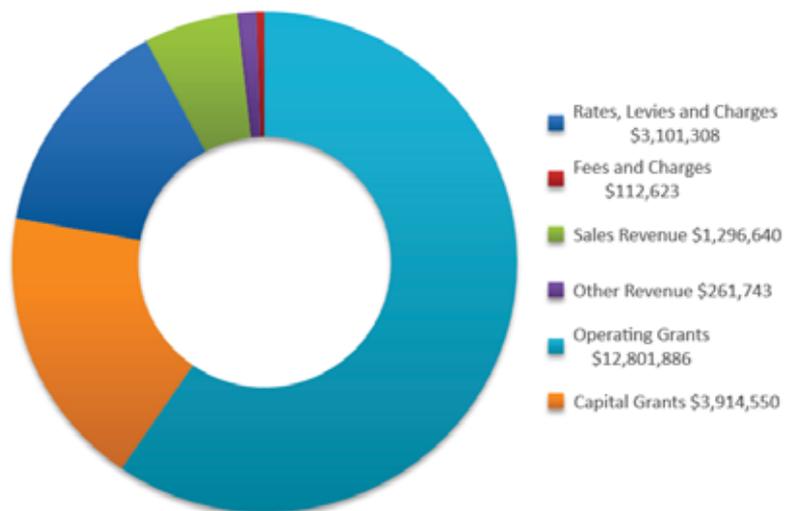
Burke Shire Council Community Financial Report

Statement of comprehensive income

Revenue

Revenue for the 2021/22 financial year is sourced from various items as shown in the graph on the right.

The majority of Council's revenue (59.57%) is sourced from operating grants, much of this revenue is specifically tied to DRFA flood damage maintenance funding for roads. Another significant source of council revenue (14.43%) is from rates and levies.

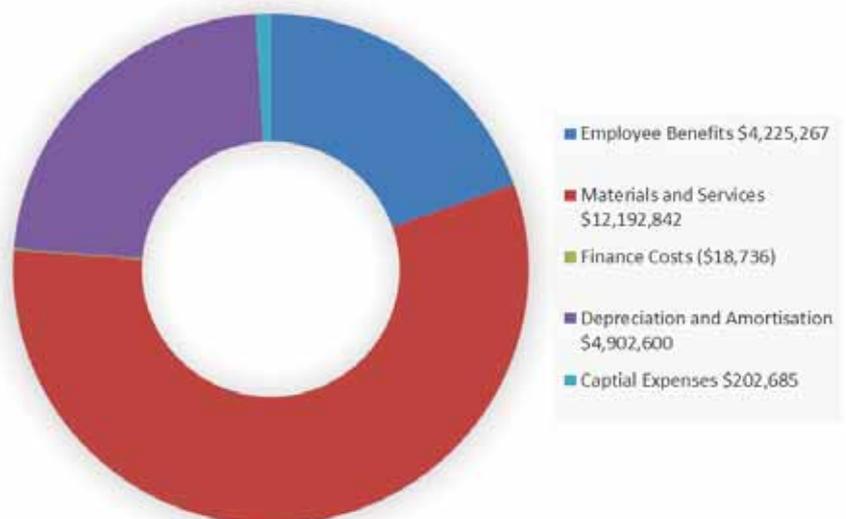


Total Revenue \$21.48 million

Expenses

Materials and services and employee costs make up 56.60% of the total expenditure for Council. Council has a strong labour workforce to provide maintenance, water and waste services, community, sport and cultural services and capital infrastructure for the community.

Materials and services expenditure includes advertising, audit fees, communication and IT, grants to community groups, electricity, garbage collection services, flood damage roads maintenance and repairs and maintenance. Refer to note 6 of the Financial Statements for further details.



Total Expenses \$21.5 million

Burke Shire Council Community Financial Report

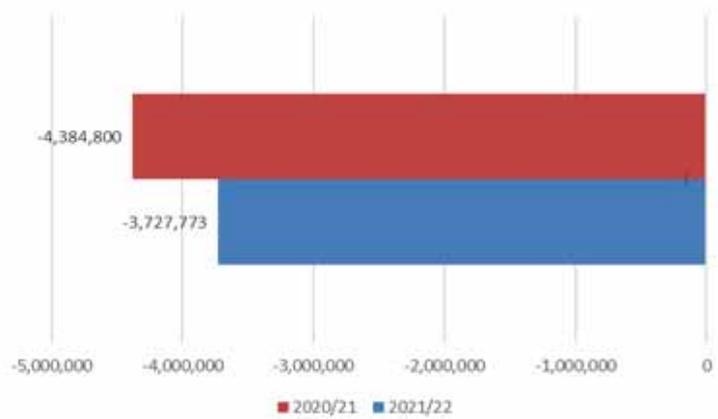
Operating position

Council's operating position reflects the organisation's ability to meet its day-to-day running costs from operating revenue.

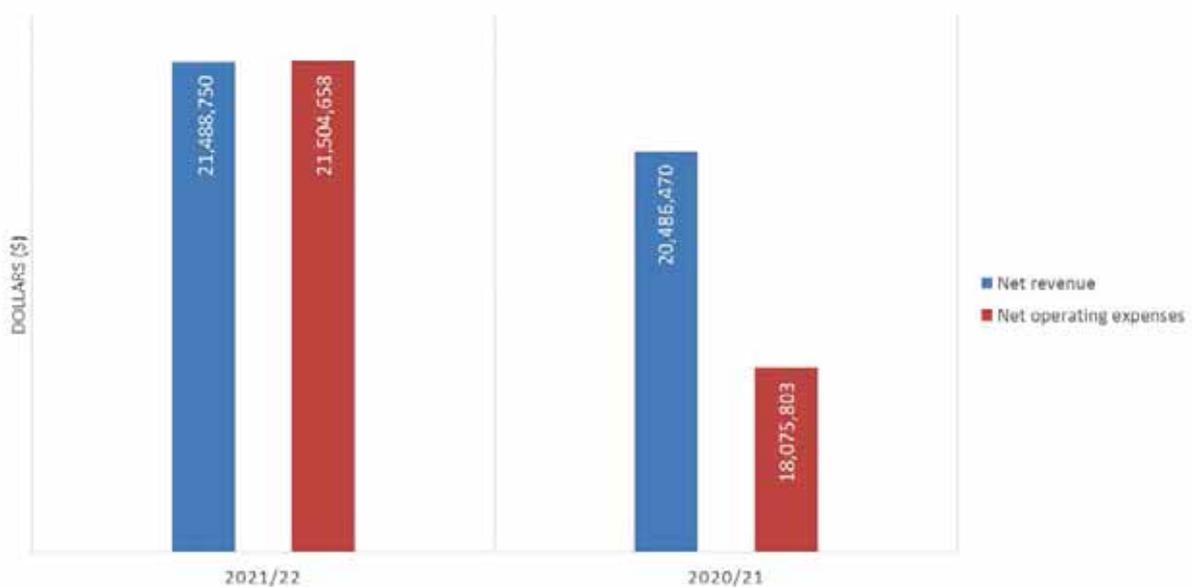
The operating position is calculated by taking total operating expenses (\$21.3M) from total operating revenue (\$17.57M) and does not include revenue or expenditure amounts for capital projects.

Council's operating position as at 30 June 2022 is a deficit of \$3.7M which has improved from a deficit of \$4.38M in the 2020/21 financial period.

This graph shows the operating position for 2021/22 compared to the operating position for the 2020/21 period.



Council's net result reflects the operating position above plus capital revenue and expenses.



Burke Shire Council Community Financial Report

Statement of financial position

Assets

	2022/21	2020/21
	\$ Million	\$ Million
Current assets	14.4	13.3
Non-Current assets	164.1	154.9
Total assets	178.5	168.2

Council assets as at 30 June 2022 total just over \$178.5M. This includes \$14.4M of current assets (liquid assets or amounts due to be received within 12 months) and \$164.1M of non-current assets. Property, plant and equipment makes up 91.93% of total assets.

The following graph shows a breakdown of property, plant and equipment by asset category.



■ Buildings \$15.7M	■ Land \$6.3M	■ Furniture and Fittings \$7.3k
■ Plant and Equipment \$2.6M	■ Road Infrastructure \$111.8M	■ Water \$13.7M
■ Sewerage \$3.5M	■ Other Structures \$6.3M	■ Work in Progress \$3.8M
■ Right of Use Assets \$138k		

Total Property, Plant and Equipment \$164.1M

Burke Shire Council

Community Financial Report

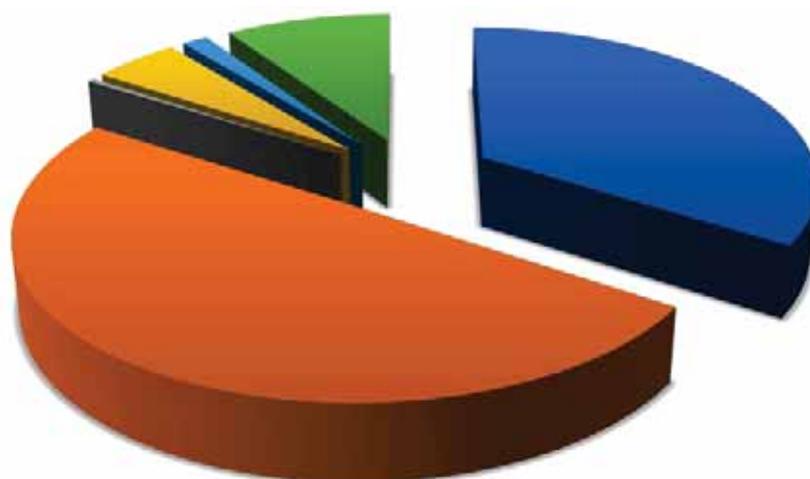
Statement of financial position

Liabilities

	2021/22	2020/21
	\$ Million	\$ Million
Current liabilities	6.8	6.3
Non-Current liabilities	0.8	0.8
Total liabilities	7.6	7.1

Total liabilities as at 30 June 2022 are \$7.6M. This includes \$6.8M of current liabilities (due to be paid out within 12 months) and \$0.8M of non-current liabilities. Liabilities mostly consist of contract liabilities, amounts owing to suppliers and amounts owing to employees for leave entitlements.

The following graph shows a breakdown of liabilities by category.



- Current Trade and Other Payables \$2.60M
- Current Contract Liabilities \$3.79M
- Current Lease Liabilities \$27k
- Current Provisions \$370k
- Non-Current Lease Liabilities \$110k
- Non-Current Provisions \$711k

Total Liabilities \$7.62M

Burke Shire Council

Community Financial Report

Statement of financial position

Sustainability Ratio

The following ratios are designed to provide an indication of the performance of Council against key financial sustainability criteria which should be met to ensure the prudent management of financial risks in accordance with Chapter 5, Part 3 Division 1 of the *Local Government Regulation 2012*. The benchmarks used for the prescribed ratios are per the Department of Local Government, Racing and Multicultural Affairs (DLGRMA) guidelines.

Sustainability Ratio					
Ratio	Description	Formula	Benchmark	2021/22	2020/21
Asset sustainability ratio	This is an approximation of the extent to which the infrastructure assets managed by Council are being replaced as they reach the end of their useful lives.	Capital Expenditure on Renewals / Depreciation expense	Greater than 90%	82.3%	146.4%
Net financial liabilities ratio	This is an indicator of the extent to which the net financial liabilities of Council can be serviced by its operating revenues.	Total Liabilities less Current Assets / Total Operating Revenue	Not greater than 60%	-38.6%	-46.1%
Operating surplus ratio	This is an indicator of the extent to which revenues raised cover operational expenses only or are available for capital funding purposes.	Net Operating Surplus / Total Operating Revenue	Between 0 and 10%	-21.2%	-32.4%

Conclusion

Council has finished the 2021/22 financial year with a \$3.7M operating deficit though it has continued investment in community infrastructure through the delivery of a capital works program in excess of \$5.3M for the year. A critical factor for the deficit was Councils depreciation for the financial year of \$4.8M.

Further details and breakdowns of all of the above items can be found in the Financial Statements and the detailed notes to the Financial Statements.

Burke Shire Council

Grants to Community Organisations

Grants

The annual report for a financial year must contain a summary of the local government's expenditure for the financial year on grants to community organisations.

Council has a commitment to building strong, vibrant and robust communities. To assist in achieving this goal, Council's Grant Program provides financial and in-kind assistance to community-based groups, individuals and organisations. These groups are providing programs, activities, events and projects that enrich the diversity of cultural, social, sport and economic development opportunities available to the residents of the Burke Region.

The desired outcome is to support more creative, innovative and self-reliant communities, where participation in community life is enabled and encouraged.

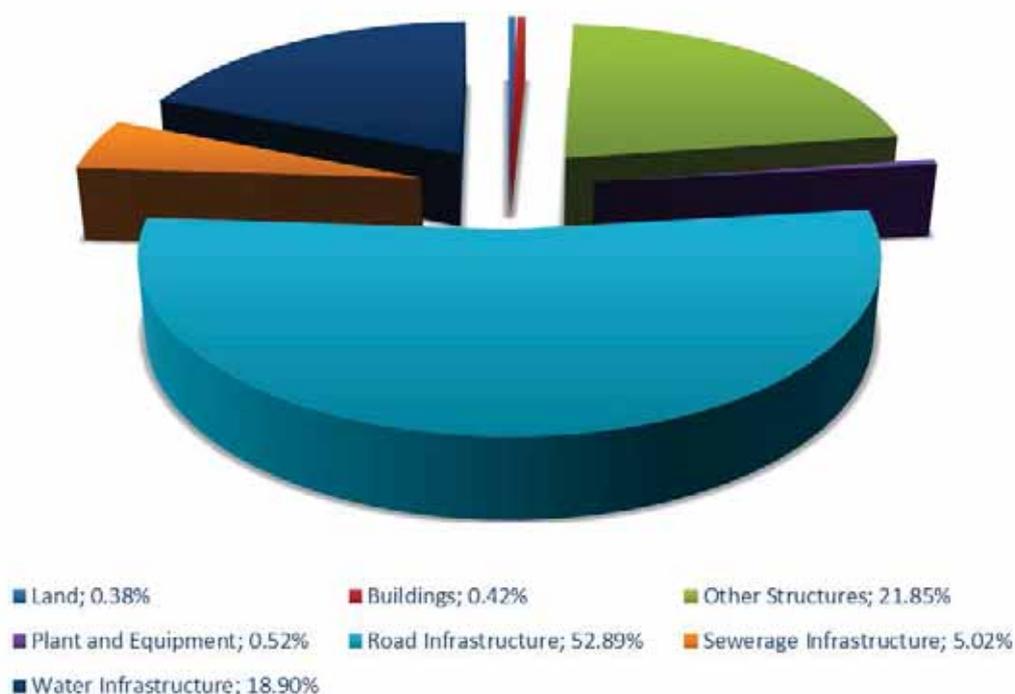
Grants allocated for 2021/22 were up in line with budgeted expectations as a result of COVID related restrictions being lifted during the year.

Organisation	Project and rationale	In-kind donation \$	Cash donation \$
QCWA Gregory Branch	Horse sports and family fun day	-	2,500
Mt Isa School of the Air	Support for MISA	-	300
Burketown State School	Support for BSS	-	750
Burketown Rodeo and Sporting Association	Support for the Burketown sprint races	-	5,000
Moungibi (Burketown) Fishing Competition	Support for local fishing events	1,540	-
Gregory Downs Jockey Club	Fuel provided to club along with support via donation towards operations	2,486	6,000
North West Canoe Club	Support for local events	2,287	-
Gregory Sporting Association	Support for GSA	-	4,000
Burketown Sporting & Community Association	Support for local events	414	-
Mt Isa Miner's Memorial	Support for MM	-	2,500
QLD Police Legacy Child Safety	Support for Child Safety Handbook	-	300
National Flood Relief Appeal	Support for National Flood Relief Appeal	-	5,000
TOTAL		6,727	26,350

Burke Shire Council

Capital Works Projects

During the 2021/22 financial year, expenditure on capital works was \$5.26M. The following graph provides a breakdown of the capital works for 2021/22 by asset category.



Capital Works Projects Detailed

Council incurred expenditure on the following capital works projects during the period 1 July 2021 to 30 June 2022.

	Amount \$
LAND	
Lot 1 on AP13658 [PL141013]	20,250
	20,250
BUILDINGS	
21-22 Health & Wellg Prcnct	321
22-23 SES Shed Upgrade	22,044
	22,365

Burke Shire Council

Capital Works Projects

Capital Works Projects Detailed (continued.)

OTHER STRUCTURES	
WIP - Waste Management	199,538
19-20 RRTAP Waste Tyre Proj.	70,838
PYMO Erosion Control	4,519
PYMO Amenities Refurbishment	1,061
Burketown Post Office Container	1,320
Flood Cameras	218
FWIN Flood Camera Network	631,335
Burketown Wharf Recreation Grounds	23,485
Gregory Landfill Fence	55
Jockey Change Room Refurbishment	63,909
Turf and Irrigation	157
20-21 Mineral Baths	63
Airport Upgrade - Lighting, Line	153,199
Burketown Aerodrome Fence Relocation	1,531
	1,151,228
PLANT AND EQUIPMENT	
Kubota Ride-on Mower	27,610
	27,610
ROAD INFRASTRUCTURE	
Floraville Rd Culverts - 2021	346,882
Cycleway Network, Beame and Musgrave	147,223
Floraville Road Culverts 2A/ B	486,987
Truganini Road Pavement Repairs	84,057
Doomadgee East Flood Immunity	578,233
Gregory River Pedestrian Bridge	12,832
Sight Distance Improvements- Gregory LH	454,842
STP Access Road Upgrade	579,167
20-21 Doom East Rd ATSI TIDS	215
Triganini Culvert Replacements Stage 1	96,149
Floraville Culvert Replacements Stage 10	128
	2,786,716

Burke Shire Council

Capital Works Projects

Capital Works Projects Detailed (continued.)

SEWERAGE INFRASTRUCTURE	
Sewerage Treatment Plant Irrigation	232,793
Sewer Network - Inflow & Infil	31,884
	264,677
WATER INFRASTRUCTURE	
21-22 Intel. Water Ntwk/SWMs	1,924
21-22 Sluice Valves (Brkt&Grg)	64
BKT Water Treatment Plant	62,572
GRG Water Treatment Plant	241
Burketown WTP new Laboratory	112,842
BKT WTP Building Upgrade	396,959
BKT WTP Chemical Dosing	335,656
BKT Raw Water Supply	4,093
QWRAP Regional SCADA Review	21,132
21-22 Gregory WTP - replacemt	642
21-22 SCADA Upgrade	55,118
20-21 Wtr Srce Inflow Upgrade	4,520
	995,763
TOTAL	5,268,609

Burke Shire Council Corporate Plan

Assessment of Progress towards Corporate Plan

In 2019 Council adopted the Corporate Plan 2019-2024. This document provides strategic direction for all activities to be undertaken by Council over the five (5) financial years ended 30 June 2024. Based on this Corporate Plan, Council will ensure that key services and projects will be delivered in current and future financial years through the annual operating plans. Specifically, each operational Plan activity is linked to the Corporate Plan's strategic goals. The Chief Executive Officer's assessment of council's progress in 2021-22 towards the five-year Corporate Plan and Annual Operational Plan is detailed below.





1. GOOD GOVERNANCE

Council is committed to financial, asset, environmental and community sustainability and secures these ends through efficient and effective decision-making processes. This, in turn, promotes community confidence, employee pride and stakeholder satisfaction with the organisation.

Key outcomes/progress

- Draft detailed Strategic Risk Register in place.
- Asset management planning continues to be enhanced which was supported by a comprehensive external review of asset valuations.
- Council satisfactorily met its finance requirements across the year. Finance outcomes included:
 1. Submission of audited financial statements within the prescribed audit timeframe;
 2. Auditor General issued an unqualified audit opinion on Council's financial statements; and
 3. Met all external financial reporting targets and deadlines.
- A number of Governance Policies were reviewed and implemented:
 - Competitive Neutrality Complaints Policy
 - Procurement Policy
 - Portables and Attractive Items Policy
 - Related Party Disclosure Policy
 - Fraud and Corruption Control Policy
 - Complaints against the CEO Policy
 - Asset Disposal Policy
 - Social Media Policy
 - CCTV Policy
 - Computer and Telecommunications Policy
- Reviewed delegations from Council to CEO and CEO to management.
- Authorisation Cards issued to appropriate officers
- Website redesign took place and went live.



2. HEALTHY, INCLUSIVE, SUSTAINABLE COMMUNITIES

Council acts, directly, or through facilitation or advocacy, to promote healthy, inclusive and sustainable communities in the Burke Shire.

Key outcomes/progress

- Council made a range of donations to local charities, organisations and community groups to support the Burke Shire community with services and events. This included a \$5,000 donation to the RFDS Mount Isa branch and \$2,500 to the Miners' Memorial, Mount Isa Committee. Donations were also made to Far North Queensland Child Safety Program, \$649 and WQAC Councils Premier Flood Appeal \$5,000
- Council delivered a series of successful events over the course of the year including the Order of the Outback Ball - Gregory, Mental Health & Wellbeing Expo, Anzac Day, Remembrance Day and Clean Up Australia – Burketown & Gregory.
- Council progressed divestment of housing to current tenants with proposal to use funds raised to build further housing. To date 3 properties have been sold to Council employees and Council is currently negotiating sales with other interested lenders to 4 other Council employees.
- Council have been working hard to source and secure funding for some of the items identified in our corporate plan that was put together in 2019. This financial year we have successfully secured funding to complete works to provide lighting at the Albert River bridge for recreational fishing (funded by Department of Agriculture and Fisheries), Upgrades to the SES Training and Storage Facility, Burketown (funded by the SES Support Grant), Purchase of a new SES vehicle, Burketown (funded by the SES Support Grant) and Upgrades to the Burketown Cenotaph (funded by the Department of Veteran Affairs).
- The most successful and beneficial event of the year was the Mental Health & Well Being Expo. Burke Shire Council, supported by the Queensland Government Localised Mental Health Initiative, held a week-long Expo raising awareness around Mental Health and Wellbeing, a topic very close to our Mayor and Councillors hearts. A holistic approach was taken and service providers came from throughout the region to support this event- Gidgee Healing (Primary Health, Family Wellbeing and drug and alcohol support), John Doyle from 3SF, North West Hospital and Health Service ATODS, Love-Lee Cooking, Save the Children, Shano's Barber and JCU. The Expo was well attended and there was something for everyone: meal preparation demonstrations, haircuts, massages, tailored/group fitness classes, primary health, drug and alcohol support, financial support services, painting workshops, mental health training, a movie night and activities corner for the kiddies and lots more. We also had the privilege of having John Doyle (3SF) and Shane Smith (QPS) as guest speakers at our community dinner.



3. ASSET SUSTAINABILITY

Council invests in infrastructure planning and project execution (operations, maintenance, renewals, upgrades, acquisitions, disposals) to ensure the delivery of appropriate levels of service. These decisions are made with reference to financial, asset and community sustainability.

Key outcomes/progress

- Key infrastructure projects completed:
 - Culvert replacement program ongoing (multiple sites).
 - Burketown Water Treatment Plant chemical dosing upgrade.
 - New water quality testing facility at Burketown .
 - Doomadgee East Road Floodway ongoing upgrades.
 - Upgrade of the Sewerage Treatment Plant access road.
- Council undertook work to the value of approximately \$1m on Road Maintenance Performance Contracts (RMPC). This covered Wills Developmental Road and the Camooweal Road.
- Finalised the upgrade of Trugannini Road.
- Commenced the Burketown Wharf Recreational Area.
- Progressed the Burketown new landfill cell.
- Finalised the flood impact study for Doomadgee East Road enabling staged design to be rationalised.
- Major flood restoration works on multiple roads.
- Progressed the detailed design of the Burketown cycleway as a part of the state's Principal Cycle Network initiative.
- Progressed design of the major upgrade to Beames and Musgrave Streets.



4. SUSTAINABLE ENVIRONMENT

Council acts, directly, or through collaborative facilitation and/or advocacy, to promote positive environmental outcomes that strike a balance between built and natural forms for the benefit of current and future generations.

Key outcomes/progress

- Finalised the Coastal Hazard Adaption Strategy (as part of QCoast 2100 Program) with the Strategy published on Council's website.
- Finalised the Flood Warning Infrastructure Network project as a part of the Northwest Queensland Regional Initiative.
- Finalised a new 10-year strategy for Waste Management, namely a Waste Reduction Recycling Plan.
- Commenced discussions with Department of Environment and Science regarding the requirements for the closure of the Burketown landfill.
- Initiated regional based collaboration with Doomadgee Aboriginal Shire Council for a waste management solution for the future.
- Complete the Burketown Sewerage Treatment Plant treated effluent irrigation system to best manage compliance with our environmental license.



5. ECONOMY

This pertains to maintaining a strong, diverse and sustainable economy that provides employment and business opportunities for current and future generations.

Key outcomes/progress

- This financial year saw the launch of the Burke Shire Council Business Innovation Scheme Policy which aims to encourage and support new or expanding businesses in the Burke Shire Region. The scheme will allow for the offsetting of costs associated with establishing a new business such as rates concessions. A review panel will provide recommendations to Council who will make the final decision on a case-by-case basis.
- The first steps to developing a new Economic Development Strategy have commenced. The Economic Development Manager will be working in collaboration with the Department of State Development, Infrastructure, Local Government and Planning team to execute this. The process will also involve extensive community consultation. The final strategy and action plan are due to be completed in early 2023.
- In March 2022 Burke Shire Council signed the small business friendly charter to become a Small Business Friendly Council reconfirming our support for small businesses in Burke. Since then, a number of steps have been taken to improve Council's relationship with small business including more frequent visits to small businesses to give businesses an opportunity to give feedback to council and planning for a business and tourism networking event.
- Burke Shire Council has continued to support Gulf Savannah Development (GSD) with project and administration support. This financial year GSD completed a Regional Tourism Investment Pipeline Project which audited existing tourism offerings and identified new potential tourism offerings.
- Burke Shire Council has continued to support the Visitor Information Centre Operations which is operated by staff from Yagurli Tours. Tourist data is also collected from the information centre – this year's numbers saw a steady and slightly above average amount of tourists (note 2021 numbers are likely to be distorted due to covid). This year Council was successful with a \$3000 grant that also allowed for an additional computer, printer, and posters for the information centre. Council will continue to support the Visitor Information Centre operations as it is pivotal to our tourism industry.
- This financial year Burke Shire Council also commissioned Burke Shire Tourism "z-cards" for tourists. The cards contain basic tourist-related information for visitors including maps of the area. These were placed at the information centre, businesses in Burke and also information centres outside of Burke including those on the Savannah Way and Overlanders Way. There are plans to continue a similar brochure in the future to support Burke Tourism.
- This financial year Burke Shire Council marketed a number of residential blocks and a house block in Gregory for sale. A total of 9 vacant land blocks and one residential block were sold. A further seven blocks were approved for tender. Three Gregory residential blocks were

identified in the February 2022 Ordinary Council meeting to be allocated to the Waanyi Rangers Program at nil cost as part of an Incentive to support the new proposed Waanyi Program at Gregory. This was also considered an economic incentive for Gregory. There was a reconfiguring of 15 lots into 7 lots comprising, 5 rural residential lots and 2 public open space lots in Burketown. There was also an application for a material change of use for a Development Permit for a Telecommunications Facility in Tirranna. There are plans to continue to sell land including residential and industrial land both in Gregory and Burketown.

- Council is undertaking a comprehensive review process to finalise a new Register of Prequalified Suppliers (RoPs) that will commence at the end of 2022.
- Burke Shire Council has continued its partnership with Peak Services to assist with grants lodged by Council and the community. They offer services such as searching for appropriate grants, writing of grants, and providing other grant support related activities to council. This will support a variety of projects that require external funding from large capital projects to community events.



6. PEOPLE, PERFORMANCE AND CULTURE

Our workforce is skilled, engaged, valued and productive. Council strives to be the employer of choice by encouraging career development, regularly offering opportunities for training and ensuring a good work/life balance.

Key outcomes/progress

- An improvement in organisation culture has led to a decrease in staff turnover.
- The Burke Shire Council Certified Agreement 2022 was successfully negotiated.
- Significant Learning and Development took place during the financial year with 53 professional development opportunities taking place. This included the completion of a number of longer accredited courses as follows:
 - Cert III in Heavy Commercial Vehicle Mechanical Technology
 - Community Justice Services (Commissioner for Declarations)
 - Cert III Business
 - Cert III Business Administration
 - Cert IV in Environmental Management and Sustainability
 - Diploma of Local Government (Financial Management)
- The Human Resources Management System, Employment Hero, has proven successful with further features being utilised over time.
- A substantial number of HR Policies were reviewed with a number of policies newly drafted.
- Our team values are shown in the figure below:



LOYAL

We ride for the brand as dedicated team players

PROUD

We take pride in ourselves, our work and our community

CARING

We look out for each other and go home safe to our families.

SMART

We find solutions and take opportunities to improve ourselves.

DEPENDABLE

We are honest, ethical and do what we say we will do.



7. WORKPLACE HEALTH AND SAFETY

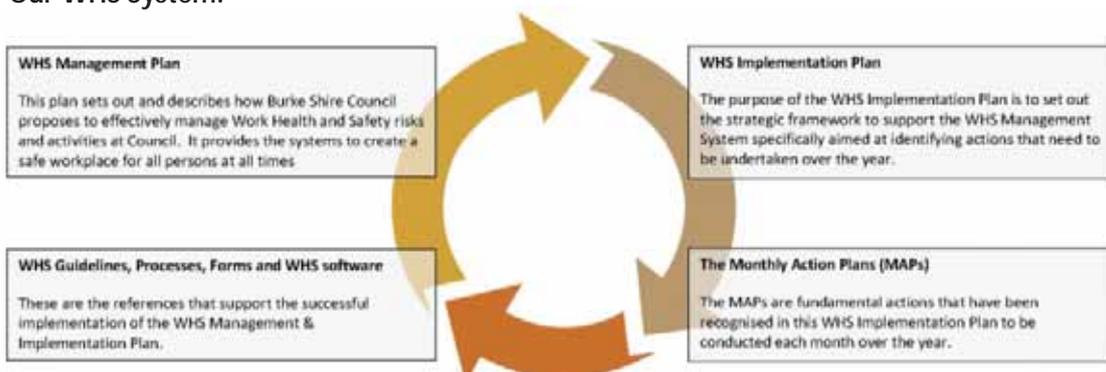
Burke Shire Council's vision for a safe workplace: to create a Target Zero Harm culture.

The Burke Shire objective is to establish a work environment with Zero Harm to its employees, contractors, and visitors. It is the policy of Burke Shire Council to provide and ensure that the workplace and its working environment is safe for all people visiting or working within the Shire or any area controlled by Burke Shire Council. "Work Safe, Home Safe". "Safer, healthier workplaces for everyone, every day"

Key outcomes/progress

- Increase in hazard identification and reporting.
- Workcover premium cost below industry average.
- Mental health and wellbeing programs implemented.
- Significant reduction in workplace incidents.
- 2022 Safety Management Plan developed to align to AS/NZ ISO 45001 standards.
- Internal Safety Management System and implementation audit scored 80.76% against a benchmark of 70%.
- 89% of reported hazards actioned and closed out prior to deadline.
- Embedded culture that all tasks can be completed safely without risk of harm.
- Empowering workers to stop work if they believe there may be a risk of harm.
- All stakeholders can effectively manage workplace risks.
- As of 30/06/2022 69 days worked without a lost time accident.
- WHS Statistics 12 month rolling average LTIFR 9.76, MTIFR 0.00, RWIFR 0.00.

Our WHS System:



Burke Shire Council

Internal Audit Function

Section 105 of the *Local Government Act 2009* requires the local government to establish an efficient and effective internal audit function. Division 1 of the *Local Government Regulation 2012* sets out the requirements for the internal audit function including to prepare an internal audit plan, carry out an internal audit, prepare a progress report, and assess compliance with the internal audit plan. Burke Shire Council has accordingly re-established an internal audit function.

The annual report for a financial year must contain a report on the internal audit for the financial year. Council's Internal Audit function provides independent, objective assurance activities in accordance with an approved strategic, risk-based internal audit plan. The role, scope and purpose of the Internal Audit function is understood and supported by the organisation.

The Internal Audit function works collaboratively with management to implement recommended improvements to systems, processes, work practices, compliance and business effectiveness. The Internal Audit activities are performed by an appropriately qualified internal audit consultant on a wholly outsourced basis for the year ended 30 June 2022.

The Internal Audit Plan is reviewed annually by management and the Audit Committee to ensure it remains relevant to the organisation's needs and the key underpinning document is the Corporate Risk Register. Council's 2021/22 Internal Audit Plan covered all Departments and included reviews of Procurement and Corporate Governance; these internal audits were carried out by Altius Advisors by 30 June 2022. An additional ICT System Essential 8 Review was carried out by Robert Morrows Technology in addition to the mandated internal audit plan set out by council during the year. Council's governance documents for the internal audit function include:

Internal audit instrument	Purpose	Last review
Audit committee Charter FIN-POL-010	Provides the framework including establishment of roles and responsibilities for the conduct of the internal audit function Review cycle: 3 years.	12 March 2021
Internal Audit Plan FIN-PLA-001	Sets out the internal audit plan for the current financial year, with a three-year rolling strategy Review cycle: annual.	23 March 2021

Burke Shire Council

Statutory Requirements

The following information includes the legislative disclosure requirements of the *Local Government Act 2009* and related regulations for the reporting period of the Annual Report.

Local Government Act 2009

The *Local Government Act 2009* requires the local government to include in its annual report information about certain business activities during the financial year. These are detailed below for the reporting year.

Division	Report
Division 1 Beneficial enterprises (s41)	N/A - Nil beneficial enterprises conducted during the reporting year
Division 2 Business reform, including competitive neutrality (s45 and 46)	N/A - Council did not commence or conduct a significant business activity during the financial year therefore there is nothing to report under section 45 or 46.
Division 3 Common provisions (s201)	Section 201 requires the annual report to state the total of all remuneration packages that are payable to the senior management of the local government and the number of employees in senior management who are being paid each band of remuneration. A senior contract employee is the Chief Executive Officer; and any other local government employee who is employed on a contractual basis and in a position that reports directly to the Chief Executive Officer. At the Burke Shire Council during the 2021-22 financial year there were two senior contract employees with a total remuneration package in the range of \$200,000 - \$300,000 and six senior contract employees with a total remuneration package in the range of \$100,000 - \$200,000.

Local Government Regulation 2012

Division 3 of the *Local Government Regulation 2012* defines the required contents for the annual report. These particulars are reported by subheading below with the exception of the following matters that appear earlier in the Burke Shire Council annual report document under separate headings:

- *S184 Community financial report*
- *S189 Grants to community organisations*
- *S190 (1) (a) Corporate and operational plan progress report*
- *S190 (1) (h) Internal audit report*

Burke Shire Council

Statutory Requirements

Financial Statements (s183)

Refer to **Appendix A** of this annual report for the financial statements including the following requirements:

- (a) general purpose financial statements for the financial year, audited by the auditor-general; and
- (b) current-year financial sustainability statement for the financial year, audited by the auditor-general; and
- (c) long-term financial sustainability statement for the financial year; and
- (d) auditor-general's audit reports about the general-purpose financial statement and the current-year financial sustainability statement.

Particular Resolutions (s185)

The annual report for a financial year must contain:

- (a) Expenses Reimbursement Policy – a copy of the resolutions made under section 250 (1); and
- (b) Valuation of non-current physical assets - a list of any resolutions made during the financial year under section 206(2).

Section	Resolution/s made in reporting year
250 (2) A local government may, by resolution, amend its expenses reimbursement policy at any time.	Nil
206 (2) The local government must, by resolution, set an amount for each different type of non-current physical asset below which the value of an asset of the same type must be treated as an expense	Nil

Burke Shire Council Councillors

Councillor Meeting Attendance

The following table displays the Councillors' attendance at Council meetings for the period 1 July 2021 – 30 June 2022.

	Mayor Camp	Deputy Mayor Murray	Councillor Clarke	Councillor Wade	Councillor Yanner
Ordinary Meetings					
(12 held)	12	12	12	12	11
Special Meetings					
(2 held)	2	2	1	2	2

Burke Shire Council

Councillors

Councillor remuneration

The following table shows the total Councillors' remuneration (including superannuation contributions), expenses and meeting attendance for the period from 1 July 2021 to 30 June 2022.

Councillor	Expenses	Remuneration (inc Superannuation)
Cr Ernie Camp	-	\$108,222
Cr Tonya Murray	-	\$62,435
Cr John Yanner	-	\$54,109
Cr John Clarke	\$2,261	\$54,109
Cr Rosita Wade	-	\$54,109

Councillor remuneration is established each year by the Local Government Remuneration and Discipline Tribunal. Each year Council is invited to accept or review the remuneration recommendations of this Tribunal.

Facilities provided to Councillors under the expense reimbursement policy

Councillor	Laptop/ iPad	Mobile Phone	Vehicle & Fuel	Secretarial Assistance	Expenses Conference & Workshops	Travel/ Accom
Cr Ernie Camp	✓	✓	✓	✓	✓	✓
Cr Tonya Murray	✓			✓	✓	✓
Cr John Yanner	✓			✓	✓	✓
Cr John Clarke	✓			✓	✓	✓
Cr Rosita Wade	✓			✓	✓	✓

Burke Shire Council

Councillors

Complaints about the conduct and performance of councillors

In accordance with section 186(1)(d) - (f) of the Local Government Regulation 2012, orders and complaints about Councillors during the financial year are as shown below.

Section and requirement		Number
150P(2)(a)	Complaints referred to the assessor under section 150P(2)(a) of the LGA by the local government, a councillor of the local government or the chief executive officer of the local government.	0
150P(3)	Matters, mentioned in section 150P(3) of the Act, notified to the Crime and Corruption Commission.	0
150R(2)	Notices given to the assessor when a local government official becomes aware of information indicating a councillor may have engaged in conduct that would be inappropriate conduct or misconduct under section 150R(2) of the Act.	0
150S(2)(a)	Notices given to the assessor under section 150S(2)(a) of the Act when a local government decides under section 150AG to take action to discipline the councillor for inappropriate conduct on 3 occasions during a period of 1 year; or the local government has previously made an order that a particular type of conduct engaged in by a councillor will be dealt with as misconduct and reasonably suspects the councillor has engaged in the same type of conduct again.	0
150W (1)(a)	Decisions made by the assessor to dismiss the complaint about the conduct under section 150X.	1
150W (1)(b)	Decisions made by the assessor to refer the suspected inappropriate conduct to the local government to deal with.	0
150W (1)(e)	Decisions made by the assessor to take no further action in relation to the conduct under section 150Y.	0
150AC(3)(a)	Referral notices accompanied by a recommendation that the conduct should be referred to another entity for consideration as mentioned in section 150AC(3)(a) of the Act.	0
150AF(4)(a)	Occasions information was given by the local government to the assessor under section 150AF(4)(a) of the Act.	0

Section and requirement		Number
Chapter 5A, part 3, division 5	Occasions the local government asked another entity to investigate, under chapter 5A, part 3, division 5 of the Act for the local government, the suspected inappropriate conduct of a councillor.	0
Chapter 5A, part 3, division 6	Applications heard by the conduct tribunal under chapter 5A, part 3, division 6 of the Act about whether a councillor engaged in misconduct or inappropriate conduct.	0
150I(2)	Orders made by the chairperson under section 150I(2) of the Act	0
150AH(1)	Orders made by the local government under section 150AH(1) of the Act	0
150AR(1)	Decisions, orders and recommendations made by the conduct tribunal under section 150AR(1) of the Act.	0

Burke Shire Council

Other Matters

Administrative Action Complaints

Burke Shire Council is committed to the principles of natural justice and fairness in all administrative complaint dealings. Burke Shire Council assesses all complaints, including anonymous complaints.

Section 187 (1) of the *Local Government Regulation 2012* requires the local government to include in its annual report a statement about the local government's commitment to dealing fairly with administrative action complaints; and how the local government has implemented its complaints management process including an assessment of the local government's performance in resolving complaints under the process.

Burke Shire Council is committed to dealing fairly and promptly with administrative action complaints. It has in place a formal administrative action complaints management policy along with a corresponding procedure, to ensure that council has a complaint framework to receive, resolve and report upon any administrative action complaints. This policy is available in the policies section of Council's website.

The following particulars of complaints are reported in accordance with Section 187 (2):

Number	Section 187 (2) Matters pertaining to administrative action complaints during the financial year
13	The number of Administrative Action Complaints made in the reporting period.
6	The number of Administrative Action Complaints resolved in the reporting period.
7	The number of Administrative Action Complaints outstanding at 1 July 2022.
3	<p>The number of Administrative Action Complaints that were made in a previous financial year and resolved in 2021/22.</p> <p>Reasons for the Administrative Action Complaints were due to:</p> <ul style="list-style-type: none"> - animal control - water leaks - sewerage blocks - rates - vegetation - road - various – rates, bins, vegetation and roads.

Burke Shire Council

Other Matters

Overseas Travel undertaken by Councillors or Employees

Section 188 of the *Local Government Regulation 2012* requires the annual report to contain the following information about overseas travel made by a councillor or local government employee in an official capacity during the financial year.

Purpose (1) (d) and other information that council considers relevant (2)	Councillor: name (1) (a)	Employee: name & position (1) (b)	Destination (1) (c)	Cost (1) (e)
N/A – nil overseas travel				

Summary of investigation notices

The annual report for a financial year must contain a summary of investigation notices given in the financial year, under section 49 of the *Local Government Regulation 2012*, for competitive neutrality complaints and any responses made by the Local Government in response to the Queensland Productivity Commission's recommendations on any competitive neutrality complaints.

During the 2021/22 financial year Council was not in receipt of any Queensland Productivity Commission notices of investigation under section 49. During the same period Council was not in receipt of any Queensland Productivity Commission recommendations on any competitive neutrality complaints under section 52(3) of the *Local Government Regulation 2012*.

Beneficial enterprises

Burke Shire Council does not have any beneficial enterprises.

Burke Shire Council

Other Matters

Other compliance items

As required by the *Local Government Regulation 2012*.

Section and particulars	Annual report
190 (1) (c) annual operations report for each commercial business unit;	N/A – Council did not operate any commercial business units
190 (1)(d) details of any action taken for, and expenditure on, a service, facility or activity— (i) supplied by another local government under an agreement for conducting a joint government activity; and (ii) for which the local government levied special rates or charges for the financial year;	N/A – Council did not operate any joint government activities
190 (e) number of invitations to change tenders under section 228 (7) during the financial year	Nil
190 (1) (f) list of registers kept by the local government Council keeps a broad range of operational registers. The list at right discloses the statutory registers kept by Burke Shire Council under the <i>Local Government Act 2009</i> and <i>Local Government Regulation 2012</i> .	<ul style="list-style-type: none"> ➤ Assets <i>LGA</i> s104 (5) (b) (ii) ➤ Complaints - including administrative action complaints <i>LGR</i> s 306 (4) (a) ➤ Contractual Arrangements > \$200,000 <i>LGR</i> s287 ➤ Cost-recovery fees <i>LGA</i> s98 ➤ Delegations council to CEO or Mayor, and CEO to officers <i>LGA</i> s260 ➤ Local laws <i>LGA</i> s31 ➤ Pre-qualified suppliers <i>LGR</i> s232 ➤ Registers of interest s290 ➤ Roads map and register <i>LGA</i> s74

Burke Shire Council

Other Matters

Other compliance items (continued.)

Section and particulars	Annual report
190 (1) (g) summary of all concessions for rates and charges granted by the local government	<p>Pursuant to Section 120 and 122 of the <i>Local Government Regulation 2012</i> Council granted the following concessions for rates and charges</p> <ul style="list-style-type: none"> ➤ Pensioner Concession - a concession of 20% of the general rate and utility charges, excluding water consumption and Emergency Management Levy (EML) to a maximum of 500.00 per year. ➤ 100% concession on general rates and 75% concession on sewerage and waste management charges for 2020-21 for Burketown Kindergarten.
190 (1) (i) and (j) Competitive neutrality	<p>(i) NA - Nil notices given in the financial year under section 49 for competitive neutrality (i)</p> <p>(j) NA – nil competitive neutrality complaints under section 52(3)</p>

Burke Shire Council

Other Matters

Other compliance items (continued.)

Burke Shire Council is required to include in its Annual Report a list of all registers kept and maintained by Burke Shire Council. Council's registers take different forms to align with various corresponding legislative requirements and to provide for operational functionality. Where required, Council's registers are published and made available for purchase.

Registers kept and maintained by Council are presented below:

Registers

A

Airport Visitor Identification Card Register
Animal Registration Register
Asset Register

C

Cemetery Register
Community Grants Register
Complaint Register
Contracts Register
Corporate Risk Register

D

Delegations Register
Development and Planning Register

F

Food Business Licence Register

G

Grants Register

P

Policy and Procedure Register
Public Interest Disclosure Register

R

Register of Cost- Recovery Fees and Schedule of Fees and Charges
Registers of Interests
Right to Information Disclosure Register

W

WHS-REG-005 Rectification Corrective Action Plan Register
WHS-REG-006 Haz Subs and D G Register
WHS-REG-019 HSR Register
WHS-REG-023 WHS Risk Register

Burke Shire Council

Excluded Reporting

The following reporting requirements, as prescribed by the *Local Government Act 2009* and *2012 Regulation* are not applicable to Burke Shire Council:

List of Business Activities

During the 2021–22 financial year Council undertook no significant business activities.

Section 45 Local Government Act 2009

Discretionary Funds

During the 2021–22 financial year Councillors were not provided with a budget for discretionary funds.

Section 189(2)(c) Local Government Regulation 2012

Commercial Business Units

During the 2021–22 financial year Council did not maintain any commercial business units.

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

Joint Local Government Activity

During the 2021–22 financial year Council undertook no joint local government activity.

Section 190 (1)(d) Local Government Regulation 2012

Change to Tenders

Burke Shire Council issued no requests for tenders to be changed during the 2021–22 financial year.

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

Burke Shire Council

Finance Plans and Reporting

One of the driving forces behind local government reform in 2008 was the need for councils to ensure long-term financial sustainability. Through Section 183 of the *Local Government Regulation 2012*, the State Government has legislated that Council must include in its Annual Report, a long-term financial sustainability statement inclusive of relevant measures of financial sustainability for the year the annual report has been prepared. In addition, Council is required to provide an explanation of how its financial management strategy is consistent with the long-term financial forecasts.

Council has developed a long-term financial forecast to help monitor and guide its decision-making to ensure the financial sustainability of council and limit further future rate price shocks on the community. The long-term financial forecast provides for the anticipated growth in the Burke Shire region and funds renewal and new capital infrastructure to maintain service levels and support growth with millions of dollars invested in infrastructure in recent years. Cash balances are maintained at a level to provide sufficient liquidity to cover working capital requirements. Expenditure is forecast to grow in line with the increases to Council's asset base with an expectation for ongoing efficiency gains from Council's operations.

Council has in place various policies, some of which are legislated, to support the management of its finances and the achievement of the long-term financial forecast. These include but are not limited to:

- Revenue Policy
- Investment Policy
- Budget Policy
- Debt Policy
- Procurement Policy
- Asset & Services Management Plan

Please see Appendix A for Council's Financial Statements and Long-Term Financial Sustainability Statement for the reporting period.



BURKE SHIRE
Council

Financial Statements
for the year ended 30 June 2022

Burke Shire Council

Financial Statements

For the Year Ended 30 June 2022

Table of Contents

Statement of Comprehensive Income

Statement of Financial Position

Statement of Changes in Equity

Statement of Cash Flows

Notes to the Financial Statements

- 1 Information About These Financial Statements
- 2 Analysis of Results by Function
- 3 Revenue
- 4 Grants, Subsidies, Contributions and Donations
- 5 Employee Benefits
- 6 Materials and Services
- 7 Capital Expenses
- 8 Cash and Cash Equivalents
- 9 Trade and Other Receivables
- 10 Property, Plant and Equipment
- 11 Contract Balances
- 12 Trade and Other Payables
- 13 Provisions
- 14 Revaluation Surplus
- 15 Contingent Liabilities
- 16 Superannuation
- 17 Reconciliation of Net Result for the Year to Net Cash Flows from Operating Activities
- 18 Leases
- 19 Events After the Reporting Period
- 20 Related Parties
- 21 Financial Instruments and Financial Risk Management
- 22 Changes in Accounting Policies
- 23 Investment in Gulf Savannah Development
- 24 Commitments

Management Certificate

Independent Auditor's Report (General Purpose Financial Statements)

Current Year Financial Sustainability Statement

Certificate of Accuracy - for the Current Year Financial Sustainability Statement

Independent Auditor's Report (Current Year Financial Sustainability Statement)

Unaudited Long Term Financial Sustainability Statement

Certificate of Accuracy - for the Long-Term Financial Sustainability Statement

Burke Shire Council
Statement of Comprehensive Income
For the Year Ended 30 June 2022

	Note	2022 \$	2021 \$
Income			
Revenue			
Recurrent Revenue			
Rates, Levies and Charges	3(a)	3,101,308	2,995,601
Fees and Charges		112,623	109,536
Rental Income	18	197,332	217,968
Interest Received		66,618	80,641
Sales Revenue	3(c)	1,296,640	1,049,342
Other Revenue		(2,207)	65,291
Grants, Subsidies, Contributions and Donations	4(a)	12,801,886	9,003,926
Total Recurrent Revenue		<u>17,574,200</u>	<u>13,522,305</u>
Capital Revenue			
Capital Income		-	-
Grants, Subsidies, Contributions and Donations	4(b)	3,914,550	6,964,165
Total Capital Revenue		<u>3,914,550</u>	<u>6,964,165</u>
Total Income		<u>21,488,750</u>	<u>20,486,470</u>
Expenses			
Recurrent Expenses			
Employee Benefits	5	(4,225,267)	(4,269,366)
Materials and Services	6	(12,192,842)	(8,572,744)
Finance Costs		18,736	(176,932)
Depreciation and Amortisation			
Property, Plant and Equipment	10	(4,856,350)	(4,818,306)
Right of Use Assets	18	(46,250)	(69,758)
		<u>(21,301,973)</u>	<u>(17,907,105)</u>
Capital Expenses	7	(202,685)	(168,698)
Total Expenses		<u>(21,504,658)</u>	<u>(18,075,803)</u>
NET RESULT		<u>(15,907)</u>	<u>2,410,666</u>
Other Comprehensive Income			
Items that will not be reclassified to Net Result			
Increase / (Decrease) in Revaluation Surplus	10	9,830,307	-
Total Other Comprehensive Income for the Year		<u>9,830,307</u>	<u>-</u>
Total Comprehensive Income for the Year		<u><u>9,814,400</u></u>	<u><u>2,410,666</u></u>

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

Burke Shire Council
Statement of Financial Position
as at 30 June 2022

	2022	2021	
Note	\$	\$	
Current Assets			
Cash and Cash Equivalents	8	10,146,891	10,530,239
Trade and Other Receivables	9	1,803,007	654,159
Inventories		264,499	258,005
Contract Assets	11(a)	2,197,913	1,940,623
Total Current Assets		<u>14,412,310</u>	<u>13,383,026</u>
Non-Current Assets			
Property, Plant and Equipment	10	164,046,500	154,784,240
Right of Use Assets	18	138,525	139,515
Total Non-Current Assets		<u>164,185,025</u>	<u>154,923,756</u>
Total Assets		<u>178,597,335</u>	<u>168,306,782</u>
Current Liabilities			
Trade and Other Payables	12	2,608,452	3,018,448
Contract Liabilities	11(b)	3,791,849	2,926,492
Lease Liabilities	18	27,705	69,758
Provisions	13	370,490	330,154
Total Current Liabilities		<u>6,798,496</u>	<u>6,344,852</u>
Non-Current Liabilities			
Lease Liabilities	18	110,820	69,757
Provisions	13	711,561	730,115
Total Non-Current Liabilities		<u>822,381</u>	<u>799,872</u>
Total Liabilities		<u>7,620,877</u>	<u>7,144,724</u>
Net Community Assets		<u>170,976,458</u>	<u>161,162,058</u>
Community Equity			
Revaluation Surplus	14	103,316,184	93,485,877
Retained Surplus		67,660,274	67,676,182
Total Community Equity		<u>170,976,458</u>	<u>161,162,058</u>

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

Burke Shire Council
Statement of Changes in Equity
For the Year Ended 30 June 2022

	Revaluation Surplus	Retained Surplus	TOTAL
	\$	\$	\$
Balance as at 1 July 2021	93,485,877	67,676,182	161,162,058
Net Result	-	(15,907)	(15,907)
Increase / (Decrease) in Revaluation Surplus	9,830,307	-	9,830,307
Total Comprehensive Income for the Year	9,830,307	(15,907)	9,814,399
Balance as at 30 June 2022	103,316,184	67,660,274	170,976,458
Balance as at 1 July 2020	93,485,877	65,265,516	158,751,393
Net Result	-	2,410,666	2,410,666
Increase / (Decrease) in Revaluation Surplus	-	-	-
Total Comprehensive Income for the Year	-	2,410,666	2,410,666
Balance as at 30 June 2021	93,485,877	67,676,182	161,162,058

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

Burke Shire Council
Statement of Cash Flows
For the Year Ended 30 June 2022

	2022	2021
Note	\$	\$
Cash Flows from Operating Activities		
Receipts from Customers	3,353,022	4,503,876
Payments to Suppliers and Employees	<u>(16,404,078)</u>	<u>(11,067,663)</u>
	(13,051,056)	(6,563,786)
Finance Costs	18,736	(176,932)
Interest Received	66,618	80,641
Rental Income	197,332	217,968
Operating Grants and Contributions	11,448,546	10,689,890
Net Cash Inflow (Outflow) from Operating Activities	17 <u>(1,319,824)</u>	<u>4,247,781</u>
Cash Flows from Investing Activities		
Payments for Property, Plant and Equipment	10 (5,268,609)	(7,588,506)
Proceeds from Sales of Property, Plant and Equipment	329,127	189,131
Capital Grants, Subsidies and Contributions	<u>5,875,958</u>	<u>6,628,231</u>
Net Cash Inflow (Outflow) from Investing Activities	936,476	(771,145)
Net Increase (Decrease) in Cash and Cash Equivalents Held	<u>(383,348)</u>	3,476,636
Cash and Cash Equivalents at the Beginning of the Financial Year	10,530,239	7,053,604
Cash and Cash Equivalents at End of the Financial Year	8 <u><u>10,146,891</u></u>	<u><u>10,530,239</u></u>

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

Burke Shire Council
Notes to the Financial Statements
For the Year Ended 30 June 2022

1 Information About These Financial Statements

1.A Basis of Preparation

Burke Shire Council is constituted under the Queensland *Local Government Act 2009* and is domiciled in Australia.

These general purpose financial statements are for the period 1 July 2021 to 30 June 2022. They are prepared in accordance with the *Local Government Act 2009* and the *Local Government Regulation 2012*. They comply with all Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB). Burke Shire Council is a not-for-profit entity for financial reporting purposes and these financial statements comply with the Australian Accounting Standards and Interpretations as applicable to not-for-profit entities.

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

1.B Statement of Compliance

Because Council is a not-for-profit entity and the Australian Accounting Standards include requirements for not-for-profit entities which are inconsistent with International Financial Reporting Standards (IFRS), to the extent these inconsistencies are applied, these financial statements do not comply with IFRS. The main impacts are the offsetting of revaluation and impairment gains and losses within a class of assets, and the timing of the recognition of non-reciprocal grant revenue.

1.C Date of Authorisation

The financial statements were authorised for issue on the date they were submitted to the Auditor-General for final signature. This is the date the management certificate is signed.

1.D Currency

Burke Shire Council uses the Australian dollar as its functional currency and its presentation currency.

1.E New and Revised Accounting Standards Adopted During the Year

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

1.F Standards Issued by the AASB Not Yet Effective

The AASB has issued Australian Accounting Standards and Interpretations which are not effective at 30 June 2022, these Standards have not been adopted by Council and will be included in the financial statements on their effective date. Where the Standard is expected to have a significant impact for Council then further information has been provided in this note. The Standards that may have a material impact upon Council's future financial statements are:

	Effective Periods Beginning on or After:
AASB 2020-1 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-Current and associated Standards	1 January 2023
AASB 2020-3 Amendments to Australian Accounting Standards - Annual Improvements 2018-2020	1 January 2022
AASB 2021-2 Amendments to Australian Accounting Standards - Disclosure of Accounting Policies and Definition of Accounting Estimates (amended by AASB 2021-6)	1 January 2023

1.G Estimates and Judgements

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

- Revenue Analysis - Note 3
- Doubtful Debts - Note 9
- Valuation and Depreciation of Property, Plant and Equipment - Note 10
- Provisions - Note 13
- Contingent Liabilities - Note 15
- Leases - Note 18
- Financial Instruments and Financial Risk Management - Note 21

1.H Rounding and Comparatives

The financial statements have been rounded to the nearest \$1. Comparative information is generally restated for reclassifications, errors and changes in accounting policies unless permitted otherwise by transition rules in a new accounting standard.

1.I Volunteer Services

Council has not recognised volunteer services provided to Council during the financial year as they have been determined to be immaterial in value.

1.J Taxation

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

1.K Inventories

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

Inventories held for distribution are:

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

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

2. Analysis of Results by Function

2 (a) Components of Council Functions

The activities relating to the Council's components reported on in Note 2(b) are as follows:

Revenue Raising

Relates to the management of all cash obtained through rates and charges, secured grants and financial assistance grants. The primary objective of this programme is to maintain a level of revenue sufficient for the delivery of local government services at an appropriate level and standard.

Governance

Includes oversight of key governance frameworks, ensuring Council has a strong voice in the region and with the State Government, ensures Council connects with the community and Council's disaster management responsibilities.

Finance and Community Services

Includes revenue (rates and general grants), purchasing and budgeting. The effective and efficient administration of general operations is the primary objective of this programme.

Planning and Building

Includes strategic (town) planning, building services and tourism. Facilitating sustainable infrastructure and economic development within the Shire is the primary objective of this programme.

Engineering Services

Includes road construction and maintenance, airport operation, boat ramps, drainage and footpaths. Ensuring Council continues to deliver appropriate levels of service to the community through the maintenance and replacement of its asset base is the primary objective of this programme.

Environmental Services

Includes animal control, pest control, environmental health and cemeteries. Promoting environmental and community health is the primary objective of this function.

Community and Cultural

Includes libraries, civic buildings, ablution facilities, housing, sport and recreation, and parks and gardens. The primary objective of this programme is to promote well-being through the provision of a range of services, support, events and venues for community and volunteer activities / organisations.

Garbage Utility

Includes refuse collection, refuse disposal and recycling. Ensuring Council continues to deliver appropriate levels of service to the community through the maintenance and replacement of its asset base is the primary objective of this programme.

Sewerage Utility

Includes sewerage services. Ensuring Council continues to deliver appropriate levels of service to the community through the maintenance and replacement of its asset base is the primary objective of this programme.

Water Utility

Includes water services. Ensuring Council continues to deliver appropriate levels of service to the community through the maintenance and replacement of its asset base is the primary objective of this programme.

Burke Shire Council
Notes to the Financial Statements
For the Year Ended 30 June 2022

2 (b) Analysis of Results by Function
Income and expenses defined between recurrent and capital are attributed to the following functions:

Year Ended 30 June 2022

Functions	Gross Programme Income						Total Income	Gross Programme Expenses		Total Expenses	Net Result from Recurrent Operations	Net Result	Assets
	Recurrent			Capital				Recurrent	Capital				
	Grants	Other	2022	Grants	Other	2022							
Revenue Raising	\$ 3,912,937	\$ 2,385,230	\$ -	\$ -	\$ -	\$ 6,298,167	\$ (44,040)	\$ -	\$ (44,040)	\$ 6,254,127	\$ 6,254,127	\$ 10,461,723	
Governance	-	-	-	-	-	-	(858,315)	-	(858,315)	(858,315)	(858,315)	-	
Finance and Community Services	156,585	83,673	-	-	-	240,258	(2,915,135)	-	(2,915,135)	(2,674,877)	(2,674,877)	3,693,469	
Planning and Building	-	-	-	-	-	-	(66,908)	-	(66,908)	(66,908)	(66,908)	-	
Engineering Services	8,611,303	1,339,433	2,405,067	-	-	12,355,802	(13,716,032)	(202,685)	(13,918,717)	(3,765,297)	(1,562,915)	117,633,356	
Environmental Services	13,000	1,800	354,793	-	-	369,593	(504,158)	-	(504,158)	(489,358)	(134,566)	-	
Community and Cultural	108,061	220,286	1,154,691	-	-	1,483,038	(1,873,928)	-	(1,873,928)	(1,545,581)	(390,890)	29,193,121	
Garbage Utility	-	112,262	-	-	-	112,262	(100,864)	-	(100,864)	11,398	11,398	-	
Sewerage Utility	-	172,717	-	-	-	172,717	(200,320)	-	(200,320)	(27,602)	(27,602)	3,595,406	
Water Utility	-	456,914	-	-	-	456,914	(1,022,272)	-	(1,022,272)	(565,358)	(565,358)	14,020,261	
TOTAL	12,801,886	4,772,314	3,914,550	-	-	21,488,750	(21,301,973)	(202,685)	(21,504,658)	(3,727,773)	(15,907)	178,597,335	

Year Ended 30 June 2021

Functions	Gross Programme Income						Total Income	Gross Programme Expenses		Total Expenses	Net Result from Recurrent Operations	Net Result	Assets
	Recurrent			Capital				Recurrent	Capital				
	Grants	Other	2021	Grants	Other	2021							
Revenue Raising	\$ 2,528,231	\$ 2,352,814	\$ -	\$ -	\$ -	\$ 4,881,045	(144,792)	\$ -	(144,792)	4,736,253	4,736,253	\$ 13,125,021	
Governance	-	-	-	-	-	-	(889,402)	-	(889,402)	(889,402)	(889,402)	-	
Finance and Community Services	68,538	144,073	-	-	-	212,611	(3,196,084)	-	(3,196,084)	(2,983,473)	(2,983,473)	409,460	
Planning and Building	9,200	-	-	-	-	9,200	(56,167)	-	(56,167)	(46,967)	(46,967)	-	
Engineering Services	6,029,306	1,112,547	6,964,165	-	-	14,106,018	(10,874,376)	-	(10,874,376)	(3,732,523)	3,231,642	111,796,031	
Environmental Services	198,000	1,510	-	-	-	199,510	(51,606)	-	(51,606)	147,904	147,904	-	
Community and Cultural	170,651	228,183	-	-	-	398,834	(1,565,577)	(168,698)	(1,734,275)	(1,166,743)	(1,335,442)	26,677,358	
Garbage Utility	-	111,043	-	-	-	111,043	(70,486)	-	(70,486)	40,557	40,557	-	
Sewerage Utility	-	169,127	-	-	-	169,127	(189,344)	-	(189,344)	(20,217)	(20,218)	3,167,831	
Water Utility	-	399,082	-	-	-	399,082	(869,272)	-	(869,272)	(470,190)	(470,191)	13,131,081	
TOTAL	9,003,926	4,518,378	6,964,165	-	-	20,486,470	(17,907,105)	(168,698)	(18,075,803)	(4,384,800)	2,410,666	168,306,782	

Burke Shire Council
Notes to the Financial Statements
For the Year Ended 30 June 2022

3 Revenue

	2022	2021
	\$	\$
(a) Rates, Levies and Charges		
General Rates	2,422,947	2,378,310
Water	456,914	399,082
Sewerage	172,717	169,127
Garbage Charges	112,262	111,043
Total Rates and Utility Charge Revenue	<u>3,164,839</u>	<u>3,057,561</u>
less: Discounts	(58,695)	(57,460)
less: Pensioner Remissions	(4,500)	(4,500)
less: Rates Write-Off	(336)	-
	<u><u>3,101,308</u></u>	<u><u>2,995,601</u></u>

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

(b) Fees and Charges

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

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

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.

(c) Sales Revenue

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

Revenue from contracts and recoverable works generally comprises a recoupment of material costs together with an hourly charge for use of equipment and employees. This revenue and the associated costs are recognised by reference to the stage of completion of the contract activity based on costs incurred at the reporting date. Where consideration is received for the service in advance it is included in other liabilities and is recognised as revenue in the period when the service is performed. There are no material contracts in progress at year end. The contract work carried out is not subject to retentions.

	2022	2021
	\$	\$
Recoverable Work		
Contract and Recoverable Works	<u>1,296,640</u>	<u>1,049,342</u>
Total Sales Revenue	<u><u>1,296,640</u></u>	<u><u>1,049,342</u></u>

4 Grants, Subsidies, Contributions and Donations

Grant Income Under AASB 15

Where grant income arises from an agreement which is enforceable and contains sufficiently specific performance obligations then the revenue is recognised when control of each performance obligation is satisfied. The performance obligations are varied based on the agreement. Payment terms vary depending on the terms of the grant, cash is received upfront for some grants and on the achievement of certain payment milestones for others.

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

Where control is transferred over time, generally the input methods being either costs or time incurred are deemed to be the most appropriate methods to reflect the transfer of benefit.

Grant Income Under AASB 1058

Assets arising from grants in the scope of AASB 1058 are recognised at the asset's fair value when the asset is received. Council considers whether there are any related liability or equity items associated with the asset which are recognised in accordance with the relevant Accounting Standard.

Once the assets and liabilities have been recognised then income is recognised for any remaining asset value at the time that the asset is received.

Burke Shire Council
Notes to the Financial Statements
For the Year Ended 30 June 2022

4 Grants, Subsidies, Contributions and Donations (continued)

Capital Grants

Capital grants received to enable Council to acquire or construct an item of property, plant and equipment to identified specifications which will be under Council's control, and which is enforceable, are recognised as revenue 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 since this is deemed to be the most appropriate measure of the completeness of the construction project as there is no profit margin.

Donations and Contributions

Where assets are donated or purchased for significantly below fair value, revenue is recognised when the asset is acquired and controlled by Council. Donations and contributions are generally recognised on receipt of the asset since there are no enforceable performance obligations.

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

		2022 Financial Year	
		AASB 15	AASB 1058
		\$	\$
(a)	Recurrent		
	General Purpose Grants	-	4,532,372
	Flood Restoration Funding	7,969,210	-
	Other Government Subsidies and Grants	-	300,304
		<u>7,969,210</u>	<u>4,832,676</u>

		2021 Financial Year	
		AASB 15	AASB 1058
		\$	\$
	Recurrent		
	General Purpose Grants	-	2,983,971
	Flood Restoration Funding	5,326,513	-
	Other Government Subsidies and Grants	-	693,442
		<u>5,326,513</u>	<u>3,677,413</u>

		2022	2021
		\$	\$
	Recurrent		
	General Purpose Grants	4,532,372	2,983,971
	Flood Restoration Funding	7,969,210	5,326,513
	Other Government Subsidies and Grants	300,304	693,442
		<u>12,801,886</u>	<u>9,003,926</u>

(b) **Capital**

Capital revenue includes grants and subsidies received which are tied to specific projects for the replacement or upgrade of existing non-current assets and / or investment in new assets. All capital grants are recognised under AASB 1058.

		2022	2021
		\$	\$
	Capital		
	Specific Purpose Government Subsidies and Grants	3,914,550	6,628,231
	Non-Cash Contributions	-	335,934
		<u>3,914,550</u>	<u>6,964,165</u>

(c) **Timing of Revenue Recognition for Grants, Subsidies, Contributions and Donations**

		2022 Financial Year	
		AASB 15	AASB 1058
		\$	\$
	Grants, Subsidies, Donations and Contributions - Operating (Point in Time)	-	300,304
	Grants, Subsidies, Donations and Contributions - Operating (Over Time)	7,969,210	4,532,372
	Grants, Subsidies, Donations and Contributions - Capital (Point in Time)	-	-
	Grants, Subsidies, Donations and Contributions - Capital (Over Time)	-	3,914,550
		<u>7,969,210</u>	<u>8,747,227</u>

Burke Shire Council
Notes to the Financial Statements
For the Year Ended 30 June 2022

(c) **Timing of Revenue Recognition for Grants, Subsidies, Contributions and Donations (continued)**

	2021 Financial Year	
	AASB 15	AASB 1058
	\$	\$
Grants, Subsidies, Donations and Contributions - Operating (Point in Time)	-	693,442
Grants, Subsidies, Donations and Contributions - Operating (Over Time)	5,326,513	2,983,971
Grants, Subsidies, Donations and Contributions - Capital (Point in Time)	-	335,934
Grants, Subsidies, Donations and Contributions - Capital (Over Time)	-	6,628,231
	<u>5,326,513</u>	<u>10,641,578</u>

5	Employee Benefits	Note	2022	2021
			\$	\$
	Total Staff Wages and Salaries		2,813,982	2,843,152
	Councillors' Remuneration		335,248	330,641
	Annual, Sick and Long Service Leave Entitlements		532,850	439,515
	Superannuation	16	399,574	406,897
			<u>4,081,654</u>	<u>4,020,205</u>
	Other Employee Related Expenses		227,175	273,698
			<u>4,308,829</u>	<u>4,293,903</u>
	less: Capitalised Employee Expenses		(83,563)	(24,537)
			<u>4,225,267</u>	<u>4,269,366</u>

Employee benefit expenses are recorded when the service has been provided by the employee. Councillor remuneration represents salary and other allowances paid in respect of carrying out their duties.

Council Full-Time Equivalent employees at the reporting date:

	FTE	FTE
Elected Members	5	5
Indoor Staff	21	20
Outdoors Staff	22	21
Total Full-Time Equivalent Employees	<u>48</u>	<u>46</u>

6	Materials and Services	2022	2021
		\$	\$
	Audit Fees *	92,857	92,018
	Communications and IT	438,263	451,312
	Consultants	180,131	45,365
	Donations	31,296	21,840
	Operating Expenses	3,459,538	3,172,131
	Repairs and Maintenance	1,358,117	1,149,969
	Recoverable Works	804,449	645,386
	Roads - Flood Damage	5,828,190	2,994,723
		<u>12,192,842</u>	<u>8,572,744</u>

* Total audit fees quoted by the Queensland Audit Office relating to the 2021/22 financial statements are \$71,400 (2021: \$78,500).

7	Capital Expenses		
	Loss on Disposal of Non-Current Assets		
	Proceeds from the Sale of Property, Plant and Equipment	329,127	189,131
	less: Carrying Value of Property, Plant and Equipment Disposed of	(531,812)	(357,829)
	Total Capital Expenses	<u>(202,685)</u>	<u>(168,698)</u>

8	Cash and Cash Equivalents		
	Cash and cash equivalents in the Statement of Cash Flows include cash on hand, all cash and cheques receipted but not banked at the year end, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.		
	Cash at Bank and On-Hand	872,184	1,035,341
	Deposits at Call	9,274,707	9,494,898
	Balance per Statement of Cash Flows	<u>10,146,891</u>	<u>10,530,239</u>

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

Contract Liabilities	3,791,849	2,926,492
Total Unspent Restricted Cash	<u>3,791,849</u>	<u>2,926,492</u>

Burke Shire Council
Notes to the Financial Statements
For the Year Ended 30 June 2022

	2022	2021
	\$	\$

8 Cash and Cash Equivalents (continued)

Council's activities expose it to a variety of financial risks including interest rate risk, credit risk and liquidity risk. Exposure to financial risks is managed in accordance with Council approved policies on financial risk management. These policies focus on managing the volatility of financial markets and seek to minimise potential adverse effects on the financial performance of Council.

Cash and deposits at call are held at both Westpac Banking Corporation (WBC) and Queensland Treasury Corporation (QTC) in deposit at call and business cheque accounts. WBC currently has a short term credit rating of A1+ and long term rating of AA- (*Standard & Poor's*). QTC is currently rated at 'AA+' (*Standard & Poor's*) (Australian Government Guaranteed) with a stable outlook.

Investments in financial assets are only made where those assets are with a bank or other financial institution in Australia. Council does not invest in derivatives or other high risk investments.

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

Trust Funds Held for Outside Parties

Monies held on behalf of other entities yet to be paid out	173,564	118,972
	<u>173,564</u>	<u>118,972</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 outside parties. Funds held in the trust account include those funds from the sale of land for arrears in rates, deposits for the contracted sale of land, security deposits lodged to guarantee performance and unclaimed monies (e.g. wages). Council performs only a custodial role in respect of these monies and because the monies cannot be used for Council purposes, they are not considered revenue nor brought to account in the statements since Council has no control over the assets.

9 Trade and Other Receivables

Current

Rateable Revenue and Utility Charges	308,651	241,231
Trade Debtors	1,397,275	274,734
less: Impairment	(134,295)	(112,955)
GST Receivable	127,592	207,340
Prepayments	103,785	43,809
	<u>1,803,007</u>	<u>654,159</u>

Trade receivables are amounts owed to Council at year-end and are recognised at the time of sale or service delivery i.e. the agreed purchase price / contract price. Receivables are measured at amortised cost which approximates fair value at reporting date. Trade debtors are recognised at the amounts due at the time of sale or service delivery i.e. the agreed purchase/contract price. Settlement of these amounts is required within 30 days from invoice date.

The collectability of receivables is assessed periodically and if there is objective evidence that Council will not be able to collect all amounts due, the carrying amount is reduced for impairment. All known bad debts were written-off at 30 June. The loss is recognised in finance costs. The amount of the impairment is the difference between the asset's carrying amount and the present value of the estimated cash flows discounted at the effective interest rate. Subsequent recoveries of amounts previously written off in the same period are recognised as finance costs in the Statement of Comprehensive Income.

Where Council is empowered under the provisions of the *Local Government Act 2009* to sell an owner's property to recover outstanding rate debts and the debt is less than the value of the property, Council does not impair rate receivables unless the situation indicates that Council may choose not to exercise its right of recovery.

Council has provided for a specific rate debtor at 30 June 2022 due to such circumstances arising, resulting in \$134,295 being provided for within the impairment loss balance.

Interest is charged on outstanding rates at a rate of 8.03% per annum compounding daily. No interest is charged on other debtors. There is no concentration of credit risk for rates and utility charges, fees and other debtors.

Movement in accumulated impairment losses is as follows:

Opening Balance at 1 July	112,955	167,865
Impairment Debts written off during the year	(6,370)	-
Increment / (Decrement) of Provision for Impairment of Debts	27,710	11,851
Impairments Reversed	-	(66,761)
Closing Balance at 30 June	<u>134,295</u>	<u>112,955</u>

Burke Shire Council
Notes to the Financial Statements
For the Year Ended 30 June 2022

10 Property, Plant and Equipment
30 June 2022

Basis of Measurement
Asset Values
 Opening Gross Value as at 1 July 2021
 Transferred from WIP
 Transfers Between Classes
 Additions
 Prior Year WIP Expensed
 Disposals
 Revaluation Adjustment to Revaluation Surplus
 Closing Gross Value as at 30 June 2022
Accumulated Depreciation and Impairment
 Opening Balance as at 1 July 2021
 Depreciation Expense
 Depreciation on Disposals
 Transfers Between Classes
 Revaluation Adjustment to Revaluation Surplus
 Accumulated Depreciation as at 30 June 2022
Total Written Down Value as at 30 June 2022

Buildings	Land	Furniture and Fittings	Plant and Equipment	Road Infrastructure	Water	Sewerage	Other Structures	Work in Progress	TOTAL
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
23,302,400	6,586,754	193,903	6,905,754	158,054,508	19,216,012	5,044,556	8,451,898	2,386,567	230,142,352
-	-	-	27,610	1,152,059	978,616	281,914	954,799	(3,394,997)	-
112,970	-	-	-	-	(112,970)	-	-	-	-
(619,000)	-	-	-	-	-	-	-	5,268,609	5,268,609
2,563,200	(219,000)	-	(49,850)	-	-	-	-	(448,494)	(448,494)
25,359,570	6,344,700	193,903	6,883,515	167,590,136	20,901,647	5,707,347	9,697,116	3,811,685	246,489,619

Range of Estimated Useful Life in Years
 Additions Comprise:
 Renewals
 Other Additions
 Total Additions

9,842,161	-	181,964	3,992,489	50,394,082	6,218,201	1,954,137	2,775,080	-	75,356,112
519,149	-	4,559	281,901	3,292,001	337,668	82,535	338,537	-	4,856,350
(338,371)	-	-	(17,667)	-	-	-	-	-	(356,038)
1,918	-	-	-	-	(1,918)	-	-	-	-
(433,525)	-	-	-	2,018,985	590,374	135,445	273,416	-	2,584,694
9,591,333	-	186,522	4,256,723	55,705,067	7,144,324	2,172,117	3,387,033	-	82,443,119
15,768,237	6,344,700	7,381	2,626,792	111,885,069	13,757,323	3,535,231	6,310,082	3,811,685	164,046,500
10 - 60	Land: Not Depreciated	3 - 10	2 - 20	15 - 180	20 - 120	20 - 100	15 - 150	-	-
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
22,044	-	-	27,610	2,786,716	422,231	232,793	295,214	-	3,786,609
321	20,250	-	-	-	573,532	31,884	856,014	-	1,482,000
22,365	20,250	-	27,610	2,786,716	995,763	264,677	1,151,228	-	5,268,609

30 June 2021
 Basis of Measurement
Asset Values
 Opening Gross Value as at 1 July 2020
 Transferred from WIP
 Additions
 Contributed Assets
 Disposals
 Closing Gross Value as at 30 June 2021
Accumulated Depreciation and Impairment
 Opening Balance as at 1 July 2020
 Depreciation Expense
 Depreciation on Disposals
 Accumulated Depreciation as at 30 June 2021
Total Written Down Value as at 30 June 2021

Buildings	Land	Furniture and Fittings	Plant and Equipment	Road Infrastructure	Water	Sewerage	Other Structures	Work in Progress	TOTAL
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
24,043,800	6,552,700	193,903	6,816,031	152,193,440	18,662,547	5,017,017	6,346,318	3,133,555	222,959,312
-	34,054	-	89,723	5,525,133	553,465	27,539	2,105,580	(8,335,495)	-
-	-	-	-	335,934	-	-	-	7,588,506	7,588,506
(741,400)	-	-	-	-	-	-	-	-	335,934
23,302,400	6,586,754	193,903	6,905,754	158,054,508	19,216,012	5,044,556	8,451,898	2,386,567	230,142,352
9,682,576	-	169,815	3,690,996	47,116,704	5,905,376	1,885,884	2,472,028	-	70,923,378
543,157	-	12,149	301,493	3,277,378	312,825	68,253	303,051	-	4,818,306
(383,571)	-	-	-	-	-	-	-	-	(383,571)
9,842,161	-	181,964	3,992,489	50,394,082	6,218,201	1,954,137	2,775,080	-	75,356,112
13,460,239	6,586,754	11,939	2,913,266	107,660,426	12,997,811	3,090,418	5,676,819	2,386,567	164,784,240

Burke Shire Council
Notes to the Financial Statements
For the Year Ended 30 June 2022

10 Property, Plant and Equipment (continued)

Each class of property, plant and equipment is stated at cost or fair value less, where applicable, any accumulated depreciation and accumulated impairment loss. Items of plant and equipment with a total value of less than \$5,000, and infrastructure assets and buildings with a total value of less than \$10,000 are treated as an expense in the year of acquisition. All other items of property, plant and equipment are capitalised.

The classes of property, plant and equipment recognised by Council are:

Land	Sewerage	Furniture and Fittings
Buildings	Water	Plant and Equipment
Other Structures	Road Infrastructure	Work in Progress

Acquisition of Assets

Acquisitions of assets are initially recorded at cost. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition, including freight in, architect's fees and engineering design fees and all other establishment costs.

Capital and Operating Expenditure

Direct labour and materials and an appropriate proportion of overheads incurred in the acquisition or construction of assets are treated as capital expenditure. Assets under construction are not depreciated until they are completed and commissioned, at which time they are reclassified from work in progress to the appropriate property, plant and equipment class.

Routine operating maintenance, repair costs and minor renewals to maintain the operational capacity and useful life of the non-current asset is expensed as incurred, while expenditure that relates to replacement of a major component of an asset to maintain its service potential is capitalised.

Expenditure incurred in accordance with Disaster Recovery Funding Arrangements on road assets is analysed to determine whether the expenditure is capital in nature. The analysis of the expenditure requires Council engineers to review the nature and extent of expenditure on a given asset. For example, expenditure that patches a road is generally maintenance in nature, whereas a kerb to kerb rebuild is treated as capital. Material expenditure that extends the useful life or renews the service potential of the asset is capitalised.

Valuation

Land, buildings and all infrastructure assets are measured on a revaluation basis, at fair value, in accordance with AASB 116 *Property, Plant & Equipment* and AASB 13 *Fair Value Measurement*. Plant and equipment, furniture and fittings and work in progress are measured at cost. Note the current replacement cost method is the revaluation method applied. A comprehensive valuation for Land, Sewerage, Buildings, Water, Other Structures and Road Infrastructure was carried out in 2019/20 by Asset Val Pty Ltd.

Non-current physical assets measured at fair value are revalued, where required, so that the carrying amount of each class of asset does not materially differ from its fair value at the reporting date. This is achieved by engaging independent, professionally qualified valuers to determine the fair value for each class of property, plant and equipment assets at least once every 3 years. This process involves the valuer physically sighting a representative sample of Council assets across all asset classes and making their own assessments of the condition of the assets at the date of inspection. A desktop revaluation of Land, Sewerage, Road Infrastructure, Water, Buildings and Other Assets has been conducted in the 2021/22 financial year by Asset Val Pty Ltd.

In the intervening years, Council uses valuation consultants (AssetVal), along with internal engineers and asset managers to assess the condition and cost assumptions associated with all infrastructure assets, the results of which are considered in combination with an appropriate cost index for the region. Together these are used to form the basis of a management valuation for infrastructure asset classes in each of the intervening years. With respect to the valuation of the land and buildings asset classes in the intervening years, management engage independent, professionally qualified valuers (AssetVal) to perform a "desktop" valuation. A desktop valuation involves management providing updated information to the valuer regarding additions, deletions and changes in assumptions such as useful life, residual value and condition rating. The valuer then determines suitable indices which are applied to each of these asset classes.

The following desktop indexation rates were applied in the 2021/22 financial year in accordance to the valuation conducted by AssetVal:

- Land Index	0.0%
- Buildings Index	8.0%
- Road & Bridge Index	6.2%
- Civil Index Index	5.0%
- Electrical Index	7.1%
- Mechanical Index	7.8%

An analysis performed by management has indicated that, on average, the variance between an indexed asset value and the valuation by an independent valuer when performed is not significant and the indices used by Council are appropriate. Further details in relation to valuers, the methods of valuation and the key assumptions used are disclosed below.

Any revaluation increment arising on the revaluation of an asset is credited to the appropriate class of the 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.

Capital Work in Progress

The cost of property, plant and equipment being constructed by Council includes the cost of purchased services, materials, plant hire, plant hire overheads, direct labour and an appropriate proportion of labour overheads.

Depreciation

Land is not depreciated as it has an unlimited useful life. Depreciation on other property, plant and equipment assets is calculated on a straight-line basis so as to write-off the net cost or revalued amount of each depreciable asset, less estimated residual value, progressively over its estimated useful life to Council. Management believe that the straight-line basis appropriately reflects the pattern of consumption of all Council assets. Assets are depreciated from the date of acquisition or, in respect of internally constructed assets, from the time an asset is completed and commissioned ready for use.

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

Burke Shire Council
Notes to the Financial Statements
For the Year Ended 30 June 2022

10 Property, Plant and Equipment (continued)

Major spares purchased specifically for particular assets that are above the asset recognition threshold are capitalised and depreciated on the same basis as the asset to which they relate.

The depreciable amount of improvements to or on leasehold land is allocated progressively over the estimated useful lives of the improvements to Council or the unexpired period of the lease, whichever is the shorter.

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.

Land Under Roads

Land under the roads and reserve land which falls under the *Land Act 1994* or the *Land Title Act 1994* is controlled by the Queensland Government pursuant to relevant legislation and not recognised by Council. Land under roads acquired before 30 June 2008 is recognised as a non-current asset where the Council holds title or a lease over the asset. Burke Shire does not have any such holdings.

Depreciation methods, estimated useful lives and residual values of property, plant and equipment assets 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. Condition assessments performed as part of the annual valuation process for assets measured at written down current replacement cost are used to estimate the useful lives of these assets.

Impairment of Non-Current Assets

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

Fair Value Measurements

Recognised Fair Value Measurements

Council measures and recognises the following assets at fair value on a recurring basis:

Property, Plant and Equipment

Land	Sewerage	Water
Buildings	Road Infrastructure	Other Structures

Council does not measure any liabilities at fair value on a recurring basis. Council has assets and liabilities which are not measured at fair value, but for which fair values are disclosed in other notes.

The carrying amounts of trade receivables and trade payables are assumed to approximate their fair values due to their short-term nature (Level 2).

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)

Council does not have any assets or liabilities measured at fair value which meet the criteria for categorisation as level 1.

Fair values of assets are determined using valuation techniques which maximise the use of observable data, where it is available, and minimise the use of entity specific estimates. If all significant inputs required to fair value an asset are observable, the asset is included in level 2. If one or more significant inputs are not based on observable market data, the asset is included in level 3. This is the case for infrastructure assets, which are of a specialist nature for which there is no active market for similar or identical assets. These assets are valued using a combination of observable and unobservable inputs.

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

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

Land and Buildings (Level 2)

Valuations have been based on sales of land in the locality and standard valuation principles have been adopted whereby the direct comparison method for each individual parcel has been utilised. Where necessary, adjustments are made to the sales evidence to account for differences between sold properties and the subject property.

Due regard has also been given to zoning, size, shape, location, topography and exposure characteristics for each lot, as well as overall market conditions as at the date of valuation. Research of the various submarkets within the asset locations has been undertaken through the analysis of sales evidence and market data derived from real estate agents.

It should be noted that there is often a lack of appropriate comparable sales evidence in certain geographic locations and also for properties of certain specific comparable land use and/or area classification. In such cases, regard is given to the closest comparable sales and the subject properties' characteristics in relation to those sales.

Buildings (Level 3)

The fair value of buildings was determined by AssetVal Pty Ltd effective on 30 June 2022. Where there is a market for Council building assets they are categorised as non-specialised buildings and the fair value has been derived from market based evidence of sales prices for non-specialised buildings.

Where Council's buildings are of a specialised nature and there is no active market for the assets, the fair value has been determined on the basis of current replacement cost. The current replacement cost for specialised buildings have been derived from the following sources:

- Recent construction data (observable)
- Rawlinson's cost data and cost indices with regional indexations applied to allow for the remote location (observable / publicly available). The Rawlinson's cost data selected is then subject to review by engineers and valuers taking into account site specifics
- Consideration of building size, material, type, and structure (observable)
- Condition assessment (unobservable / subjective)
- Restrictions associated with each site (unobservable)
- Valuer's professional judgement (unobservable / subjective)
- Useful life and remaining useful life (unobservable / subjective)

Burke Shire Council
Notes to the Financial Statements
For the Year Ended 30 June 2022

10 Property, Plant and Equipment (continued)

The table below sets out our the valuer's condition ratings and how they compare to Council's condition rating, a description of that rating and the amount of remaining useful life that the rating implies.

Valuer Condition Rating (0-10)	Burke Shire Equivalent Rating (1-5)	Description	Remaining Useful Life
0 - 0.5	1	New / Excellent Condition	100%
1 - 1.5	1	Excellent / Good Condition	90%
2 - 2.5	2	Good Condition	80%
3 - 3.5	2	Good / Average Condition	70%
4 - 4.5	3	Average Condition	60%
5 - 5.5	3	Mid-Life	50%
6 - 6.5	3	Average / Below Average	40%
7 - 7.5	4	Below Average	30%
8 - 8.5	4	Below Average / Deteriorating	20%
9 - 9.5	5	Deteriorating / Defective	10%
10	5	End of Useful Life	0%

In determining the level of accumulated depreciation, assets have been componentised to clearly separate and depreciate each component that is significant in relation to the total cost of the item, and has a useful life or depreciation method that differs from other components. For the purposes of this exercise we have limited the number of components to 11. The valuer has adopted a single useful life for each component that we believe most closely represents, the building and component type, the environment within which each asset stands, its pattern of consumption and economical, physical and technological obsolescence.

Other Structures (Level 3)

Generally the nature of other structures requires that they are valued using the application of unit rates. Unit rates are developed by summing each component which goes into producing a unit (be it metres, square metres, tonnes, etc.) of an asset. The major components of any asset are the raw materials, plant, labour and intangibles. These unit costs are then applied to known measurements of the assets to produce a replacement cost, which is then depreciated to estimate the Fair Value.

As an example, in relation to a fence, the cost per metre is the sum of the raw cost of the fencing materials delivered to site, the cost of installation and various intangibles such as design, survey, administration, management and contingency.

The raw cost of material, as well as plant and labour hire rates, are established through communicating directly with suppliers and obtaining quoted prices and by using cost guides such as the Rawlinson's' Construction handbook. Intangibles are estimated using industry standards as a starting point; these rates are then tailored to suit Burke Shire Council's requirements.

Infrastructure Assets (Level 3)

All Council infrastructure assets were fair valued using written down current replacement cost. This valuation comprises the asset's current replacement cost (CRC) less accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset. Council first determined the gross cost of replacing the full service potential of the asset and then adjusted this amount to take account of the expired service potential of the asset.

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

The unit rates (labour and materials) and quantities applied to determine the CRC of an asset or asset component were based on a "Greenfield" assumption meaning that the CRC was determined as the full cost of replacement with a new asset including components that may not need to be replaced, such as earthworks. The CRC was determined using methods relevant to the asset class as described under individual asset categories below.

Roads Infrastructure (Level 3)

Council categorises its roads and stormwater infrastructure into road and street networks. All assets are then componentised into formation pavement, seal, kerb and channel, and floodways (where applicable). Council assumes that environmental factors such as soil type, climate and topography are consistent across each road or street. Council also assumes an asset is designed and constructed to the same standards and uses a consistent amount of labour and materials.

Current replacement cost (CRC) was calculated by reference to asset linear area specifications, estimated labour and material inputs, service costs, and overhead allocations. Council also assumes that all raw materials can be sourced locally. For internal construction estimates, materials and services prices were based on existing supplier contract rates of supplier price lists.

As an example, in relation to road pavement, the cost per square metre is the sum of the raw cost of the gravel delivered to site, the cost to lay and compact, the cost of any geotechnical testing and various intangibles such as design, survey, administration, management and contingency.

In determining the level of physical obsolescence, the road and stormwater networks were disaggregated into significant components which exhibit different useful lives. The straight line depreciation method has been used to calculate accumulated depreciation based on the age of each road.

Water and Sewerage (Level 3)

In determining the level of physical obsolescence, the water and sewerage network were disaggregated into significant components which exhibit different useful lives. The straight line depreciation method has been used to calculate accumulated depreciation based on the age of each component.

In relation to a length of pipe, the cost per metre is the sum of the raw cost of the pipe, the cost to deliver the pipe to site, the cost to lay the pipe, the cost of excavation and backfilling and various intangibles such as design, survey, administration, management and contingency.

Burke Shire Council
Notes to the Financial Statements
For the Year Ended 30 June 2022

10 Property, Plant and Equipment (continued)

Some assets are complex assets that are required to be split into sub components due to varying useful lives or consumption patterns, additional componentisation also assists with asset management and replacement cost development. Examples of these assets include: sewerage pump stations and sewerage treatment plants. These assets are valued by determining the current cost to replace the required service capacity i.e. modern replacement asset.

The raw cost of material, as well as plant and labour hire rates, are established either through communicating directly with suppliers and obtaining quoted prices, by using cost guides such as the Rawlinson's Construction Handbook and through reviewing prices supplied by Burke Shire Council. Intangibles are estimated using industry standards as a starting point, these rates are then tailored to suit Council.

Where there is an active and liquid market as evidenced by sales transactions of similar asset types, the Market Approach by Direct Comparison, Income or Summation methods can be utilised, and is an accepted valuation methodology under AASB 13. If a Market Approach is adopted, the valuation is deemed to be a Level 2 input.

The Fair Value should represent the highest and best use of the asset, i.e. the use of the asset that is physically possible, legally permissible, financially feasible, and which results in the highest value. Opportunities that are not available to the agency or entity are not considered. In this case we have assumed the current use is the highest and best use due to the specialist nature of the assets.

Due to the predominantly specialised nature of Local Government assets, the valuations have been undertaken on a Cost Approach, an accepted valuation methodology under AASB 13. The cost approach is deemed a Level 3 Input. Under this approach, the following process has been adopted:

Where there is no market, the net current value of an asset is the gross current value less accumulated depreciation to reflect the consumed or expired service potential of the asset. Published/available market data for recent projects, and/or published cost guides are utilised to determine the estimated replacement cost (gross value) of the asset, including allowances for preliminaries and professional fees. This is considered a Level 2 input.

- A condition assessment is applied, which is based on factors such as the age of the asset, overall condition as noted by the Valuer during inspection, economic and/or functional obsolescence. The condition assessment directly translates to the level of depreciation applied.

- In determining the level of accumulated depreciation for major assets, council has disaggregated them into significant components which exhibit different patterns of consumption (useful lives). The condition assessment is applied on a component basis.

- While the replacement cost of the assets could be supported by market supplied evidence (level 2), the other unobservable inputs (such as estimates of useful life, and asset condition) were also required (level 3).

To calculate the appropriate amount of accumulated depreciation, assets were either subject to a site inspection or an assessment to determine remaining useful life. Where site inspections were conducted, the assets were allocated a condition assessment, which was used to estimate remaining useful life. For assets maintained within the Gregory township, as weather conditions prohibited access to valuers during site inspections, an engineering qualified member of the Burke Shire Council management team was engaged to perform the assessment on behalf of the valuers to ensure assets were appropriately inspected and valued.

The valuation techniques used in the determination of fair values maximise the use of observable data where it is available and relies as little as possible on entity specifics. The disclosure of valuation estimates is designed to provide users with an insight into the judgements that have been made in the determination of fair values.

Burke Shire Council
Notes to the Financial Statements
For the Year Ended 30 June 2022

11 Contract Balances

Where the amounts billed to customers are based on the achievement of various milestones established in a contract, the amounts recognised as revenue in a given period do not necessarily coincide with the amounts billed to, or certified by, a customer.

When a performance obligation is satisfied by transferring a promised good or service to the customer before the customer pays consideration or before payment is due, Council presents the work in progress as a contract asset, unless the rights to that amount of consideration are unconditional, in which case Council recognises a receivable. When an amount of consideration is received from a customer / fund provider prior to Council transferring a good or service to the customer, Council presents the funds which exceed revenue recognised as a contract liability.

	<u>2022</u> \$	<u>2021</u> \$
(a) Contract Assets		
Contract Assets	2,197,913	2,117,076
less: Impairment of Contract Assets	-	(176,453)
	<u>2,197,913</u>	<u>1,940,623</u>
(b) Contract Liabilities		
Deposits received in advance of services provided	1,394,223	2,926,492
Funds received upfront to construct Council controlled assets	2,397,627	-
	<u>3,791,849</u>	<u>2,926,492</u>

Revenue recognised in 2021/22 that was included in the contract liability balance at the beginning of the year.

Funds to construct Council controlled assets	-	104,006
Deposits received in advance of services provided	2,728,746	648,843
	<u>2,728,746</u>	<u>752,849</u>

Significant Changes in Contract Balances

There was a significant advance payment of flood restoration funds paid to Council to facilitate the swift conduct of repairs to the road network, as well as some grants paid in advance of the services and constructions being complete.

Current Contract Liabilities

Flood Damage	1,526,512	2,145,995
Prepaid Rates	8,284	2,088
Other	2,257,054	778,409
	<u>3,791,849</u>	<u>2,926,492</u>

12 Trade and Other Payables

Current

Creditors and Accruals	2,578,654	2,987,121
Other Employee Entitlements	29,798	31,327
	<u>2,608,452</u>	<u>3,018,448</u>

Trade creditors are recognised upon receipt of the goods or services ordered and are measured at the agreed purchase / contract price net of applicable discounts other than contingent discounts. Amounts owing are unsecured and are generally settled on 30 day terms. A liability for salaries and wages is recognised and measured as the amount unpaid at the reporting date at current pay rates in respect of employees' services up to that date.

Sick Leave

Sick leave taken in the future will be met by future entitlements and hence no recognition of sick leave has been made in these financial statements.

Burke Shire Council
Notes to the Financial Statements
For the Year Ended 30 June 2022

13 Provisions

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

	2022	2021
	\$	\$
Current		
Long Service Leave	62,191	73,777
Annual Leave Liability	308,299	256,377
	<u>370,490</u>	<u>330,154</u>
Non-Current		
Long Service Leave	150,147	109,465
Refuse Restoration	561,415	620,650
	<u>711,561</u>	<u>730,115</u>
Refuse Restoration		
Balance at Beginning of Financial Year	620,650	655,418
Increase / (Decrease) in Provision due to Unwinding of Discount	(59,235)	(34,768)
Balance at End of Financial Year	<u>561,415</u>	<u>620,650</u>

Provision is made for the cost of restoration of refuse dumps where it is probable Council will be liable, or required, to incur cost on the cessation of use of these facilities. The provision is measured at the expected cost of the work required, discounted to current day values using the interest rates attaching to Commonwealth Government guaranteed securities with a maturity date corresponding to the anticipated date of restoration. The refuse restoration closing balance of \$561,415 is the present value of the estimated cost of restoring the refuse disposal site to a useable state at the end of its useful life.

The provision represents the present value of the anticipated future costs associated with the closure of the dump sites, decontamination and monitoring of historical residues, and leaching on these sites. The calculation of this provision requires assumptions such as application of environmental legislation, site closure dates, available technologies, and engineering cost estimates. These uncertainties may result in future actual expenditure differing from amounts currently provided. Because of the long-term nature of the liability, the most significant uncertainty in estimating the provision is the costs that will be incurred. The provision recognised for dump sites is reviewed at least annually and updated based on the facts and circumstances available at the time. Management estimates that the site will close in 2029 and that the restoration will occur progressively over the subsequent four years.

	2022	2021
	\$	\$
Long Service Leave		
Balance at Beginning of Financial Year	183,242	234,098
Long Service Leave Entitlement Arising	29,095	15,214
Long Service Entitlement Paid	-	(66,069)
Balance at End of Financial Year	<u>212,337</u>	<u>183,242</u>

A liability for long service leave is measured as the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date. The value of the liability is calculated using current pay rates and projected future increases in those rates and includes related employee on-costs. The estimates are adjusted for the probability of the employee remaining in Council's employment or other associated employment which would result in Council being required to meet the liability. Adjustments are then made to allow for the proportion of the benefit earned to date, and the result is discounted to present value. The interest rates attaching to Commonwealth Government guaranteed securities at the reporting date are used to discount the estimated future cash outflows to their present value.

Annual Leave

A liability for annual leave is recognised. As Council does not have an unconditional right to defer this liability beyond 12 months annual leave is classified as a current liability.

Burke Shire Council
Notes to the Financial Statements
For the Year Ended 30 June 2022

14 Revaluation Surplus

Revaluation Surplus Analysis	2022	2021
The closing balance comprises the following asset categories:	\$	\$
Land	5,209,668	5,232,722
Buildings	7,012,434	4,015,709
Road Infrastructure	77,724,218	71,359,633
Water	4,983,299	4,753,684
Sewerage	3,855,476	3,610,043
Other Structures	4,531,090	4,514,087
	<u>103,316,184</u>	<u>93,485,877</u>

The revaluation surplus comprises adjustments relating to changes in value of assets that don't result from the use of those assets. Net incremental changes in the carrying value of classes of non-current assets since their initial recognition are accumulated in the revaluation surplus.

Increases and decreases on revaluation are offset within a class of assets. Where a class of assets is decreased on revaluation, that decrease is offset first against the amount remaining in the revaluation surplus in respect of that class. Any excess is treated as an expense.

When an asset is disposed of, the amount reported in the surplus in respect of that asset is retained in the revaluation surplus and not transferred to retained surplus.

15 Contingent Liabilities

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

Local Government Mutual

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

As at 30 June 2021 the financial statements reported an accumulated surplus and it is not anticipated any liability will arise.

Local Government Workcare

Council is a member of the Queensland local government workers' compensation self-insurance scheme, Local Government Workcare. Under this scheme Council has provided an indemnity towards a bank guarantee to cover bad debts which may remain should the self insurance licence be cancelled and there was insufficient funds available to cover outstanding liabilities. Only the Queensland Government's workers' compensation authority may call on any part of the guarantee should the above arise. Council's maximum exposure to the bank guarantee is \$83,188.05

16 Superannuation

Council contributes to the LGIA super Regional Defined Benefits Fund (the scheme), at the rate of 12.5% for each permanent employee who is a defined benefit member. This rate is set in accordance with the LGIA super trust deed and may be varied on the advice of an actuary. The Regional Defined Benefits Fund is a complying superannuation scheme for the purpose of the Commonwealth Superannuation Industry (Supervision) legislation and is also governed by the *Local Government Act 2009*.

The scheme is a defined benefit plan, however Council is not able to account for it as a defined benefit plan in accordance with AASB119 because LGIA super is unable to account for its proportionate share of the defined benefit obligation, plan assets, and costs.

Any amount by which the scheme is over or under funded may affect future benefits and result in a change to the contribution rate, but has not been recognised as an asset or liability of Council.

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

Burke Shire Council
Notes to the Financial Statements
For the Year Ended 30 June 2022

16 Superannuation (continued)

The last completed actuarial assessment of the scheme was undertaken as at 1 July 2021. The actuary indicated that "At the valuation date of 1 July 2021, the net assets of the scheme exceeded the vested benefits and the scheme was in a satisfactory financial position as at the valuation date." Council is not aware of anything that has happened since that time that indicates the assets of the scheme are not sufficient to meet the vested benefits, as at the reporting date. The next triennial actuarial review is not due until 1 July 2024.

No changes have been made to prescribed employer contributions and there are no known requirements to change the rate of contributions.

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

- Investment Risk - The risk that the scheme's investment returns will be lower than assumed and additional contributions are needed to fund the shortfall.
- Salary Growth Risk - The risk that wages or salaries will rise more rapidly than assumed, increasing vested benefits to be funded.

	Note	2022 \$	2021 \$
Superannuation contributions made to the Regional Defined Benefits Fund		399,574	406,897
Total superannuation contributions paid by Council	5	<u>399,574</u>	<u>406,897</u>
17 Reconciliation of Net Result for the Year to Net Cash Flows from Operating Activities			
Net Result		(15,907)	2,410,666
Non-Cash Items:			
Depreciation - Property, Plant and Equipment	10	4,856,350	4,818,306
Depreciation - Right of Use Assets	18	46,250	69,758
Lease Write-off Costs		(46,250)	-
Loss on Disposal of Assets	7	202,685	168,698
		<u>5,059,035</u>	<u>5,056,762</u>
Investing and Development Activities:			
Correction of Brought Forward WIP Balances		448,494	-
Capital Grants and Contributions	4	(3,914,550)	(6,964,165)
		<u>(3,466,056)</u>	<u>(6,964,165)</u>
Changes in Operating Assets and Liabilities:			
(Increase) / Decrease in Receivables		(1,655,952)	(194,940)
(Increase) / Decrease in Inventory		(6,494)	(8,632)
(Increase) / Decrease in Contract and Other Assets		990	(69,758)
Increase / (Decrease) in Payables / Contract Liabilities		(1,256,232)	4,154,402
Increase / (Decrease) in Other Liabilities		(990)	-
Increase / (Decrease) in Other Provisions		21,782	(136,554)
		<u>(2,896,896)</u>	<u>3,744,518</u>
Net Cash Inflow from Operating Activities		<u>(1,319,824)</u>	<u>4,247,781</u>

18 Leases

Council as a Lessee

Council has a significant lease in place over office space in Cairns on Lake Street. This lease was terminated during February 2022 and a transition to a new lease arrangement was later signed in June 2022 for a new Cairns office space on Aplin Street. Council has applied the exception to lease accounting for leases of low-value assets and short-term leases.

Where Council assesses that an agreement contains a lease, a right of use asset and a lease liability are recognised on inception of the lease. Council does not separate lease and non-lease components for any class of assets and has accounted for lease payments as a single component.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises: the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration, less any lease incentives received. The right-of-use is depreciated over the lease term on a straight-line basis and assessed for impairment in accordance with the Impairment of Asset Accounting Policy.

Burke Shire Council
Notes to the Financial Statements
For the Year Ended 30 June 2022

18 Leases (continued)

The lease liability is initially recognised at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then Council's incremental borrowing rate for a similar term with similar security is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is re-measured whenever there is a lease modification, or change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI).

Council leases commercial space in Cairns which is used to maintain a remote work office for an initial period of five years.

	2022	2021
	\$	\$
Right of Use Assets		
Opening Balance (Lake Street Property)	139,515	209,273
Depreciation Charge (Lake Street Property)	(46,250)	(69,758)
Write-off of Lease (Lake Street Property)	(93,265)	-
Establishment of Lease (Aplin Street Property)	138,525	-
Closing Balance	<u>138,525</u>	<u>139,515</u>

Lease Liabilities

The table below shows the maturity analysis of the lease liabilities based on contractual cashflows and therefore the amounts may not be the same as the recognised lease liability in the Statement of Financial Position.

	< 1 Year	1 to 5 Years	> 5 Years	Total	Carrying Amount
	\$	\$	\$	\$	\$
2022	27,705	110,820	-	138,525	138,525
2021	69,758	69,758	-	139,515	139,515

Amounts included in the statement of comprehensive income related to leases

The following amounts have been recognised in the statement of comprehensive income for leases where Council is the lessee:

	2022	2021
	\$	\$
Interest on lease liabilities	983	2,881
Depreciation of right to use assets	46,250	69,758
Total outflows for leases	<u>47,234</u>	<u>72,638</u>

Council as a Lessee

Under AASB 16, all leases which meet the definition of a lease are recognised on the Statement of Financial Position (except for short-term leases and leases of low-value assets).

Council has used the exception to lease accounting for short-term leases and leases of low-value assets, and the lease expense relating to these leases is recognised in the Statement of Comprehensive Income on a straight-line basis.

Council as a Lessor

When Council is a lessor, the lease is classified as either an operating or finance lease at inception date, based on whether substantially all of the risks and rewards incidental to ownership of the asset have been transferred to the lessee. If the risks and rewards have been transferred then the lease is classified as a finance lease, otherwise it is an operating lease.

Rent from Council's building assets is recognised as income on a periodic straight-line basis over the lease term.

Operating leases:

Where Council retains the risks and rewards relating to a lease, the lease is are classified as an operating leases.

The minimum lease receipts arising from operating leases are as follows:

	2022	2021
	\$	\$
Property Income (excluding variable lease payments not dependant on an index of rate)	197,332	217,968
	<u>197,332</u>	<u>217,968</u>

19 Events After the Reporting Period

There were no material adjusting events after the balance date.

Burke Shire Council
Notes to the Financial Statements
For the Year Ended 30 June 2022

20 Related Parties

(a) Transactions with Key Management Personnel (KMP)

KMP includes the Mayor, Councillors, Chief Executive Officer, and Director of Engineering. The compensation paid to KMP comprises:

Details of Transaction	2022	2021
	\$	\$
Short-Term Employee Benefits	779,369	962,899
Post-Employment Benefits	86,165	112,742
Long-Term Benefits	-	-
Termination Benefits	-	119,349
TOTAL	865,534	1,194,989

(b) Transactions with Other Related Parties

Other related parties include the close family members of KMP and any entities controlled or jointly controlled by KMP or their close family members. Close family members include a spouse, child and dependent of a KMP or their spouse.

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

Details of Transaction	Additional Information	2022	2021
		\$	\$
Purchase of materials and services from entities controlled by KMP	20(b)(i)	1,476,849	1,158,100
Employee expenses for close family members of KMP	20(b)(ii)	474,149	428,554
TOTAL		1,950,999	1,586,654

(i) Council purchased the following material and services from entities that are controlled by KMP. All purchases were at arm's length and were in the normal course of Council operations:

	2022	2021
	\$	\$
Contracting services (machinery hire and trade services)	1,241,235	970,807
Goods / supplies	235,614	187,292
Total	1,476,849	1,158,100

(ii) All close family members of KMP were employed through an arm's length process. They are paid in accordance with the Award for the job they perform:

Council employs 43 staff of which only 5 are close family members of key management personnel.

(c) Outstanding Balances

Council notes an outstanding balance of \$25,718.62 was due to Council as at 30 June 2022 from a former staff member.

(d) Loans and Guarantees to / from Related Parties

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

(e) Commitments to / from Other Related Parties

KG Booth (Business owned by the father of Cr. Tonya Murray and father-in-law of Clinton Murray (Works Manager)) and CM Contracting (Clinton Murray's personal business) are on Council's register of Pre-Qualified Suppliers for the Hire of Plant and Equipment for the 2021/22 construction season. The use of this register may give rise to tenders and/or contracts and no set value is available until the scope of the work is established. This pre-qualified register of suppliers is assessed and approved by Council representatives to ensure there are no conflicts of interests. Cr Tonya Murray and Clinton Murray were not involved in the decision to include KG Booth or CM Contracting on the Register of Pre-qualified Suppliers.

(f) Transactions with Related Parties that have not been Disclosed

Most of the entities and people that are related parties of Council live and operate within Burke Shire. Therefore, on a regular basis ordinary citizen transactions occur between Council and its related parties. Some examples include:

- Payment of rates and utility charges
- Use of Community Halls
- Borrowing of books from the Council libraries
- Pet registration

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.

Burke Shire Council
Notes to the Financial Statements
For the Year Ended 30 June 2022

21 Financial Instruments and Financial Risk Management

Burke Shire Council has the following financial assets/liabilities:

- Cash
- Receivables
- Payables

Burke Shire Council has exposure to the following risks:

- credit risk
- liquidity risk
- market risk

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

Financial Risk Management

Burke Shire Council is responsible for the establishment and oversight of the risk management framework, together with developing and monitoring risk management policies. Council's management approve policies for overall risk management, as well as specifically for managing credit, liquidity and market risk.

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

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

Burke Shire Council does not enter into derivatives.

Credit Risk

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

The following table represents the maximum exposure to credit risk based on the carrying amounts of financial assets at the end of the reporting period:

	Note	2022 \$	2021 \$
Financial Assets			
Cash and Cash Equivalents	8	10,146,891	10,530,239
Receivables - Rates	9	308,651	241,231
Receivables - Other	9	1,390,571	369,120
Other Credit Exposures			
Guarantees	15	83,188	72,854
Total Financial Assets		<u>11,929,302</u>	<u>11,213,444</u>

Cash and Cash Equivalents

Council may be exposed to credit risk through its investments in the QTC Cash Fund and QTC Working Capital Facility. The QTC Cash Fund is an asset management portfolio that invests with a wide range of high credit rated counterparties. Deposits with the QTC Cash Fund are capital guaranteed. Working Capital Facility deposits have a duration of one day and all investments are required to have a minimum credit rating of "A-", therefore the likelihood of the counterparty having capacity to meet its financial commitments is extremely strong.

Burke Shire Council
Notes to the Financial Statements
For the Year Ended 30 June 2022

21 Financial Instruments and Financial Risk Management (continued)

Trade and Other Receivables

In the case of rate receivables, Council has the power to sell the property to recover any defaulted amounts. In effect this power protects Council against credit risk in the case of defaults.

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

By the nature of the Council's operations, there is a geographical concentration of risk in the local Burketown area. Because the area is largely agricultural and mining, there is also a concentration in those sectors.

Financial Assets	2022	2021
	\$	\$
Ageing of past due receivables and the amount of any impairment is disclosed in the following table:		
Not Past Due	1,361,864	141,847
Past Due 31-60 Days	73,047	207,340
Past Due 61-90 Days	20,393	-
More than 90 Days	320,065	374,118
Recognised Impairment	(134,295)	(112,955)
	<u>1,641,073</u>	<u>610,351</u>

Liquidity Risk

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

Council is exposed to liquidity risk through its normal course of business. Council manages its exposure to liquidity risk by maintaining sufficient cash deposits and undrawn facilities, both short and long term, to cater for unexpected volatility in cash flows.

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

	0 to 1 Year	1 to 5 Years	Over 5 Years	Total Contractual Cash Flows	Carrying Amount
	\$	\$	\$	\$	\$
2022					
Trade and Other Payables	2,608,452	-	-	2,608,452	2,608,452
	<u>2,608,452</u>	<u>-</u>	<u>-</u>	<u>2,608,452</u>	<u>2,608,452</u>
2021					
Trade and Other Payables	3,018,448	-	-	3,018,448	3,018,448
	<u>3,018,448</u>	<u>-</u>	<u>-</u>	<u>3,018,448</u>	<u>3,018,448</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 Council's income or the value of its holdings of financial instruments.

Interest Rate Risk

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

Sensitivity

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

Burke Shire Council
Notes to the Financial Statements
For the Year Ended 30 June 2022

21 Financial Instruments and Financial Risk Management (continued)

The following interest rate sensitivity analysis depicts what effect a reasonably possible change in interest rates (assumed to be 1%) would have on the profit and equity, based on the carrying values at the end of the reporting period. The calculation assumes that the change in interest rates would be held constant over the period.

	Carrying Amount	Effect on Net Result		Effect on Equity	
		1% increase	1% decrease	1% increase	1% decrease
		\$	\$	\$	\$
2022					
QTC Cash Fund	9,274,707	92,747	(92,747)	92,747	(92,747)
Other Investments	-	-	-	-	-
Net Total	9,274,707	92,747	(92,747)	92,747	(92,747)
2021					
QTC Cash Fund	9,494,898	94,949	(94,949)	94,949	(94,949)
Other Investments	-	-	-	-	-
Net Total	9,494,898	94,949	(94,949)	94,949	(94,949)

22 Changes in Accounting Policies

There were no changes in accounting policies during the year ended 30 June 2022 that would have a material impact on current or future financial statements.

23 Investment in Gulf Savannah Development

Gulf Savannah Development (GSD) registered as a public company limited by guarantee on May 2000. Burke Shire Council is one of the founding members along with the Shire of Carpentaria. Each founding member holds voting rights in the Company and is entitled to nominate directors based on the level of membership held.

The principal place of business of GSD is Lot 65 Musgrave Street, Burketown QLD 4830. Gulf Savannah Development is the facilitating organisation for the Gulf Savannah Region that drives economic development projects and initiatives for the benefit of its stakeholders. It is also the central representation body that actively advocates for the people, businesses and organisations in the area. GSD's primary goal is to bring together people, ideas and resources to deliver impactful projects that ensure the future sustainability of the Gulf Region.

The current Board of Management are Mayor Ernie Camp Burke - Shire Council, Yvonne Tunney - Small business rep, Deputy Chair Cr Jack Bawden - Mayor Carpentaria Shire Council, Mark Crawley - CEO Carpentaria Shire Council and Paul Poole - Burketown resident. GSD has also employed a CEO (Mark Forbes) during the 2022 who controls all operations under the supervision of the Board as noted above.

The board is supported by Dan McKinlay - CEO Burke Shire Council - Secretary and Shaun Jorgensen - Finance and Technology Manager Burke Shire Council - Treasurer.

Burke and Carpentaria Shires have Gulf Council Seats on the board and pay a membership of \$30,000 with 4 voting rights. Indigenous Councils pay \$15,000 with a Seat on Board and 4 voting rights. Doomadgee and Mornington Island Councils are currently considering membership There are eight levels of membership.

Council does not receive minutes of the GSD meetings and has no input. Effectively Burke Shire Council has one person on the Management Board. Burke Shire Council does not receive any income from GSD.

As each members' individual voting entitlement is small, it is considered that none of the individual members has power or significant influence over GSD (as defined by AASB 10 *Consolidated Financial Statements* and AASB 128 *Investments in Associates and Joint Ventures*). GSD's constitution prevents any income or property of the company being transferred directly or indirectly to or amongst the members. Each member must pay annual membership fees as determined by the board of GSD. As GSD is not controlled by Burke Shire Council and is not considered a joint operation or an associate of Burke Shire Council, financial results of GSD are not required to be disclosed in these statements.

Burke Shire Council
Notes to the Financial Statements
For the Year Ended 30 June 2022

24 Commitments

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

	2022	2021
	\$	\$
STP - Irrigation: Design and Construct	-	134,700
Burketown Clear Water Storage and Quality Control	-	135,000
Waste Management (Burketown Landfill Cell)	-	298,314
Water Supply, Treatment and Reticulation (BKT WTP Upgrade - Shed, Chemical dosing, SCADA Stage 1)	-	224,924
Airport Lighting Upgrade and Linemarking	-	150,000
Fleet Replacement	-	500,000
Wharf Recreation area and Boat Washdown	-	250,000
Bkt WTP Chemical Dosing Upgrade (Part of Intelligent Water Network and Smart Meters)	-	500,000
Boat Washdown	-	180,000
Floraville Rd Culvert Replacement - 2A	-	516,105
Floraville Rd Culvert Replacement - 2B	-	361,538
Culvert Replacements - 1 of and full design	-	727,764
Gregory Lawn Hill Sight Distance Improvements	-	628,308
SCADA Upgrade	-	261,000
Gregory WTP Upgrade	-	225,000
Water Intake Upgrade	-	250,000
Doomadgee East Rd Culvert	-	573,868
Cycleway Network	-	650,000
Flood Warning Infrastructure Network	-	710,000
Purchase of New Grader	594,000	-
	<u>594,000</u>	<u>7,276,521</u>

**Burke Shire Council
Financial Statements
For the Year Ended 30 June 2022**

**Management Certificate
For the Year Ended 30 June 2022**

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

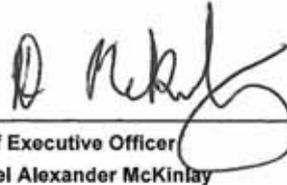
In accordance with section 212(5) of the Regulation we certify that:

- (i) the prescribed requirements of the *Local Government Act 2009* and *Local Government Regulation 2012* for the establishment and keeping of accounts have been complied with in all material respects; and
- (ii) the general purpose financial statements, as set out on pages 2 to 28, 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
Ernest Camp

Date: 31/10/22



Chief Executive Officer
Daniel Alexander McKinlay

Date: 31/10/22

INDEPENDENT AUDITOR'S REPORT

To councillors of Burke Shire Council

Report on the audit of the financial report

Opinion

I have audited the financial report of Burke Shire Council.

In my opinion, the financial report:

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

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

Basis for opinion

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

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

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

Other information

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

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

The councillors are responsible for the other information.

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

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

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

Responsibilities of the councillors for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

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

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

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

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

Report on other legal and regulatory requirements

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

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

Prescribed requirements scope

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



Lisa Fraser
as delegate of the Auditor-General

31 October 2022

Queensland Audit Office
Brisbane

**Burke Shire Council
Current-Year Financial Sustainability Statement
For the Year Ended 30 June 2022**

Measures of Financial Sustainability

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

	How the measure is calculated	Actual	Target
Operating Surplus Ratio	Net result (excluding capital items) divided by total operating revenue (excluding capital items)	-21.2%	Between 0% and 15%
Asset Sustainability Ratio	Capital expenditure on the replacement of assets (renewals) divided by depreciation expense.	82.3%	greater than 90%
Net Financial Liabilities Ratio	Total liabilities less current assets divided by total operating revenue (excluding capital items)	-38.6%	not greater than 60%

Note 1 - Basis of Preparation

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

**Burke Shire Council
Financial Statements
For the Year Ended 30 June 2022**

**Certificate of Accuracy
For the Year Ended 30 June 2022**

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

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



Mayor
Ernest Camp

Date: 31/10/22



Chief Executive Officer

Date: 31/10/22

INDEPENDENT AUDITOR'S REPORT

To the Councillors of Burke Shire Council

Report on the current-year financial sustainability statement

Opinion

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

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

Basis of opinion

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

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

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

Emphasis of matter – basis of accounting

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

Other Information

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

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

The councillors are responsible for the other information.

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

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

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

Responsibilities of the councillors for the current year financial sustainability statement

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

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

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

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

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

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

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

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



Lisa Fraser
as delegate of the Auditor-General

31 October 2022

Queensland Audit Office
Brisbane

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

Measures of Financial Sustainability	Measure	Target	Projected for the years ended										
			Actuals at 30 June 2022	30 June 2023	30 June 2024	30 June 2025	30 June 2026	30 June 2027	30 June 2028	30 June 2029	30 June 2030	30 June 2031	30 June 2032
Operating Surplus Ratio	Net result (excluding capital items) divided by total operating revenue (excluding capital items)	Between 0% and 15%	-21.2%	-36.6%	-39.0%	-26.8%	-26.3%	-25.8%	-26.2%	-25.8%	-25.5%	-26.0%	-25.6%
Asset Sustainability Ratio	Capital expenditure on the replacement of assets (renewals) divided by depreciation expense.	greater than 90%	82.3%	203.9%	60.9%	46.1%	47.7%	49.2%	50.0%	51.6%	53.3%	54.0%	55.7%
Net Financial Liabilities Ratio	Total liabilities less current assets divided by total operating revenue (excluding capital items)	not greater than 60%	-38.6%	-25.1%	-33.2%	-45.6%	-60.2%	-73.4%	-85.4%	-96.1%	-105.7%	-114.2%	-121.5%

Burke Shire Council's Financial Management Strategy

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

Certificate of Accuracy
For the Long-Term Financial Sustainability Statement prepared as at 30 June 2022

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

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



Mayor
Ernest Camp

Date: 31/10/22



Chief Executive Officer
Daniel Alexander McKinlay

Date: 31/10/22