

QUILPIE SHIRE COUNCIL

Annual Report
2022 - 2023



CONNECT
WITH QUILPIE SHIRE COUNCIL

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WELCOME TO QUILPIE SHIRE



OUR VISION

Inviting and welcoming communities responsive to change where people, business and industry can all thrive.

OUR MISSION

Digitise, connect, grow leaders, build skills, and offer well-designed spaces and highly liveable community environments.

OUR PRINCIPLES

- Value our people as the heart of our community
- Always embed a positive approach
- Enable digital transformation
- Connect to learn and grow opportunities for innovation
- Secure our future through a flourishing economy
- Support and grow leaders
- Embrace change, adapt and measure success



"THE FUTURE BELONGS
TO THOSE WHO PREPARE
FOR IT TODAY."

MAYOR'S REVIEW

Twelve months ago, we were facing national issues which threatened to undermine our immediate future. These included high inflation, rising interest rates, lack of housing issues and employee shortages. The high interest rates and inflation seem to be settling down although council's costs have risen appreciably and may continue to for some time yet. Employee shortages are still an issue although this is a problem right across the country. Council is doing what we can to alleviate the housing problem, installing two new houses in Quilpie, one in Eromanga and another two to go in to Quilpie early in the new financial year. Council is also planning to build six townhouses at the old depot site in the next twelve months.



Residential and industrial blocks of land have been selling well – the highest demand seen for twenty or thirty years. There is no doubt that the positive attributes of living in rural Australia, something locals have always been aware of, is now starting to resonate with the urban population and there is increasing interest in moving to shires like Quilpie. We just may be witnessing a transformational period in the shire's history. There are many young families moving out, encouraged by the family-friendly environment this shire promises. Securing housing finance from the banking sector is still a major break on the expansion of the population in the towns and, although council has been pursuing solutions to this impasse, no immediate answers are apparent. This is not a problem in the rural sector fortunately.



The shire's rural industry has had an excellent year culminating in possibly the highest stocking levels seen across the shire for over twenty years. Most properties would probably be close to fully stocked whether in cattle, sheep, goats or, in fact, all three. With a drier summer predicted in the new year there will possibly be a turning off period for all livestock which will create enhanced activity for our stock and station agents and trucking businesses. Commodity prices have been coming off over the last twelve months which is really just part of the normal supply and demand cycle. The sector has had a few good years but good summer rain is the most valuable commodity required in the next twelve months.



The resource sector is going through a challenging phase. While commodities have been holding up well in this sector it is the future that is proving the most difficult variable to navigate. Mixed messages continue to come from government where, on the one hand, gas and oil is vital for the economic well being of the country and there needs to be continued exploration and increased supply, while on

the other hand, the country is moving very quickly towards a de-carbonised future and fossil fuels are demonised. It is a very difficult investment environment for the resource companies and council is seeing this uncertainty playing out. This sector is vital to the Quilpie shire and our future economic prosperities are closely linked. It is a huge risk for the shire and needs to be managed accordingly. The situation is quite extraordinary really as any logical assessment would predict that the resource industry has a strong and vital role to play in our country's future for decades to come.

The 2022-23 tourism year has been solid, almost identical to the previous year, which is a good level to be at given it was elevated by COVID influences. It is also exciting to see continued investment in tourism product and particularly when it is in the private sector. Quilpie Shire continues to feature strongly in tourism and the highlight was the Quilpie Visitor Information Centre receiving the silver medal in the National tourism awards. This followed up the securing of gold in the State tourism awards, nicely bolstered by the Eromanga Natural History Museum picking up bronze at the same event.



The council, as an organisation, has had an excellent year. Financially, it is in a strong position and, with current structures in place, it should continue to maintain that enviable financial position into the foreseeable future. The greatest challenge has been securing staff to be able to deliver on our budgeted capital works program but, considering those challenges, council has done very well.

Fortunately, the vacant positions have not been with the senior staff and we have had that cohort for some years

now which brings great stability, competence and a general feeling of relaxed well-being to the whole business of council. This is, of course, a mayor's perspective while possibly a truer interpretation may be the serene duck paddling madly underneath the water!

I would like to take this opportunity to congratulate all our staff on another year of prudent management. They continue to nurture our community and all the assets that support it with diligence, competence and, importantly, good humour.



Kind Regards,
Stuart Mackenzie
Mayor

CHIEF EXECUTIVE OFFICER'S REPORT

Council have had a successful 12 months throughout the organisation from improvements in our administration functions to the delivery of key projects to the community. The annual report is an opportunity to highlight these important achievements and inform the community on the improvements made. This year, our Finance and Administration team have worked extremely hard to efficiently deliver the annual audit ahead of schedule and well before the statutory deadlines. Along with delivering the audit early, Council have reported a great financial position with healthy unrestricted cash reserves. Over the next 12 months, the Finance team will be prioritising maximising interest returns on unrestricted cash reserves, with Council generating \$806,337 in bank and term deposit interest in the 2022/23 period.



Council's financial position has also received a significant boost over the past several years due to increase in allocation of the Financial Assistance Grant provided by the Commonwealth under the Local Government (Financial Assistance) Act 1995 (Commonwealth) and is distributed annually to 77 local governing bodies within Queensland. This increased allocation to Queensland is a result of the population increase of the State over the past several years, and primarily due to a review of the methodology for distributing funds undertaken by the Queensland Local Government Grants Commission. This review delivered a more equitable funding distribution, with more funding distributed under the new model to councils with a greater need, predominantly small and indigenous councils. For Quilpie, the below table shows the projected annual

increased over the past several years as compared to the actual increase to be received. Council is expecting to receive one additional increase in the 2024/25 financial year and the projected estimate amount is anticipated to be announced in June 2024, with the final confirmation amount to be received in August 2024.

Quilpie	General Purpose Grant	Identified Road Grant	Total	General Purpose Grant	Identified Road Grant	Total
	FORECASTED			ACTUAL		
2021-2022	\$4,037,281	\$1,359,137	\$5,396,418	\$4,037,281	\$1,359,137	\$5,396,418
2022-2023	\$4,481,382	\$1,508,642	\$5,990,024	\$5,055,745	\$1,541,403	\$6,597,148
2023-2024	\$4,925,483	\$1,658,147	\$6,583,630	\$6,317,307	\$1,838,070	\$8,115,377

These additional funds have been critical in assisting Council in self-funding significant investments such as additional housing, upgrades to community facilities such as the air-conditioning in the library, funding planning for future project like the Eromanga Swimming Pool replacement and new rural residential estate.

The development of business cases and detailed project plans has never been more essential when vying for competitive funding programs. Often Councils are required to self-fund the planning stage, however some funding programs allow for the detailed planning for major projects. Council have been successful in securing funding from the State Government to undertake the detailed design of the Quilpie Sewerage Treatment Plant. This design and estimated costings are expected to be finalised early in the new financial year. This will be a major 'once in a generation' project for the Shire, securing this essential service into the future.



The community satisfaction survey undertaken in early 2023 highlighted the importance of the State and Council Road network in the Shire. This financial year, Council spent \$13.56M on road maintenance contract which included State Government Road maintenance and flood damage restoration works. Council also undertook an additional \$1.98M in repairs and maintenance works on Council's Road network. Along with these works, upgrades were undertaken on Coonaberry Creek Road, Eagle Drive, Quarrion Street, Adavale Link Road and Adavale Charleville Road.



The challenges in supply chains provided for uncertain forecasting in delivery times across the board. For the 2022/23 budget, Council elected to bring forward several projects to allow for longer lead times. This primarily effected Council plant replacement program where two (2) years' worth of plant replacement was adopted as part of the budget. This has proven valuable as Council, along with everyone else, is still experiencing significantly greater wait times that the 'pre-COVID' era. Council is expecting though to be up to date with plant replacement at the end of the 2023/24 financial period.

Our Visitor Information Team must be congratulated on major awards won over the past 12 months. This included the Gold award for Visitor Information Services at the Queensland Tourism Awards, going on to receive Silver for Visitor Information Services at the Australian Tourism Awards. The centre was also successful with Quilpeta –

Quilpie Night Show Experience – taking out the Best New Visitor Experience Award at the Outback Queensland Tourism awards. These awards also reflect all the hard work put in by our local businesses in the tourism industry, which has seen a significant and sustained boost over the past several years following COVID.



In closing, I would like to thank the executive team and all of Council's staff for a dedicated and productive 12 months. The Shire staff are very passionate about their community and work hard because we love our way of life. I look forward to continuing the deliver for the community in the next 12 months and see our community to continue to grow into the future.



Justin Hancock

Chief Executive Officer

OUR COUNCIL



Cr Stuart Mackenzie
Mayor
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Mayor Stuart Mackenzie is a grazer from the western area of Quilpie Shire. He is the owner and partner of Plevna Downs, a grazing property dealing in organic wool, sheep and beef that has been run by the Mackenzie family for 4 generations. "Plevna Downs" was converted to an organic operation in 1997 and was one of the first properties to achieve that status in western Queensland.

Stuart served as a Councillor on Quilpie Shire Council from 1997 to 2004 and as Deputy Mayor from 2004 to 2008. First elected as Mayor in 2012, Cr Mackenzie was returned unopposed in the 2016 and 2020 elections. In 2008 Stuart founded the non-profit, charitable public company Outback Gondwana Foundation Ltd. He is the Chairman of the Board. The company was set up to preserve the natural assets of the south west region and educate the public in relation to the amazing Palaeontological discoveries being made here. The company is also committed to promoting all the valuable heritage of the area, including cultural heritage and the diverse biodiversity. It also manages the Eromanga Natural History Museum a major tourism attraction in Outback Queensland.

Stuart obtained a Bachelor of Engineering (Mechanical) from the Queensland University of Technology in 1986 and is married to wife Robyn. They have 2 adult children and 4 grandchildren.



Cr Jenny Hewson
Deputy Mayor
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Jenny Hewson born and raised in Quilpie, growing up on 'Nyingarie Station'. After completing boarding school, Jenny came home and worked at the local Australian Estates / Elders office for 10 years. In 1987 Jenny purchased the local electrical retail store now BiRite Quilpie and has managed the business ever since.

Jenny first served on Council in 1998 after being successful at a by-election and has served on Council continuously. In 2012 she was appointed Deputy Mayor and was re-elected to the position for 2016 – 2020. Jenny has served on various State and Regional committees as well as local Council Committees. She is very aware of the challenges rural and remote communities face and always worked hard to ensure the Quilpie Shire area continues to survive and grow. Jenny has two adult children and is heavily involved in a range of local activities.



Cr Roger Volz
Portfolios - Arts, Culture & Tourism
M: 0428 561 468
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An experienced senior teacher at the Quilpie State College, Cr Roger Volz moved to Quilpie as a Manual Arts Teacher in 1992 from 'Berndale' north of Oakey. He is also the Auxiliary Captain of the Quilpie Fire Station – Queensland Fire and Emergency Services. Roger is also involved in a wide range of other activities including membership of the Quilpie Golf Club, Quilpie Bowls Club and is a member of the Regional Arts Development Fund (RADF) Committee.

In his spare time Roger enjoys working with wood, including making toys and other articles to order. He doesn't mind a spot of fishing, a roll of a bowl and a hit of golf. Generally speaking, Roger enjoys helping others when required. During this term in Council, Roger wants to see Council maintaining important infrastructure and roads within the shire. He would also like Council to continue exploring options to assist in the management of wild dogs, opportunities to showcase cultural heritage within the shire and support job creation opportunities.



Cr Lyn Barnes
Portfolios - Business Development
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From a farming family in the Wallumbilla district, Lyn Barnes first came to the Quilpie Shire in the mid-1970s as a governess. In the 1980s, Lyn returned to Roma where she worked as a radio journalist and married Jack, having two sons, Will and Tom.

When Jack took a job with the Mines Department in 1990, Lyn and the boys moved with him back to Quilpie. Here Lyn began her career as an artist, learning to paint at workshops with the Quilpie Cultural Society before setting up a studio in Robbo's Opal shop as an outlet.

Always interested in regional growth, an opportunity arose for her with the South West Regional Economic Development Association. As an economic development officer covering the four shires of Quilpie, Bulloo, Paroo and Murweh, Lyn spent several years working on projects such as OBE Beef, The South West Film Locations Register and the opening of Hell Hole Gorge. She then set up her own arts business and opened her first gallery in the Old Exchange behind the Quilpie Post Office.

Lyn has exhibited her work throughout Queensland and interstate for over twenty years; promoting the unique landscapes and relaxed lifestyle of the Quilpie Shire. She believes that prospects do exist to grow the economic, cultural and social fabric of the Shire and as a councillor, is committed to the mission of finding every opportunity.



Cr Bruce Paulsen
Portfolios - Sport, Recreation & Youth
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With 27 years of business experience, Cr Bruce Paulsen was born and raised in Quilpie. The 'friendly grocer' and his family have a long history of business ownership in Quilpie (since 1963) with his grandfather a blacksmith and his grandparents the first to marry in Quilpie. Married to Chris for 26 years, they have four sons – Sam, Myles, Nick and Marcus.

An avid sports fan, Bruce is a member of the Quilpie Cricket Association, Quilpie Golf Club and the Bowls Club, and enjoys any sport involving a ball!. His other interests and hobbies include family time, travel and attending community events such as the races and annual show. During this term of Council Bruce aims to work in conjunction with Council and staff to make sound, fair and proactive decisions that will benefit the Quilpie Shire.

OUR VALUES

RESPECT

We treat each other with respect regardless of status. We act professionally, support each other and our organisation, and together we celebrate our successes with understated pride.

COMMUNICATION

We share information and knowledge with each other in an open, clear and timely manner. We actively and empathetically listen to each other, seek to understand and embrace robust conversations. We aim for constructive debate rather than criticism.

FUN AND HUMOUR

We incorporate fun and humour in the workplace and recognise that it promotes positive workplace relationships and positive workplace behaviour such as knowledge sharing, informal training and empathy in times of need.

PRIDE

We have pride in ourselves, our organisation and our workplace. We strive to deliver high quality work and innovative programs and services to our communities.

TRUST

We treat people with integrity, respect and empathy to build and maintain positive relationships. Trust in our workplace promotes confidence that the organisation and colleagues care about you and respect your knowledge and what you stand for.

TEAMWORK

We are one organisation across all functions and locations with the Shire. We work towards a common goal through cooperation and teamwork.

ASSESSMENT OF PERFORMANCE IN CORPORATE AND OPERATIONAL PLANS

In accordance with section 190(1)(a) of the Local Government Regulation 2012 the annual report must contain an assessment by the Chief Executive Officer of the local government's progress towards implementing its 5-year Corporate Plan and annual Operational Plan.

Council is required to adopt a Corporate Plan to guide Council's decision making. This document establishes the framework and identifies goals, objectives and strategies to be pursued by Council to meet the aspirations and needs of the community. The plan is developed in consultation with the community and can be revised at any time during the life of the plan to ensure Council is following its strategic direction. Council developed a new Corporate Plan for the period 2022 – 2027, after extensive community consultation.

The Operational Plan is prepared annually and outlines Council's work program for the next financial year including costs and completion timelines. This document is subject to quarterly reviews and must be consistent with the Council's Corporate Plan. In accordance with legislative requirements, Council reviewed the operational plan on four occasions relevant to the financial period and on each occasion Council considered an assessment of its progress in the implementation of the operational plan as being satisfactory. Council receives a written assessment of the implementation of the operational plan at the end of each quarter, with the final review of the 2022-23 Operational Plan undertaken in July 2023.

COUNCIL MEETINGS

Throughout 2022-2023, Ordinary Meetings of the Quilpie Shire Council were generally held on the third Tuesday of each month in the Quilpie Shire Council Boardroom, commencing at 9:30am. The dates and times of meetings other than special meetings are fixed in accordance with the Local Government Act and Regulations.

The Chief Executive Officer must call a special meeting if:

- There is a prior Council resolution specifying that the meeting will be held;
- The Chief Executive Officer has identified an urgent matter that needs to be decided before the next scheduled Ordinary Council meeting; or
- A written request has been received by the Chief Executive Officer which has been signed by the Mayor and two other Councillors and states a particular matter(s) to be discussed.

All meetings are open to the public, unless Council resolves, under Section 274 of the Local Government Regulation 2012, that the meeting be closed whilst discussion takes place "in confidence" regarding specific issues such as staff, legal, contractual, or industrial proceedings.

COUNCILLOR RENUMERATION

Section 247 of the Local Government Regulation 2012 requires councils to pay each elected representative as per the annual schedule determined as per the *Local Government Remuneration Commission* unless by resolution they resolve to adopt a lesser amount.

Councillor remuneration for the 2022 - 2023 financial year is shown in the following table:

Councillor	Gross Payment	Superannuation
Cr Stuart Mackenzie	\$110,386	\$11,591
Cr Jenny Hewson	\$63,864	\$6,706
Cr Bruce Paulsen	\$55,192	\$5,795
Cr Roger Volz	\$55,192	\$5,795
Cr Lyn Barnes	\$55,192	\$5,795
Total	\$339,826	\$35,682

COUNCILLOR MEETING ATTENDANCES

Councillor	Ordinary Meeting	Special Meeting	Workshop	Other	Total
Cr Stuart Mackenzie	12	4	14	101	131
Cr Jenny Hewson	12	4	14	63	93
Cr Bruce Paulsen	12	4	12	25	53
Cr Roger Volz	12	4	12	83	113
Cr Lyn Barnes	12	4	14	66	96

COUNCILLOR EXPENSES

Councillor Expenses Reimbursement Policy

In accordance with section 250(1) of the Local Government Regulation 2012, Council is required to have a Councillor Expenses Reimbursement Policy. The Policy was reviewed in April 2020 and the amended changes were adopted at the May 2020 Ordinary Meeting of Council.

Resolution No: (06-05-20)

Moved by: Cr Jenny Hewson

Seconded By: Cr Lyn Barnes

That Council review the following policies and note that no changes are necessary:

- F.01 Audit Committee Policy;*
- F.02 Internal Audit Policy;*
- G.03 Administrative Action Complaints Policy;*
- G.06 Councillor Recognition of Service Policy;*
- G.09 Entertainment and Hospitality Policy; and*
- G.10 Advertising Spending Policy.*

That Council Review the following policies and adopt the amended policy as documented at the workshop held Friday 24 April 2020:

- G.05 Councillor Expenses Reimbursement Policy; and*
- G.08 Acceptable Requests Guidelines Policy.*

5/0

The policy is due to be reviewed on 18 July 2023.

Expenses Reimbursement

Under the expenses reimbursement policy, the following payments were made:

Councillor	Expense	Value
Cr Stuart Mackenzie	Travel	\$2,769.00
Cr Jenny Hewson	Accommodation	\$ 607.20
Cr Roger Volz	Staff and Councillor Discount on Gym Membership	\$ 100.00
Cr Bruce Paulsen		-
Cr Lyn Barnes		-

Other Meeting Expenses

Other expenses relating to the conduct of Council meetings and conferences totalled \$19,328.48 (\$9,401.69 conferences etc, \$9,926.79 council meetings).

Facilities Provided to Councillors

Each Councillor is issued with an Ipad and internet access for the purpose of conducting local government business. Councillors also have access to a Council vehicle for approved work purposes.

COUNCILLOR COMPLAINTS, ORDERS, AND RECOMMENDATIONS

In accordance with section 186 of the Local Government Regulation 2012 the following information is provided in relation to Councillor complaints, orders, and recommendations:

Orders made under section 150I(2) of the Local Government Act	Nil
Orders made under section 150AH(1) of the Local Government Act	Nil
Decisions, orders and recommendations made under section 150AR(1) of the Local Government Act	Nil
Complaints referred to the assessor under section 150P(2) of the Local Government Act	Nil
Matters, mentioned in section 150P(3) of the Local Government Act, notified to the Crime and Corruption Commission	Nil
Notices given under section 150R(2) of the Local Government Act	Nil
Notices given under section 150S(2) of the Local Government Act	Nil
Decisions made under section 150W(a), (b) and (d) of the Local Government Act	Nil
Referral notices accompanied by a recommendation mentioned in section 150AC(3)(a) of the Local Government Act	Nil
Occasions information was given under section 150AF(4)(a) of the Local Government Act	Nil
Occasions the local government asked another entity to investigate, under chapter 5A, part 3, division 5 of the Local Government for the local government, the suspected inappropriate conduct of a councillor	Nil
Applications heard by the conduct tribunal under chapter 5A, part 3, division 6 of the Act about whether a councillor engaged in misconduct or inappropriate conduct	Nil

OVERSEAS TRAVEL

During the 2022-23 financial year, no Councillor or Council employee travelled overseas in an official capacity.

ADMINISTRATIVE ACTION COMPLAINTS

The complaints management process is established with the following objectives:

- The fair, efficient and consistent treatment of complaints about decisions and other administrative actions of the Council;
- A complaints management process that is easy to understand and is readily accessible to all;
- Detection and rectification, where appropriate, of administrative errors;
- Identification of areas for improvement in the Council's administrative practices;
- Increase in awareness of the complaints management process for the Council's staff and the community;
- Enhancement of the community's confidence in the complaints management process and the reputation of the Council as being accountable and transparent;
- Building the capacity of staff to effectively manage complaints in an environment of continuous improvement;
- Complaints will be acknowledged and resolved in a timely manner;
- Council will manage complaints confidentially and ensure that complainants do not suffer any form of reprisal for making a complaint; and
- Council will abide by the principles of natural justice and procedural fairness when dealing with complaints.

Council's implementation of its Complaints Management Process and Assessment

Council is committed to dealing with administrative action complaints fairly and without prejudice. The Policy was reviewed and adopted on 20 June 2023, and is reviewed biennially. Council's Complaints Management policy and process is available on Council's website and at the Administration office.

Number of Administrative Complaints made, resolved by Council, not resolved by Council and complaints not resolved in the previous year

Number of administrative action complaints made to Council	Nil
Number of administrative action complaints resolved by Council (under complaints management process)	Nil
Number of administrative action complaints not resolved by Council (under complaints management process)	Nil
Number of administrative action complaints not resolved by Council that were made in the previous year	Nil

REGISTERS

Council is required to keep and make available for public inspection certain documents. These documents are available from the Quilpie Shire Council Office and include:

- Investment Register
- Register of Local Planning Policies
- Register of Delegations of Authority Council to CEO
- Register of Delegations of Authority by the CEO to employee / contractor
- Register of Policies
- Register of Roads
- Register of Contracts
- Register of Legal Documents
- Register of Fees and Charges
- Register of Building Applications
- Register of Development Applications
- Cemetery Register
- Register of Interest of Councillors
- Register of Disclosure of Electoral Gifts and Loans
- Local Laws and Subordinate Local Laws Register
- Register of Preferred Suppliers
- Register of Burials
- Register of Lands
- Register of Related Parties Disclosures
- Register of Tenders Offered
- Register of Risk

NON-CURRENT PHYSICAL ASSETS

Council made no resolution in accordance with section 206(2) of the Local Government Regulation 2012 in the 2022-23 financial year. The following amounts for each different type of non-current asset below which the value of an asset of the same type will be treated as an expense (the recognition threshold) remain as:

Type of Assets	Value
Furniture and Fittings	\$ 5,000.00
Plant and Equipment	\$ 5,000.00
Buildings and other structures	\$10,000.00
Infrastructure assets	\$10,000.00
Land	\$ 1.00

These amounts are disclosed in Note 11(a) of the financial statements.

INVITATIONS FOR CHANGES TO TENDERS

During the 2022-23 financial year there were no instances where tenderers were invited to change their tenders.

RATING CONCESSIONS

Pensioner concession

In accordance with Sections 119 and 120 of the Local Government Regulation 2012 Council offers a concession of 50% up to \$450 on rates and utility charges (excluding the State Fire Levy) to recipients of Aged, Disability and Widows Pensions and holders of Veteran Affairs cards in accordance with Council's Pensioner Rate Concession Policy.

Non-Profit Community Organisation Concession

A concession was available for general rates to certain organisations where the land use was considered to contribute to the social, cultural or sporting welfare of the community. A general rate concession of up to 100% was allowed for non-profit and charitable organisations. Three community groups received a concession on the general rates in the 2022/23 financial year with a total value of \$1,117.80.

GRANTS TO COMMUNITY ORGANISATIONS

During the 2022-23 financial year Council provided the following grants or in-kind support under its Community Assistance Policy.

Community Group	Activity / Event	Amount Paid	Comments
QCWA	Centenary Ball	\$ 4,000	Cash Contribution
Bulloo Bush Bash Ball Committee	Bulloo Bush Bash Ball 2022		In-Kind Bus Hire
Uniting Care RAFS Program	Play Group Activity		In-Kind Bulloo Park Hire Fee
Quilpie Sporting Clays	Inaugural Shoot		In-Kind Table and Chair Hire, Generator, Portable Toilet
Powerhouse Youth	School Holiday Program		In-Kind Bulloo Park Hire Fee
Quilpie Golf Club	Quilpie Golf Open Weekend		In-Kind Bus Hire, Chair Hire
Quilpie Motorcycle Association	Motorbike Gymkhana & Enduro	\$ 2,500	Cash Contribution Plus In-Kind Table Hire, Chair Hire, Supply of Equipment
Bulloo Bush Bash Ball Committee	Bulloo Bush Bash Ball 2022		In-Kind Shire Hall Hire Fee
Adavale Veterans	Facilitate Installation of Kitchen Donga		In-Kind Supply of Loader Operator, Gravel Fill
Quilpie Hospital Auxiliary	Gym Membership – Visiting Doctors	\$ 480	Cash Contribution
Quilpie Polocrosse Club	Field Preparation		In-Kind Support Bulloo Park Field Preparation
Quilpie Lawn Bowlers	Quilpie Open Triples Carnival	\$ 1,500	Cash Contribution
Adavale Sport & Recreation	Adavale Muster in the Mulga		In-Kind Use of Flood Camera for Security Purposes
Adavale Sport & Recreation	Adavale Muster in the Mulga		In-Kind Supply of Skip Bins & Wheelie Bins
Adavale Sport & Recreation	Adavale Muster in the Mulga	\$ 10,000	Cash Contribution
Quilpie Cultural Society	Arts Development Officer	\$ 3,000	Cash Contribution

Community Group	Activity / Event	Amount Paid	Comments
Quilpie Golf Club	Construction of Halfway House at Quilpie Golf Club Following Storm Damage		In-Kind Supply of Council Ute & Trailer to Cart Timber to Club for Rebuild
Quilpie Pony Club	Pony Club – Come & Try Day		In-Kind Hire of Bulloo Park
Quilpie Junior Rugby League	2023 Home Games		In-Kind Hire of Line Marking Machine
Eromanga Rodeo Committee	Easter in Eromanga Rodeo & Campdraft		In-Kind <ul style="list-style-type: none"> • Water & Plumbing Inspection <ul style="list-style-type: none"> • Electrical Inspection • Cable Installation from Rodeo Committee Generator to Kitchen Installed with Switch to Rural Power • Use of Council's single-phase generator if cable cannot be installed • Mow & Whipper Snip Facility
Lauran Wendleborn	Bill Hutton Shoeing School	\$ 3,850	50% Subsidy (\$385) per Participant – maximum 10
Lauran Wendleborn	Bill Hutton Shoeing School		In-Kind Hire of Bulloo Park
Quilpie Blue Light	Community Movie Night	\$ 325	Film Blanket Licence
Quilpie Diggers Race Club	Quilpie Cup	\$ 1,250	Cash Contribution - Silver Sponsorship Package
Toompine Polocrosse Club	Toompine Polocrosse		In-Kind Supply of Wheelie Bins & Generator
Toompine Progress Association	Toompine Easter Gunshoot		In-Kind Supply of Wheelie Bins & Generator
St Finbarr's School	Arts Fest	\$ 5,000	Cash Contribution - Arts Fest Toowoomba
Quilpie Polocrosse Club	Farrier – Nathan Brown		In-Kind Hire of Bulloo Park
Toompine Polocrosse Club	2023 Polocrosse Carnival	\$ 5,000	Cash Contribution
Channel Country Ladies Day Committee	2023 Channel Country Ladies Day - Bedourie	\$ 1,000	Cash Contribution – Bronze Sponsorship Package
Quilpie State College	Quilpie & District Athletics Carnival		In-Kind Supply & Construction of Long Jump Pits x 3
Bulloo Bush Bash Ball Committee	Bulloo Bush Bash Ball 2023		In-Kind Hire of Quilpie Shire Hall and Bus
Quilpie Sport & Recreation Inc.	QCWA Markets		In-Kind Hire of Tables & Chairs
Quilpie Golf Club	Quilpie Outback Masters		<ul style="list-style-type: none"> • In-Kind Supply of Unit 1117 & Trailer to Transport Materials for Halfway House & Remove Rubbish and; • Build Green / Move Dirt to Baldy Top – Putting Competition
Total		\$42,205	

DISCRETIONARY FUNDS

Councillors do not hold any discretionary funds.

INTERNAL AUDIT

Council engaged the services of O'Connor Marsden & Associates Pty Ltd (OCM) to perform the internal audit activities for the 2022-23 financial year. The internal auditor works with management to identify and implement recommended improvements to Council's operations, systems and processes and ensure compliance with adopted procedures.

In accordance with section 190(h) of the Local Government Regulation 2012, the internal audit report for 2022-23 is presented as follows:

During the year internal audit activities included two audits which covered the procurement processes and payroll processes of Council.

The objective of the review of procurement processes was provide reasonable assurance that Council's procurement framework is appropriately designed and is operating effectively, economically, and efficiently and that the internal control framework governing the processes and controls is adequately designed. There were five (5) findings identified in this internal audit. Three (3) findings were moderate and two (2) were process improvement opportunities. In addition, to provide greater insight into underlying trends, the findings were assessed using the COSO framework. One (1) was a risk assessment, three (3) were control activities and one (1) was a monitoring activity.

The objective of the review of the payroll processes was to provide assurance that Council's payroll control framework is appropriately designed and is operating effectively, economically, and efficiently and that the internal control framework governing the processes and controls is adequately designed.

The audit found there were positive findings in the areas of substantive testing, pay rate data entry, monitoring controls, record keeping, bank file uploading and remote work. There were six (6) findings identified in this internal audit. Two (2) findings were medium, three (3) findings were low and one (1) finding was process improvement opportunities. In addition, to provide greater insight into underlying trends, the findings were assessed using the COSO framework. One (1) finding was a risk assessment, and five (5) finds were control activities.

Council's Executive Management Team have received the reports and have begun implementing the recommendations.

REMUNERATION – SENIOR MANAGEMENT

During the 2022-23 financial year Quilpie Shire Council had three (3) senior management positions.

- 2 senior management employees with a total remuneration package in the range of \$200,000 – under \$300,000 per annum; and
- 1 senior management employees with a total remuneration package in the range of \$100,000 to under \$200,000 per annum

In accordance with section 201 (1) of the Local Government Act 2009, the total of all remuneration packages payable to senior management in 2022-23 was \$697,700.28.

BENEFICIAL ENTERPRISES

Council did not conduct any beneficial enterprises during the 2022-23 financial year.

BUSINESS ACTIVITIES

Council did not conduct any **significant business activities** as defined in section 19 of the Local Government Regulation 2012 during the 2022-23 financial year.

Council did not conduct any significant business activities during the preceding financial year.

Council is involved in a wide range of business activities that involve 'trading goods and services' as defined by the Local Government Act 2009. In 2022-23 these included:

- Plumbing services;
- Minor housing maintenance (State Government properties);
- Accommodation services;
- Water and sewerage supply services;
- Waste and regulated waste management services;
- Provision of museums and art gallery;
- Facility, venue and equipment hire;
- Provision of sporting facilities;
- Bus hire;
- Airport maintenance;
- Administrative services such as photocopying;
- Building certification activities;
- Visitor information services and sales;
- Library services including internet and computer access; and
- Road contracting services.

ENGINEERING SERVICES

Engineering highlights for 2022/2023:

- Council constructed and sealed a further 7.2 km of the Quilpie Adavale Red Road. This is a jointly funded project using TMR TIDS funds and Council Capital funds. Only 15 km of the 87 km now remains.
- Council built five floodways funded by the Queensland Reconstruction authority on Cooma Road in the Eromanga area. This work was innovative in that fibre reinforcing was used to reinforce the concrete instead of the traditional mesh reinforcement. This enabled more works to be completed for the same budget funds.
- Council managed the South West Queensland Water and Sewerage Alliance consisting of the six south west Queensland Councils.
- Council delivered approximately \$12,200,000 of flood damage repairs funded by the Queensland Reconstruction Authority.
- Council procured 5 houses for the Shire of which three were delivered by 30 June 2023. These modular houses were installed in Quilpie and one in Eromanga.



CORPORATE AND COMMUNITY SERVICES

FACILITIES ~ LIBRARY ~ CEMETERIES ~ COMMUNITY PLANNING & DEVELOPMENT ~ ARTS & CULTURAL SERVICES
~ SPORT & RECREATIONAL ACTIVITIES ~ NDIS ~ YOUTH PROGRAM ~ HEALTH PROMOTIONS ~ DISASTER
MANAGEMENT ~ PEST MANAGEMENT ~ COMMUNITY EVENTS ~

Australia Day Award Winners

In recognition of their exceptional service or achievement in our community, the 2023 Australia Day Awards were presented to the following recipients during Australia Day Celebrations held at Bulloo Park on 27 January 2023.

Citizen of the Year	Cameron Welk
Community Group Award	Quilpie Golf Club Quilpie Sport & Recreation Inc.
Certificate of Appreciation	Sallyann Challenor Janell Jarzembksi Josie Bowen Donna Bonsey

Community Assistance Grants

35 Community Assistance Grants (direct cash and in-kind) were awarded to Community organisations holding various events within the Shire through out the Year. Community Assistance Grants support activities which provide opportunities for residents to access and participate in a wide range of arts and cultural, environmental, recreational, sporting and community activities.

RADF

The Regional Arts Development Fund is a partnership between the Queensland Government and Quilpie Shire Council promoting the role and value of arts, culture and heritage as key drivers of diverse and inclusive communities. RADF funding supports the development and delivery of locally driven, eligible arts and cultural projects determined by the community.

- Quilpie Cultural Society delivered 12 various Workshops to the community
- Quilpie and District Show & Rodeo held 2 Painting Workshops
- Quilpie Shire Council presented 4 Western Touring Circuit Performances and Workshops

First 5 Forever

Quilpie Shire Council Partners with State Library of Queensland to Deliver the First 5 Forever Program. First 5 Forever is a statewide program providing strong early literacy foundations for all Queensland children aged 0-5. Several interactive theme days were held during the year, including the Christmas Capers Party, Teddy Bear's Picnic, Under 8's Day and Easter Egg Hunt.

NAIDOC Week – Get Up! Stand Up! Show Up!

NAIDOC Week was held 3 – 8 July celebrating the history, culture and achievements of Aboriginal and Torres Strait Islander peoples. The week was filled with activities bringing the community together. Activities included a Smoking Ceremony, Welcome to Country, Indigenous Art Exhibition, Traditional Dancing and Story Telling and Yarns with Mardigan Elder Uncle Alex Jacobs sharing his local knowledge, spirituality and wisdom.

Disaster Management

The Disaster Management Act 2003 details a range of functions and responsibilities for local government to ensure that it meets its statutory obligations.

Section 29 of the Act specifies that local government must establish a Local Disaster Management Group (LDMG) for the local government's area. The Quilpie LDMG met twice during the year and Local Disaster Management LDM plan assessments were completed in August 2022.

Functions, roles and responsibilities of the Local Disaster Management Group are in accordance with those contained in the [Queensland State Disaster Management Plan](#) (where applicable).

Council is continuing to lobby for an automated weather station as Quilpie's current readings come from the weather station in Thargomindah.

NDIS & Health Promotion

Council delivers two vital programs to the community to assist those in our community to access the services and support they require to lead an independent and rewarding life. Council funds an NDIS Coordinator who assists people in our community with a disability access the supports they require to link with their community. The Health Promotions Program funded collaboratively by Western Queensland Primary Health Network and Council ensures that Seniors and Youth in our community feel valued and engaged by providing various programs, activities and health initiatives throughout the year.

Pest Management

Pest Animals:

Council held two coordinated Wild Dog Baiting Programs throughout the year and utilised approximately 22T of baiting meat. There were 129 wild dog scalps presented to Council for bonus payments. Several properties within the Shire undertook hot spot baiting as required during the year to control wild dogs.

Pest Weeds:

In addition to Council's programmed Pest Weed Control Program, there was also Biocontrol released in two paddocks to assist in the control of Coral Cactus.

Community Engagement

Engaged communities are thriving communities! Community cohesion is built from taking steps to develop local relationships by supporting community activities and events which bring the whole community together strengthening our social fabric and resilience.

FINANCE AND ADMINISTRATION

Annual Financial Statements - 5 year summary

Council's financial statements are audited each year by the Queensland Audit Office. We aim for an unmodified audit opinion which would mean the financial statements are reliable.

The areas of audit focus for this year included:

- Valuation of infrastructure assets
- Expenditure, including major contracts and projects
- Revenue recognition for grants
- Financial sustainability ratio calculations

This year the Auditor-General issued an unmodified audit opinion for our financial statements. While we met our key financial audit milestones and this audit opinion was a good outcome, there are still areas of improvement needed including a review of fixed asset register categories (specifically plant and equipment, fixture and fittings) and credit risk disclosures. We will now work on these matters before next year's interim audit in April.

The financial highlights for 2022/23 include:

- Unmodified financial statements
- Operating result – a surplus of \$3.18 million
- Net result – as surplus of \$4.47 million
- Capital expenditure - \$5.81 million
- Cash and cash equivalents - \$37.35 million (6.1 million restricted)
- No borrowings
- Completion on 15 September (well before the statutory deadline of 31 October)

Annual Financial Statements - 5 year summary (cont.)

5 year financial summary	2018/19	2019/20	2020/21	2021/22	2022/23
Income - recurrent (operating) revenue and other income	16,695,964	18,787,022	31,968,736	30,223,331	37,415,370
Expenses - recurrent (operating)	15,872,898	23,113,653	33,891,592	28,478,808	34,234,223
Net operating result (operating)	823,066	-4,326,631	-1,922,856	1,744,523	3,181,147
Capital revenue - grants, sub-sidies, contributions and do-nations	3,641,230	4,489,177	4,681,165	5,945,470	1,232,333
Capital income / (expense)	26,610	-58,137	-462,858	-108,946	56,563
Net result	4,490,906	104,409	2,295,449	7,581,047	4,470,043
Increase / (decrease in asset revaluation surplus	8,862,625	34,091,456	-	37,702,951	6,953,029
Total comprehensive income for the year	13,353,531	34,195,865	2,295,449	45,283,998	11,423,072
Cash and cash equivalents (financial assets)	24,645,339	23,927,799	21,196,165	31,471,535	37,356,261
Restricted cash (external restrictions)	3,748,086	3,384,571	813,923	5,166,726	6,099,777
Contract assets	n/a	117,418	831,746	4,453,481	2,039,007
Contract liabilities	n/a	421,463	755,972	5,088,862	6,019,014
Capital expenditure	6,245,599	8,950,248	9,625,220	6,048,404	5,814,777
Work in progress	4,915,022	8,479,021	11,989,167	349,823	3,185,425

The key financial statements are:

- Statement of comprehensive income
- Statement of financial position
- Statement of changes in equity
- Statement of cash flows
- Financial Sustainability ratios

Statement of comprehensive income

The statement of comprehensive income measures how Council performed in relation to income and expenses for the year. It includes recurrent revenue and expenses from Council's operating activities, other income and capital revenue and expenses.

For 2022/23, the net result represents a surplus of \$4.47 million whereby \$1.23 million were capital grants allocated to upgrade or new Council infrastructure. The \$3.18 million net operating position (operating revenue and income less operating expenses) reflects our ability to meet our day-to-day costs from operating revenue and is an important indicator of financial health.

In the previous financial year (2021/22) Council had a net result of \$7.58 million of which \$5.945 was capital grants and a net operating result of \$1.744 million.

The following table is a 5 year summary of income and expenses:

5 year financial summary	2018/19	2019/20	2020/21	2021/22	2022/23
Income					
Rates, levies and charges (net of discounts)	4,876,800	5,074,769	5,236,906	6,158,621	7,486,121
Fees and charges	61,805	72,387	42,392	75,847	104,201
Sales revenue	3,652,401	2,809,588	3,095,710	5,249,425	3,602,237

5 year financial summary Income	2018/19	2019/20	2020/21	2021/22	2022/23
Grants, subsidies, contributions and donations	7,347,645	10,178,543	23,052,662	17,953,190	24,488,043
Rental income	282,489	285,742	328,958	440,053	428,902
Other income	-	-	47,353	153,251	302,282
Interest received	474,824	365,993	164,756	192,944	1,003,584
Capital grants, subsidies, contributions and donations	3,641,230	4,489,177	4,681,165	5,945,470	1,232,333
Capital income	26,610	-	-	-	56,563
Total income	20,363,804	23,276,199	36,649,901	36,168,801	38,704,266
Expenses	2018/19	2019/2020	2020/21	2021/22	2022/23
Employee and councillor costs	4,945,655	6,063,945	6,052,274	6,394,276	6,498,445
Materials and services	4,969,179	9,793,215	22,304,550	16,172,577	20,695,735
Finance costs	19,776	21,329	19,447	35,681	520,572
Depreciation	5,938,288	7,235,164	5,515,322	5,876,274	6,519,471
Capital expenses	-	58,137	462,858	108,946	-
Total expenses	15,872,898	23,171,790	34,354,451	28,587,754	34,234,223
Net operating result	823,066	-4,326,631	-1,922,856	1,744,523	3,181,147
Net result	4,490,906	104,409	2,295,449	7,581,047	4,470,043

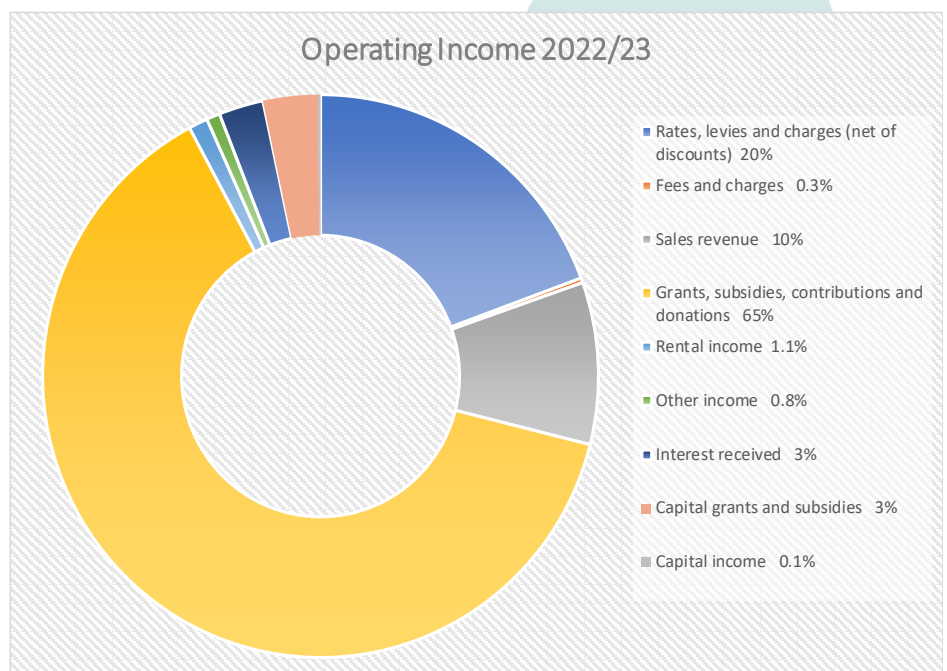
Income

Council's total income for the financial year was \$38.7 million.

Recurrent revenue includes own sources revenue (general rates and service charges – water, sewerage, waste), fees and charges, sales revenue and general purpose and operating grants and subsidies, contributions and donations.

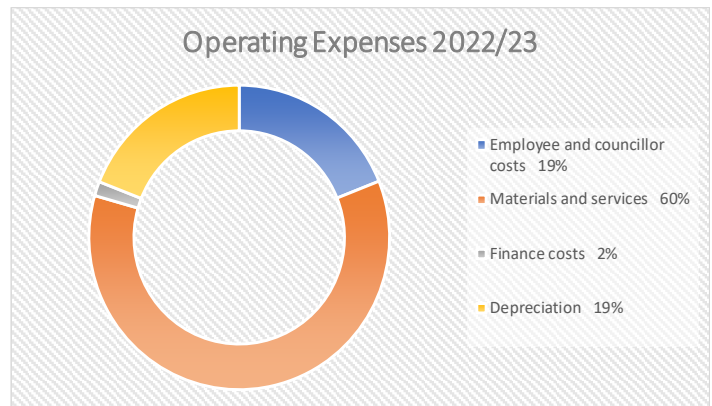
Other operating income also included rental income and interest received.

Capital revenue is usually sourced from grants and subsidies and spent on assets such as roads, water and sewerage infrastructure, buildings and plant and equipment. Capital grants and subsidies for new or upgrades to infrastructure totalled \$1.23 million this year.



Expenses

Recurrent expenses are those incurred to run the day-to-day operations of Council, such as employee and councillor costs, wages, materials and services, finance costs and depreciation expenses.



Statement of financial position

The Statement of Financial Position records what Council owns (Assets) and what Council owes (Liabilities) at the 30 June 2023, with the difference being Council's net financial worth.

The following table is a 5 year summary of Council's financial position at the end of each financial year:

Financial Position	2018/19	2019/20	2020/21	2021/22	2022/23
Current assets	26,501,752	25,288,284	23,977,913	38,614,963	43,675,944
Non-current assets	204,855,082	240,829,771	244,026,545	280,601,474	286,762,258
Current liabilities	1,219,944	2,606,595	2,388,108	8,280,163	8,057,243
Non-current liabilities	175,883	435,965	245,381	281,307	302,920
Total community equity	229,961,007	263,075,495	265,370,969	310,654,967	322,078,039

Council is responsible for the provision of a diverse range of services. A significant number of these services are provided through infrastructure and other assets owned by Council. Council controls and maintains community assets with a combined replacement value of approximately \$286 million. In addition, Council holds other short-term assets such as cash and cash equivalents in bank accounts and term deposits to the value of \$37.3 million. The cash holdings include funds tied to specific purposes such as future capital works.

Council also has its own stores which supplies goods to our work teams so they can deliver services and complete projects. The current inventories held has increased from \$602,000 to \$790,677. Land acquired by council with the intention of reselling is classified as inventory. Land held for sale decreased from \$357,409 to \$161,440 due to the sale of 6 blocks of land.

Statement of cash flows

The Statement of Cashflows records the movement of cash inflows and outflows from all activities during the financial year. Non-cash items such as depreciation are excluded.

Cash flows for the period are separated into operating, investing and financing activities.

- Operating activities – includes all areas such as rates, fees and charges, grants, employee costs (operating), material and services, interest – Net inflow of \$10.324 million.
- Investing activities - includes money Council receives and spends when buying or selling property, plant and equipment – Net outflow of \$4.44 million.
- Financing activities – incorporates cash received if Council takes out new loans or repays loans – Nil.

Cash and cash equivalents was \$37.356 million at 30 June 2023. Of these funds, \$6.099 million had externally imposed restrictions e.g. \$6.019 million in specific grants and subsidies not spent.

Cash flow	2018/19	2019/20	2020/21	2021/22	2022/23
Opening cash and cash equivalents balance	19,553,725	24,645,339	23,927,799	21,196,165	31,471,535
Net cashflow from operating activities	7,523,925	4,717,333	1,697,335	9,650,803	10,324,773
Net cashflow from investing activities	-2,432,311	-5,434,873	-4,428,969	624,567	-4,440,047
Net cashflow from financing activities	-	-	-	-	-
Closing cash balance	24,645,339	23,927,799	21,196,165	31,471,535	37,356,261

Financial sustainability ratios

There are three financial sustainability ratios that Council must calculate each financial year to measure and monitor our progress in strengthening Council's financial sustainability. The following tables explain Council's current year and 5 year sustainability indicators:

Key local government financial sustainability indicators				
Ratio	Description	2023 Result	Benchmark	Within target
Operating surplus ratio	This is the indicator of the extent to which operating (recurrent) revenue raised cover operational expenses only or is available for capital funding.	9%	0-10%	Yes
Asset sustainability ratio	This ratio helps to show whether Council is replacing assets as their service potential is used up.	6%	Greater than 90%	No
Net financial liabilities	This ratio explains the extent to which operating revenue can cover net financial liabilities	-94%	Less than 60%	Yes

5 year trend - local government financial sustainability indicators						
Ratio	2018/19	2019/20	2020/21	2021/22	2022/23	5 year average
Operating surplus ratio	5%	-23%	-6%	6%	9%	-2%
Asset sustainability ratio	20%	26%	83%	40%	6%	35%
Net financial liabilities	-150%	-118%	-67%	-99%	-94%	-106%

Rates and Charges

Council issued half yearly rates notices in September and February. There was a significant number of Queensland Valuation and Sales (QVAS) valuation changes received from the Department of Resources as a result of valuation splits and/or amalgamations. In total there were 99 valuation changes which required the issuing of supplementary notices. The change process through our finance system is complex particularly where the changes involve splits and amalgamations and involved multiple years.

Outstanding Rates and Charges

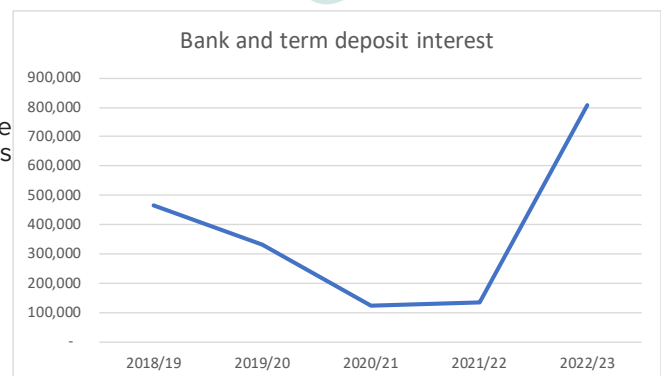
Reminder notices were sent for outstanding rates after each discount period. Work continues on advanced debt recovery action in accordance with Council's adopted policy for the Recovery of Overdue Rates and Charges Policy Resolution No: (QSC005-01-23). Letters of Demand were issued on 9 May 2023 to seven (7) landowners for overdue rates and charges which extended over three (3) years outstanding.

Interest received

This comprised of interest from the bank and term deposits and interest on outstanding rates and charges:

- Interest received from bank and term deposits - \$806,337
- Interest received from overdue rates and utility charges - \$197,247

During the year, the increase in interest rates had a positive impact on interest earned from the bank and term deposits compared to last year of only \$134,767.



Accounts processing

Our small team process creditor and debtor accounts on behalf of all Council services and projects. As with any business, the keeping of good financial records is key to sound decision making and financial planning, as well as ensuring legislative compliance. The team processed 4,230 invoices and 2,222 cheque/EFT payments with a value of \$31.6 million. There were also 710 debtor invoices issued and 4,233 receipt transactions.

Fees and Charges Software

Council is required to keep a register of its cost-recovery fees and commercial charges. This year we implemented the LG Solutions Cloud Fees and Charges module to streamline the annual review process and the development of the register. In addition to the new platform, a GST specialist was engaged to review the GST applicable for each fee. The Fees and Charges module will now be used for modelling fees and charges and producing the Register for adoption by Council (as required).

Community Budget Meetings

Community updates were prepared for the Community Budget Meetings held in Eromanga, Adavale, Quilpie and Toompine. The updates covered projects completed, programmed or in progress at each locality, including shire roads, State road network improvements, plant and fleet replacements, flood restoration works, planning, community grants and assistance, water charges, Council funded exclusion fence subsidy, Council's Business Support Grant program and community financial report. Feedback and suggestions raised at these meetings informed the development of the 2023/24 budget which was then adopted at a special meeting on 21 July 2023.

Procurement

Council’s procurement activities have become more centralised which has created stronger relationships between all internal departments. The focus has been on improving outdated processes and procedures that were creating inefficiencies and high administrative costs. Updating these processes and implementing new procedures with innovative and effective methods has been beneficial such as increasing the Corporate Credit Card limit and rolling out additional purchase cards to more staff in September 2022. This decision has benefited both Council and our suppliers, by giving a simple transaction a simpler process.

In conjunction with the improved processes came the implementation of a new suite of procurement documents that range from request documents and response schedules, to contract management documentation. Council has also improved probity controls with better planning, greater compliance checks and using innovative technology such as the VendorPanel platform. Using the VendorPanel platform allows council to manage all strategic and operational procurement in one place. Council has can access and engage with suppliers for tenders, refreshing our pre-qualified supplier registers and requests for quote on the one platform.

While still defining the data capture and spend categories, the implementation of the NexGen Procurement Hub has assisted with analysing raw procurement spend data and providing insights into the analytics and reporting of the procurement spend. The analytics the hub provides can define the data down to a per transaction report, giving overviews and insights on spend trends and what will be injected into the local economy annually. Given procurement is an essential part of our business, the data analytics will assist Council to continuously improve and cater for our vision of great places to live with flourishing economies.

Council awarded 24 contracts over \$200,000 in FY 2022-2023 with a combined value of \$16,981,345.79.

44 Requests were posted via VendorPanel in FY 2022-2023:

- 13 Flood Damage Requests
- 4 Sealing Request
- 1 Construction
- 24 Plant & Equipment
- 1 Project Management
- 1 Register of Pre-Qualified Suppliers

The following table outlines the percentage of our expenditure in 2022/23 that was made with our local suppliers and community:



TOURISM AND ECONOMIC DEVELOPMENT

2022/2023 has been a successful year for the team at the Quilpie Visitor Information Centre, Gallery, and Museums. In November 2022 team members attended the 2022 Queensland Tourism Awards on the Gold Coast and took out Gold in the Visitor Information Services award. This award guaranteed entry to the Australian Tourism Awards held in Sydney in March 2023. Quilpie took out Silver at these awards, an impressive result for the small centre and community.



Quilpeta also launched into a new season taking out the Outback Queensland Tourism Award for Best new experience. It is currently showing two nights a week and proving popular for visitors to Quilpie. This show will run throughout the peak visitor season (April to October). The VIC are investigating other opportunities to use the space in 2024.

2023 started a little slower, with flooding in Northwest and Western Queensland delaying visitors heading to the Outback. On comparison numbers are tracking well with less than a 300-visitor difference through the Visitor Information Centre doors between 2022/23 and 2021/22 financial years. The calendar year of 2021 remains the highest visitor numbers ever recorded through the centre.

Quilpie held another Opera Queensland regional tour in May 2023, "Lady Sings the Maroons". It was another amazing night, with over 200 enjoying the evening.



The gallery hosted five exhibitions, including Quilpie show photos (people's choice), combined schools' exhibition, Louise Hall's Love of Quilts, Jason Gregg's Illusions and Christmas in the Gallery and the Southwest Indigenous exhibition. These exhibitions continue to be well received by locals and visitors.

Council supported Round 4 of the Business Support Program which was announced in March 2023, with 14 local businesses supported. This program was expanded to include digital projects including websites and online businesses as well as continuing to support shopfront refurbishment projects around the Quilpie Shire.

The 2022 Shop Local campaign was again a success, with \$2500 in shop local vouchers presented at the 2022 Combined business Christmas party. \$2000 was provided by Quilpie Shire Council and \$500 provided by Proterra Group.

The Quilpie Sock project was delivered in 2022. A project to highlight the importance of the wool industry to the Shire. These socks are being sold at the Visitor Information Centre with new stockists expected to come online next financial year. They have proved popular with locals and visitors looking for that unique gift.



WORKPLACE HEALTH AND SAFETY

During 2022/2023 we had 5 Lost Time Injuries equating to 18 Days Lost. At the end of the financial year, we had 3 outstanding claims. We also continued to implement our Drug & Alcohol Policy and undertook various training activities including First Aid and CPR.

Safety Culture is our newly implemented Safety System. We have also rolled out a training app which is called Edapp. Each month staff can access training of a different topic including Workplace Bullying, Drug and Alcohol, Remote & Isolated Work, Quick Inspections, Health & Safety Duties and Psychosocial Hazards.

We also use an App called SHEQSY for when employees are working remotely and/or alone. When an employee is working remotely or alone they can enter details on the app with a completion time. If the employee has not accessed the app by that time an SMS is sent to their supervisor who can do a welfare check.

IAuditor is used by staff to record maintenance requests, incidents, observations, hazards, property damage and near misses. Staff can access IAuditor via a QR code which are located in numerous spots around the workplaces and with every set of vehicle and plant keys.

During November 2022 we had an WHS Audit which was undertaken as a requirement of the Local Government Work Care for the 2022 self-insurance license renewal. The audit was conducted against 5 elements from the National Audit Tool. Element 1 WHS Commitment Policy, Element 2 Planning, Element 4 Measurement & Evaluation and E5 Management Review are assessed on a conformance and non-conformance basis. Quilpie Shire Council obtain a conformance rating on all 4 elements. Element 3 Implementation is scored on a weighted format. Overall scoring is required to be at least 70% of the maximum available score to consider the management system adequate. Quilpie Shire Scored 70.3%.

The audit highlighted 10 non-compliant items which 9 have already been addressed and 17 Opportunity for Improvement which 8 of these items have been addressed.

We will continue to go from Good to Great on our continuous WHS improvement journey into 2023/2024 to ensure that every employee goes home safe every day.

HUMAN RESOURCE MANAGEMENT

Throughout 2022-2023, Council's total number of employees remained comparable to previous years with an average workforce of 73 employees. Turnover of staff also remained comparable to previous years with a total turnover of 20%. Most employees left Council employment for personal reasons and/or career progression opportunities, together with a small number of employees who left Council at the expiry of their fixed term employment, or to retire.

Council continued to support the health and well-being of employees with ongoing initiatives such as subsidised gym membership, annual flu vaccination program and 'feel good Friday' Trademutt shirts and introducing blue aerials on light vehicles to support Beyond Blue and raise awareness of mental health. Staff also competed in the South West Hospital and Health Service 10,000 Step Challenge.

Council's Staff Well-being Week was held in March and there were high participation rates from staff engaging in the various initiatives and free health checks that were on offer - skin checks and excisions, hearing checks, blood pressure and blood glucose checks, laughter clinics (focused on mental health and suicide prevention) and the Seven Habits of Fit & Healthy People course (focused on aerobic fitness, strength and flexibility, musculo-skeletal health, metabolic health, and the ability to handle stress). Employees also had the opportunity to meet with specialists regarding superannuation, salary packaging, health insurance and government services. Council's Staff Wellbeing Week was recognised in the LGMA Awards for Excellence with a Finalist Award, in addition to being identified for consideration in the 2023 LGMS Risk Excellence Awards.

Council has continued the annual Staff Fundraising Initiative which was first introduced in 2015. Each year Council employees nominate a charity/ies to raise funds for throughout the year, and Council commit to match the funds raised by staff, dollar for dollar, to the maximum value of \$10,000. In 2022 staff elected to raise funds for Rio's Legacy (a charity raising funds to build more hospices for children with terminal illnesses and their families) and the Royal Flying Doctor Service. At the annual Staff Christmas Party, Council presented Rio's Legacy and the RFDS with cheques each totalling \$16,150.35, bringing Council's total funds donated since 2015 to \$189,796.23.



Mayor Stuart Mackenzie and CEO Justin Hancock presenting Ryan Fowler and Cameron of Rio's Legacy with the 2022 Staff Fundraising cheque for \$16,150.35.

HUMAN RESOURCE MANAGEMENT (CONT.)

Council continued to support the professional development of staff by conducting a variety of training in-house, in addition to providing various employees with the opportunity to attend meetings, conferences, events and training outside of the Shire. Where possible, Council invited local businesses, contractors and community members to join in both on-site training and the health checks that were conducted during Staff Wellbeing Week.

Several staff functions were held throughout the year including a staff social BBQ, Night Golf and the Eromanga Big Day Out where all staff spent the day exploring Eromanga's tourist attractions, Council facilities and infrastructure projects.

The culture of the organisation continues to be overwhelmingly positive with 98% of employees surveyed in the 2022 annual Staff Survey indicating that they are motivated to see the organisation succeed, they think the organisation is flexible with respect to their family responsibilities, they believe in the organisational values, they exhibit and promote the values, they believe that the organisation is committed to providing a safe and healthy workplace for all employees, and they feel that the organisation delivers a good quality of service to our community.



The Eromanga Big Day Out

GOVERNANCE AND COMPLIANCE

During 2022/2023 there were 18 Building Applications and 5 Development Applications received. There was also 17 Food Licences renewed and 3 new Food Licence Applications.

During the financial year 13 policies were reviewed and updated and 3 new policies were created. In May 2023 we began an extensive review of all Policies and developed a project plan for the next 12 months. Our updated policies now include a Human Rights Compatibility Statement. We did not receive any Human Rights complaint during the financial year.

In June 2023 we introduced our new risk management framework, developed our Risk Management Policy and complied our Enterprise Risk Register. We also reviewed the Delegations for the Council to Chief Executive Officer

A Local Housing Action Plan was developed through a joint initiative involving the Queensland Government, Quilpie Shire council and the Western Queensland Alliance of Councils to respond to a range of immediate, emerging, and longer-term housing challenges in the Shire.

We renewed 6 residential leases, approved 1 permit to occupy and entered into 2 mining claim compensation agreements.

COMMUNITY FINANCIAL REPORT

The Community Financial Report is a plain English summary of Council's Financial Statements. It has been prepared as required by Section 179 of the Local Government Regulation 2012 and is designed to provide an easy to understand summary and analysis of Council's financial results and financial position. For a more detailed understanding of Council's financial results and financial position, refer to the Financial Statements and accompanying notes included in the Appendices section of this annual report.

Financial Performance

The finances of Quilpie Shire Council were again very strong at year end, even though we funded the bulk of capital projects through our cash reserves. Council is, and will continually be, looking at alternative revenue streams to provide the services our community needs and expects.

Statement of Comprehensive Income

The Statement of Comprehensive Income (often referred to as the Profit and Loss Statement) shows how Council has performed for the past 12-month period. The Income Statement illustrates what we have earned (revenue) and what we have spent (expenses) on maintaining and operating the community services and assets Council provides.

Simplified Income Statement	\$ Value ('000s)
Operating revenue	\$ 37,415
Less operating expenses	\$ 33,713
Less finance costs	\$ 521
Net operating result	\$ 3,181
Add capital grants	\$ 1,232
Add capital income	\$ 57
Net result	\$ 4,470

Statement of Financial Position

The Statement of Financial Position, (often referred to as the Balance Sheet) summarises the financial position of Council at the end of the financial year. The statement measures what Council owns (assets) and what Council owes (liabilities) at the end of the financial year, with the difference between these two components being the net community wealth (equity) of Council.

Simplified Balance Sheet	\$ Value ('000s)
What we have in the bank	\$ 37,356
What we own	\$ 287,666
What we are owed	\$ 5,416
Our total assets	\$ 330,438
What we owe our suppliers and employees	\$ 8,360
What we have borrowed	\$ 0
Our total liabilities	\$ 8360
Net community assets	\$ 322,078

Our Operating Revenue

Council achieved operating income of \$37,415,370 (after discounts and remissions) during the financial year.

How we earned our operating revenue:

Operating Revenue	%	\$ Value ('000s)
Rates, levies and charges	20%	\$ 7,486
Fees and charges	<1%	\$ 104
Sales revenue	10%	\$ 3,602
Rental income	1%	\$ 429
Other income	<1%	\$ 302
Interest received	3%	\$ 1,004
Grants, subsidies, contributions and donations	65%	\$ 24,488
Total	100%	\$ 37,415

Council endeavours to maximise its revenue from sources other than rates by actively pursuing grants and subsidies from the Queensland and Australian Governments, and seeking appropriate contributions from the property development sector (where applicable). Fees and charges and utility charges are generally applied on a full cost recovery basis to ensure the user pays for the service they are using as much as possible. These strategies help to minimise the reliance on the general rate to fund Council's operations.

Our Operating Expenses

Operating Expenses	%	\$ Value ('000s)
Materials and services	60%	\$ 20,696
Employee benefits	19%	\$ 6,498
Finance costs	2%	\$ 521
Depreciation	19%	\$ 6,519
Total	100%	\$ 34,234

Our Operating Expenses (cont.)

The operating expenses represent the cost to Council of providing services, operating facilities and maintaining assets.

'Materials and services' are the goods and services required for operational and maintenance purposes. These make up 60% of Council's expenses. 'Employee and labour hire costs' are part of the costs Council incurs in operating and maintaining the services and assets of the region. 'Depreciation' represents the true cost of Council's assets over time. These assets include buildings, roads, stormwater drains, and water and sewerage infrastructure.

Community Infrastructure We Manage

Council owns and manages more than \$287 million worth of Infrastructure that provide benefits directly to the community.

Accounting standards require Council to ensure its infrastructure assets are recorded at fair value. Council's progressive approach to asset management ensures our assets are optimised and the community benefits from the greatest value possible.

Our Community Infrastructure	%	\$ Value ('000s)
Road infrastructure	64%	\$ 184,806
Plant and equipment	3%	\$ 9,309
Buildings and other structures	16%	\$ 46,819
Sewerage	3%	\$ 8,371
Water	3%	\$ 8,127
Land	1%	\$ 1,938
Furniture and fittings	<1%	\$ 284
Airport assets	4%	\$ 11,882
Other assets	5%	\$ 15,178
Total	100%	\$ 286,714

Financial Sustainability Indicators

Council monitors its financial trend and sustainability by using financial ratios. These indicate whether or not Council is on the right track in terms of its financial performance and future. It acts as a guide to assist Councillors and management on the best course for budgeting for the future.

Operating Surplus Ratio

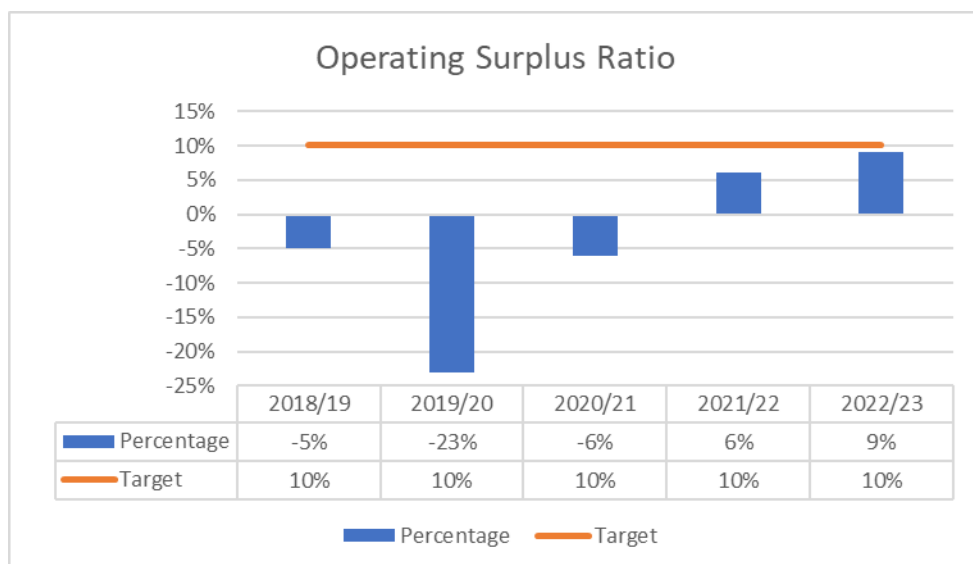
Calculation: net result divided by total operating revenue, expressed as a percentage.

Description: This is an indicator of the extent to which revenues raised cover operational expenses only or are available for capital funding or other purposes. The operating surplus ratio is the operating surplus / deficit expressed as a percentage of operating revenue.

A positive ratio indicates that surplus revenue is available. This may be used to support the funding of capital expenditure or used to offset past or future operating deficits. If the surplus is not required for this purpose in a particular year, it can be held over to support future capital expenditure funding as a financial asset, used to offset past deficit funding, or, where possible, used to reduce current debt levels.

Target: 0-10%

2022/2023 result: 9%. This result indicates that Council's operating revenue covers operating expenditures, with funds available for capital funding or other purposes.



Net Financial Liabilities Ratio

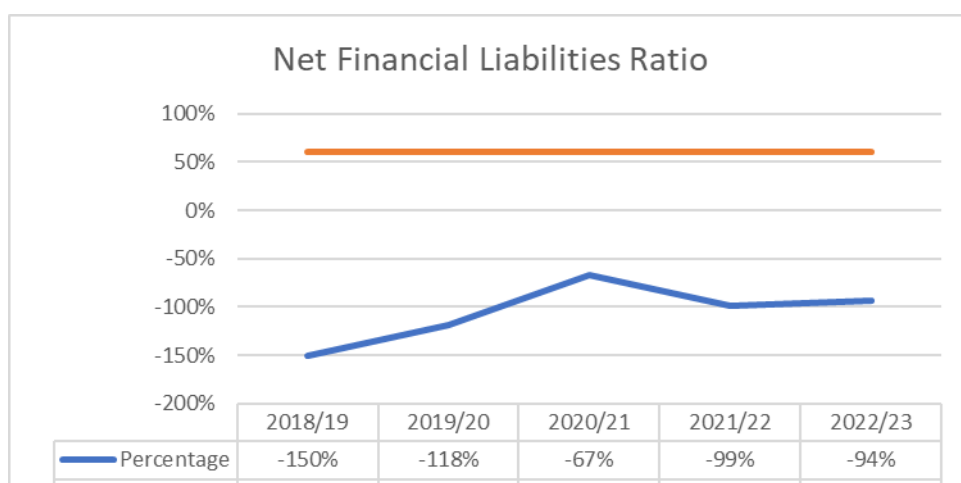
Calculation: Total liabilities (less current assets) divided by total operative revenue, expressed as a percentage.

Description: This is an indicator of the extent to which the net financial liabilities of a local government can be serviced by its operating revenues. A ratio greater than zero indicates that total financial liabilities exceed current assets. These net financial liabilities must be serviced using available operating revenues. A positive value less than 60% indicates the local government has the capacity to fund the financial liabilities and appears to have the capacity to increase its loan borrowings if required.

A positive value greater than 60% indicates the local government has limited capacity to increase its loan borrowings. A ratio less than zero (negative) indicates that current assets exceed total liabilities and therefore the local government appears to have significant financial capacity and the ability to increase its loan borrowings if necessary.

Target: <60%

2022-23 result: -94%. This result indicates that Council can fund its total liabilities from current assets and has capacity to borrow funds should it be required.



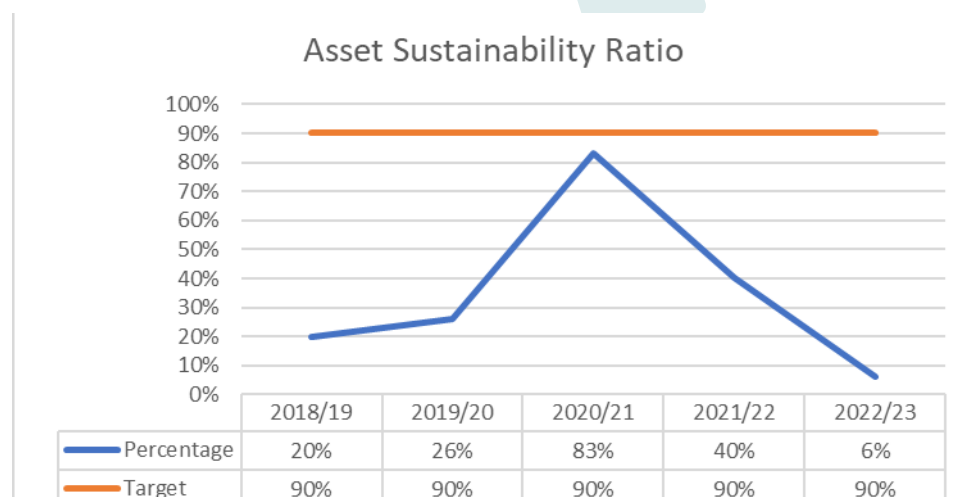
Asset Sustainability Ratio

Calculation: Capital expenditure (on the replacement of assets - renewals) divided by depreciation expense, expressed as a percentage.

Description: This is an approximation of the extent to which the infrastructure assets managed by the local government are being replaced as these reach their useful lives.

Target: >90%

2022-23 result: 6%. This indicates that Council is below the benchmark target for the renewing/replacing existing assets at a similar rate that they are wearing out.





Quilpie Shire Council
GENERAL PURPOSE FINANCIAL STATEMENTS
For the year ended 30 June 2023

Quilpie Shire Council

General Purpose Financial Statements

For the year ended 30 June 2023

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

		2023	2022
	Note	\$	\$
Income			
Revenue			
Recurrent revenue			
Rates, levies and charges	3(a)	7,486,121	6,158,621
Fees and charges	3(b)	104,201	75,847
Sales revenue	3(c)	3,602,237	5,249,425
Grants, subsidies, contributions and donations	4(i)	24,488,043	17,953,190
Total recurrent revenue		<u>35,680,602</u>	<u>29,437,083</u>
Capital revenue			
Grants, subsidies, contributions and donations	4(ii)	1,232,333	5,945,470
Capital income	6	56,563	-
Total capital revenue		<u>1,288,896</u>	<u>5,945,470</u>
Rental income	15	428,902	440,053
Other income		302,282	153,251
Interest received	5	1,003,584	192,944
Total income		<u>38,704,266</u>	<u>36,168,801</u>
Expenses			
Recurrent expenses			
Employee benefits and councillor costs	7	(6,498,445)	(6,394,276)
Materials and services	8	(20,695,735)	(16,172,577)
Finance costs	9	(520,572)	(35,681)
Depreciation and amortisation	13	(6,519,471)	(5,876,274)
Total expenses		<u>(34,234,223)</u>	<u>(28,478,808)</u>
Capital expenses	6	-	(108,946)
Total expenses		<u>(34,234,223)</u>	<u>(28,587,754)</u>
Net result		<u>4,470,043</u>	<u>7,581,047</u>
Net operating result		3,181,147	1,744,523
Other comprehensive income			
Items that will not be reclassified to net result			
Increase / (decrease) in asset revaluation surplus	18	6,953,029	37,702,951
Total comprehensive income for the year		<u>11,423,072</u>	<u>45,283,998</u>

The above statement should be read in conjunction with the accompanying notes and Accounting Policies.

Quilpie Shire Council
Statement of Financial Position
as at 30 June 2023

	Note	2023 \$	2022 \$
Current assets			
Cash and cash equivalents	10	37,356,261	31,471,535
Receivables	11	3,328,559	1,730,538
Inventories	12	952,117	959,409
Contract assets	14	2,039,007	4,453,481
Total current assets		<u>43,675,944</u>	<u>38,614,963</u>
Non-current assets			
Receivables	11	48,480	53,947
Property, plant and equipment	13	286,713,778	280,547,527
Total non-current assets		<u>286,762,258</u>	<u>280,601,474</u>
Total assets		<u>330,438,202</u>	<u>319,216,437</u>
Current liabilities			
Payables	16	1,068,809	2,283,922
Contract liabilities	14	6,019,014	5,088,862
Provisions	17	969,420	907,379
Total current liabilities		<u>8,057,243</u>	<u>8,280,163</u>
Non-current liabilities			
Provisions	17	302,920	281,307
Total non-current liabilities		<u>302,920</u>	<u>281,307</u>
Total liabilities		<u>8,360,163</u>	<u>8,561,470</u>
Net community assets		<u>322,078,039</u>	<u>310,654,967</u>
Community equity			
Asset revaluation surplus	18	204,990,741	198,037,712
Retained surplus		117,087,298	112,617,255
Total community equity		<u>322,078,039</u>	<u>310,654,967</u>

The above statement should be read in conjunction with the accompanying notes and Accounting Policies.

Quilpie Shire Council
Statement of Changes in Equity
For the year ended 30 June 2023

	Asset revaluation surplus	Retained surplus	Total
Note	\$	\$	\$
Balance as at 1 July 2022	198,037,712	112,617,255	310,654,967
Net result	-	4,470,043	4,470,043
Other comprehensive income for the year			
Increase / (decrease) in asset revaluation surplus	18 6,953,029	-	6,953,029
Total comprehensive income for the year	<u>6,953,029</u>	<u>4,470,043</u>	<u>11,423,072</u>
Balance as at 30 June 2023	<u>204,990,741</u>	<u>117,087,298</u>	<u>322,078,039</u>
Balance as at 1 July 2021	160,334,761	105,036,208	265,370,969
Net result	-	7,581,047	7,581,047
Other comprehensive income for the year			
Increase / (decrease) in asset revaluation surplus	18 37,702,951	-	37,702,951
Total comprehensive income for the year	<u>37,702,951</u>	<u>7,581,047</u>	<u>45,283,998</u>
Balance as at 30 June 2022	<u>198,037,712</u>	<u>112,617,255</u>	<u>310,654,967</u>

The above statement should be read in conjunction with the accompanying notes and Accounting Policies.

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

	Note	2023 \$	2022 \$
Cash flows from operating activities			
Receipts from customers		12,808,312	12,052,758
Payments to suppliers and employees		(28,599,717)	(21,038,904)
		<u>(15,791,405)</u>	<u>(8,986,146)</u>
Interest received		1,003,264	192,944
Rent received		428,902	442,033
Operating grants, subsidies and contributions		24,488,043	17,953,190
Income from investments		195,969	48,782
Net cash inflow (outflow) from operating activities	22	<u>10,324,773</u>	<u>9,650,803</u>
Cash flows from investing activities			
Payments for property, plant and equipment	13	(5,779,699)	(5,580,789)
Net movement in loans and advances		3,750	3,750
Proceeds from sale of property, plant and equipment	6	103,568	256,136
Capital grants, subsidies and contributions		1,232,333	5,945,470
Net cash inflow (outflow) from investing activities		<u>(4,440,047)</u>	<u>624,567</u>
Net increase/(decrease) in cash and cash equivalents held		<u>5,884,726</u>	<u>10,275,370</u>
Cash and cash equivalents at the beginning of the financial year		31,471,535	21,196,165
Cash and cash equivalents at end of the financial year	10	<u>37,356,261</u>	<u>31,471,535</u>

The above statement should be read in conjunction with the accompanying notes and Accounting Policies.

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

1 Information about these financial statements

(a) Basis of preparation

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

These general purpose financial statements are for the period 1 July 2022 to 30 June 2023. They are prepared in accordance with the *Local Government Act 2009* and the *Local Government Regulation 2012*.

Council is a not-for-profit entity for financial reporting purposes and these financial statements 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.

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

Council adopted all standards which became mandatorily effective for annual reporting periods beginning on 1 July 2022. None of the standards had a material impact on reported position, performance and cash flows.

(c) Standards issued by the AASB not yet effective

The AASB has issued Australian Accounting Standards and Interpretations which are not effective at 30 June 2023. 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 material impact for Council then further information has been provided in this note.

(d) Estimates and judgements

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

Revenue recognition	Note 3
Allowance for expected credit losses	Note 11
Valuation and depreciation property, plant and equipment	Note 13
Provisions	Note 17
Contingent liabilities	Note 20

(e) 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. Comparative information is prepared on the same basis as prior year.

(f) Volunteer services

Volunteer services are services received by Council from individuals or other entities without charge or for consideration significantly less than the fair value of those services. They are not recognised in the Statement of Comprehensive Income as they are not material, would not be purchased if not donated and cannot be reliably measured.

(g) Taxation

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

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

2 Analysis of Results by Function

(a) Components of council functions

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

Corporate governance

The objective of corporate governance is for Council to be open, accountable, transparent and deliver value for money community outcomes. This function includes strategic and operational planning, risk management, legal and administrative support. The Mayor, Councillors and Chief Executive Officer are included in corporate governance.

Finance and information

Finance and information provides professional finance and information services across all of Council. This function includes internal audit, budget support, financial accounting, taxation and information technology services. The goal of this function is to provide accurate, timely and appropriate information to support sound decision making and meet statutory requirements.

Community services

The goal of community services is to ensure Quilpie Shire is a healthy, vibrant, contemporary and connected community. Community services provides well managed and maintained community facilities, and ensures the effective delivery of cultural, health, welfare, environmental and recreational services. This function includes:

- Libraries
- Entertainment venues
- Public health services
- Sporting venues
- Planning and development

Environmental health services

The objective of Environmental Health Services is to ensure that the community's environment is protected and maintained to acceptable levels.

Engineering and works

The objective of the engineering and works program is to ensure the community is serviced by a high quality, appropriate and effective road network. The function provides and maintains transport infrastructure, including the maintenance and provision of the drainage network.

Waste management

The objective of this function is to protect and support the community and natural environment by sustainably managing refuse. The function provides refuse collection and disposal services.

Water infrastructure

The objective of this program is to support a healthy, safe community through sustainable water services. This function includes all activities relating to water reticulation, treatment and plumbing.

Sewerage infrastructure

This function's objective is to protect and support the health of the community by sustainably managing sewerage infrastructure.

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

2 Analysis of results by function

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

Year ended 30 June 2023

Functions	Gross program income				Total income	Gross program expenses		Total expenses	Net result from recurrent operations	Net result	Assets
	Recurrent		Capital			Recurrent	Capital				
	Grants	Other	Grants	Other							
	\$	\$	\$	\$		\$	\$				
Corporate governance	422,314	99,721	-	-	522,035	1,675,892	-	1,675,892	(1,153,857)	(1,153,857)	161,440
Finance and information	10,031,051	7,664,017	-	-	17,695,068	3,048,577	-	3,048,577	14,646,491	14,646,491	91,755,982
Community services	372,443	876,157	1,179,250	-	2,427,850	5,346,779	-	5,346,779	(4,098,179)	(2,918,929)	17,423,348
Environmental health services	-	111,557	-	-	111,557	865,365	-	865,365	(753,808)	(753,808)	-
Engineering and works	13,602,242	3,227,541	-	56,563	16,886,346	22,111,214	-	22,111,214	(5,281,431)	(5,224,868)	204,127,819
Waste management	-	297,041	-	-	297,041	498,166	-	498,166	(201,126)	(201,126)	471,549
Water infrastructure	-	395,623	53,083	-	448,706	470,084	-	470,084	(74,461)	(21,378)	8,126,896
Sewerage infrastructure	59,993	255,672	-	-	315,665	218,146	-	218,146	97,518	97,518	8,371,168
TOTAL	24,488,043	12,927,327	1,232,333	56,563	38,654,907	34,234,222	-	34,234,222	3,181,147	4,470,043	330,438,202

Year ended 30 June 2022

Functions	Gross program income				Total income	Gross program expenses		Total expenses	Net result from recurrent operations	Net result	Assets
	Recurrent		Capital			Recurrent	Capital				
	Grants	Other	Grants	Other							
	\$	\$	\$	\$		\$	\$				
Corporate governance	47,601	81,239	-	-	128,840	1,304,452	-	1,304,452	(1,175,612)	(1,175,612)	357,409
Finance and information	7,269,239	5,637,937	-	-	12,907,176	1,905,583	83,793	1,989,376	11,001,593	10,917,800	83,314,004
Community services	384,843	763,067	4,998,346	-	6,146,256	4,502,044	-	4,502,044	(3,354,134)	1,644,212	17,336,285
Environmental health services	27,406	117,884	-	-	145,290	771,346	-	771,346	(626,056)	(626,056)	-
Engineering and works	10,224,100	4,967,872	796,044	-	15,988,016	18,925,837	25,152	18,950,989	(3,733,865)	(2,962,973)	204,213,951
Waste management	-	244,953	-	-	244,953	358,971	-	358,971	(114,018)	(114,018)	406,454
Water infrastructure	-	260,966	151,079	-	412,045	497,877	-	497,877	(236,911)	(85,832)	9,109,102
Sewerage infrastructure	-	196,224	-	-	196,224	212,698	-	212,698	(16,474)	(16,474)	4,479,232
TOTAL	17,953,189	12,270,142	5,945,469	-	36,168,800	28,478,808	108,945	28,587,753	1,744,523	7,581,047	319,216,437

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

3 Revenue

(a) Rates, levies and charges

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

	Note	2023 \$	2022 \$
General rates		6,952,917	5,852,460
Water		318,202	288,164
Sewerage		230,441	212,912
Waste management		320,678	265,179
Special rates and charges		90,666	74,880
Total rates and utility charge revenue		<u>7,912,903</u>	<u>6,693,595</u>
Less: discounts		(416,341)	(525,353)
Less: pensioner remissions		(10,441)	(9,621)
		<u><u>7,486,121</u></u>	<u><u>6,158,621</u></u>

(b) Fees and charges

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

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

Licenses granted by Council are all either short-term or low value and all revenue from licenses is recognised at the time that the license is granted rather than the term of the license. Revenue from infringements is recognised on issue of infringement notice after applying the expected credit loss model relating to impairment of receivables for initial recognition of statutory receivables.

User fees and charges	70,591	39,971
Other fees and charges	9,903	14,426
Animal registrations	5,532	7,270
Building and development fees	8,352	5,468
Licences and registrations	3,388	3,300
Town planning fees	1,875	1,760
Cemetery fees	4,559	1,586
Other statutory fees	-	1,055
Infringements	-	1,011
Total fees and charges	<u><u>104,201</u></u>	<u><u>75,847</u></u>

(c) Sales revenue

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

Revenue from contracts and recoverable works generally comprises a recoupment of material costs together with an hourly charge for use of equipment and employees. This revenue and the associated costs are recognised by reference to the stage of completion of the contract activity based on costs incurred at the reporting date. Where consideration is received for the service in advance it is included in other liabilities and is recognised as revenue in the period when the service is performed. The contract work carried out is not subject to retentions.

Rendering of services

Contract works for Department of Transport and Main Roads	2,698,137	4,828,674
Other private works	904,100	420,751
	<u><u>3,602,237</u></u>	<u><u>5,249,425</u></u>

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

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 obligations is satisfied.

Performance obligations vary in each agreement but include pest animal and pest weed control, local road repair, rehabilitation and upgrades, and water main replacement. Payment terms vary depending on the terms of the grant, cash is received upfront for some grants and on the achievement of certain payment milestones for others. Each performance obligation is considered to ensure that the revenue recognition reflects the transfer of control and within grant agreements there may be some performance obligations where control transfers at a point in time and others which have continuous transfer of control over the life of the contract.

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

Grant income under AASB 1058

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

Capital grants

Where Council receives funding under an enforceable contract to acquire or construct a specified item of property, plant and equipment which will be under Council's control on completion, revenue is recognised as and when the obligation to construct or purchase is completed. For construction projects, this is generally as the construction progresses in accordance with costs incurred.

Donations and contributions

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

	Note	2023 \$	2022 \$	
(i) Operating				
General purpose grants		10,040,573	7,578,830	
State government subsidies and grants		1,743,115	1,167,849	
Commonwealth government subsidies and grants		378,691	24,673	
Flood damage restoration grants		12,324,597	9,162,102	
Donations		1,067	-	
Contributions		-	19,736	
		<u>24,488,043</u>	<u>17,953,190</u>	
(ii) Capital				
Capital revenue includes grants and subsidies received which are tied to specific projects for the replacement or upgrade of existing non-current assets and / or investment in new assets.				
State government subsidies and grants		911,247	1,127,857	
Commonwealth government subsidies and grants		321,086	4,817,613	
		<u>1,232,333</u>	<u>5,945,470</u>	
(iii) Timing of revenue recognition for grants, subsidies contributions and donations				
	2023 Revenue recognised at a Point in Time	2023 Revenue Recognised Over Time	2022 Revenue recognised at a point in time	2022 Revenue recognised over time
	\$	\$	\$	\$
Grants and subsidies	10,724,564	14,994,745	7,541,961	16,336,963
Donations	1,067	-	-	-
Contributions	-	-	19,736	-
	<u>10,725,631</u>	<u>14,994,745</u>	<u>7,561,697</u>	<u>16,336,963</u>

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

	Note	2023 \$	2022 \$
5 Interest received			
Interest received from bank and term deposits is accrued over the term of investment.			
Interest received from term deposits		806,337	134,767
Interest received from overdue rates and utility charges		197,247	58,177
		<u>1,003,584</u>	<u>192,944</u>
6 Capital income / expenses			
Gain / loss on disposal of non-current assets			
Proceeds from the disposal of property, plant and equipment			
Less: carrying value of disposed property, plant and equipment	13	103,568 (47,006)	235,864 (344,682)
		<u>56,563</u>	<u>(108,818)</u>
Proceeds from sale of land			
Less: carrying value of disposed land	13	- -	20,273 (20,400)
		<u>-</u>	<u>(127)</u>
		<u>56,563</u>	<u>(108,946)</u>
7 Employee benefits and councillor costs			
Employee benefit expenses are recorded when the service has been provided by the employee.			
Staff wages and salaries		4,785,189	4,728,213
Councillors' remuneration		311,814	367,925
Annual, sick and long service leave entitlements		734,107	742,192
Superannuation	21	623,353	598,588
		<u>6,454,464</u>	<u>6,436,918</u>
Other employee related expenses		380,591	269,687
		<u>6,835,055</u>	<u>6,706,605</u>
Less: capitalised employee expenses		(336,611)	(312,329)
		<u>6,498,445</u>	<u>6,394,276</u>

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

	2023 Number	2022 Number
Total Council employees at the reporting date:		
Elected members	5	5
Administration staff	23	20
Depot and outdoors staff	46	46
Total full-time equivalent employees	<u>74</u>	<u>71</u>

	2023 \$	2022 \$
8 Materials and services		
Expenses are recorded on an accruals basis as Council receives the goods or services.		
Advertising and marketing	2,207	10,461
Administration supplies and consumables	989,270	703,054
Audit fees*	172,249	84,101
Communications and IT	305,724	237,439
Community and recreational services	1,831,726	1,865,405
Consultants / contractors	39,252	236,897
Equipment hire	405,581	383,850
Recoverable works	13,568,673	10,096,734
Road repair and reinstatement	1,980,578	1,324,890
Rural services	733,286	634,112
Sewerage treatment	66,830	54,528
Town planning	46,446	68,966
Waste management	391,760	277,545
Water supply	162,153	194,595
	<u>20,695,735</u>	<u>16,172,577</u>

*Total audit fees quoted by the Queensland Audit Office relating to the 2022-23 financial statements are \$103,000 (2022: \$102,370).

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

	Note	2023 \$	2022 \$
9 Finance costs			
Bank charges		39,685	35,681
Impairment of receivables		480,887	-
		<u>520,572</u>	<u>35,681</u>

10 Cash and cash equivalents

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

Cash at bank and on hand	541,644	5,930,460
Deposits at call	33,536,123	21,160,804
Term deposits	3,278,494	4,380,271
	<u>37,356,261</u>	<u>31,471,535</u>

Council is exposed to credit risk through its investments in the National Australia Bank, QTC Cash Fund and QTC Working Capital Facility. The QTC Cash Fund is an asset management portfolio investing in 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-", the likelihood of the counterparty not having capacity to meet its financial commitments is low.

Cash and cash equivalents	37,356,261	31,471,535
Less: externally imposed restrictions on cash	(6,099,777)	(5,166,726)
Unrestricted cash	<u>31,256,484</u>	<u>26,304,809</u>

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

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

Unspent government grants and subsidies	6,019,014	5,088,862
Rates and housing rental received in advance	80,763	77,864
Total externally imposed restrictions on cash assets	<u>6,099,777</u>	<u>5,166,726</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). The council performs only a custodian role in respect of these monies and because the monies cannot be used for Council purposes, they are not considered revenue nor brought to account in the financial statements since Council has no control over the assets.

Trust funds held for outside parties

Monies collected or held on behalf of other entities yet to be paid out	33,130	36,095
Security deposits	44,629	44,335
	<u>77,759</u>	<u>80,430</u>

There was no funds belonging to Council held in the trust funds of third parties.

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

11 Receivables

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

Terms for loans and advances are usually a maximum of five years with interest charged at non-commercial rates. Security is not normally obtained.

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.

Debts are regularly assessed for collectability and allowance is made, where appropriate, for impairment. All known bad debts were written-off at 30 June. If an amount is recovered in a subsequent period it is recognised as revenue.

The impairment 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.

	<u>Note</u>	<u>2023</u> \$	<u>2022</u> \$
Current			
Rateable revenue and utility charges		3,554,377	1,611,153
Other debtors		234,630	118,686
Accrued revenue		25,087	13,184
Less: loss allowance		<u>(485,535)</u>	<u>(12,485)</u>
		<u>3,328,559</u>	<u>1,730,538</u>
Non-current			
Loans and advances to community organisations		48,480	53,947
		<u>48,480</u>	<u>53,947</u>

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

There is a geographical concentration of risk in the Council's jurisdiction, and since the area is largely agricultural and gas extraction, there is also a business concentration in those sectors.

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

	<u>Note</u>	<u>2023</u> \$	<u>2022</u> \$
Movement in accumulated impairment losses is as follows:			
Opening Balance at 1 July		12,485	12,485
Add: increase / (decrease) in the allowance for expected credit loss		480,887	-
Less: impaired receivable written-off during year		<u>(7,837)</u>	<u>-</u>
Closing balance at 30 June		<u>485,535</u>	<u>12,485</u>

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

12 Inventories

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

Land acquired by council with the intention of reselling it (with or without further development) is classified as inventory. This land is valued at the lower of cost or net realisable value. Proceeds from the sale of this land will be recognised as sales revenue on the signing of a valid unconditional contract of sale.

Inventories held for consumption	790,677	602,000
Land held for development and sale	161,440	357,409
	<u>952,117</u>	<u>959,409</u>

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

13 Property, plant and equipment

30-Jun-23

Basis of measurement

Fair value category

Asset values

Opening gross value as at 1 July 2022

Additions

Disposals

Revaluation adjustment to asset revaluation surplus

Transfers between classes

Closing gross value as at 30 June 2023

Accumulated depreciation and impairment

Opening balance as at 1 July 2022

Depreciation expense

Depreciation on disposals

Revaluation adjustment to asset revaluation surplus

Transfers between classes

Accumulated depreciation as at 30 June 2023

Total written down value as at 30 June 2023

Range of estimated useful lives in years

Work in progress

Opening balance 1 July 2022

Transfers between classes

Expenditure in year

Brought forward balance expensed

Transferred to asset register

Closing work in progress balance at 30 June 2023

Total property, plant and equipment

Additions comprise:

Renewals

Other additions

Total additions

Note	Furniture and fittings	Buildings and other structures	Plant and equipment	Road infrastructure	Sewerage	Water	Land	Other assets	Airport assets	TOTAL
	Cost	Fair Value	Cost	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	
		Levels 2 & 3		Level 3	Level 3	Level 3	Levels 2 & 3	Levels 2 & 3	Level 3	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
	489,537	62,729,700	11,988,861	228,332,785	7,481,276	13,843,462	1,897,700	20,548,915	12,897,346	360,209,582
	-	118,256	2,258,627	328,190	-	-	40,497	138,885	59,641	2,944,096
6	-	-	(423,575)	-	-	-	-	-	-	(423,575)
18	-	3,456,638	-	(12,182,780)	3,833,921	(837,927)	-	1,158,517	967,726	(3,603,905)
	-	-	-	-	-	-	-	-	-	-
	489,537	66,304,594	13,823,913	216,478,195	11,315,197	13,005,535	1,938,197	21,846,317	13,924,713	359,126,198
	185,720	19,384,903	4,048,822	40,493,612	3,009,062	4,734,362	-	5,831,213	2,324,184	80,011,878
	20,000	1,385,292	891,794	3,012,268	118,723	258,688	-	611,605	221,101	6,519,471
6	-	-	(376,569)	-	-	-	-	-	-	(376,569)
18	-	1,142,361	-	(11,533,895)	(145,258)	124,231	-	358,550	(502,924)	(10,556,935)
	-	-	-	-	-	-	-	-	-	-
	205,720	21,912,556	4,564,047	31,971,985	2,982,527	5,117,281	-	6,801,368	2,042,361	75,597,845
	283,817	44,392,038	9,259,866	184,506,210	8,332,670	7,888,254	1,938,197	15,044,949	11,882,352	283,528,353
	2 - 20	10 - 75	2 - 20	5 - Unlimited	20 - 100	25 - 110	Not depreciated	2 - 50	5 - Unlimited	
	-	229,037	-	-	7,019	-	-	113,766	-	349,822
	-	85,836	47,433	38,268	-	-	-	(231,178)	59,641	-
	-	2,229,881	2,260,675	589,214	38,499	238,640	40,497	417,371	-	5,814,777
	-	-	-	-	(7,019)	-	-	(28,059)	-	(35,078)
	-	(118,256)	(2,258,627)	(328,190)	-	-	(40,497)	(138,885)	(59,641)	(2,944,096)
	-	2,426,498	49,481	299,292	38,499	238,640	-	133,015	-	3,185,425
	283,817	46,818,536	9,309,347	184,805,502	4,479,233	8,126,894	1,938,197	15,177,964	11,882,352	286,713,778
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
	-	32,420	1,816,857	289,922	-	-	-	-	-	2,139,199
	-	85,836	441,770	38,268	-	-	40,497	138,885	59,641	804,897
	-	118,256	2,258,627	328,190	-	-	40,497	138,885	59,641	2,944,096

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

13 Property, plant and equipment

30-Jun-22

Note	Furniture and fittings	Buildings and other structures	Plant and equipment	Road infrastructure	Sewerage	Water	Land	Other assets	Airport assets	TOTAL
Basis of measurement	Cost	Fair Value	Cost	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	
Fair value category		Levels 2 & 3		Level 3	Level 3	Level 3	Levels 2 & 3	Levels 2 & 3	Level 3	
Asset values	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Opening gross value as at 1 July 2021	489,537	43,079,595	9,878,382	205,758,506	7,454,171	12,654,654	2,226,570	2,817,306	12,842,096	297,200,817
Additions	-	9,687,026	2,649,523	1,628,220	27,105	1,188,808	-	2,039,451	-	17,220,133
Disposals	-	(435,818)	(539,044)	-	-	-	(20,400)	-	-	(995,262)
Revaluation adjustment to asset revaluation surplus	-	12,600,103	-	20,946,059	-	-	97,717	13,490,952	55,250	47,190,081
Transfers between classes	-	(2,201,206)	-	-	-	-	(406,187)	2,201,206	-	(406,187)
Closing gross value as at 30 June 2022	489,537	62,729,700	11,988,861	228,332,785	7,481,276	13,843,462	1,897,700	20,548,915	12,897,346	360,209,582

Accumulated depreciation and impairment

Opening balance as at 1 July 2021	165,548	17,351,009	3,708,493	33,720,194	2,887,239	4,480,034	-	801,625	2,164,509	65,278,651
Depreciation expense	20,172	1,277,931	671,358	3,058,746	121,823	254,328	-	229,760	242,156	5,876,274
Depreciation written off	-	(33,900)	(12,176)	-	-	-	-	-	-	(46,076)
Depreciation on disposals	-	(265,251)	(318,853)	-	-	-	-	-	-	(584,104)
Revaluation adjustment to asset revaluation surplus	-	1,962,841	-	3,714,672	-	-	-	3,892,101	(82,481)	9,487,133
Transfers between classes	-	(907,727)	-	-	-	-	-	907,727	-	-
Accumulated depreciation as at 30 June 2022	185,720	19,384,903	4,048,822	40,493,612	3,009,062	4,734,362	-	5,831,213	2,324,184	80,011,878

Total written down value as at 30 June 2022

	303,817	43,344,797	7,940,039	187,839,173	4,472,214	9,109,100	1,897,700	14,717,702	10,573,162	280,197,704
Range of estimated useful lives in years	2 - 20	10 - 75	2 - 20	5 - Unlimited	20 - 100	25 - 110	Not depreciated	2 - 50	5 - Unlimited	

Work in progress

Opening balance 1 July 2021	-	8,791,375	-	584,616	27,104	965,675	-	1,620,397	-	11,989,167
Transfers between classes	-	559,182	160,287	195,353	-	-	-	(914,822)	-	-
Expenditure in year	-	836,926	2,489,236	863,590	7,019	259,381	-	1,592,251	-	6,048,404
Brought forward balance expensed	-	(54,688)	-	(15,339)	-	(36,248)	-	(361,340)	-	(467,615)
Transferred to asset register	-	(9,687,026)	(2,649,523)	(1,628,220)	(27,105)	(1,188,808)	-	(2,039,451)	-	(17,220,133)
Closing work in progress balance at 30 June 2022	-	445,769	-	-	7,019	-	-	(102,965)	-	349,823

Total property, plant and equipment

	303,817	43,790,566	7,940,039	187,839,173	4,479,233	9,109,100	1,897,700	14,614,737	10,573,162	280,547,527
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Additions comprise:

	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Renewals	-	454,373	2,341,374	843,891	27,105	454,476	-	316,948	-	4,438,167
Other additions	-	9,131,653	308,149	784,329	-	734,332	-	1,823,503	-	12,781,966
Total additions	-	9,586,026	2,649,523	1,628,220	27,105	1,188,808	-	2,140,451	-	17,220,133

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

13 Property, plant and equipment continued

(a) Recognition

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

Individual assets valued below the asset recognition threshold are recognised as an asset if connected to a larger network, for example the components of parks.

Land under roads and reserve land under the *Land Act 1994* or *Land Title Act 1994* is controlled by Queensland State Government and not recognised in the Council financial statements.

(b) Measurement

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

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

Property, plant and equipment received in the form of contributions, for significantly less than fair value or as offsets to infrastructure charges are recognised as assets and revenue at fair value.

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

(c) Depreciation

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

Land, work in progress, certain cultural and heritage assets with heritage listing, road formations (including aerodrome runway formations) and formation work associated with the construction of dams, levee banks and reservoirs are not depreciated.

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

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

Where assets have separately identifiable components and are material in value, these components have separately assigned useful lives.

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

Key judgements and estimates

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical or physical obsolescence that may change the utility of infrastructure assets.

(d) Impairment

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

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

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

13 Property, plant and equipment continued

(e) Valuation

(i) Valuation

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

In the intervening years, Council undertakes:

* a management valuation using internal engineers and asset managers to assess the condition and cost assumptions associated with all infrastructure assets and an appropriate cost index for the region.

* a "desktop" valuation for land and improvements, and buildings asset classes which 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.

Revaluation increases are recognised in the asset revaluation surplus unless they are reversing a previous decrease which was taken through the income statement, in that case the increase is taken to the income statement to the extent of the previous decrease.

Revaluation decreases are recognised in the asset revaluation surplus, where there is sufficient amount available in the asset revaluation surplus relating to that asset class. Where there isn't sufficient amount available in the surplus, the decrease is recognised in the statement of comprehensive income.

Where the class of asset has previously decreased in value and this reduction was recognised as an expense, an increase in the value of the class is recognised in the statement of comprehensive income.

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.

Fair values are classified into three levels as follows:

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

There were no transfers between levels during the year.

A severe weather event occurred during September 2022 which caused significant damage to Council's road network. Natural disaster events such as this are common in the Quilpie Shire area and generally occur three to four times per decade. Prior to 30 June works were undertaken to ensure all damaged roads were trafficable, and the full costs of repair work will be funded by the State Government through its Disaster Recovery Funding Arrangements program. Works will be completed over the two years ending 30 June 2024.

Council performed a detailed assessment of the road network impacted by the weather event in assessing its funding claim. This assessment included an examination over the road network condition. It also included quantification of planned repair work and an estimate of the capital component or loss in service potential of the road network from the weather event. Certain road network components were damaged, with all roads trafficable, and no road assets were completely destroyed which would require them to be written off at year end. Council's assessment indicates that the majority of the work to be performed is operational and repair work in nature. This includes repair of road surfaces, pot holes, grading and other remedial works that are considered to be expenditure items.

There was no material impact on the carrying value of the infrastructure, property, plant and equipment held by Council. No write down in the current replacement cost of the road network has been recorded at 30 June 2023 as a result. The amount of the funded repairs Council will perform in future periods is all in the main repairs and operating expenditure. The total repairs undertaken in 2022/23 was \$12,281,736.39.

Key judgements and estimates

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

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

13 Property, plant and equipment continued

(ii) Valuation techniques used to derive fair values

Asset class and fair value hierarchy	Valuation approach	Last comprehensive valuation date	Valuer engaged	Key assumptions and estimates (related data sources)	Index applied (change in index recognised this year)	Other interim revaluation adjustment
Land and Improvements (Level 2 and 3)	Market value	30-Jun-22	Australis Asset Advisory Group	Level 2 - Sales prices of comparable land its in close proximity are adjusted for key attributes such as property size. The most significant input into this valuation approach is price per square metre. Level 3 - Current zoning rules. Sales prices of comparable land sites in close proximity are adjusted for differences in key attributes such as property size. The most significant inputs into this valuation approach is price per square metre.	Desktop valuation was performed at 30 June 2023 by Australis Asset Advisory Group. No movement since the comprehensive valuation at 30 June 2022.	Nil
Buildings and Other Structures (Levels 2 and 3)	Market value and current replacement costs	30-Jun-22	Australis Asset Advisory Group	Market Value: Sales prices per square metre (database of recent sales) of comparable properties, adjusted for differences in key attributes such as condition) Current Replacement Cost: Unit rates based on square metres using market evidence Other inputs are estimates of useful life, pattern of consumption and asset condition.	A desktop valuation was performed byAustralis Asset Advisory Group with an index of 5.5% applied.	Nil
Other Assets (Level 2 and 3)	Market value and current replacement costs	30-Jun-22	Australis Asset Advisory Group	Market Value: Sales prices per square metre (database of recent sales) of comparable properties, adjusted for differences in key attributes such as condition) Current Replacement Cost: Unit rates based on square metres using market evidence Other inputs are estimates of useful life, pattern of consumption and asset condition.	A desktop valuation was performed byAustralis Asset Advisory Group with an index of 5.6% applied.	Nil
Roads, Drainage and Bridge Networks (Level 3)	Current replacement costs	30-Jun-23	Shepherd Services	Existing supply contract rates for raw materials appropriate for the asset based on age, size location and condition Labour rates based on Council's Certified Agreement Average cost of outsourced projects Remaining life of assets including existing conditions	N/A	Nil
Airport Assets (Level 3)	Current replacement costs	30-Jun-23	Shepherd Services	Existing supply contract rates for raw materials appropriate for the asset based on age, size location and condition Labour rates based on Council's Certified Agreement Average cost of outsourced projects Remaining life of assets including existing conditions	N/A	Nil
Water and Sewerage Assets (Level 3)	Current replacement costs	30-Jun-23	Australis Asset Advisory Group	Development, soil and depth factors taking into account current condition Gross replacement cost per m2 based on appropriate materials, remaining useful lives and physical obsolescence.	N/A	Nil

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

14 Contract balances

Contract assets represents the excess of costs incurred in relation to a contract with the customer or construction of an asset over the amounts that council has invoiced the customer or the grantor. Where Council has invoiced the customer or the grantor amounts in excess of what it has incurred in relation to a contract or in constructing an asset, this gives rise to a contract liability.

	<u>Note</u>	<u>2023</u>	<u>2022</u>
		\$	\$
a Contract assets		<u>2,039,007</u>	<u>4,453,481</u>
b Contract liabilities			
Funds to construct Council controlled assets		<u>6,019,014</u>	<u>5,088,862</u>
		<u>6,019,014</u>	<u>5,088,862</u>

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

Funds to construct Council controlled assets	<u>5,088,862</u>	<u>755,972</u>
	<u>5,088,862</u>	<u>755,972</u>

Satisfaction of contract liabilities

The contract liabilities in relation to capital grants relate to funding received prior to the work being performed since revenue is recognised as Council constructs the assets. Council expects to recognise the contract liability as income in the next year.

c Significant changes in contract balances

The main reason for the increase in contract liability balances is Disaster Recovery Funding Arrangements (DRFA) and Local Roads and Community Infrastructure Program funding received in the 2021/22 and 2022/23 financial years, with works to be completed during the 2023/24 financial year. The main increase in contract assets is DRFA Program works completed in the 2022/23 financial year, with the cash to be received during the 2023/24 financial year.

15 Leases

Council as a lessee

Council has leases in place over building and equipment. Where Council assesses that an agreement contains a lease, a right of use asset and lease liability is 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 single component.

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

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 the 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 where there is lease modification, or change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI).

Where the lease liability is re-measured the right-of-use asset is adjusted to reflect the re-measurement.

Exceptions to lease accounting

Council has applied the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. Council recognises the payments associated with these leases as an expenses on a straight-line basis over the lease term.

Terms and conditions of leases

Building: Council leases one building which is used as a youth activity centre, the lease was for two years and contained a two year renewal option which has expired. The lease is now on a periodic arrangement on the same terms.

Equipment: Council leases a number of equipment assets that are considered low value and short term leases and are therefore not subject to lease accounting.

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

15 Leases continued

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. If the lease contains lease and non lease components the non-lease components are accounted for in accordance with *AASB 15 Revenue from Contracts with Customers*. The lease income is recognised on a straight-line basis over the lease term.

Leases at significantly below market value - concessionary / peppercorn leases

Council has a number of leases at significantly below market for land and building which are used for youth activity centre. The leases are generally between 2 and 50 years and require payments between \$0 and \$10,000 per annum. The use of the right-to-use asset is restricted by the lessors to specified community services which Council must provide, these services are detailed in the leases. Council does not believe that any of the leases in place are individually material.

16 Payables

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

	Note	2023 \$	2022 \$
Current			
Creditors		165,325	141,875
Prepaid rates		80,763	77,864
Accrued expenses		503,422	1,923,725
Accrued wages and salaries		7,920	11,065
GST payable/(receivable)		311,379	129,393
		<u>1,068,809</u>	<u>2,283,922</u>

17 Provisions

Liabilities are recognised for employee benefits such as annual and long service leave in respect of services provided by the employees up to the reporting date. Short-term benefits which are expected to be wholly settled within 12 months are calculated on wage and salary levels which are expected to be paid and includes related employee on-costs. Amounts not expected to be wholly settled within 12 months are calculated on projected future wage and salary levels and related employee on-costs, and are discounted to present values.

Long Service Leave

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

Current

Annual leave	518,603	503,327
Long service leave	450,818	404,052
	<u>969,420</u>	<u>907,379</u>

Non-current

Long service leave	302,920	281,307
	<u>302,920</u>	<u>281,307</u>

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

18 Asset revaluation surplus

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

Note	2023	2022
	\$	\$
Movements in the asset revaluation surplus were as follows:		
Balance at beginning of financial year	198,037,712	160,334,761
Net adjustment to non-current assets at end of period to reflect a change in current fair value:		
Land	-	97,717
Buildings and other structures	2,314,277	10,637,265
Other assets	799,967	9,598,851
Road infrastructure	(648,886)	17,231,387
Airport assets	1,470,650	137,731
Water	(962,158)	-
Sewerage	3,979,179	-
Balance at end of financial year	<u>204,990,741</u>	<u>198,037,712</u>

Asset revaluation surplus analysis

The closing balance of the revaluation surplus comprises the following asset categories:

Land	374,407	374,407
Buildings and other structures	21,676,218	19,361,941
Other assets	10,398,817	9,598,850
Road infrastructure	163,517,754	164,166,639
Airport assets	1,608,380	137,731
Water	3,435,986	4,398,144
Sewerage	3,979,179	-
	<u>204,990,741</u>	<u>198,037,712</u>

19 Commitments for expenditure

Contractual commitments

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

Management of the Quilpie Swimming Pool Complex	-	118,000
Management of the Quilpie and Eromanga Swimming Pool Complex	360,162	-
NBN - Quilpie	166,200	-
Flood Damage	4,633,365	-
Recoverable Works	459,419	-
	<u>5,619,146</u>	<u>118,000</u>

Capital commitments

Commitment for the construction of the following assets contracted for at the reporting date but not recognised as liabilities:

Property, Plant and Equipment

Buildings and other structures	345,114	434,905
Other assets	203,095	24,408
Plant and equipment	1,242,150	305,697
Water	465,935	-
Sewerage	395,100	-
	<u>2,651,394</u>	<u>765,010</u>

These expenditures are payable as follows:

Within the next year	2,651,394	765,010
One to five years	-	-
	<u>2,651,394</u>	<u>765,010</u>

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

20 Contingent liabilities

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

Local Government Mutual

The council is a member of the local government mutual liability self-insurance pool, LGM Queensland. In the event of the pool being wound up or it is unable to meet its debts as they fall due, the trust deed and rules provide that any accumulated deficit will be met by the individual pool members in the same proportion as their contribution is to the total pool contributions in respect to any year that a deficit arises. As at 30 June 2023 the financial statements reported an accumulated surplus and it is not anticipated any liability will arise.

Local Government Workcare

The council is a member of the Queensland local government worker's compensation self-insurance scheme, Local Government Workcare. Under this scheme the Council has provided an indemnity towards a bank guarantee to cover bad debts which may remain should the self insurance licence be cancelled and there was insufficient funds available to cover outstanding liabilities. Only the Queensland Government's workers compensation authority may call on any part of the guarantee should the above circumstances arise. The council's maximum exposure to the bank guarantee is \$105,738.

21 Superannuation - regional defined benefit fund

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

The scheme is a pooled defined benefit plan and it is not in accordance with the deed to allocate obligations, plan assets and costs at the council level. Any amount by which the scheme is over or under funded may affect future contribution rate obligations, but has not been recognised as an asset or liability of the council.

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

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

No changes have been made to prescribed employer contributions which remain at 12% of employee salary or wages and there are no known requirements to change the rate of contributions. The next triennial actuarial review is not due until 1 July 2024.

The most significant risks that may result in 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	2023 \$	2022 \$
Superannuation contributions made to the Regional Defined Benefits Fund		15,949	15,561
Other superannuation contributions for employees		607,404	583,027
Total superannuation contributions paid by Council for employees:	7	623,353	598,588

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

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

Note	2023	2022
	\$	\$
Net result	4,470,043	7,581,047
Non-cash items:		
Depreciation and amortisation	6,519,471	5,876,274
	<u>6,519,471</u>	<u>5,876,274</u>
Investing and development activities:		
Net (profit) / loss on disposal of non-current assets	(56,563)	108,946
Capital grants, subsidies, and contributions	(1,232,333)	(5,945,470)
	<u>(1,288,896)</u>	<u>(5,836,524)</u>
Changes in operating assets and liabilities:		
(Increase) / decrease in receivables	(1,596,304)	619,249
(Increase) / decrease in inventories	7,292	34,759
(Increase) / decrease in contract assets	2,414,475	(4,453,481)
Increase / (decrease) in payables	(1,215,113)	1,442,763
Increase / (decrease) in provisions	83,653	152,327
Increase / (decrease) in contract liabilities	930,153	4,234,390
	<u>624,155</u>	<u>2,030,006</u>
Net cash inflow from operating activities	<u>10,324,773</u>	<u>9,650,803</u>

23 Events after the reporting period

There were no material adjusting or non-adjusting events after the balance date.

24 Financial instruments and financial risk management

(a) Financial assets and financial liabilities

Council has the following financial assets / liabilities

- cash
- receivables
- payables

The associated risks from these instruments are disclosed in the note, specific information required by AASB 7 is included in the relevant note where appropriate, e.g. credit risk is included within the receivables note.

Council has exposure to the following risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk

Risk management framework

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

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

The council's audit committee oversees how management monitors compliance with the council's risk management policies and procedures, and reviews the adequacy of the risk 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.

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

24 Financial instruments and financial risk management continued

Credit risk

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

Of the rateable revenue and utility charges receivable balance at the end of the year (note 11), \$3,175,093.92 (representing 89%) is concentrated into customers in general rate Category 14 Oil and Gas (2022: \$1,385,838.68, representing 86%). Of this amount, 89% (2022: 86%) is owed by one customer. Apart from this, Council does not have single credit risk exposure to any single counterparty or any group of counterparties having similar characteristics.

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

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

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

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

Liquidity risk

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

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

Exposure to Liquidity Risk

Council is exposed to liquidity risk through its normal course of business. Council manages its exposure to liquidity risk by maintaining sufficient cash deposits to cater for unexpected volatility in cash flows.

The following table sets out the liquidity risk in relation to financial liabilities held by the 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	Total contractual cash flows	Carrying amount
	\$	\$	\$	\$
2023				
Trade and other payables	1,068,809	-	1,068,809	1,068,809
	<u>1,068,809</u>	<u>-</u>	<u>1,068,809</u>	<u>1,068,809</u>
2022				
Trade and other payables	2,283,922	-	2,283,922	2,283,922
	<u>2,283,922</u>	<u>-</u>	<u>2,283,922</u>	<u>2,283,922</u>

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 indices, such as interest rates, will affect the Council's income or the value of its holdings of financial instruments.

Interest Rate Risk

Council is exposed to interest rate risk through investments and borrowings 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

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

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

25 Transactions with related parties

(a) Transactions with key management personnel (KMP)

Key management personnel include the Mayor, councillors, Chief Executive Officer, Director Engineering Services, and Director Corporate and Community Services. The compensation paid to key management personnel comprises:

	2023	2022
	\$	\$
Short-term employee benefits	824,673	818,563
Post-employment benefits	92,356	90,421
Long-term benefits	123,803	62,359
Termination benefits	-	-
Total	1,040,832	971,343

Detailed remuneration disclosures are provided in the annual report.

(b) Transactions with other related parties

Other related parties include the close family members of KMP and any entities controlled or jointly controlled by KMP or their close family members. Close family members include a spouse, child and dependent of a KMP or their spouse. Details of transactions between Council and other related parties are disclosed below:

Details of transaction	2023	2022
	\$	\$
Council resolved to provide an exclusion fencing subsidy to a land owner who was a close family member of a KMP.	18,563	-
Employee expenses for close family members of key management personnel (2023: 1 employee, 2022: 1 employee)	85,511	85,914
TOTAL	104,074	85,914

All close family members of key management personnel were employed through an arm's length process. They are paid in accordance with the Award for the job they perform.

(i) Transaction with entities controlled by key management personnel were on an arm's length basis in accordance with the purchasing policy adopted by Council. The total disclosed includes the following:

Key management personnel	Details of related party	2023	2022
		\$	\$
Mayor Mackenzie is chair of the Outback Gondwana Foundation which controls the Eromanga Natural History Museum (ENHM). Any time Council dealings with ENHM arise, Cr Mckenzie declares a conflict and leaves the meeting. He is not paid for his service nor does he participate in any profit-sharing.	The Mayor's wife is the ENHM Museum Director and Collections Manager in a volunteer capacity.	7,363	73,245
Mayor Mackenzie is the deputy chair of the Darling Downs and South West Regional Development Australia Inc. Quilpie Shire Council is a member Council of the committee.	Membership Fees	13,970	-
Deputy Mayor, Cr Hewson, owns a retail electrical store in Quilpie.	Council purchases various household goods at commercial prices in accordance with purchasing policy.	15,855	16,438
Cr Paulsen is a committee member of the Quilpie Golf Club.	Council paid the Golf Club for a Council event in 2023: \$1,990 (the Golf Club was awarded grant funding in 2022: \$12,500).	1,990	12,500

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

25 Related parties continued

(b) Transactions with other related parties continued

Key management personnel	Details of related party	2023	2022
		\$	\$
Cr Barnes is the owner of a local art gallery.	Council purchased items from that business at commercial rates in accordance with the purchasing policy in 2022.	-	1,100
Cr Volz (woodcrafting items/services)	Council purchased woodcraft items/services at commercial rates in accordance with purchasing policy.	749	-
Cr Paulsen is part owner of a supermarket in Quilpie.	Council purchases items from that store at commercial rates in accordance with purchasing policy.	6,795	7,781
Total		46,722	111,064

(c) Outstanding balances

There are no outstanding balances to/from related parties at the end of the financial year.

(d) Loans and guarantees to/from related parties

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

(e) Commitments to/from other related parties

Council has neither made nor received any commitments with key management personnel or related parties.

Transactions with related parties that have not been disclosed

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

- Payment of rates
- Dog registration
- Borrowing books from the library

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

Quilpie Shire Council
Financial Statements
For the year ended 30 June 2023

Management Certificate
For the year ended 30 June 2023

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

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

- (i) the prescribed requirements of the *Local Government Act 2009* and *Local Government Regulation 2012* for the establishment and keeping of accounts have been complied with in all material respects; and
- (ii) the general purpose financial statements, as set out on pages 1 to 27 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
Stuart Mackenzie

Date: 11 September 2023



Chief Executive Officer
Justin Hancock

Date: 11 September 2023

INDEPENDENT AUDITOR'S REPORT

To the Councillors of Quilpie Shire Council

Report on the audit of the financial report

Opinion

I have audited the financial report of Quilpie Shire Council.

In my opinion, the financial report:

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

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

Basis for opinion

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

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

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

Other information

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

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

The councillors are responsible for the other information.

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

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

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

Responsibilities of the councillors for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

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

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

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

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

Report on other legal and regulatory requirements

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

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

Prescribed requirements scope

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



Michael Claydon
as delegate of the Auditor-General

12 September 2023

Queensland Audit Office
Brisbane

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

Measures of Financial Sustainability

How the measure is calculated Actual Target

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

Operating surplus ratio	Net result (excluding capital items) divided by total operating revenue (excluding capital items)	9%	Between 0% to 10%
Asset sustainability ratio	Capital expenditure on the replacement of assets (renewals) divided by depreciation expense.	6%	Greater than 90%
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue (excluding capital items)	-94%	Not greater than 60%

Note 1 - Basis of Preparation

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

Certificate of Accuracy
For the year ended 30 June 2023

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

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



Mayor
Stuart Mackenzie

Date: 11 September 2023



Chief Executive Officer
Justin Hancock

Date: 11 September 2023

INDEPENDENT AUDITOR'S REPORT

To the Councillors of Quilpie Shire Council

Report on the Current-Year Financial Sustainability Statement

Opinion

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

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

Basis of opinion

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

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

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

Emphasis of matter – basis of accounting

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

Other information

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

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

The councillors are responsible for the other information.

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

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

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

Responsibilities of the councillors for the current year financial sustainability statement

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

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

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

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

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

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

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



Michael Claydon
as delegate of the Auditor-General

12 September 2023
Queensland Audit Office
Brisbane

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

Measures of Financial Sustainability

Measure	Target	Actuals											Projected for the Years Ended										
		30-Jun-23	30-Jun-24	30-Jun-25	30-Jun-26	30-Jun-27	30-Jun-28	30-Jun-29	30-Jun-30	30-Jun-31	29-Jun-32	30-Jun-33											
Operating surplus ratio	Net result divided by total operating revenue	Between 0% to 10%	9%	-0.39%	-0.22%	-0.77%	-0.73%	-0.08%	-0.45%	0.20%	0.85%	0.50%	1.17%										
Asset sustainability ratio	Capital expenditure on the replacement of assets (renewals) divided by depreciation expense	Greater than 90%	6%	141.92%	122.67%	117.20%	87.37%	92.16%	91.37%	95.88%	106.31%	104.69%	109.19%										
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue	Not greater than 60%	-94%	-68.50%	-67.30%	-64.90%	-69.30%	-73.20%	-76.80%	-80.10%	-83.00%	-85.70%	-88.20%										

Quilpie Shire Council's Financial Management Strategy

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

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

This long-term financial sustainability statement has been prepared pursuant to the requirements of 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
Stuart Mackenzie

Date: 11 September 2023



Chief Executive Officer
Justin Hancock

Date: 11 September 2023