



# ANNUAL REPORT 2020-2021

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Council acknowledges and pays respect to the Darumbal and Woppaburra people as Traditional Custodians of the land within Livingstone and recognise their continuing connection to land, waters and culture.

We pay our respects to Elders past, present and emerging.

# MESSAGE FROM MAYOR AND CEO

In many ways, this Annual Report represents a first for Livingstone Shire Council, as it is the first full year Annual Report for the new Mayor and Councillors elected in March 2020.

It is also the first Annual Report for the new Chief Executive Officer who started duties earlier this year.

But, despite the firsts, this report is also the continuing story of Livingstone Shire Council, re-established in 2014.

Council's vision for shaping the region's future is guided by the aspirations and ambitions of its community. Now, more than ever before, Council has connected with residents to seek important feedback on priorities.

This vision is outlined in our Livingstone Community Plan: Towards 2050.

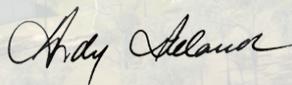
From consultation about the Annual Budget, local government boundary review, Community Voice Panels, draft Waste Strategy, Housing Demand Study along with regular visits and on-line platforms for our different communities, this Council places real value on community input.

We encourage all residents to take the time to learn more about your Council and your Shire.

Inside this report, you will find complete details of Council's achievements, the good things (and the not so) and everything you would expect to know about your local government.

If you are not particularly interested in the audited financial statements, take a glance at the Community Financial Report, which will tell you simply: What We Earn, What We Spend, What We Own and What We Owe.

But the Annual Report is more than just the financials, so please take a look for yourself – perhaps it's a first for you too?



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**Andrew Ireland**  
Mayor



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**Cale Dendle**  
Chief Executive Officer



# COUNCILLORS

The role of Councillors is to represent the community. They make decisions that benefit the whole of Livingstone Shire, now and into the future. Livingstone Shire Council is represented by the Mayor and six (6) Councillors. Our Councillors represent all areas of the Shire as Livingstone is an undivided local government area.



*Livingstone Shire Councillors (From Left to Right) Mayor Andrew Ireland, Councillor Adam Belot, Councillor Rhodes Watson, Councillor Nigel Hutton, Councillor Glenda Mather, Councillor Pat Eastwood, Councillor Andrea Friend.*

## Mayor Andrew Ireland

Portfolio: Economic Development and Regional Advocacy and Intergovernmental Relations

mayor@livingstone.qld.gov.au | Mobile 0459 101 130

## Deputy Mayor Adam Belot

Portfolio: Organisational Performance

adam.belot@livingstone.qld.gov.au | Mobile 0427 311 430

## Councillor Pat Eastwood

Portfolio: Healthy and Inclusive Community

pat.eastwood@livingstone.qld.gov.au | Mobile 0437 410 833

## Councillor Rhodes Watson

Portfolio: Vibrant Community (Tourism, Events and Culture)

rhodes.watson@livingstone.qld.gov.au | Mobile 0448 403 243

## Councillor Nigel Hutton

Portfolio: Planning and Strategic Infrastructure

nigel.hutton@livingstone.qld.gov.au | Mobile 0427 269 248

## Councillor Glenda Mather

Portfolio: Transport (Roads, Drainage, Pathways)

glenda.mather@livingstone.qld.gov.au | Mobile 0437 647 573

## Councillor Andrea Friend

Portfolio: Water, Waste Management and the Environment

andrea.friend@livingstone.qld.gov.au | Mobile 0459 392 411

# LIVINGSTONE AT A GLANCE

## POPULATION GROWTH



**+26%**  
(2006 - 2016)  
LIVINGSTONE

**+13.7%**  
(2006 - 2016)  
CENTRAL QLD

**+20.5%**  
(2006 - 2016)  
QLD

**55,740** estimated residents by 2041



**1.6%** per year  
(2016 - 2041)



## AGING POPULATION



RESIDENTS AGED

**65+**  
(2018)

LIVINGSTONE **18.4%**  
QLD **15.4%**

**42** **51**

2016  
LIVINGSTONE  
MEDIAN AGE

2041  
LIVINGSTONE  
MEDIAN AGE

## INCOME & HOME OWNERSHIP

**69.7%**

HOME OWNERSHIP



**\$1,875**

per month

LIVINGSTONE  
MEDIAN MORTGAGE  
REPAYMENTS

**\$1,733**

per month

QUEENSLAND  
MEDIAN MORTGAGE  
REPAYMENTS

**\$1,300**

per week

LIVINGSTONE  
MEDIAN  
INCOME

**\$1,402**

per week

QUEENSLAND  
MEDIAN  
INCOME

**\$380,000**

MEDIAN SALE PRICE

LIVINGSTONE



Data for the infographics has been taken from 2016 census and is still current. The next Australian census is due August 2021.

## EMPLOYMENT



## COMMON OCCUPATIONS LIVINGSTONE | 2016

Technicians & Trade Workers 18.2%

Professionals 15.5%

Clerical & Administrative Workers 12.6%

Community & Personal Service Workers 11.4%

## CULTURAL MAKEUP

**81.2%**

PEOPLE BORN  
IN AUSTRALIA

**4.4%**

PEOPLE  
IDENTIFYING AS  
ABORIGINAL OR  
TORRES STRAIT  
ISLANDER

**88.1%**

PEOPLE SPEAK  
ENGLISH AS THEIR  
FIRST LANGUAGE



## EDUCATION



**30.7%**

WERE ATTENDING  
AN EDUCATIONAL  
INSTITUTION IN 2016



## ENVIRONMENT

Total protected area (State Forests,  
Conservation Parks, Resources Reserves  
and National Parks) in Livingstone

**754.6km<sup>2</sup>**

## FAMILY COMPOSITION



COUPLES WITHOUT CHILDREN 45%

COUPLES WITH CHILDREN 40%

ONE PARENT FAMILIES 14%

OTHER FAMILIES 1%



# Council Activities and Performance

## Council Activities

Pursuant to sections 45 and 47 of the *Local Government Act 2009*, each financial year Council is required to identify those activities that are business activities and determine whether competition reform needs to be applied to assist in removing anti-competitive conduct, encourage greater transparency in the operation of Council's business activities and improve the allocation of Council's limited resources. Activities of Council will be identified as business activities if they trade in goods and services to clients and could potentially be delivered by a private sector firm for the purposes of earning profits in the absence of Council's involvement. They do not include activities of Council considered non-competitive.

Council reviewed its operations in the lead up to the 2020-21 financial year and applied the Code of Competitive Conduct during the year to the following four (4) Business Activities:

- » Water and sewerage services;
- » Waste and recycling services;
- » Caravan parks; and
- » Building certification.



## Corporate Plan and Operational Plan Annual Progress

This Corporate Plan 2030 is structured around the five themes of the Community Plan being, Thriving Livingstone, Natural Livingstone, Leading Livingstone, Future Livingstone and Liveable Livingstone. For each theme, the Corporate Plan nominates goals, what we will do and performance indicators.

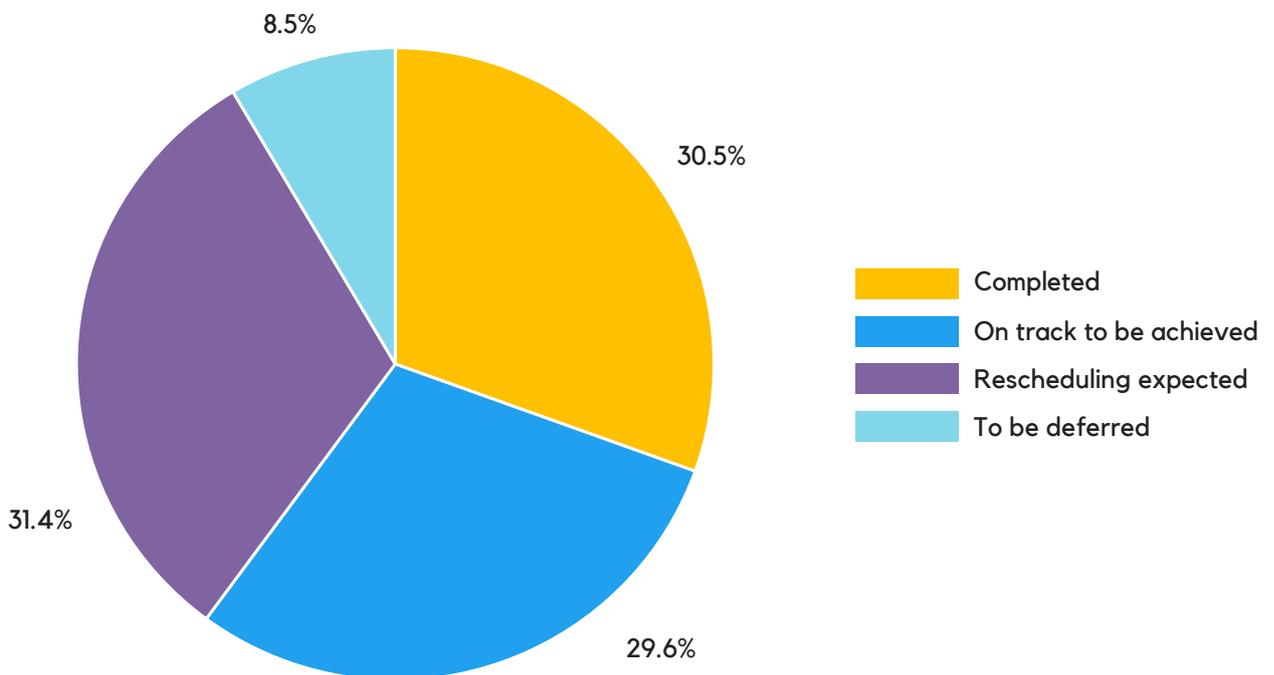
The Plan will assist Council to monitor performance, remain on track and meet Council's legislative requirements of the *Local Government Act 2009*.

The Corporate Plan is implemented over its ten year lifespan through annual operational plans and budgets. Livingstone Shire Council's Operational Plan 2020-21 identified programmes, activities and targets for Council to deliver within the financial year in order to progress implementation of the Corporate Plan's goals and strategies and established priorities.

Of the 118 Operational Plan targets:

- » 36 (30.5%) were completed;
- » 35 (29.6%) are on track to be achieved;
- » 37 (31.4%) have rescheduling expected; and
- » 10 (8.5%) are to be deferred.

## Corporate Plan and Operational Plan Scorecard



## Operational Plan/Corporate Plan Links by Theme

Liveable Livingstone				
Item Completed	On Time	Rescheduling Expected	To be Deferred	TOTAL
9	4	4	3	20
Thriving Livingstone				
Item Completed	On Time	Rescheduling Expected	To be Deferred	TOTAL
5	7	6	0	18
Natural Livingstone				
Item Completed	On Time	Rescheduling Expected	To be Deferred	TOTAL
8	7	8	4	27
Leading Livingstone				
Item Completed	On Time	Rescheduling Expected	To be Deferred	TOTAL
7	12	10	2	31
Future Livingstone				
Item Completed	On Time	Rescheduling Expected	To be Deferred	TOTAL
7	5	9	1	22
Total of Corporate Plan/Operations Plan Links				
Item Completed	On Time	Rescheduling Expected	To be Deferred	TOTAL
36 30.5%	35 29.6%	37 31.4%	10 8.5%	118 100%

Of the 118 activities, 71 (60.1%) are either complete or on track, 37 (31.4%) require monitoring but still expected to be delivered early 2021-22, and 10 (8.5%) activities have been deferred due to COVID-19 impacts, competing priorities and staffing requirements. A number of capital projects have been rescheduled due to material supply delays and contractor availability.

Legend	
<b>On Time</b>	The projects/activities are expected to be delivered within the specified (approved) timeframe/completion date.
<b>Rescheduling Expected</b>	The projects/activities are identified to be reprioritised to a later date for completion.
<b>To be Deferred</b>	The projects/activities deferred to a later date and time.
<b>Item Completed</b>	The projects/activities have been brought to an end; are complete with no further action required.

## Audit, Risk & Improvement Committee

The primary objective of the Audit, Risk & Improvement Committee (Committee) is to provide independent assurance and assistance to Livingstone Shire Council (Council) through oversight of accounting, auditing, governance, risk and control activities, and reporting requirements imposed under the *Local Government Act 2009* and other relevant legislation.

A restructure of the Committee was adopted by Council on the 18th May 2021, reducing the composition from six members to five. The Committee is established with a skilled, experienced and suitably qualified membership comprising of three (3) external members and two (2) Councillors.

The membership and meeting attendance of the Committee for the 2020-21 financial year was:

Member	Role	Term Started	Term Ends	Meetings Attended *
<b>CURRENT MEMBERS</b>				
Ms Kerry Phillips	Independent Chair	18 February 2019 (Member) 22 February 2021 (Interim Chair) 21 June 2021 (Chair/Member Reappointment)	June 2023 (Chair) February 2024 (Member)	6
Mayor Andrew Ireland	Council Member Representative	April 2021	March 2024	1
Councillor Adam Belot	Council Member Representative	April 2020	March 2024	6
Mr Stephen Coates	Independent Member	18 February 2019	February 2022	6
Ms Melissa Jacobs	Independent Member	18 May 2021	May 2024	1
<b>FORMER MEMBERS</b>				
Mr Pat Connor	Independent Chair	February 2018	February 2021	3
Councillor Andrea Friend	Council Member Representative	April 2020	October 2021	2
Mr Russell Bickford	Independent Member	February 2018	February 2021	4
Councillor Tanya Lynch	Council Member Representative	October 2020	March 2021	2

The Committee is well supported by Council including the Chief Executive Officer, Chief Financial Officer, Executive Leadership Team, Governance Business Unit, and the professionally skilled internal and external audit services.

During 2020-21 quorum was reached for all meetings which were held in August, October, November, February and April. Flying minutes were also facilitated on 9 October 2020 and 21 June 2021.

The Committee faced many challenges, notably the absence of an Internal Auditor for the majority of this reporting period. Despite this challenge, the Committee performed its functions and responsibilities, as outlined in the Audit, Risk & Improvement Committee (ARaIC) Charter.

The Committee reviewed the draft 2021 Statutory Financial Statements, making appropriate enquiries of management to satisfy itself that compliance has been achieved in accordance with the *Local Government Act 2009* and *Local Government Regulation 2021*.

The Committee provides oversight to Council's Control Framework and cites that key internal controls operated soundly during 2020-21 and no serious unresolved weaknesses reported by the Internal or External Auditors.

The Committee notes the incomplete 2020-21 Annual Work Plan, however acknowledges the concerted efforts of the organisation to reduce the outstanding audit actions over this reporting period. Additionally, the Committee did continue to monitor the performance of the Internal Audit function and reviewed internal audit reports associated with Workforce Planning, Infrastructure Project Finalisation, Fleet Management, and Tender Management Processes.

Deloitte Touche Tohmatsu are the External Auditors, appointed for this period as determined by Queensland Audit Office (QAO). The Committee supported the work associated with preparing and finalising the financial statements, and reviewing management's letter ensuring appropriate corrective action was established in a future action plan. Consultancy Reviews of external audit reports were undertaken for the review of the Committee, Internal Audit Function and Asset Register Validation.

The Committee assumes responsibility for providing assurance that Council is effectively identifying, evaluating and managing its key risks. The Enterprise Risk Management (ERM) framework continued to evolve during the year and the ERM Maturity and Risk Management Plan continues to be monitored.

The Department of Treasury - Audit Committee Guidelines recommend audit committees conduct annual Self-Assessment of the effectiveness and efficiency of performance against the Charter. The Committee undertook a self-assessment of the performance and achievements for period from January to December 2020 to ensure objectives were met efficiently and effectively, and to confirm that all responsibilities outlined in the Terms of Reference had been performed. Upon completion of the self-assessment in February 2021, the Committee confirmed its overall effectiveness, however did identify eight (8) recommendations for improvements across the Committee responsibilities which have subsequently been actioned, implemented or noted for future consideration.

## Focus Areas for 2021-2024

- » Provision of strategic guidance on the development of Council's Strategic Internal Audit Program (3 year), in conjunction with the Annual Internal Audit Plan, following the imminent appointment of the internal audit service provider.
- » Continued monitoring of evolving risks including the COVID-19 Pandemic, cyber security and climate change;
- » Ongoing assessment of the maturity of the enterprise risk management framework in line with the Risk Management Maturity Advancement Project;
- » Continued oversight of Project Merlin progress;
- » Review of Council's business continuity planning and management processes;
- » Continued monitoring of Council's strategic asset management maturity;
- » Increased scrutiny of Council's fraud and corruption management framework and monitoring of reportable activities via quarterly reviews;
- » Review of the maturity of Councils Work Health & Safety/ Safety Management Systems;
- » Continued review and feedback of Council's Shell General Purpose Financial Statements in accordance with Council's External Audit Plan.

# Councillor Remuneration, Expenses and Attendance

## Councillor Remuneration

In accordance with the *Local Government Regulation 2012*, the Local Government Remuneration and Discipline Tribunal determines the maximum remuneration payable to the Mayor, Deputy Mayor and Councillors. As determined by the Local Government Remuneration and Discipline Tribunal Report, remuneration paid to Councillors between July 2020 and June 2021 is detailed below; note that there are pro-rata date periods to cover the changeover of some Councillors. The table also shows expenses incurred by and the facilities provided to each Councillor during the financial year under the Councillor Facilities and Expenses Policy.

Councillor	Gross Salary \$	Superannuation \$	Total Remuneration \$	Home Office Allowance \$	Motor Vehicle Allowance & Car Klm's Claimed \$	Expense Reimbursements	Remuneration Period
Mayor Andrew Ireland	\$131,045	\$15,869	\$146,914	\$1,200	\$20,000	\$8,744	1 July 2020 - 30 June 2021
Deputy Mayor, Cr Adam Belot	\$81,887	\$9,970	\$91,858	\$1,200	\$3,471	\$3,788	1 July 2020 - 30 June 2021
Cr Nigel Hutton	\$69,597	\$8,496	\$78,093	\$1,200	\$3,000	\$3,101	1 July 2020 - 30 June 2021
Cr Andrea Friend	\$69,597	\$8,496	\$78,093	\$1,200	\$4,927	\$5,993	1 July 2020 - 30 June 2021
Cr Tanya Lynch	\$47,217	\$5,765	\$52,982	\$826	\$0	\$3,217	1 July 2020 - 4 March 2021
Cr Glenda Mather	\$69,597	\$8,496	\$78,093	\$1,200	\$13,136	\$1,712	1 July 2020 - 30 June 2021
Cr Rhodes Watson	\$20,559	\$2,508	\$23,067	\$342	\$1,428	\$948	16 March - 30 June 2021
Cr Patrick Eastwood	\$69,597	\$8,496	\$78,093	\$1,200	\$3,539	\$1,550	1 July 2020 - 30 June 2021
<b>TOTAL</b>	<b>\$559,096</b>	<b>\$68,096</b>	<b>\$627,192</b>	<b>\$8,368</b>	<b>\$49,500</b>	<b>\$29,052</b>	

In accordance with section 249 of the *Local Government Regulation 2012*, Council must prepare and adopt by resolution an expenses reimbursement policy for elected representatives. Council adopted the Councillor Facilities and Expenses Policy at its ordinary meeting on 18 August 2020.

This Policy document was formulated having regard to the nature and role of Councillors and community expectations of elected representatives. This Policy document makes arrangements for reimbursing the following costs reasonably incurred by Councillors in the discharge of their civic duties:

- » Conferences, seminars, training and professional development
- » Facilities including office accommodation, equipment, stationery and executive support
- » Safety equipment and uniforms
- » Home office expenses
- » Motor vehicle allowances

A copy of these Policy documents are available online at [www.livingstone.qld.gov.au](http://www.livingstone.qld.gov.au)

## Attendance at Council Meetings

Councillor	Ordinary Meetings	Special Meetings	Total
	1 July 2020 - 30 June 2021 (12 Held)	1 July 2020 - 30 June 2021 (11 Held)	
Mayor Andrew Ireland	12	11	23
Cr Nigel Hutton	12	11	23
Deputy Mayor Adam Belot	12	11	23
Cr Glenda Mather	12	11	23
Cr Pat Eastwood	12	11	23
Cr Tanya Lynch (1 July 2020 - 4 March 2021)	8	6	14
Cr Andrea Friend	12	11	23
Cr Rhodes Watson (16 March 2021 - 30 June 2021)	4	4	8

## Code of Conduct for Councillors

Council is committed to the ethical principles and obligations contained in the *Local Government Act 2009* and *Public Sector Ethics Act 1994*.

Orders made under section 150I(2) of the Act – (dealing with unsuitable meeting conduct)	1
Orders made under section 150AH(1) of the Act – (disciplinary action against a Councillor by local government)	0
Decisions, orders and recommendations made under section 150AR(1) of the Act – (decisions on misconduct by a Councillor determined by the tribunal)	0
Complaints referred to the assessor under section 150P(2)(a) of the Act by local government entities for the local government – (complaint referred to Independent Assessor by another government entity)	3
Matters, mentioned in section 150P(3) of the Act, notified to the Crime and Corruption Commission	0
Notices given under section 150R(2) of the Act - (complaint referred to independent assessor by local government official about inappropriate conduct or misconduct)	0
Notices given under section 150S(2)(a) of the Act – (inappropriate conduct 3 times in 1 year)	0
Decisions made under section 150W (a), (b) and (e) of the Act – (decision by Independent Assessor about conduct)	3
Applications heard by the conduct tribunal under chapter 5A, part 3, division 6 of the Act	0

# Statutory Information

## Senior Management Remuneration Packages

Under section 201 of the *Local Government Act 2009* Council is required to report the total number of remuneration packages that are payable to the senior management and the number of employees in senior management positions who are paid each band of remuneration (in increments of \$100,000). For the 2020-21 financial year, the total remuneration packages paid to Council's senior management amounts to \$2,219,490\*.

Number of Senior Management Employees	Band of Remuneration \$ per annum
1	\$100,000 - \$200,000
4	\$200,000 - \$300,000
1	\$300,000 - \$400,000

\*inclusive of acting higher duties for period 1 July 2020 to 12 February 2021.

## Administrative Action Complaints

An Administrative Action Complaint is defined in the *Local Government Act 2009* as a complaint that is about an administrative action of a local government and is made by a person who is apparently directly affected by an administrative action of Council.

Council is committed to providing a high level of service in relation to complaint management by recognising the importance of receiving community feedback on its services as a valuable tool to identify avenues for continuous improvement.

Council has a Complaint Management System in place and it is recognised as an essential part of good quality and governance practices. The assessment of the a complaint has three stages, including:

### Stage 1 - Initial Complaint

Council will make every effort to resolve the complaint at the point of first contact however if this cannot be achieved the initial complaint will be investigated by a Council Officer.

### Stage 2 - Internal Review

If the Complainant is not satisfied with the outcome of Stage 1, they may request an internal review.

### Stage 3 - External Review

If the Complainant is not satisfied with the outcome of Stage 2, they may lodge a complaint with the Queensland Ombudsman or use other external review processes through the courts where appropriate.

Council has adopted an Administrative Action Complaints Policy and Procedure to effectively deal with complaints in a fair, confidential, prompt and respectful manner. Information about the process, including how to lodge a complaint can be found on Council's website: <https://www.livingstone.qld.gov.au/your-council/governance/administrative-actions-and-complaints>.

The table below provides key statistics in relation to administrative action complaints for the 2020-21 financial year.

Item	Number
Administrative action complaints made to the local government	229
Administrative action complaints resolved by the local government under the complaints management process (including complaints received in previous year)	215
Administrative action complaints not resolved by the local government under the complaints management process	16
Number of administrative action complaints that were made and not resolved in a previous financial year	0

As per the Administrative Action Complaint Procedure below is a summary of administrative action complaints received by complaint category.

Complaint Category	Percentage of complaints made to the local government
<b>TIME:</b> Dissatisfaction over time taken for Council to provide a service	16%
<b>QUALITY:</b> Dissatisfaction over the quality of service provided by Council	4%
<b>PERSON:</b> Dissatisfaction over the actions of a Council Officer	2%
<b>SAFETY:</b> Dissatisfaction over an issue related to safety or risk	1%
<b>COMMUNICATION:</b> Dissatisfaction over the communication (or lack thereof) of Council	12%
<b>EXPECTATION:</b> Dissatisfaction over expectation of the service of Council	6%
<b>INFRINGEMENT:</b> Dissatisfaction over a penalty infringement notice received	59%

## Human Rights Complaints

Public entities (including Local Governments) are required to act and make decision compatible with human rights, as well as take into consideration human rights when making a decision.

The *Human Rights Act 2019* protects 23 Human Rights. Public entities, such as Council must uphold these rights when they make decisions, create laws, set policies and provide services.

Council recognises that it has an important role in complying with Queensland's *Human Rights Act 2019* through its actions, decisions, proposals and recommendations.

Under the *Human Rights Act 2019* when individuals believe a public entity has breached their human rights obligations they have the right to complain and seek remedies. There are a number of different ways that people can complain and seek a remedy in relation to their human rights under the Act.

In the 2020-21 financial year Council did not receive any human rights complaints.

For information in relation to Human Rights and the complaints process can found on Council's website <https://www.livingstone.qld.gov.au/human-rights> or the Queensland Human Rights Commission website <https://www.qhrc.qld.gov.au/>.

## Financial Assistance to Community Organisations

During the 2020-21 financial year, Council supported a number of community organisations by granting financial assistance. Under section 189 of the *Local Government Regulation 2012*, Council must provide a summary of such contributions. During 2020-21, Livingstone Shire Council provided financial assistance totalling \$139,456.

### Community Grants Scheme

In 2020-21, the Livingstone Shire Community Grants Scheme, sponsored by Livingstone Shire Council (\$50,000), Inverness Yeppoon (\$10,000), and Keppel Bay Sailing Club (\$10,000) provided local not-for profit community and sporting groups and opportunity for funding up to \$2,000 for initiatives which support the local community and build the capacity and resilience of the groups. A total of \$74,956 was awarded to 26 not-for-profit community and sporting groups across Livingstone Shire in 2020-21.

#### Round One - 2020-21 Livingstone Community Grants (Successful Applicants) August 2020

Applicant	Initiative Description	Amount \$
Emu Park Surf Life Saving Club	Purchase of kitchen and canteen equipment	\$2,000
Emu Park Historical Society	Purchase of archival materials, vacuum cleaner and hot water system	\$2,000
Yeppoon Little Theatre	Purchase of tables, chair pads and shade sail	\$2,000
Lions Club of Yeppoon	Purchase of generators for Lions Food van	\$2,000
Victory Tennis Club	Purchase of defibrillator	\$1,960
Capricorn Coast Mallet Sports Club	Purchase of high-pressure cleaner, shed and shelving unit	\$1,677
Returned and Services League of Australia Queensland Branch Yeppoon Sub-branch	Purchase of phone and computer equipment	\$1,927
Livingstone: Living Well (Suicide Prevention Leadership Group)	Purchase of community education items (fridge magnets, information cards) gazebo and pull up banner	\$840
Emu Park and District Mens Activity Shed	Purchase of materials to build storage bin shelving	\$798
Cawarral Cricket Club	Purchase of tables and chairs	\$2,000
Keppel Sands Community Advancement League	Purchase of lawn mower, computer monitor and signage for community hall	\$1,879
Yeppoon and District Lapidary Association	Purchase of jewellery making equipment	\$1,990
<b>TOTAL</b>		<b>\$21,071</b>

#### Round Two - 2020-21 Livingstone Community Grants (Successful Applicants) February 2021

Applicant	Initiative Description	Amount \$
Sailability Capricornia	Purchase of shipping container	\$3,933
Cycling Without Age	Purchase of an electric bicycle	\$2,653
Yeppoon AFL	Purchase of kitchen equipment	\$5,000
Yeppoon Senior Citizens	Purchase of defibrillator, kitchen equipment and dartboard	\$2,357
Cockscomb Veterans Retreat	Concreting the access to the accommodation block	\$4,950
Capricorn Coast Netball Association	Purchase and installation of shade at the Barmaryee Multisports Precinct	\$5,000
Yeppoon Tennis	Upgrade to tennis courts to accommodate Pickleball	\$5,000
SeaQ Boardriders	Purchase of a defibrillator	\$2,753
Emu Park QCWA	Technology upgrades to building	\$5,000

Applicant	Initiative Description	Amount \$
Capricorn Coast Runners	Purchase and installation of a hydration station for the Rail Trail	\$4,850
Lions Club Emu Park	Bell Park flora species identification project	\$5,000
Yeppoon Seagulls Rugby League Club	Concreting of shaded areas at Webb Oval	\$5,000
Scouts Yeppoon	Purchase of marquee, BBQ and tables	\$1,400
Byfield and District Historical Society	Installation of a truck access gate	\$990
<b>TOTAL</b>		<b>\$53,885</b>

### Mayor's Discretionary Fund

Date	Organisation/Individual	Purpose of Donation	Amount \$
11 September 2020	SeaQ Boardriders	End of Year Celebrations for the Club	\$500
23 September 2020	Yeppoon Bowls Club	Annual Mayoral Trophy Bowls Competition	\$500
7 October 2020	St Brendan's College	Community Service Award	\$250
10 November 2020	Yeppoon State High School	Community Service Award	\$200
29 November 2020	Paul Mitchell	Christmas Presents for Survivors of Family and Domestic Violence	\$500
3 March 2021	Wildlife Preservation Society of QLD Capricorn Branch	Pop-Up Table Lease in Yeppoon Central to educate Waste and Recycle Behaviours	\$264
26 March 2021	Yeppoon Ladies Probus Club	Contribution to replacement of Laptop Computer	\$500
<b>TOTAL</b>			<b>\$2,714</b>

### Regional Arts Development Fund (RADF)

In 2020-21 a partnership between Livingstone Shire Council (\$30,000) and Queensland State Government (\$35,000) resulted in \$64,500 in funding being awarded to twelve (12) individuals and community groups to support arts and cultural activities within Livingstone Shire Council.

Community Group/Individual Professional Development	Amount \$
Kate Mahood	\$7,500
Capricorn Coast Writers Festival (Auspiced KCA)	\$5,666
Capricorn Coast Film Festival	\$7,000
Latitude 23 Arts Inc.	\$6,098
Capricornia Catchments	\$4,580
Yeppoon Little Theatre Group Inc.	\$2,470
Blue Eagle Productions	\$7,673
Rockhampton Woodworkers Guild	\$2,600
Capricorn Gospel Choir	\$3,983
Capricorn Caverns Pty Ltd	\$8,025
Brad Butcher	\$3,764
Special Project (Promotional Video & Banners)	\$5,141
<b>TOTAL</b>	<b>\$64,500</b>

## Concessions, Special Rates and Charges

Rebates and Remissions are provided to approved Government Pensioners, Not-For-Profit/Charitable Organisations, and land holders with approved Nature Refuge Agreements under the Rates, Rebates and Remissions Policy. Further concessions are provided to water consumers under the Concealed Leak Refund Policy and Water Consumption Charge Refund – Health Related Uses Policy. Full details of these rebates and concessions are available on Council’s website at [www.livingstone.qld.gov.au/concessions-charges](http://www.livingstone.qld.gov.au/concessions-charges)

## Tenders

Under section 228(4) or (6)(b) of the *Local Government Regulation 2012*, a local government may invite all tenderers to change their tenders to take account of a change in the tender specifications. Within the 2020-21 financial year there were no invitations to change tenders under section 228(7) of the *Local Government Regulation 2012*.

## Registers kept by Council

Section 190(1)(f) of the *Local Government Regulation 2012*, requires a local government to provide a list of registers maintained by Council in its annual report, details of which are provided as follows:

- Register of Complaints about the Conduct or Performance of Employees
- Register of Complaints about the Conduct or Performance of Councillors
- Register of Contact with Lobbyists
- Register of Interests of Councillors and person related to a Councillor
- Register of Interests of Senior Executive Employees and persons related to a Senior Executive Employee
- Register of Interests of Chief Executive Officer and persons related to Chief Executive Officer
- Council Fees and Charges (Cost-Recovery Fees) Register
- Register of Pre-Qualified Suppliers
- Contracts Register
- Register of Delegations
- Gift Register
- Hazardous Substances Register
- Asbestos Register
- Register of Administrative Action Complaints Received
- Cat and Dog Register
- Register of Impounded Animals
- Local Law Register
- Register of Thermostatic Mixing Valves
- Register of Development Applications
- Register of Subdivisions Approved under the repealed Local Government (Planning and Environment) Act 1990
- Adopted Infrastructure Charges Register
- Register of Testable Backflow Prevention Devices
- Register of Installed On-site Sewerage and Grey Water Use Facilities
- Register of Master Plan Applications
- Register of Resolutions about Land Liable to Flooding made under the Building Act
- Cemetery Register
- Asset Register
- Register of Roads and Road Maps
- Register of Corrupt Conduct not notified to the Crime and Corruption Commission (S40A)
- Enterprise Risk Management Register

## Legislative Requirements Not Applicable

The following list provides legislative requirements of a local government annual report in accordance with the *Local Government Act 2009* and the *Local Government Regulation 2012* that do not apply to Livingstone Shire Council for the 2020-21 financial year:

- » Identifying beneficial enterprises (section 41 of the Local Government Act 2009);
- » Other contents (section 190 of the Local Government Regulation 2012)
  - (1)(c) An annual operations report for each commercial business unit
  - (1)(d) Details of any action taken for, and expenditure on, a service, facility or activity -
    - (i) Supplied by another local government under an agreement for conducting a joint government activity;
    - (ii) For which the local government levied special rates or charges for the financial year;
  - (1)(i) A summary of investigation notices given in the financial year under section 49 for competitive neutrality complaints;
  - (1)(j) The local government's responses in the financial year on the QCA's recommendations on any competitive neutrality complaints under section 52(3); and
  - (2) An annual operations report.

## Workplace Health and Safety

Livingstone Shire Council takes the health, safety and wellbeing of its employees very seriously and is committed to preventing work-related injuries and ill-health. This commitment includes ensuring a safe and healthy work environment, physically and psychologically.

Safety is fundamental to the way we do business. The Workplace Health and Safety team, Health & Safety Representatives, Managers and all staff work together to continuously improve our systems and culture. Council manages safety performance through reviewing key performance indicators, targeting key areas of improvement and developing proactive hazard and risk management strategies that will eliminate or reduce risks to employees in the workplace.

Council is also committed to managing workplace related injuries through proactive rehabilitation and return to work programs as well as offering a diverse range of health and wellbeing programs to support and educate employees on the importance of maintaining a healthy lifestyle.

Employees are our most valuable asset and their safety and wellbeing will continue to be our focus.

## Overseas Travel

No overseas travel was made during this financial year by Councillors or officers.

# Community Financial Report

## For the Year Ended 30 June 2021

Interpreting formally presented financial statements prepared in accordance with relevant accounting standards can often be a difficult process for all stakeholders, especially those with limited or no financial knowledge. The aim of the Community Financial Report is to assist readers to evaluate Council's financial performance and financial position without the need to interpret the financial statements. In this way the financial operations of Council can be clearly understood by members of our community and other interested stakeholders.

Councils are driven by community service obligations rather than profit. It is Council's responsibility to provide residents with services such as roadworks, street lighting, stormwater drainage, water supply, sewerage and garbage collection and disposal. Therefore ratepayers need to be satisfied that funds are being used wisely for the benefit of the community, now and for the benefit of future generations.

Council's General Purpose Financial Statements are a record of our financial performance for the year ended 30 June 2021 and are subject to an independent audit process to verify the accuracy of the reports, as well as the systems Council has in place to record financial transactions. The three primary reports are the Statement of Comprehensive Income, the Statement of Financial Position, and the Statement of Cash Flows.

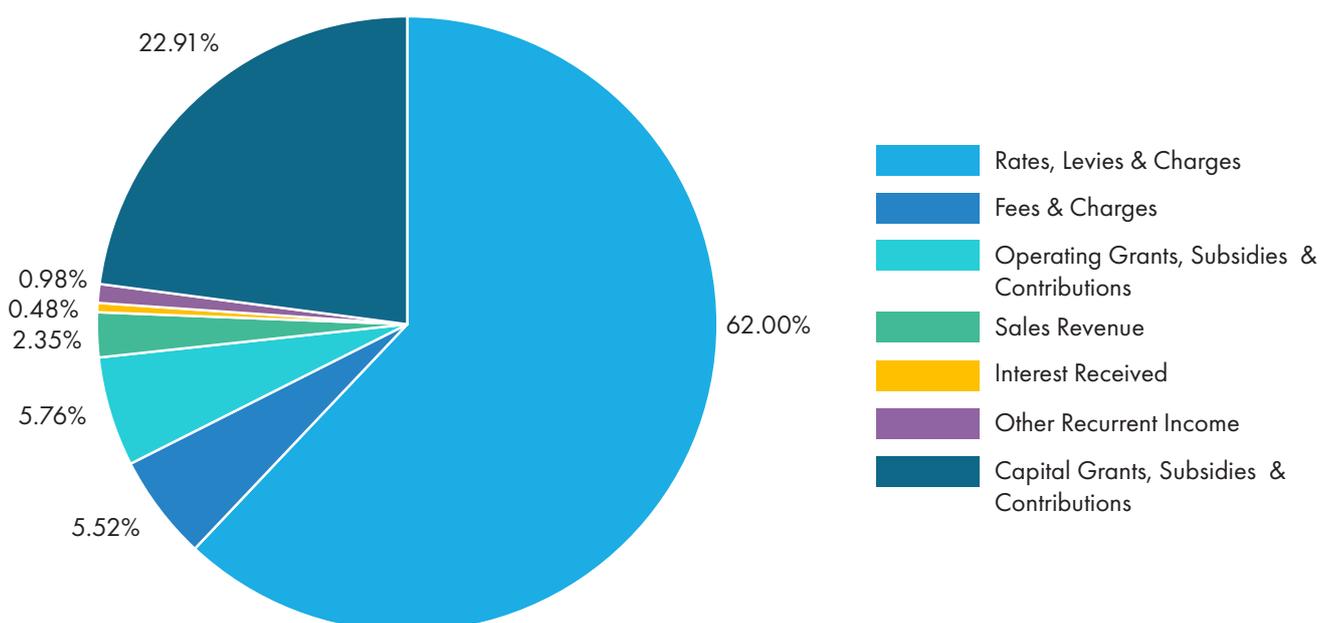
## Statement of Comprehensive Income

The Statement of Comprehensive Income details total income and total expenses, and the net result attributable to Council as a result of Council's activities for the financial year.

### Sources of Income - Where our money comes from...

The majority of Council's income comes from rates, levies & charges, fees & charges, interest, sales revenue, grants, subsidies & contributions. To provide services to the community, Council must collect revenue. Rates and utility charges are Council's principal source of revenue. Council also charges fees to developers and receives funding in the form of grants and subsidies from other levels of government and in some cases the private sector, to help construct and maintain our extensive infrastructure. A total of approximately \$124.6 million was recognised as income during the financial year.

### TOTAL INCOME



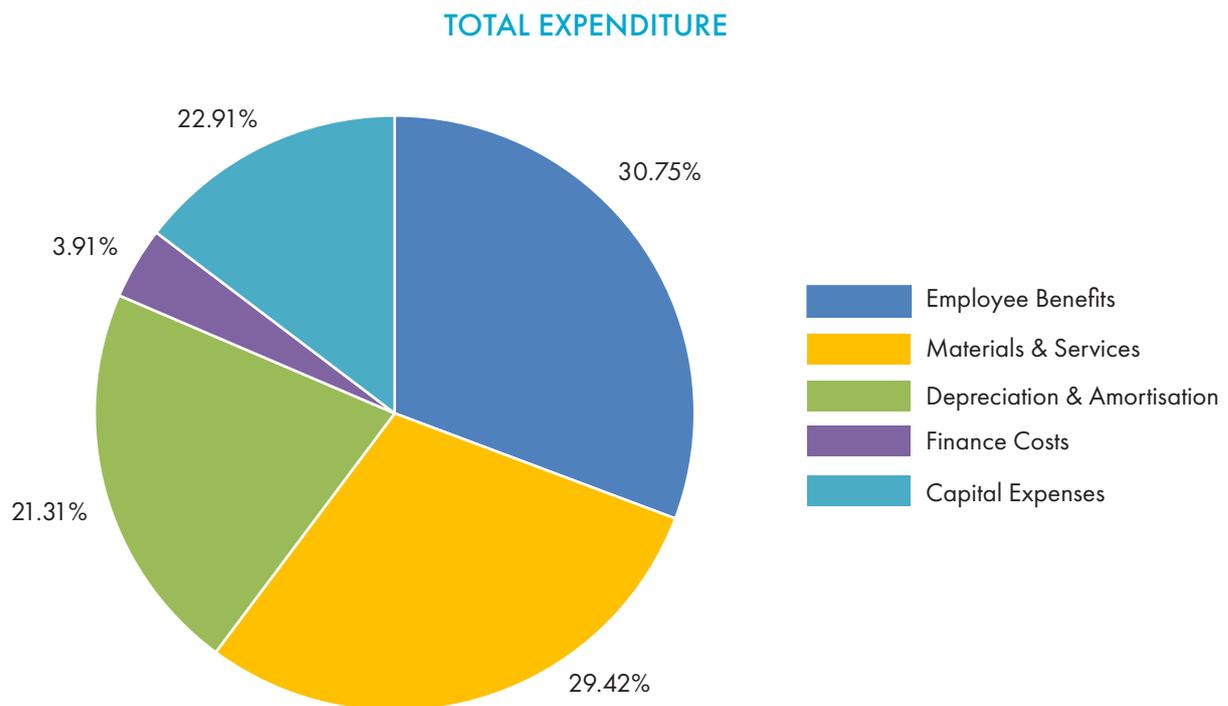
## Expenses - Where our money is spent...

The three largest items of Council's expenditure are employee benefits, materials & services and depreciation, and overall operating expenses for the year totalled approximately \$108.4 million. The level of expenditure is constantly monitored via a rigorous budget process. Detailed estimates are prepared prior to the start of the financial year and are then constantly monitored throughout the year as part of a quarterly budget review process to ensure that funds are utilised efficiently. Council requires a diversified workforce to provide the many and varied services to our community. Council also needs to plan and monitor the future of the shire in respect to developments, so that our existing lifestyle is maintained and improved.

Council spends considerable funds on materials and services to operate effectively. In accordance with Council's procurement policy, some preference is given to local businesses when work needs to be tendered to external suppliers. As well as being a large employer in the community, it makes sound economic sense to keep our money circulating in the region for the benefit of all who live here.

Depreciation is a way of allocating the cost of an asset over the assets' estimated useful life. Through the accurate calculation and allocation of depreciation, Council is confident that it will have the necessary funds to renew existing assets.

Capital expenses totalled approximately \$15.8 million. This amount related to assets written off for disposal as part of our investment in renewing existing assets, and the revaluation of Council's road and drainage assets which were comprehensively revalued in accordance with Australian Accounting Standards.



## Total Comprehensive Income for the Year

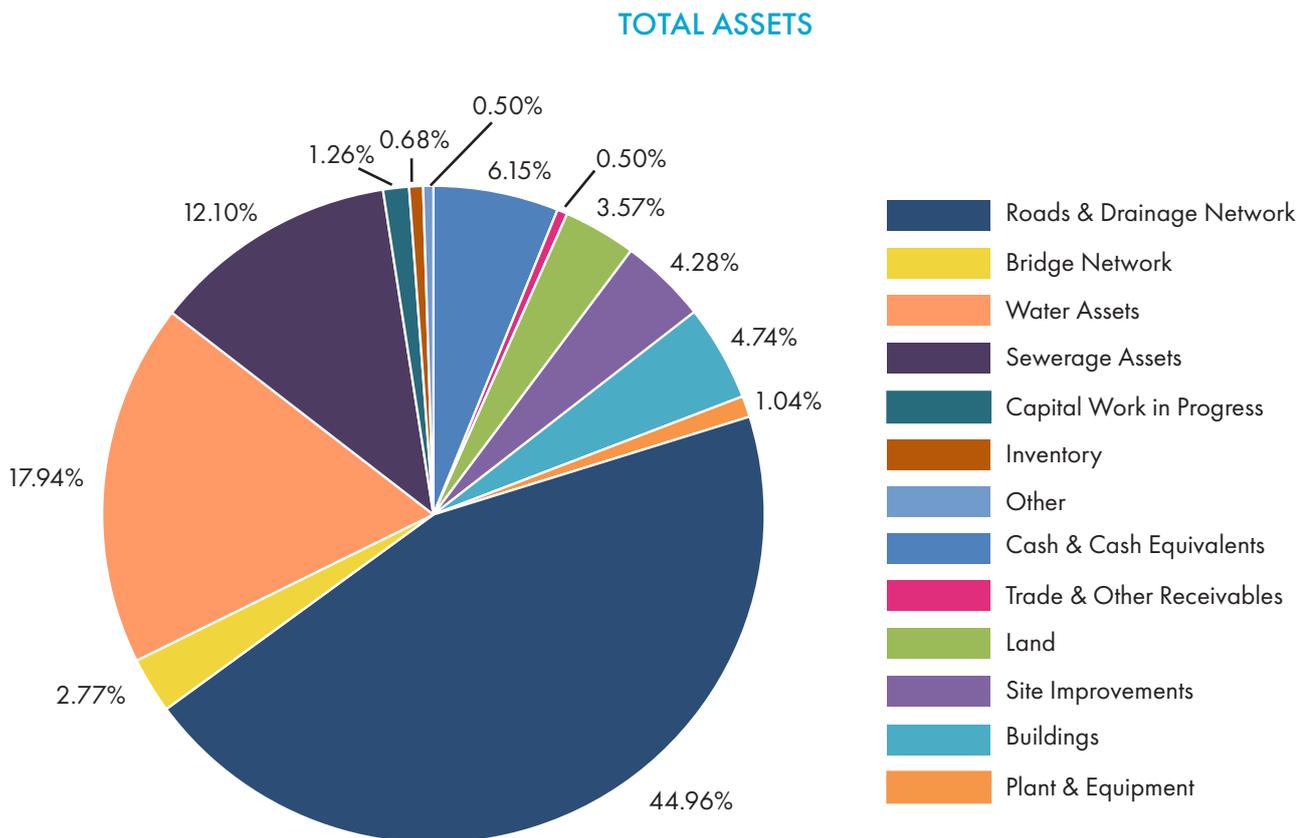
Total comprehensive income for the year was approximately \$29.1 million, which is the difference between total income and total expenses and measures the change in Council's net community assets. Total comprehensive income also includes the change in council's capital revenue. Capital revenue for the financial year totalled approximately \$27.0 million. Capital revenue fluctuates each reporting year and is dependent largely on the monetary value attributed to assets contributed by developers and government grants received as funding for capital works projects.

## Statement of Financial Position

The Statement of Financial Position lists Council's assets and liabilities. The result of these two components determines the net worth of Council.

### What Do We Own?

Council controls a broad range of current and non-current assets of which approximately 91% is attributed to property, plant & equipment assets. This is a significant investment for the community and requires astute management to ensure the level of service provided by these assets is maintained over the long-term.



Total assets are approximately \$1.1 billion as at 30 June 2021.

### Capital Works

Capital works undertaken for the year totalled approximately \$25.8 million. These capital works were funded from different sources including grants & subsidies, infrastructure contributions and cash holdings.

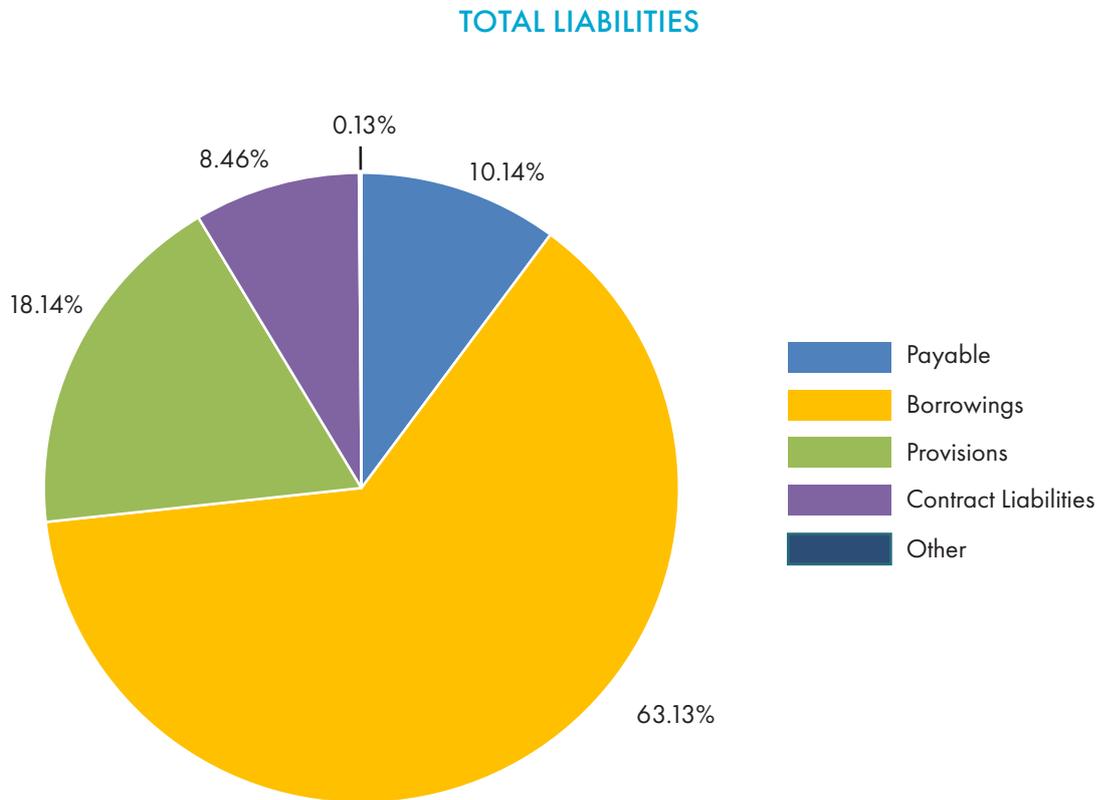
Significant projects undertaken in 2020-21 were:

- Works on the Yeppoon Water Recycling Augmentation
- Construction on the Arthur Street trunk sewer
- Building works including the Mill Gallery refurbishment and the Art Gallery at Emu Park
- Progression on a number of major roadworks projects including:
  - » Stanage Bay Road
  - » Adelaide Park Road
  - » Greenlake Road

## What Do We Owe?

Council's borrowings at the 30 June 2021 totalled approximately \$65.2 million. The level of Council's long-term debt is regularly reviewed as a component of the long term financial forecast. During the year Council took the opportunity to make an additional bulk payment of \$5.5 million to repay one of the loans in accordance with its debt reduction plan.

Interest expense on all loans, totalled 4.1% of total operating income.



Total liabilities were approximately \$103.3 million at 30 June 2021 of which approximately 63% are borrowings with the Queensland Treasury Corporation, which are used to pay for Council's capital works.

## Financial Sustainability Ratios

An important indication in determining the financial health of Council is to calculate and review financial indicators or financial ratios. These ratios further assist in understanding the financial performance and position of Council relative to predetermined local government sector benchmarks, without reading through all of the details contained within the general purpose financial statements.

Three core ratios are the sustainability ratios. The calculation of each of these ratios is independently audited each financial year. Each ratio is listed below with a forecast of how each ratio changes over the longer term as adopted in Council's Long Term Financial Forecast.

Council's Long Term Financial Forecast has been developed and adopted by Council and shows a continued high level of investment into assets. Council budgeted for a small operational surplus of approximately \$294,000 for the 2021-22 financial year. The long-term financial forecast outlines that Council anticipates achieving an operational budget surplus through all forecast years to the conclusion of the forecast period in the 2030-31 financial year. Council anticipates that the net financial liabilities ratio to be within the target range in all future financial years in the 10-year forecast period. Whilst the Asset Sustainability Ratio does not achieve the target of 90% in all except one of the forecast financial years, this result is a reflection that in accordance with Council's asset management plans a majority of Council's property, plant and equipment assets are not forecast to require renewal during the 10-year forecast period.

## Statement of Changes in Equity

This statement demonstrates the movements between the differing elements of equity, which is the net wealth of the Community.

## Relevant Measures of Financial Sustainability

		FORECAST										
		30/06/2021	30/06/2022	30/06/2023	30/06/2024	30/06/2025	30/06/2026	30/06/2027	30/06/2028	30/06/2029	30/06/2030	30/06/2031
	Target											
<b>1 Operating Surplus Ratio</b>												
<b>Net Result (excluding capital items) / Total Operating Revenue (excluding capital items) (%)</b>	Between 0% and 10%	3.7%	0.3%	0.9%	2.6%	3.9%	5.9%	7.5%	6.3%	5.5%	6.6%	6.5%

This ratio indicates the relationship between Councils operational result and total operating income, expressed as a percentage. It is an indication of Councils ability to fund its day-to-day operations.

A targeted result of up to 10% means that surplus income is available after Council has paid for the cost of delivering all services to the community. Councils result of (0.2%) indicates that Council had a small operational deficit for the 2019-20 financial year. Council's long-term financial forecast indicates that Council anticipates achieving an operational budget surplus through all future forecast years.

<b>2 Asset Sustainability Ratio</b>												
<b>(Capital Expenditure on the Replacement of Assets (renewals) / Depreciation Expense) (%)</b>	Greater than 90%	63.0%	120.0%	75.2%	55.4%	59.1%	73.7%	53.8%	64.8%	51.9%	62.9%	44.3%

This ratio indicates whether Council is renewing or replacing its existing assets at the same time that its overall stock of assets is wearing out, expressed as a percentage. Council has asset management plans to develop strong, long-term plans for the management of its substantial asset base. Despite this ratio being less than the target of 90% in the vast majority of the forecast years, this is a reflection that in accordance with Council's asset management plans, a majority of Council's property, plant and equipment assets are not forecast to require renewal during the 10 year forecast period.

<b>3 Net Financial Liabilities Ratio</b>												
<b>(Total Liabilities - Current Assets) / Total Operating Revenue (excluding capital items) (%)</b>	Not Greater than 60%	22.8%	20.5%	17.1%	7.7%	10.6%	8.3%	(1.2)%	(7.2)%	(15.6)%	(20.0)%	(29.2)%

This ratio indicates the extent to which Councils debts can be met by its operating income, expressed as a percentage. A result of less than 60% indicates that Council has the capacity to fund its liabilities and has the capacity to increase its loan borrowings if required. Councils long-term financial strategy indicates that Council is within the target range over all financial years in the 10 year forecast period.

## What Are We Worth?

Community equity is equal to total assets less total liabilities and at 30 June 2021 is approximately \$993.6 million. Over the long-term Council's adopted long term financial forecast outlines that Council is holding adequate reserves of cash, has substantial equity in its assets and is substantially reducing total debt over the course of the next 10 years through to the conclusion of the forecast period in the 2030-31 financial year.

The healthy financial position of Council combined with sound budgeting practices and forward planning, provides capacity for Council to meet its objectives as well as provide a degree of flexibility if strategic directions change.

## Statement of Cash Flows

The Statement of Cash Flows reports the cash flows in and out of Council for the financial year. This statement is useful in assisting readers to assess Council's sources and uses of cash whilst indicating that Council has the capacity to meet all of its financial commitments as and when they fall due. Cash flows are classified into operating, investing and financing activities. In regards to financing activities, Council did not need to borrow any funds to pay for capital works undertaken in 2020-21, and made an additional repayment on its borrowings.

Council pools and invests ratepayer's funds throughout the year in low-risk short to medium term investments in accordance with Council's investment policy. The net movement in cash for the 2020-21 financial year was an increase of approximately \$10.9 million.

## Looking to the Future

Council is well placed to provide the necessary financial resources to address the land use, natural resource, environmental, economic and social challenges associated with the developing growth across the shire. Council's financial strategies are aligned to its community plan and corporate plan which were originally adopted during the 2019-20 financial year. Both of these plans are important forward planning documents to enable the effective and efficient delivery of services to the community. Council will continue to build on its management of infrastructure assets. This will permit more informed decisions about the renewal and replacement of assets and associated funding.

Council also aims to continue to maintain its strong financial base through the prudent use of rates collected, grants and subsidies, developer's contributions, borrowings and the use of cash reserves. Ongoing cash flow planning, adhering to sound budgeting principles, the implementation of Council's long term asset management plans, quarterly budget reviews and long term financial planning will assist Council in achieving its strategic objectives.

# Livingstone Shire Council

GENERAL PURPOSE FINANCIAL STATEMENTS  
for the year ended 30 June 2021

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## General Purpose Financial Statements

for the year ended 30 June 2021

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## General Purpose Financial Statements

for the year ended 30 June 2021

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## General Purpose Financial Statements for the year ended 30 June 2021

### Introduction

Each year, individual Local Governments across Queensland are required to present a set of audited Financial Statements to their Council and Community.

### What you will find in the Statements

The Financial Statements set out the financial performance, financial position and cash flows of Council for the financial year ended 30 June 2021.

The format of the Financial Statements complies with both the accounting and reporting requirements of Australian Accounting Standards.

### About the Management Certificate

The financial statements must be certified by both the Mayor and the Chief Executive Officer as presenting a true and fair view Council's financial results for the year and are required to be adopted by Council; ensuring both responsibility for and ownership of the financial statements.

### About the Primary Financial Statements

The Financial Statements incorporate four "primary" financial statements:

#### 1. A Statement of Comprehensive Income

A summary of Council's financial performance for the year, listing all income and expenses. The combined Other Comprehensive Income records items such as changes in the fair values of Council's property, plant and equipment and financial instruments.

#### 2. A Statement of Financial Position

A 30 June snapshot of Council's Financial Position including its assets and liabilities.

#### 3. A Statement of Changes in Equity

The overall change for the year (in dollars) of Council's "net wealth".

#### 4. The Statement of Cash Flows

Indicates where Council's cash came from and where it was spent.

### About the Notes to the Financial Statements

The Notes to the Financial Statements provide greater detail and additional information on the four Primary Financial Statements.

### About the Auditor's Reports

Council's Financial Statements are required to be audited by the Queensland Audit Office. The audit of many Queensland Councils is contracted to audit firms that specialise in Local Government.

The Auditor provides an audit report which gives an opinion on whether the Financial Statements present fairly the Council's financial performance and position.

### Who uses the Financial Statements?

The financial statements are publicly available documents and must be presented at a Council meeting after the date of the Audit Report.

## Statement of Comprehensive Income

for the year ended 30 June 2021

	Notes	2021 \$ '000	2020 \$ '000
<b>Income</b>			
<b>Revenue</b>			
<b>Recurrent revenue</b>			
Rates, levies and charges	3a	77,262	75,821
Fees and charges	3b	6,875	4,695
Sales revenue	3c	2,923	11,096
Grants, subsidies, contributions and donations	3i	7,174	7,517
<b>Total recurrent revenue</b>		<b>94,234</b>	<b>99,129</b>
<b>Capital revenue</b>			
Grants, subsidies, contributions and donations	3ii	26,985	15,013
<b>Total capital revenue</b>		<b>26,985</b>	<b>15,013</b>
<b>Other income</b>			
Interest received	4a	604	826
Other Income	4b	1,225	1,207
Capital income	5	1,561	1,713
<b>Total other income</b>		<b>3,390</b>	<b>3,746</b>
<b>Total income</b>		<b>124,609</b>	<b>117,888</b>
<b>Expenses</b>			
<b>Recurrent expenses</b>			
Employee benefits	6	33,331	31,972
Materials and services	7	31,891	41,460
Finance costs	8	4,238	4,145
<b>Depreciation and amortisation:</b>			
- Property, plant and equipment	14	23,009	23,618
- Intangible assets		85	160
<b>Total recurrent expenses</b>		<b>92,554</b>	<b>101,355</b>
<b>Other expenses</b>			
Capital Expenses	9	15,839	3,382
<b>Total other expenses</b>		<b>15,839</b>	<b>3,382</b>
<b>Total expenses</b>		<b>108,393</b>	<b>104,737</b>
<b>Net Result</b>		<b>16,216</b>	<b>13,151</b>
<b>Other comprehensive income</b>			
<b>Amounts which will not be reclassified subsequently to the operating result</b>			
Increase/(decrease) in asset revaluation surplus	14	12,840	13,062
<b>Total other comprehensive income for the year</b>		<b>12,840</b>	<b>13,062</b>
<b>Total comprehensive income for the year</b>		<b>29,056</b>	<b>26,213</b>

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

## Statement of Financial Position

as at 30 June 2021

	Notes	2021 \$ '000	Restated 2020 * \$ '000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	10	67,077	56,152
Receivables	11	5,490	5,495
Inventories	12	3,630	4,134
Contract assets	15a	1,389	66
Other assets	13	3,887	2,594
<b>Total current assets</b>		<b>81,473</b>	<b>68,441</b>
<b>Non-current assets</b>			
Inventories	12	3,812	3,812
Property, plant and equipment	14	1,011,514	1,000,232
Intangible assets		171	258
<b>Total non-current assets</b>		<b>1,015,497</b>	<b>1,004,302</b>
<b>Total Assets</b>		<b>1,096,970</b>	<b>1,072,743</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Payables	16	10,483	12,505
Contract liabilities	15b	8,739	2,571
Borrowings	17	5,403	5,410
Provisions	18	7,224	7,520
Other liabilities	19	133	78
<b>Total current liabilities</b>		<b>31,982</b>	<b>28,084</b>
<b>Non-current liabilities</b>			
Borrowings	17	59,837	70,110
Provisions	18	11,520	9,974
<b>Total non-current liabilities</b>		<b>71,357</b>	<b>80,084</b>
<b>Total Liabilities</b>		<b>103,339</b>	<b>108,168</b>
<b>Net community assets</b>		<b>993,631</b>	<b>964,575</b>
<b>Community equity</b>			
Asset revaluation surplus	20	45,011	32,171
Retained surplus/(deficiency)		948,620	932,404
<b>Total community equity</b>		<b>993,631</b>	<b>964,575</b>

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

(\*) Council has made a retrospective restatement as a consequence of a correction of error in accordance with AASB 108. Details are disclosed in Note 26.

## Statement of Changes in Equity

for the year ended 30 June 2021

\$ '000	Notes	Asset revaluation surplus	Retained surplus	Total equity
<b>2021</b>				
Balance as at 1 July		32,171	932,404	964,575
<b>Balance as at 1 July</b>		<b>32,171</b>	<b>932,404</b>	<b>964,575</b>
<b>Net result</b>		–	16,216	16,216
<b>Other comprehensive income for the year</b>				
- Increase/(decrease) in asset revaluation surplus	14	12,840	–	12,840
<b>Other comprehensive income</b>		<b>12,840</b>	<b>–</b>	<b>12,840</b>
<b>Total comprehensive income for the year</b>		<b>12,840</b>	<b>16,216</b>	<b>29,056</b>
<b>Balance as at 30 June</b>		<b>45,011</b>	<b>948,620</b>	<b>993,631</b>
<b>2020</b>				
Balance as at 1 July		19,109	913,122	932,231
Adjustment on initial application of AASB 15 / AASB 1058		–	(5,207)	(5,207)
Correction of prior period errors	26	–	11,338	11,338
<b>Balance as at 1 July</b>		<b>19,109</b>	<b>919,253</b>	<b>938,362</b>
<b>Net result</b>		–	13,151	13,151
<b>Other comprehensive income for the year</b>				
- Increase/(decrease) in asset revaluation surplus	14	13,062	–	13,062
<b>Other comprehensive income</b>		<b>13,062</b>	<b>–</b>	<b>13,062</b>
<b>Total comprehensive income for the year</b>		<b>13,062</b>	<b>13,151</b>	<b>26,213</b>
<b>Balance as at 30 June</b>		<b>32,171</b>	<b>932,404</b>	<b>964,575</b>

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

## Statement of Cash Flows

for the year ended 30 June 2021

	Notes	2021 \$ '000	2020 \$ '000
<b>Cash flows from operating activities</b>			
Payments to suppliers and employees		(73,082)	(70,705)
Receipts from customers		89,389	90,050
		<u>16,307</u>	<u>19,345</u>
<b>Receipts</b>			
Interest received		604	779
Non capital grants and contributions		7,696	7,877
Other		3,488	8,808
<b>Payments</b>			
Borrowing costs		(4,147)	(3,977)
<b>Net cash inflow (outflow) from operating activities</b>	24	<u>23,948</u>	<u>32,832</u>
<b>Cash flows from investing activities</b>			
<b>Receipts</b>			
Proceeds from sale of property, plant and equipment		1,072	897
Grants, subsidies, contributions and donations		21,938	10,785
Other investing activity receipts		-	123
<b>Payments</b>			
Payments for property, plant and equipment		(25,753)	(23,233)
<b>Net cash inflow (outflow) from investing activities</b>		<u>(2,743)</u>	<u>(11,428)</u>
<b>Cash flows from financing activities</b>			
<b>Payments</b>			
Repayment of borrowings		(10,280)	(5,010)
<b>Net cash flow inflow (outflow) from financing activities</b>		<u>(10,280)</u>	<u>(5,010)</u>
<b>Net increase (decrease) in cash and cash equivalent held</b>		<u>10,925</u>	<u>16,394</u>
Cash and cash equivalents at the beginning of the financial year		56,152	39,758
<b>Cash and cash equivalents at the end of the financial year</b>	10	<u>67,077</u>	<u>56,152</u>

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

## Notes to the Financial Statements

for the year ended 30 June 2021

### Note 1. Information about these financial statements

#### (a) Basis of preparation

Livingstone Shire Council (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 2020 to 30 June 2021. They are prepared in accordance with the *Local Government Act 2009* and the *Local Government Regulation 2012*.

These financial statements comply with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB). Council is a not-for-profit entity for financial reporting purposes and complies with Australian Accounting Standards 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 2020. 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 2021. 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.

##### Effective for NFP annual reporting periods beginning on or after 1 January 2022

- *AASB 2020-3 Amendments to Australian Accounting Standards - Annual Improvements 2018-2020 and Other Amendments*
- *AASB 2014-10 Sale or Contribution of Assets between and Investor and its Associate or Joint Venture (amended by AASB 2015-10 and AASB 2017-5)*

##### Effective for NFP annual reporting periods beginning on or after 1 January 2023

- *AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current and associated standards.*

#### (d) Estimates and Judgements

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

- Revenue recognition - Note 3
- Valuation and depreciation of Property, Plant and Equipment - Note 14
- Provisions - Note 18
- Contingent Liabilities - Note 22
- Financial instruments - Note 29

#### (e) Rounding and Comparatives

The financial statements are in Australian dollars and have been rounded to the nearest \$1,000 or, where that amount is \$500 or less, to zero. 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.

Note 26 provides information on the correction of prior year balances.

#### (f) Volunteer Services

Voluntary services have been engaged by council during the reporting period but are of an immaterial value. Council management have indicated that voluntary services would not be purchased if they had not been donated.

#### (g) Taxation

Council is exempt from income tax; however, is subject to Fringe Benefits Tax, Goods and Services Tax (GST) and payroll tax on certain activities. The net amount of GST recoverable from the Australian Taxation Office is disclosed as a current asset. The Statement of Cash Flows has been grossed up for GST where applicable.

#### (h) COVID-19

Council's operations for the year ended 30 June 2021 have been impacted by the COVID-19 pandemic. The following steps were taken by Council in response to the pandemic during the year:

- Council has approved hardship applications from sporting clubs and organisations and waived tenure and rental charges of fees of \$58,440 and recycled water fees of \$2,678.

## Notes to the Financial Statements

for the year ended 30 June 2021

### Note 2a. Council functions – component descriptions

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Details relating to council's functions as reported in Note 2(b) are as follows:

Council has determined the functions and activities based on service delivery. The streams of the organisational structure are: Office of the Chief Executive Officer, Infrastructure Services and Liveability and Wellbeing Portfolios. The significant activities of Waste Services, Water & Sewerage Services and Central Funds are reported separately as management considers that such disclosures are meaningful to users of Council's financial reports.

#### Office of the Chief Executive Officer

The Office of the Chief Executive Officer provides for the executive management of Livingstone Shire Council and includes the offices of the Mayor, Councillors, Chief Executive Officer, Internal Audit and the enabling business units of Finance & Business Excellence, Information Technology and People & Culture. The three enabling units provide the organisation with a high level of support for their operations to facilitate the provision of accurate, timely and appropriate information to support sound decision making.

#### Infrastructure services

The goal of Infrastructure Services is to ensure that the community is serviced by high quality and effective road, drainage and bridge networks. This includes council's road construction and maintenance activities, engineering, planning and design activities, asset management and fleet & facility management activities. This function also has responsibility for council's depot operations and recoverable works.

#### Liveability and wellbeing

The goal of Liveability and Wellbeing is to ensure that Livingstone Shire is a healthy, vibrant, contemporary and connected community by providing well managed and maintained community facilities, managing council's parks and open spaces and ensuring delivery of cultural, health, welfare, environmental and recreational services. The portfolio is also responsible for the facilitation of the shire's growth and prosperity through well planned and quality development, and to ensure that Livingstone Shire is well designed, efficient and facilitates growth while preserving the character and natural environment of the shire. Responsibilities pertain to council's town planning activities including development assessment, development compliance and strategic planning, local laws, libraries, community partnerships, natural resource management activities and disaster management. Additional responsibilities include strategic growth and economic development initiatives, socio-economic development programs and activities, tourism destination development, innovative placemaking and urban design initiatives.

#### Waste services

The goal of this function is to support our community and natural environment by sustainably managing refuse. This includes waste collection and disposal, recycling collection and management of council's landfill facilities.

#### Water and sewerage services

The goal of this function is to support a healthy and safe community through managing sustainable water and sewerage services. Council's water and sewerage business activity is responsible for the provision of water and sewerage services to the residents of Livingstone Shire including operation of water treatment plants, reservoirs, water distribution network, water quality control, sewerage treatment plants, trunk sewers, sewerage pump stations and sewerage mains & services.

#### Central funds

This activity provides for a range of central support functions. This includes recognition and allocation of general rates and grant revenue, interest revenue, and expenses not allocated to council's other functions listed above.

## Livingstone Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2021

#### Note 2b. Council functions - analysis of results by function

Functions	Gross program income		Total income	Total expenses	Net result	Total assets
	Grants	Other	\$ '000	\$ '000	\$ '000	\$ '000
<b>2021</b>						
Office of the Chief Executive Officer	35	70	105	(13,746)	(13,641)	652
Infrastructure services	9,640	19,165	28,805	(44,552)	(15,747)	628,514
Liveability and wellbeing	3,854	4,258	8,112	(18,883)	(10,771)	10,285
Waste services	290	8,774	9,064	(6,946)	2,118	9,337
Water and sewerage services	29	29,766	29,795	(23,356)	6,439	335,164
Central funds	4,422	44,306	48,728	(910)	47,818	113,018
<b>Total</b>	<b>18,270</b>	<b>106,339</b>	<b>124,609</b>	<b>(108,393)</b>	<b>16,216</b>	<b>1,096,970</b>
<b>2020</b>						
Office of the Chief Executive Officer	113	117	230	(12,345)	(12,115)	664
Infrastructure services	6,263	10,115	16,378	(30,722)	(14,344)	622,516
Liveability and wellbeing	4,504	2,741	7,245	(17,465)	(10,220)	7,174
Waste services	89	7,957	8,046	(6,664)	1,382	8,213
Water and sewerage services	133	29,397	29,530	(25,210)	4,320	336,500
Central funds	4,090	44,304	48,394	(4,266)	44,128	97,676
<b>Total</b>	<b>15,192</b>	<b>94,631</b>	<b>109,823</b>	<b>(96,672)</b>	<b>13,151</b>	<b>1,072,743</b>

## Notes to the Financial Statements

for the year ended 30 June 2021

## Note 3. Revenue

	2021	2020
	\$ '000	\$ '000

**(a) Rates, levies and charges**

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

Garbage charges	7,132	6,878
General rates	34,527	33,962
Separate rates	11,724	11,366
Sewerage charges	11,385	11,022
Special rates	377	382
Water access charges	10,700	10,271
Water consumption charges	8,011	8,474
<b>Total rates and utility charge revenue</b>	<b>83,856</b>	<b>82,355</b>
Less: discounts	(5,713)	(5,639)
Less: pensioner remissions	(881)	(895)
<b>Total rates, levies and charges</b>	<b>77,262</b>	<b>75,821</b>

**(b) Fees and charges**

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

The performance obligation relates to the specific services which are provided to the customer. Generally payments terms are within 30 days of the provision of the service or in the case of council's caravan park operations the customer pays on arrival. There is no material obligation for council in relation to refunds.

Revenue from infringements is recognised upon issue of the infringement notice after applying the expected credit loss model relating to the impairment of receivables for initial recognition of statutory receivables.

Building, plumbing and development fees	2,711	1,672
Infringements	116	89
Irrigation and commercial water fees	773	559
Local laws and health licencing fees	580	360
Venues, events, tourism, and cultural fees	199	163
Waste fees	2,067	1,470
Other fees and charges	429	382
<b>Total fees and charges</b>	<b>6,875</b>	<b>4,695</b>

## Notes to the Financial Statements

for the year ended 30 June 2021

## Note 3. Revenue (continued)

**(c) Sales revenue**

The amount recognised as revenue from contract works during the financial year is the amount received or receivable in respect of the contract work services rendered and invoices issued during the period. The contract work carried out is not subject to retentions.

Proceeds of the sale of land held as inventory are recognised once the sale contract has settled. The cost of the land sold is disclosed in Note 7 Materials and services and the value of the remaining stock in hand in Note 12 Inventories. For 2021, the net profit on sale was \$45,000 (2020: \$3,048,899 loss).

	2021 \$ '000	2020 \$ '000
<b>Rendering of services</b>		
Contract and recoverable works	2,490	3,031
<b>Total sale of services</b>	<u>2,490</u>	<u>3,031</u>
<b>Sale of goods</b>		
Sale of land held as inventory	433	8,065
<b>Total sale of goods</b>	<u>433</u>	<u>8,065</u>
<b>Total sales revenue</b>	<u>2,923</u>	<u>11,096</u>

**(d) Grants, subsidies, contributions and donations****Grant income under AASB 15**

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

Each performance obligation is considered to ensure that the revenue recognition reflects the transfer of control, and within grant agreements there may be some performance obligations where control transfers at a point in time and others which have continuous transfer of control over the life of the contract. Where control is transferred over time, generally the input methods being either costs or time incurred are deemed to be the most appropriate methods to reflect the transfer of benefit.

**Grant income under AASB 1058**

Assets arising from grants in the scope of AASB 1058 are recognised at the asset's fair value when the asset is received. Council considers whether there are any related liability or equity items associated with the asset which are recognised in accordance with the relevant accounting standard. Once the assets and liabilities have been recognised then the income is recognised for any remaining asset value at the time that the asset is received.

**Capital grants**

Capital grants received to enable council to acquire or construct an item of property, plant and equipment to identified specifications which will be under council's control and which is enforceable are recognised as revenue as and when the obligation to construct or purchase is completed. For construction projects this is generally as the construction progresses in accordance with costs incurred since this is deemed to be the most appropriate measure of the completeness of the construction project as there is no profit margin. Where assets are donated or purchased for significantly below fair value, the revenue is recognised when the asset is acquired and controlled by council.

## Notes to the Financial Statements

for the year ended 30 June 2021

## Note 3. Revenue (continued)

	2021 \$ '000	2020 \$ '000
<b>(i) Operating</b>		
Contributions	37	45
General purpose grants	4,422	4,087
Government subsidies and grants	2,715	3,385
<b>Total operating grants, subsidies, contributions and donations</b>	<b>7,174</b>	<b>7,517</b>

**(ii) Capital**

Assets contributed at fair value	9,700	4,881
Government subsidies and grants	11,133	7,720
Infrastructure contributions	6,152	2,412
<b>Total capital grants, subsidies, contributions and donations</b>	<b>26,985</b>	<b>15,013</b>

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

	2021		2020	
	Revenue recognised at a point in time \$ '000	Revenue recognised over time \$ '000	Revenue recognised at a point in time \$ '000	Revenue recognised over time \$ '000
Grants, subsidies, contributions and donations	23,827	10,332	19,100	3,430
	<b>23,827</b>	<b>10,332</b>	<b>19,100</b>	<b>3,430</b>

## Note 4. Interest and other income

	2021 \$ '000	2020 \$ '000
<b>(a) Interest and investment income</b>		
Interest received from bank and term deposits is accrued over the term of the investment.		
Interest received from investments	439	671
Interest received from overdue rates and utility charges	165	155
<b>Total interest and investment income</b>	<b>604</b>	<b>826</b>

## Notes to the Financial Statements

for the year ended 30 June 2021

## Note 4. Interest and other income (continued)

	2021 \$ '000	2020 \$ '000
<b>(b) Other income</b>		
Car wash income	264	181
Commission and collection fees	66	65
Insurance recoveries	17	65
Payroll recoveries	8	19
Property related recoveries	1	33
Rental / lease income	468	498
Other operating income	401	346
<b>Total other income</b>	<b>1,225</b>	<b>1,207</b>

## Note 5. Capital income

	Notes	2021 \$ '000	2020 \$ '000
<b>(a) Gain / loss on disposal of non-current assets</b>			
Proceeds from the disposal of property, plant and equipment		1,072	897
Less: book value of property, plant and equipment disposed	14	(837)	(829)
		<u>235</u>	<u>68</u>
<b>Gain on disposal of non-current assets</b>		<b>235</b>	<b>68</b>
<b>(b) Provision for restoration of quarries</b>			
Change in discount rate	18	12	28
		<u>12</u>	<u>28</u>
<b>(c) Revaluations</b>			
Revaluation increment of property, plant and equipment reversing previous revaluation decrement	14	1,311	1,494
		<u>1,311</u>	<u>1,494</u>
<b>(d) Other capital income</b>			
Other capital income		3	123
		<u>3</u>	<u>123</u>
<b>Total capital income</b>		<b>1,561</b>	<b>1,713</b>

## Notes to the Financial Statements

for the year ended 30 June 2021

## Note 6. Employee benefits

	Notes	2021 \$ '000	2020 \$ '000
Employee benefit expenses are recorded when the service has been provided by the employee.			
Total staff wages and salaries		31,568	29,963
Annual, sick and long service leave entitlements		481	608
Superannuation	23	3,539	3,308
Councillors' remuneration		714	683
		<u>36,302</u>	<u>34,562</u>
Other employee related expenses		1,008	1,100
		<u>37,310</u>	<u>35,662</u>
Less: capitalised employee expenses		(3,979)	(3,690)
<b>Total employee benefits</b>		<u><b>33,331</b></u>	<u><b>31,972</b></u>

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

**Additional information:**

Total Council employees at the reporting date:

Elected members	7	7
Administration staff	249	235
Depot and outdoors staff	126	126
<b>Total full time equivalent employees</b>	<u><b>382</b></u>	<u><b>368</b></u>

## Note 7. Materials and services

	2021 \$ '000	2020 \$ '000
Expenses are recorded on an accruals basis as Council receives the goods or services.		
Administration supplies and consumables	498	477
Advertising, marketing and promotion	285	184
Audit of annual financial statements	166	165
Bulk water purchases	4,138	4,696
Communications and information technology	2,238	2,024
Consultants	2,705	1,809
Contractors	7,169	6,143
Donations and subscriptions paid	905	904
Electricity	2,138	2,433
Insurance	1,452	1,290
Repairs and maintenance	7,065	7,073
Security	514	547
Waste levy payment	1,817	1,638
Waste levy refund	(941)	(896)
Cost of good sold - Land held as inventory	388	11,113
Other materials and services	1,354	1,860
<b>Total materials and services</b>	<u><b>31,891</b></u>	<u><b>41,460</b></u>

## Notes to the Financial Statements

for the year ended 30 June 2021

## Note 7. Materials and services (continued)

Total audit fees quoted by the Queensland Audit Office relating to the 2020-21 financial statements are \$165,500 (2020: \$165,000).

The Queensland State Government rebated \$940,851 (2020: \$895,687) of the state waste levy to mitigate the direct impacts on households.

The Cost of goods sold - Land held as inventory, represents the cost of the land sold during the year. The proceeds of sales is recognised as sales revenue once the contract has settled. The value of the stock on hand is disclosed in Note 12 *Inventories*.

## Note 8. Finance costs

	2021 \$ '000	2020 \$ '000
Bank charges	160	143
Unwinding of discount on landfill and quarry provisions due to a change in present value over time	91	122
Finance costs charged by the Queensland Treasury Corporation	3,968	3,834
Impairment of receivables	19	46
<b>Total finance costs</b>	<b>4,238</b>	<b>4,145</b>

During 2021 council repaid in full one of its loans with Queensland Treasury Corporation and incurred additional finance costs of \$441,094 as part of the final payment.

## Note 9. Capital expenses

	Notes	2021 \$ '000	2020 \$ '000
<b>(a) Provision for restoration of land</b>			
Change from revision of future restoration expense		39	7
	18	<u>39</u>	<u>7</u>

The discount rate adjustment to the quarry rehabilitation liability was adjusted against expenses as there was an insufficient asset revaluation reserve in the relevant asset class.

**(b) Revaluation decrement**

Revaluation decrement of property, plant and equipment	14	<u>13,871</u>	<u>—</u>
		<b>13,871</b>	<b>—</b>

## Notes to the Financial Statements

for the year ended 30 June 2021

## Note 9. Capital expenses (continued)

	2021 \$ '000	2020 \$ '000
<b>(c) Other capital expenses</b>		
Loss on write-off of assets	1,927	3,375
Other	2	–
	<u>1,929</u>	<u>3,375</u>
<b>Total capital expenses</b>	<u>15,839</u>	<u>3,382</u>

## Note 10. Cash and cash equivalents

	2021 \$ '000	2020 \$ '000
--	-----------------	-----------------

Cash and cash equivalents in the statement of cash flows include cash on hand, cash at bank and other cash equivalents which are readily convertible to cash and are used in the cash management function on a day-to-day basis.

Due to significant reductions in medium term interest rates, council has withdrawn all of its short term deposits and placed the amount in its operating account which is providing a higher level of return than what would otherwise be available.

**Cash and cash equivalents**

Cash in operating bank account	51,184	1,915
Cash on hand	1	5
Deposits at call with the Queensland Treasury Corporation	15,892	37,232

**Investments**

Short term deposits	–	17,000
<b>Total cash, cash equivalents, and investments</b>	<u>67,077</u>	<u>56,152</u>

In accordance with the *Local Government Act 2009* and the *Local Government Regulation 2012*, a separate trust bank account and separate trust accounting records are maintained for funds held in trust on behalf of third parties. Funds held in council's trust account include deposits lodged to guarantee performance and unclaimed monies.

Council performs only a custodian role in respect of these monies and because these 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. Council held \$781,533 in trust funds as at 30 June 2021 (2020: \$358,998).

There are no other restrictions on cash held by council.

## Notes to the Financial Statements

for the year ended 30 June 2021

## Note 11. Trade and Other Receivables

Receivables are due for settlement within 30 days after the invoice is issued and are recognised at the amounts due. Debts are assessed for collectability and allowance is made, where appropriate, for impairment. All known bad debts were written-off by 30 June 2021. If an amount is recovered in a subsequent period it is recognised as revenue.

Under the *Local Government Act 2009* Council has the power to sell an owners' property to recover outstanding rates debts. Council impairs rates receivables when outstanding debts exceed unimproved capital values or when a state lease has been cancelled and it is likely that the outstanding rates cannot be received from the debtor.

Interest is charged on outstanding rates at a rate of 7% per annum compounded monthly (2020: 7%). No interest is charged on other debtors. There is no concentration of credit risk for rates and charges or other debtors receivable.

	2021 \$ '000	2020 \$ '000
<b>Current</b>		
Rates and charges	3,545	4,617
Other debtors	2,187	1,104
<b>Total</b>	<u>5,732</u>	<u>5,721</u>
<b>less: Loss allowance</b>		
Rates and charges	(234)	(193)
Other debtors	(8)	(33)
<b>Total loss allowance - receivables</b>	<u>(242)</u>	<u>(226)</u>
<b>Total current receivables</b>	<u>5,490</u>	<u>5,495</u>

## Note 12. Inventories

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. As an inventory item, this land is recognised as a current asset once subdivision is complete, survey plans are registered and identified parcels of land are being advertised for sale. Council is currently developing and marketing The Gateway Business & Industry Park. Inventories held for distribution are valued at cost and adjusted when applicable for any loss of service potential.

	2021 \$ '000	2020 \$ '000
<b>Current Inventories</b>		
<b>(a) Inventories held for sale</b>		
Other trading inventories	—	50
	—	50
<b>(b) Inventories held for distribution</b>		
Quarry and road materials	581	677
Stores and materials	408	378
	<u>989</u>	<u>1,055</u>
<b>(c) Other</b>		
Land held as inventory	2,641	3,029
<b>Total current inventories</b>	<u>3,630</u>	<u>4,134</u>

## Notes to the Financial Statements

for the year ended 30 June 2021

### Note 12. Inventories (continued)

	2021 \$ '000	2020 \$ '000
<b>Non-current inventories</b>		
Land held as inventory	3,812	3,812
<b>Total non-current inventories</b>	<u>3,812</u>	<u>3,812</u>

During the year ended 30 June 2021, no interest was capitalised to land purchased for sale.

### Note 13. Other assets

	2021 \$ '000	2020 \$ '000
<b>Current</b>		
GST recoverable	748	29
Prepayments	1,205	873
Water charges not yet levied	1,934	1,692
<b>Total current other assets</b>	<u>3,887</u>	<u>2,594</u>

# Livingstone Shire Council

## Notes to the Financial Statements for the year ended 30 June 2021

### Note 14. Property, plant and equipment

	Notes	Land \$ '000	Site improvements \$ '000	Buildings \$ '000	Plant and equipment \$ '000	Road and drainage network \$ '000	Bridge network \$ '000	Water \$ '000	Sewerage \$ '000	Work in progress \$ '000	Total \$ '000
<b>2021</b>											
Measurement basis		Fair Value	Fair Value	Fair Value	Cost	Fair Value	Fair Value	Fair Value	Fair Value	Cost	Cost
<b>Opening gross balance</b>		37,260	64,695	79,028	23,758	615,798	40,220	318,297	171,239	10,991	1,361,286
Additions - renewal		-	179	55	1,909	4,374	297	573	275	7,520	15,182
Additions - other		-	614	756	220	6,632	-	241	68	2,110	10,641
Contributed assets		-	169	3	-	6,233	366	1,442	1,486	-	9,699
Disposals		(251)	(86)	(389)	(1,978)	-	-	-	-	-	(2,704)
Write-offs		-	-	-	-	(2,329)	-	(655)	(194)	(72)	(3,250)
Revaluation decrements to P/L	9	-	-	-	-	(23,196)	-	-	-	-	(23,196)
Revaluation increments to equity (ARS)		1,993	-	-	-	-	12,344	-	-	-	14,337
Work in progress transfers		-	187	201	24	4,161	85	1,180	869	(6,707)	-
Adjustments and other transfers		-	-	-	-	9,404	(9,404)	-	-	-	-
Increase/(decrease) in landfill rehabilitation asset due to change in discount rate		-	1,322	-	-	-	-	-	-	-	1,322
Reversal of prior period reval. decrements to P/L	5	-	-	-	-	-	1,311	-	-	-	1,311
<b>Total Gross Value - Property, Plant and Equipment</b>		39,002	67,080	79,654	23,933	621,077	45,219	321,078	173,743	13,842	1,384,628
<b>Opening accumulated depreciation and impairment</b>		-	18,505	25,758	12,005	128,517	15,807	121,509	38,953	-	361,054
Depreciation expense		-	1,881	2,359	1,931	8,988	774	4,337	2,739	-	23,009
Revaluation decrements to P/L		-	-	-	-	(9,325)	-	-	-	-	(9,325)
Revaluation increments to equity (ARS)	9	-	-	-	-	-	1,497	-	-	-	1,497
Adjustments and other transfers		-	-	-	-	3,067	(3,067)	-	-	-	-
Disposals		-	-	-	-	-	-	-	-	-	-
Write-offs		-	(57)	(204)	(1,392)	(895)	-	(567)	(6)	-	(1,392)
<b>Total Accumulated Depreciation - Property, Plant and Equipment</b>		-	20,329	27,913	12,544	130,352	15,011	125,279	41,686	-	373,114
<b>Total net book value of Property, Plant and Equipment</b>		39,002	46,751	51,741	11,389	490,725	30,208	195,799	132,057	13,842	1,011,514
<b>Other information</b>		Not depreciated	4 - 134	8 - 144	3 - 40	5 - 300	10 - 120	3 - 198	6 - 160	Not depreciated	-
Range of estimated useful life (years)											

## Livingstone Shire Council

Financial Statements 2021

Notes to the Financial Statements  
for the year ended 30 June 2021

## Note 14. Property, plant and equipment (continued)

	Notes	Land		Site improvements		Buildings		Plant and equipment		Road and drainage network		Bridge network		Water		Sewerage Work in progress		Total				
		Restated	Fair Value	Restated	Fair Value	Restated	Fair Value	Restated	Fair Value	Restated	Fair Value	Restated	Fair Value	Restated	Fair Value	Restated	Fair Value	Restated	Fair Value	Restated		
		\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000		
<b>2020</b>																						
Measurement basis		Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Cost	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Cost		
<b>Opening gross balance</b>		33,223	62,932	73,264	23,826	594,082	39,280	310,179	164,757	26,278	1,327,821	9,850	13,401	11,489	4,881	(2,672)	(5,840)	1,494	2,648	(830)	(956)	
Correction to opening balances <sup>26</sup>		1,774	39	26	—	7,625	481	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Additions - renewal		—	997	954	2,168	4,974	7	755	349	3,197	13,401	—	—	—	—	—	—	—	—	—	—	
Additions - other		48	388	111	140	3,467	—	108	2,612	4,615	11,489	—	—	—	—	—	—	—	—	—	—	
Contributed assets		—	—	314	18	2,977	452	591	—	—	4,881	—	—	—	—	—	—	—	—	—	—	
Disposals		(260)	—	—	(2,412)	—	—	—	—	—	(2,672)	—	—	—	—	—	—	—	—	—	—	
Write-offs		—	(318)	(572)	—	(3,057)	—	—	—	—	(5,840)	—	—	—	—	—	—	—	—	—	—	
Revaluation decrements to P/L	9	1,494	—	—	—	—	—	—	—	—	1,494	—	—	—	—	—	—	—	—	—	—	
Revaluation increments to equity (ARS)		981	—	4,551	—	—	—	—	—	—	6,898	—	—	—	—	—	—	—	—	—	—	
Work in progress transfers		—	1,613	380	18	5,730	—	263	14,265	(22,269)	2,648	—	—	—	—	—	—	—	—	—	—	
Adjustments and other transfers		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Increase/(decrease) in landfill rehabilitation asset due to change in discount rate		—	(956)	—	—	—	—	—	—	—	(830)	—	—	—	—	—	—	—	—	—	—	
<b>Total Gross Value - Property, Plant and Equipment</b>		37,260	64,695	79,028	23,758	615,798	40,220	318,297	171,239	10,991	1,361,286	353,646	23,618	(10,414)	(1,843)	(2,465)	361,054	1,000,232	—	—	—	
<b>Opening accumulated depreciation and impairment</b>		—	16,559	23,448	11,881	122,102	15,315	120,106	44,235	—	353,646	—	—	—	—	—	—	—	—	—	—	
Correction to opening balances <sup>26</sup>		—	—	—	—	(1,441)	—	(46)	(1)	—	(1,488)	—	—	—	—	—	—	—	—	—	—	
Depreciation expense		—	2,105	2,305	1,967	9,169	492	4,634	2,946	—	23,618	—	—	—	—	—	—	—	—	—	—	
Revaluation increments to equity (ARS)		—	—	458	—	—	—	—	(7,945)	—	(10,414)	—	—	—	—	—	—	—	—	—	—	
Disposals		—	—	—	(1,843)	—	—	—	—	—	(1,843)	—	—	—	—	—	—	—	—	—	—	
Write-offs		—	(159)	(453)	—	(1,313)	—	(258)	(282)	—	(2,465)	—	—	—	—	—	—	—	—	—	—	
<b>Total Accumulated Depreciation - Property, Plant and Equipment</b>		—	18,505	25,758	12,005	128,517	15,807	121,509	38,953	—	361,054	—	—	—	—	—	—	—	—	—	—	
Total net book value of Property, Plant and Equipment		37,260	46,190	53,270	11,753	487,281	24,413	196,788	132,286	10,991	1,000,232	353,646	23,618	(10,414)	(1,843)	(2,465)	361,054	1,000,232	—	—	—	
<b>Other information</b>																						
Range of estimated useful life (years)		Not depreciated	4 - 134	8 - 114	4 - 40	5 - 216	9 - 120	3 - 198	6 - 160	Not depreciated	—	—	—	—	—	—	—	—	—	—	—	—

(<sup>1</sup>) The 2020 balances have been restated due to prior period adjustments. Refer to note 26 for details.

## Notes to the Financial Statements

for the year ended 30 June 2021

### Note 14. Property, plant and equipment (continued)

#### Recognition and measurement

##### (a) Recognition

Items of plant and equipment with a total value of less than \$5,000 and infrastructure, buildings and site improvement assets with a total value of less than \$10,000 are treated as an expense in the year of acquisition. All other items of property, plant and equipment are capitalised and included in the relevant asset class.

A complex asset is a physical asset capable of disaggregation into significant components, such as road infrastructure, where the components may include initial earthworks, formation, pavement, seal, kerb and channel, road furniture and footpaths.

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

##### (b) Capital and operating expenditure

Direct labour and materials and an appropriate proportion of overheads incurred in the acquisition or construction of assets are treated as capital expenditure. Routine operating maintenance, repair costs and minor renewals to maintain the operational capacity and useful life of the non-current asset is expensed as incurred, while expenditure that relates to replacement of a major component of an asset to maintain its service potential is capitalised.

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

##### (c) Acquisition

Acquisitions of property, plant and equipment are initially recorded at cost plus costs incidental to the acquisition, including freight in, architect's fees, engineering design fees and all other establishment costs. Donated items of property, plant and equipment, except reserve land, are recognised as assets and revenue at fair value.

##### (d) Depreciation

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

Within the site improvements asset class, council has recognised a landfill rehabilitation asset. This asset is amortised progressively based on the annual consumption and estimated remaining useful life of the current landfill cell. A number of assumptions including projected waste taken at the landfill, estimated closure dates of the current cell and the estimated cost and timing of future capping outlays have been used in measuring this asset.

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

Depreciation methods, estimated useful lives and residual values of property, plant and equipment assets are reviewed at the end of each reporting period and adjusted where necessary to reflect any changes in the pattern of consumption, physical wear and tear, technical or commercial obsolescence or management intentions. The condition assessments performed as part of the annual valuation process for assets measured at depreciated current replacement cost are used to estimate the remaining useful lives of these assets at each reporting date.

## Notes to the Financial Statements

for the year ended 30 June 2021

### Note 14. Property, plant and equipment (continued)

#### (e) Accumulated Depreciation

In determining the level of physical obsolescence of road & drainage network, bridge network, water & sewerage active infrastructure, buildings and site improvement assets, all were disaggregated into significant components which exhibited different useful lives. The accumulated depreciation cost was determined by an assessment of the age from either the assets construction date or by a condition assessment where an asset was close to the end of its useful life or where no reliable construction data information was available. The age in days was then multiplied by its daily depreciation amount to determine the accumulated depreciation amount.

#### (f) Valuation

Non-current physical assets measured at fair value are revalued as necessary so that the carrying amount of each class of asset does not materially differ from its fair value at the reporting date. Plant and equipment and work in progress are measured at cost. Independent, professionally qualified valuers are engaged to determine the fair value for each class of property, plant and equipment assets measured at fair value at least once every five years. This process involves the valuer physically sighting a representative sample of council assets across all asset classes and making their own assessments of the condition of the assets at the date of inspection. A full revaluation was undertaken of the Bridge, Road and Drainage asset classes as at 1 July 2020 and the Land asset class as at 31 March 2021.

In the intervening years, council uses internal staff resources to assess the condition and cost assumptions associated with property, plant and equipment assets. These results are considered in combination with the Australian Bureau of Statistics indices for Queensland and other measures deemed suitable, which may include professional advice from appropriate qualified external valuers. Together this information is used to form the basis of a management valuation for property, plant and equipment asset classes in each of the intervening years or periods to 30 June 2021. Further details in relation to valuers, the methods of valuation and the key assumptions and in valuing each different asset class are disclosed below.

Any revaluation increment arising on the revaluation of an asset is credited to the appropriate class of the asset revaluation surplus, except to the extent it reverses a revaluation decrement for the class previously recognised as an expense. A decrease in the carrying amount on revaluation is charged as an expense to the extent it exceeds the balance, if any, in the revaluation surplus of the asset class.

On revaluation, accumulated depreciation is restated proportionately with the change in the carrying amount of the asset and any change in the estimate of remaining useful life. Separately identified components of assets are measured on the same basis as the assets to which they relate.

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

**Level 1:** Quoted prices (unadjusted) in active markets for identical assets or liabilities.

**Level 2:** Inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly or indirectly.

**Level 3:** Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There were no transfers between levels of the hierarchy during the year.

## Notes to the Financial Statements

for the year ended 30 June 2021

## Note 14. Property, plant and equipment (continued)

(1) The following table presents all assets and liabilities that have been measured and recognised at fair values:

\$ '000	Date of latest valuation	Fair value measurement using			Total
		Level 1 Quoted prices in active mkts	Level 2 Significant observable inputs	Level 3 significant unobservable inputs	
<b>2021</b>					
<b>Property, plant and equipment</b>					
Land	31/03/21	–	13,578	25,424	39,002
Site improvements	01/07/18	–	–	46,751	46,751
Buildings	01/07/19	–	–	51,741	51,741
Road and drainage infrastructure	01/07/20	–	–	490,724	490,724
Bridge infrastructure	01/07/20	–	–	30,208	30,208
Water infrastructure	01/07/19	–	–	195,799	195,799
Sewerage infrastructure	01/07/19	–	–	132,057	132,057
<b>Total property, plant and equipment</b>		<b>–</b>	<b>13,578</b>	<b>972,704</b>	<b>986,282</b>
<b>2020</b>					
<b>Property, plant and equipment</b>					
Land	30/04/2020	–	12,181	25,079	37,260
Site improvements	01/07/2018	–	–	46,190	46,190
Buildings	01/07/2019	–	–	53,270	53,270
Road and drainage infrastructure	01/07/2017	–	–	487,280	487,280
Bridge infrastructure	01/07/2017	–	–	24,413	24,413
Water infrastructure	01/07/2019	–	–	196,788	196,788
Sewerage infrastructure	01/07/2019	–	–	132,286	132,286
<b>Total property, plant and equipment</b>		<b>–</b>	<b>12,181</b>	<b>965,306</b>	<b>977,487</b>

(\*) The 2020 balances have been restated due to prior period adjustments. Refer to note 26 for details.

## Livingstone Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2021

#### Note 14. Property, plant and equipment (continued)

##### (2) 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 (Level 2)	Fair Value	31/03/21	Herron Todd White	<ul style="list-style-type: none"> <li>- Current zoning</li> <li>- Sales evidence from market transactions involving comparable assets.</li> <li>- No impact from environmental issues including contamination.</li> </ul>	<ul style="list-style-type: none"> <li>Nil -</li> <li>Comprehensive Revaluation undertaken.</li> </ul>	Nil
- Land (Level 3)	Fair Value	31/03/21	Herron Todd White	<ul style="list-style-type: none"> <li>- Current zoning</li> <li>- Sales evidence from market transactions involving comparable assets.</li> <li>- Adjustments for any restrictions or constraints of ownership or special purpose usage.</li> <li>- No impact from environmental issues including contamination.</li> </ul>	<ul style="list-style-type: none"> <li>Nil -</li> <li>Comprehensive Revaluation undertaken.</li> </ul>	Nil

## Livingstone Shire Council

## Notes to the Financial Statements

for the year ended 30 June 2021

## Note 14. Property, plant and equipment (continued)

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
- Buildings (Level 3)	Fair Value	01/07/19	AssetVal Pty Ltd	<p>- Fair values are estimated using unit rates for each component which are derived from externally available and internally generated civil works and published building cost data.</p> <p>- Components derived from council hierarchy or industry accepted percentages.</p>	<p>Australian Bureau Statistics Indexes, ABS Catalogues, 6427.0 Producer Price Indexes, Australia Table 17. Index 30 and AssetVal index assessment report.</p> <p>The review of index movements has been determined by AssetVal in the 2020/21 financial year. Given the assessed movements for the period since last valuation it is not proposed to apply an indexation during the current period.</p>	Nil

Livingstone Shire Council

Notes to the Financial Statements

for the year ended 30 June 2021

Note 14. Property, plant and equipment (continued)

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
- Site Improvements (Level 3)	Fair Value	01/07/18	AssetVal Pty Ltd	<ul style="list-style-type: none"> <li>- Unit rates were developed using a first principles approach taking into account current plant, labour and material costs as well as productivity considerations and current modern equivalent infrastructure.</li> <li>- The raw costs of materials, as well as plant and labour hire rates, are established either through communicating directly with suppliers and obtaining quoted prices, by using costs guides such as the Rawlinson's Construction Handbook, and through reviewing actual costs incurred.</li> <li>- Remaining useful lives are calculated using the age and condition of the asset.</li> </ul>	Australian Bureau Statistics indexes ABS Catalogues, 6427.0 Producer Price Indexes, Australia Table 17. Index 3020.  Review of internal costings for approximately 25% of the asset class value indicate a movement of less than 1%. Accordingly, no indexation has been applied during the current period.	Nil
- Roads and Drainage Infrastructure (Level 3)	Fair Value	01/07/20	AssetVal Pty Ltd	<ul style="list-style-type: none"> <li>- Unit rates were developed using a first principles approach taking into account current plant, labour and material costs as well as productivity considerations and current modern equivalent infrastructure.</li> <li>- The raw costs of materials, as well as plant and labour hire rates, are established either through communicating directly with suppliers and obtaining quoted prices, by using costs guides such as the Rawlinson's Construction Handbook, and through reviewing actual costs incurred.</li> <li>- Remaining useful lives are calculated using the age and condition of the asset.</li> </ul>	Nil - Comprehensive Revaluation undertaken.	Nil

Livingstone Shire Council

Notes to the Financial Statements

for the year ended 30 June 2021

Note 14. Property, plant and equipment (continued)

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
- Bridges (Level 3)	Fair Value	01/07/20	Forcecor Infrastructure Consultants	<ul style="list-style-type: none"> <li>- The current replacement value for each structure was determined by componentising the bridges and major drainage structures into surface, substructure, superstructure, waterway, deck and miscellaneous assets to reflect the different useful lives of each.</li> <li>- Costs are established by using published or available market data for recent projects, and published cost guides.</li> <li>- A condition assessment is applied based on the age and condition of the asset, and economic or functional obsolescence.</li> </ul>	<p>Nil -</p> <p>Comprehensive Revaluation undertaken.</p>	Nil
- Sewerage Infrastructure (Level 3)	Fair Value	01/07/19	AssetVal Pty Ltd	<ul style="list-style-type: none"> <li>- Unit rates were developed using a first principles approach taking into account current plant, labour and material costs as well as productivity considerations and current modern equivalent infrastructure.</li> <li>- The raw costs of materials, as well as plant and labour hire rates, are established either through communicating directly with suppliers and obtaining quoted prices, by using cost guides such as the Rawlinson's Construction Handbook, and through reviewing actual costs incurred.</li> <li>- Remaining useful lives are calculated using the age and condition of the asset.</li> </ul>	<p>Australian Bureau Statistics indexes ABS Catalogues, 6427.0 Producer Price Indexes, Australia Table 17. Index 3020.</p> <p>The review of index movements has been determined by AssetVal in the 2020/21 financial year.</p> <p>Given the assessed movements for the period since last valuation it is not proposed to apply an indexation during the current period.</p>	Nil

Livingstone Shire Council

Notes to the Financial Statements

for the year ended 30 June 2021

Note 14. Property, plant and equipment (continued)

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
- Water Infrastructure (Level 3)	Fair Value	01/07/19	AssetVal Pty Ltd	<ul style="list-style-type: none"> <li>- Unit rates were developed using a first principles approach taking into account current plant, labour and material costs as well as productivity considerations and current modern equivalent infrastructure.</li> <li>- The raw costs of materials, as well as plant and labour hire rates, are established either through communicating directly with suppliers and obtaining quoted prices, by using costs guides such as the Rawlinson's Construction Handbook, and through reviewing actual costs incurred.</li> <li>- Remaining useful lives are calculated using the age and condition of the asset.</li> </ul>	<p>Australian Bureau Statistics indexes                      ABS Catalogues, 6427.0 Producer Price Indexes, Australia Table 17. Index 3020.</p> <p>The review of index movements has been determined by AssetVal in the 2020/21 financial year.</p>	Nil
					<p>Given the assessed movements for the period since last valuation it is not proposed to apply an indexation during the current period.</p>	

## Notes to the Financial Statements

for the year ended 30 June 2021

## Note 15. Contract Balances

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

When a performance obligation is satisfied by transferring a promised good or service to the customer before the customer pays consideration or before payment is due, council presents the work in progress as a contract asset, where material, unless the rights to that amount of consideration are unconditional, in which case council recognises a receivable.

When an amount of consideration is received from a customer / fund provider prior to council transferring a good or service to the customer, where material, council presents the funds which exceed revenue recognised as a contract liability.

	2021 \$ '000	2020 \$ '000
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## (a) Contract assets

Contract assets	1,389	66
<b>Total current contract assets</b>	<b>1,389</b>	<b>66</b>

## (b) Contract liabilities

**Grants**

Funds received upfront to construct council controlled assets	8,739	2,571
<b>Total grants</b>	<b>8,739</b>	<b>2,571</b>
<b>Total contract liabilities</b>	<b>8,739</b>	<b>2,571</b>

Council has contract liabilities in relation to a number of construction projects as at the reporting date. These contract liabilities have arisen as a result of council receiving advanced capital grants payments to fund the construction of road & drainage and site improvement assets. The contract liability will be released and recognised as revenue when the obligation to construct has been completed.

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

Funds to construct council controlled assets	1,869	680
<b>Total revenue recognised</b>	<b>1,869</b>	<b>680</b>

## (c) Significant changes in contract balances

The increase in contract assets and liabilities are as a result of a significant increase in the amount of grants and subsidies being provided by the State and Federal Governments as part of their stimulus program in response to the COVID-19 pandemic. For these grants, a majority of the funding is provided in advance, with the balance being paid as milestones are achieved or on completion of the funded project.

## Notes to the Financial Statements

for the year ended 30 June 2021

## Note 16. Trade and Other Payables

	2021 \$ '000	2020 \$ '000
Trade creditors are recognised as a liability at the time the amount owed can be measured reliably and when it is probable the amount will be paid, or when the goods are received or the service is performed. Amounts owing are unsecured and are generally settled on 7 or 30 days terms.		
<b>Current</b>		
Creditors and accruals	5,781	8,335
Prepaid rates	4,371	3,820
Other entitlements	331	350
<b>Total current payables</b>	<b>10,483</b>	<b>12,505</b>

## Note 17. Borrowings

	2021 \$ '000	2020 \$ '000
<b>Current</b>		
Loans - Queensland Treasury Corporation	5,403	5,410
<b>Total current borrowings</b>	<b>5,403</b>	<b>5,410</b>
<b>Non-current</b>		
Loans - Queensland Treasury Corporation	59,837	70,110
<b>Total non-current borrowings</b>	<b>59,837</b>	<b>70,110</b>

## Reconciliation of Loan Movements for the year

<b>Loans - Queensland Treasury Corporation</b>		
Opening balance at beginning of financial year	75,520	80,530
Loans raised	-	-
Principal repayments	(10,280)	(5,010)
<b>Book value at end of financial year</b>	<b>65,240</b>	<b>75,520</b>

Borrowings are initially recognised at fair value plus any directly attributable transaction costs. Thereafter they are measured at amortised cost. Principal and interest repayments are made quarterly in arrears. The loan market value at the reporting date was \$76,409,728. This represents the value of the debt if council repaid it at that date. As it is the intention of council to hold the debt for its term, no provision is required to be made in these accounts.

Council has paid out one of its loans in March 2021. Total repayment made was \$5,509,127 which includes a one off early repayment finance charge of \$441,094.

No assets have been pledged as security by council for any liabilities, however all loans are guaranteed by the Queensland State Government. Expected final repayment dates vary from 15 September 2029 to 15 June 2038.

Council currently has an approved working capital facility with the Queensland Treasury Corporation. This facility has a limit of \$10 million which is approved on a permanent basis subject to an annual review by the Queensland Treasury Corporation and Department of State Development, Infrastructure, Local Government and Planning. Council has not utilised the facility during 2020-21.

## Notes to the Financial Statements

for the year ended 30 June 2021

## Note 18. Provisions

**Employee provisions**

The provision for annual leave represents the amount which council has a present obligation to pay resulting from employee services provided up to the reporting date. The provision is based on the present value of remuneration rates that will be paid when the liability is expected to be settled and includes related on-costs. As council does not have an unconditional right to defer this liability beyond 12 months from the reporting date, annual leave is classified as a current liability.

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 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 Reserve Bank of Australia website.

Where employees have met the prerequisite length of service and council does not have an unconditional right to defer this liability beyond 12 months from reporting date, long service leave is classified as a current liability. Otherwise long service leave is classified as non-current.

**Quarry restoration**

The provision for quarry restoration represents the present value of the anticipated future costs associated with the closure and restoration of quarry sites. The calculation of the provision use assumptions including application of environmental legislation, site closure dates, available technologies and engineering cost estimates. These uncertainties may result in future actual expenditure differing from amounts currently provided. The provision recognised for quarry restoration is reviewed at least annually and is updated based on the facts and circumstances available at the time. The projected cost is \$268,437 (undiscounted) and this cost is expected to be incurred over the period 2022 to 2041.

**Landfill restoration**

Obligations for future landfill restoration work are determined annually, estimating the nature and extent of work associated with the closure of the landfill facilities, monitoring of historical residues and leaching on these sites. As council has a present obligation, it is probable that restoration work will be undertaken and a reliable estimate of the amount can be made, it is recognised as a provision. The calculation of the provision use assumptions including application of environmental legislation, site closure dates, available technologies and engineering cost estimates. These uncertainties may result in future actual expenditure differing from amounts currently provided. The projected cost is \$12,711,568 (undiscounted) and this cost is expected to be incurred over the period 2023 to 2055.

	2021 \$ '000	2020 \$ '000
<b>Current</b>		
Annual leave	3,223	3,240
Long service leave	3,981	4,072
Other provisions	–	188
Quarry restoration	20	20
<b>Total current provisions</b>	<u>7,224</u>	<u>7,520</u>
<b>Non-current</b>		
Long service leave	853	747
Quarry restoration	206	178
Landfill restoration	10,461	9,049
<b>Total non-current provisions</b>	<u>11,520</u>	<u>9,974</u>

## Notes to the Financial Statements

for the year ended 30 June 2021

## Note 18. Provisions (continued)

	2021 \$ '000	2020 \$ '000
Details of movements in non-employee provisions		
<b>Quarry rehabilitation</b>		
Balance at beginning of financial year	198	216
Change in provision	28	(18)
<b>Balance at end of financial year</b>	<b>226</b>	<b>198</b>
<b>Refuse restoration</b>		
Balance at beginning of financial year	9,049	9,893
Change in provision	1,412	(844)
<b>Balance at end of financial year</b>	<b>10,461</b>	<b>9,049</b>

## Note 19. Other liabilities

	2021 \$ '000	2020 \$ '000
<b>Current</b>		
Unearned revenue	133	78
<b>Total current other liabilities</b>	<b>133</b>	<b>78</b>

## Livingstone Shire Council

## Notes to the Financial Statements

for the year ended 30 June 2021

## Note 20. Asset revaluation surplus

	2021	2020
Notes	\$'000	\$'000

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

Revaluation decrements to the Road and Drainage infrastructure class in previous historical years have fully utilised the asset revaluation surplus for that class of assets. Current year decrements have been expensed through profit and loss as a capital expense.

## Movements in the asset revaluation surplus were as follows:

Balance at beginning of financial year		32,171	19,109
Net adjustment to non-current assets at end of year to reflect a change in:			
Buildings	14	-	4,093
Land	14	1,993	981
Sewerage	14	-	(1,837)
Site improvements	14	-	-
Water	14	-	9,825
Bridge network	14	10,847	-
Balance at end of financial year		<u>45,011</u>	<u>32,171</u>

## Asset revaluation surplus analysis

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

Buildings	4,168	4,168
Land	2,974	981
Sewerage	4,076	4,076
Site improvements	3,147	3,147
Water	19,799	19,799
Bridge network	10,847	-
Balance at end of financial year	<u>45,011</u>	<u>32,171</u>

## Notes to the Financial Statements

for the year ended 30 June 2021

## Note 21. Commitments for Expenditure

	2021 \$ '000	2020 \$ '000
<b>(a) Contractual commitments</b>		
<b>Contractual commitments at end of financial year but not recognised in the financial statements are as follows:</b>		
Waste services	10,725	9,325
Water and sewerage services	4,581	–
ICT Services	8,015	–
Other	275	639
	<b>23,596</b>	<b>9,964</b>

**(b) Capital Commitments**

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

**Property, plant and equipment**

Road, drainage and bridge network	3,365	388
Buildings	331	–
Water	3,195	–
Other	407	242
<b>Total commitments</b>	<b>7,298</b>	<b>630</b>

**These expenditures are payable as follows:**

Within the next year	7,298	630
Later than one year and not later than 5 years	–	–
Later than 5 years	–	–
<b>Total payable</b>	<b>7,298</b>	<b>630</b>

## Note 22. Contingent Liabilities

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

**Local Government Mutual**

Council is a member of the local government mutual liability self-insurance pool, LGM Queensland. In the event of the pool being wound up or it is unable to meet its debts as they fall due, the trust deed and rules provide that any accumulated deficit will be met by the individual pool members in the same proportion as their contribution to the total pool contributions in respect to any year that a deficit arises. As at 30 June 2020 the financial statements reported an accumulated surplus and it is not anticipated any liability will arise.

**Local Government Workcare**

Council is a member of the Queensland local government worker's compensation self-insurance scheme, Local Government Workcare. Under this scheme council has provided an indemnity towards a bank guarantee to cover bad debts which may remain should the self insurance licence be cancelled and there was insufficient funds available to cover outstanding liabilities. Only the Queensland Government's workers compensation authority may call on any part of the guarantee should the above circumstances arise. Council's maximum exposure to the bank guarantee is \$699,075.

**Legal Claims**

Council is a defendant in a number of legal actions that have arisen as a result of the operations of council and its ownership of public assets as at the reporting date. All liability claims are subject to review and are only provided for when genuine and not contingent on a future event. Information in respect of individual claims has not been disclosed on the basis that council considers such disclosures would seriously prejudice the outcome of these claims.

## Notes to the Financial Statements

for the year ended 30 June 2021

### Note 23. Superannuation

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

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

Any amount by which the scheme is over or under funded may affect future contribution rate obligations, but has not been recognised as an asset or liability of the council.

Technically 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 2018. The actuary indicated that "At the valuation date of 1 July 2018, 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 2021.

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

Investment risk - the risk that the scheme's investment returns will be lower than assumed and additional contributions are needed to fund the shortfall.

Salary growth risk - the risk that wages or salaries will rise more rapidly than assumed, increasing vested benefits to be funded.

	Notes	2021 \$ '000	2020 \$ '000
Superannuation contributions made to the Regional Defined Benefits Fund		110	121
Other superannuation contributions for employees		3,429	3,187
<b>Total superannuation contributions paid by council for employees</b>	6	<b>3,539</b>	<b>3,308</b>

## Notes to the Financial Statements

for the year ended 30 June 2021

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

	<b>2021</b> <b>\$ '000</b>	<b>2020</b> <b>\$ '000</b>
<b>Net operating result from statement of comprehensive income</b>	16,216	13,151
<b>Non-cash items</b>		
Depreciation and amortisation	23,094	23,778
Reversal of prior period property, plant and equipment revaluation decrements costed direct to the income statement	(1,311)	(1,494)
Changes in accounting policy	–	465
Capital Expenses	2	–
	<u>21,785</u>	<u>22,749</u>
<b>Losses/(gains) recognised on fair value re-measurements through the income</b>		
Unwinding of discount rates on restoration provisions	27	(21)
Write-offs relating to the fair valuation of property, plant and equipment	13,871	–
	<u>13,898</u>	<u>(21)</u>
<b>Investing and development activities</b>		
Net (profit)/loss on disposal of assets	(235)	(68)
Loss on write-off of assets	1,927	3,375
Capital grants and contributions	(26,985)	(15,013)
Other capital income	(2)	(123)
	<u>(25,295)</u>	<u>(11,829)</u>
<b>Changes in operating assets and liabilities:</b>		
(Increase)/decrease in receivables	(11)	(251)
Increase/(decrease) in provision for doubtful debts	16	44
(Increase)/decrease in inventories	116	1
(Increase)/decrease in other assets	(1,293)	1,486
Increase/(decrease) in payables	(2,554)	(1,800)
Increase/(decrease) in contract liabilities	194	–
Increase/(decrease) in employee leave entitlements	(190)	197
Increase/(decrease) in other provisions	91	(674)
Increase/(decrease) in other liabilities	587	(1,297)
(Increase)/decrease in land held for sale	388	11,076
	<u>(2,656)</u>	<u>8,782</u>
<b>Net cash provided from operating activities from the statement of cash flows</b>	<u>23,948</u>	<u>32,832</u>

## Notes to the Financial Statements

for the year ended 30 June 2021

## Note 25. Reconciliation of liabilities arising from finance activities

	as at 30/06/20 Opening Balance \$ '000	Cashflows \$ '000	as at 30/06/21 Closing balance \$ '000
<b>2021</b>			
Borrowings	75,520	(10,280)	65,240
	<u>75,520</u>	<u>(10,280)</u>	<u>65,240</u>

	as at 30/06/19 Opening Balance \$ '000	Cashflows \$ '000	as at 30/06/20 Closing balance \$ '000
<b>2020</b>			
Borrowings	80,530	(5,269)	75,261
	<u>80,530</u>	<u>(5,269)</u>	<u>75,261</u>

## Note 26. Restated Balances

**Nature of prior-period error**

During the comprehensive revaluation of land, road and drainage, and bridge assets conducted during the 2020-21 financial year, Council identified contributed assets that had commission dates prior to 1 July 2019 and existing assets not previously recognised, and assets previously derecognised incorrectly. As a result, Council had previously understated contributed revenue by \$0.99 million and understated capital revenue by \$16.56 million, and capital expenses by \$6.21 million resulting in a total net impact of \$11.34 million to property, plant and equipment assets.

To correct the impact of these prior period errors, Council has adjusted the opening balances at 1 July 2019 with the adjustments taken to Retained Surplus.

Comparatives have been changed to reflect the correct amounts and details of the adjustments impacting relevant financial statement line items are as below:

**Changes to the opening Statement of Financial Position at 1 July 2019**

	Original Balance 1 July, 2019 \$ '000	Impact Increase/ (decrease) \$ '000	Restated Balance 1 July, 2019 \$ '000
Other assets	68,438	–	68,438
Property, plant and equipment	974,177	11,338	985,515
<b>Total assets</b>	<b><u>1,042,615</u></b>	<b><u>11,338</u></b>	<b><u>1,053,953</u></b>

## Notes to the Financial Statements

for the year ended 30 June 2021

## Note 26. Restated Balances (continued)

	Original Balance 1 July, 2019 \$ '000	Impact Increase/ (decrease) \$ '000	Restated Balance 1 July, 2019 \$ '000
<b>Total liabilities</b>	<b>110,384</b>	<b>–</b>	<b>110,384</b>
Retained surplus	913,122	11,338	924,460
Asset revaluation surplus	19,109	–	19,109
<b>Total community equity</b>	<b>932,231</b>	<b>11,338</b>	<b>943,569</b>

## Note 27. Changes in accounting policy

Council made no changes in any accounting policies during the year.

## Note 28. Events after the reporting period

There were no material adjusting events after the reporting period.

## Note 29. Financial instruments

## (a) Financial assets and financial liabilities

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

- Cash and cash equivalents
- Receivables
- Payables
- Borrowings

Council has exposure to the following risks arising from financial instruments; (i) credit risk, (ii) liquidity risk, and (iii) market risk.

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

## (b) Financial risk management

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

Council's Audit and Risk Improvement Committee (ARaIC) oversees and provides guidance on the development of policies for overall risk management, as well as specifically for managing market, liquidity and credit risk.

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

The AaRIC oversees how management monitors compliance with Council's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by council. This committee is assisted in its oversight role by internal audit. During the 2020-21 financial year, Internal audit was facilitated by an internal resource until 7 August 2020. Council is in the process of transitioning to an outsourced internal audit function. For the period 8 August 2020

## Notes to the Financial Statements

for the year ended 30 June 2021

### Note 29. Financial instruments (continued)

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to 30 June 2021 council engaged individual audit providers to undertake some of the planned internal audit work program, the results of which are reported to the AaRIC.

#### (c) 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 principally arise from council's investments with and receivables from customers.

The credit risk of financial assets that have been recognised in the Statement of Financial Position is the carrying amount net of any impairment. No significant concentration of credit risk has been identified, as exposure is spread over a large number of counterparties and customers.

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

Investments in financial instruments are required to be made with the Queensland Treasury Corporation 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 of council. The carrying amounts of financial assets at the end of the reporting period represent the maximum exposure to credit risk for council.

Council has assessed its exposure to credit risk at the reporting date. In the case of rates receivables, council has the power to sell the property to recover defaulted amounts and in the case of sundry debtors, Council assesses the credit risk before providing goods or services and applies normal business credit protection procedures to minimise risk. Given the vast majority of council's credit risk relates to general rates and utility charges receivables and other receivables due from the Queensland and Commonwealth governments, council's exposure to credit risk is not material at the reporting date.

#### (d) Liquidity risk

Liquidity risk refers to the situation where Council may encounter difficulty in meeting financial obligations as and when they fall due. Council is exposed to liquidity risk through its normal course of business. Council's objective is to maintain adequate access to highly liquid investments and borrowings.

Council's approach to managing liquidity is to ensure, as much 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 council's reputation. This is done by maintaining sufficient cash deposits and undrawn facilities to cater for unexpected volatility in cash flows. Council has in place a working capital facility with the Queensland Treasury Corporation (QTC). Further details on this facility are disclosed in the borrowings note.

The following table sets out the liquidity risk in relation to financial liabilities held by council. It represents the remaining contractual cash flows (principal and interest) of financial liabilities at the end of the reporting period.

## Notes to the Financial Statements

for the year ended 30 June 2021

## Note 29. Financial instruments (continued)

	0 to 1 year \$ '000	1 to 5 years \$ '000	Over 5 years \$ '000	Total contractual cash flows \$ '000	Carrying amount \$ '000
<b>2021</b>					
Payables	5,781	–	–	5,781	5,781
Loans - QTC	8,422	33,687	41,072	83,181	65,240
	<u>14,203</u>	<u>33,687</u>	<u>41,072</u>	<u>88,962</u>	<u>71,021</u>
<b>2020</b>					
Payables	8,335	–	–	8,335	8,335
Loans - QTC	8,844	35,376	54,140	98,360	75,520
	<u>17,179</u>	<u>35,376</u>	<u>54,140</u>	<u>106,695</u>	<u>83,855</u>

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

## (e) 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*

Interest rate risk refers to the possible fluctuations caused by changes in the value of interest bearing financial instruments as a result of market rates. Council is exposed to interest rate risk through investments and borrowings with QTC.

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

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

Council's interest rate sensitivity to an expected 1% fluctuation in interest rates, if all other variables were held constant, is as follows:

	Net carrying amount \$ '000	Net result		Equity	
		1% increase \$ '000	1% decrease \$ '000	1% increase \$ '000	1% decrease \$ '000
<b>2021</b>					
Financial assets	67,077	671	(671)	671	(671)
Financial liabilities	(65,240)	(652)	652	(652)	652
<b>Net</b>	<u>1,837</u>	<u>19</u>	<u>(19)</u>	<u>19</u>	<u>(19)</u>
<b>2020</b>					
Financial assets	56,147	561	(561)	561	(561)
Financial liabilities	(75,520)	(755)	755	(755)	755
<b>Net</b>	<u>(19,373)</u>	<u>(194)</u>	<u>194</u>	<u>(194)</u>	<u>194</u>

## Notes to the Financial Statements

for the year ended 30 June 2021

## Note 30. National Competition Policy

Council applies the competitive code of conduct to the following activities:

Water and Sewerage Services  
Waste Services  
Caravan Parks  
Building Certification

This requires the application of full cost pricing, identifying the cost of community service obligations (CSO) and eliminating the advantages and disadvantages of public ownership within that activity.

The CSO value is determined by council, and represents an activities costs which would not be incurred if the primary objective of the activities was to make a profit. Council provides funding from general revenue to the business activity to cover the cost of providing non-commercial community services or costs deemed to be CSO's by council.

The following activity statements are for activities subject to the competitive code of conduct:

	Water and Sewerage Services \$ '000	Waste Services \$ '000	Caravan Parks \$ '000	Building Certification \$ '000
Revenue for services provided to the council	24	649	–	–
Revenue for services provided to external clients	30,066	8,979	363	591
Community service obligations	–	433	–	–
	<b>30,090</b>	<b>10,061</b>	<b>363</b>	<b>591</b>
Less : expenditure	(23,964)	(8,083)	(264)	(278)
<b>Surplus/(deficit)</b>	<b>6,126</b>	<b>1,978</b>	<b>99</b>	<b>313</b>

## Description of CSO's provided to business activities:

Activities	CSO description	Actual \$ '000
Waste Services	Waste vouchers	423
Waste Services	Charity waste disposal	10

## Note 31. Transactions with Related Parties

## (a) Subsidiaries

Council has no interests in any subsidiaries.

## (b) Associates

Council has no interests in any associates.

## (c) Joint ventures

Council has no interests in any joint ventures.

## Notes to the Financial Statements

for the year ended 30 June 2021

## Note 31. Transactions with Related Parties (continued)

## (d) Key management personnel

## Transactions with key management personnel

Key management personnel (KMP) include the positions of Mayor, Councillors, Chief Executive Officer, Executive Directors, Chief Financial Officer, Chief Technology Officer and Chief Human Resources Officer. The compensation paid to KMP comprises:

	2021 \$ '000	2020 \$ '000
<b>The compensation paid to key management personnel for comprises:</b>		
Short-term employee benefits	2,198	2,295
Post-employment benefits	319	297
Long-term benefits	34	37
Termination benefits	445	–
<b>Total</b>	<u>2,996</u>	<u>2,629</u>

Please refer to detailed remuneration disclosures that are provided in Council's annual report.

## (e) 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 and may include extended family members if they could be expected to influence, or be influenced by, KMP.

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

## Transactions with other related parties

Details	Amount of transactions during year \$ '000
<b>2021</b>	
Purchase of materials and services from entities controlled by key management personnel or their close family members	<u>50</u>
	<u>50</u>
<b>2020</b>	
Purchase of materials and services from entities controlled by key management personnel or their close family members	<u>33</u>
	<u>33</u>

Council purchased the following services from entities controlled by key management personnel or their close family members:

Catering supplies of \$3,160 were purchased from Whisk Tappas Pty Ltd during 2020-21. Total purchases in 2019-20 were \$117. During both financial years the spouse of the Mayor had control over the operations of this company.

Professional photography services of \$47,066 were purchased from Levi Appleton Studios during 2020-21. Total purchases in 2019-20 were \$1,210. During both financial years a close family member of the Deputy Mayor had control over the operations of this entity.

There were no consultancy services purchased from Alderson & Associates Landscape Architects in 2020-21. In 2019-20 total purchases were \$31,658. During both financial years a close family member of the Executive Director Liveability and Wellbeing (who also acted as the Chief Executive Officer during both financial years) had control over the operations of this entity.

## Notes to the Financial Statements

for the year ended 30 June 2021

### Note 31. Transactions with Related Parties (continued)

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All purchases were at arm's length and were in the normal course of council's operations.

#### (f) Outstanding balances

There were no material outstanding balances owing from related parties at reporting date.

#### (g) Loans and guarantees to/from related parties

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

#### (h) Commitments to/from other related parties

Council had commitments with Alderson & Associates Landscape Architects pertaining to project consultancy services as at 30 June 2021 totalling \$30,545.

#### (i) 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 Livingstone Shire Council region. Therefore on a regular basis ordinary citizen transactions occur between council and its related parties. Some examples include:

- Borrowing books from council's libraries
- Dog registration
- Lodgement of development applications
- Payment of rates and/or utility charges
- Use of council's swimming pools

Council has not disclosed transactions of this type, where they are made on the same terms and conditions available to the general public.

## Notes to the Financial Statements

for the year ended 30 June 2021

### Note 32. Council information and contact details

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**Principal place of business:**

4 Lagoon Place  
YEPPOON QLD 4703

**Mailing address:**

PO Box 2292  
YEPPOON QLD 4703

**Telephone:** 1300 790 919

**Facsimile:** 07 4836 4776

**Opening hours:**

8:00am - 5:00pm  
Monday to Friday

Internet: [www.livingstone.qld.gov.au](http://www.livingstone.qld.gov.au)

Email: [enquiries@livingstone.qld.gov.au](mailto:enquiries@livingstone.qld.gov.au)

#### Officers

**Chief Executive Officer**

Cale Dendle

#### Elected members

**Mayor**

Andrew Ireland

#### AUDITORS

Queensland Audit Office  
Level 14, 53 Albert Street  
BRISBANE QLD 4000

#### Councillors

Adam Belot  
Andrea Friend  
Glenda Mather  
Nigel Hutton  
Patrick Eastwood  
Rhodes Watson

#### Other information

**ABN:** 95 399 253 048

**General Purpose Financial Statements**  
for the year ended 30 June 2021

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.

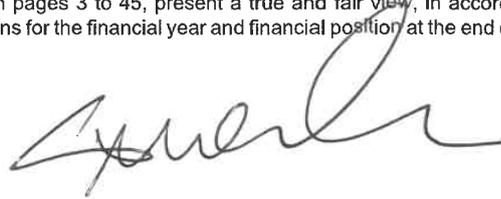
In accordance with Section 212(5) of the Regulation, we certify that:

(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 3 to 45, 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.



**Andrew Ireland**  
**Mayor**  
13 October 2021



**Cale Dendle**  
**Chief Executive Officer**  
13 October 2021

## INDEPENDENT AUDITOR'S REPORT

To the councillors of Livingstone Shire Council

### Report on the audit of the financial report

#### Opinion

I have audited the financial report of Livingstone 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 2021, 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 2021, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including significant accounting policies and other explanatory information, and the certificate given by the Mayor and Chief Executive Officer.

#### Basis for opinion

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

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

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

#### Other information

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

At the date of this auditor's report, the available other information in Livingstone Shire Council's annual report for the year ended 30 June 2021 was the current year financial sustainability statement and long-term financial sustainability statement.

The councillors are responsible for the other information.

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

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

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

### **Responsibilities of the councillors for the financial report**

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

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

### **Auditor's responsibilities for the audit of the financial report**

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

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

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

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

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

#### **Report on other legal and regulatory requirements**

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2021:

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

#### **Prescribed requirements scope**

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



C G Strickland  
as delegate of the Auditor-General

19 October 2021

Queensland Audit Office  
Brisbane

## General Purpose Financial Statements for the year ended 30 June 2021

### Current Year Financial Sustainability Statement

\$ '000	Actual 2021	Target 2021
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#### Measures of financial sustainability

##### 1. Operating surplus ratio

Net result (excluding capital items) <sup>1</sup>	<b>3.65%</b>	0% - 10%
Total operating revenue (excluding capital items) <sup>2</sup>		

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

##### 2. Asset sustainability ratio

Capital expenditure on the replacement of assets (renewals) <sup>3</sup>	<b>62.97%</b>	> 90.00%
Depreciation expense		

An approximation of the extent to which the infrastructure assets managed are being replaced as these reach the end of their useful lives.

##### 3. Net financial liabilities ratio

Total liabilities less current assets	<b>22.76%</b>	< 60.00%
Total operating revenue (excluding capital items) <sup>2</sup>		

An indicator of the extent to which the net financial liabilities can be serviced by its operating revenue.

(1) Includes total recurrent revenue, interest and investment revenue, other income and total recurrent expenditure as disclosed in the Statement of Comprehensive Income. Excludes capital revenue grants, subsidies and contributions, other capital income, total capital expenses such as loss on disposal and write-off of assets, and early repayment expenses incurred in paying out loans.

(2) Includes total recurrent revenue, interest and investment revenue and other income as disclosed in the Statement of Comprehensive Income. Excludes capital revenue grants, subsidies and contributions and other capital income.

(3) Asset renewals are defined as expenditure on existing assets to return the assets to their original service potential (or useful life) while satisfying current construction and required standards. Excludes land and plant & equipment assets.

#### Note 1 - basis of preparation

The current year financial sustainability statement is a special purpose statement prepared in accordance with the requirements of the *Local Government Regulation 2012* and the *Financial Management (Sustainability) Guideline 2013*. The amounts used to calculate the three reported measures are prepared on an accrual basis and are drawn from the Council's audited general purpose financial statements for the year ended 30 June 2021.

**General Purpose Financial Statements**  
for the year ended 30 June 2021

**Certificate of Accuracy**  
for the year ended 30 June 2021

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.



**Andrew Ireland**  
Mayor  
13 October 2021



**Cale Dendle**  
Chief Executive Officer  
13 October 2021

## INDEPENDENT AUDITOR'S REPORT

To the councillors of Livingstone Shire Council

### Report on the current-year financial sustainability statement

#### Opinion

I have audited the accompanying current-year financial sustainability statement of Livingstone Shire Council for the year ended 30 June 2021, 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 Livingstone Shire Council for the year ended 30 June 2021 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 Livingstone Shire Council's annual report for the year ended 30 June 2021 was the general purpose financial statements and long-term financial sustainability statement.

The councillors are responsible for the other information.

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

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

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

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

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

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

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

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

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

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

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

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



C G Strickland  
as delegate of the Auditor-General

19 October 2021

Queensland Audit Office  
Brisbane

## Livingstone Shire Council

### General Purpose Financial Statements

for the year ended 30 June 2021

### Unaudited Long Term Financial Sustainability Statement

\$ '000	Target	Actual	Forecast									
	2021	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
<b>Measures of financials sustainability</b>												
<b>1. Operating surplus ratio</b>												
Net result (excluding capital items) <sup>1</sup>												
Total operating revenue (excluding capital items) <sup>2</sup>	0% - 10%	<b>3.65%</b>	0.30%	0.90%	2.60%	3.90%	5.90%	7.50%	6.30%	5.50%	6.60%	6.50%
An indicator of which the extent to which revenues raised cover operational expenses only or are available for capital funding purposes or other purposes.												
<b>2. Asset sustainability ratio</b>												
Capital expenditure on the replacement of assets (renewals) <sup>3</sup>												
Depreciation expense	> 90.00%	<b>62.97%</b>	120.00%	75.20%	55.40%	59.10%	73.70%	53.80%	64.80%	51.90%	62.90%	44.30%
An approximation of the extent to which the infrastructure assets managed are being replaced as these reach the end of their useful lives.												
<b>3. Net financial liabilities ratio</b>												
Total liabilities less current assets												
Total operating revenue (excluding capital items) <sup>2</sup>	< 60.00%	<b>22.76%</b>	20.50%	17.10%	7.70%	10.60%	8.30%	(1.20)%	(7.20)%	(15.60)%	(20.00)%	(29.20)%
An indicator of the extent to which the net financial liabilities can be serviced by its operating revenue.												

(1) Includes total recurrent revenue, interest and investment revenue, other income and total recurrent expenditure as disclosed in the Statement of Comprehensive Income. Excludes capital revenue grants, subsidies and contributions, other capital income, total capital expenses such as loss on disposal and write-off of assets, and early repayment expenses incurred in paying out loans.

(2) Includes total recurrent revenue, interest and investment revenue and other income as disclosed in the Statement of Comprehensive Income. Excludes capital revenue grants, subsidies and contributions and other capital income

(3) Asset renewals are defined as expenditure on existing assets to return the assets to their original service potential (or useful life) while satisfying current construction and required standards. Excludes land and plant & equipment assets.

**Livingstone Shire Council**  
**General Purpose Financial Statements**  
for the year ended 30 June 2021

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**Livingstone Shire Council 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

General Purpose Financial Statements  
for the year ended 30 June 2021

Certificate of Accuracy - Long Term Financial Sustainability Statement

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Certificate of Accuracy

for the long-term financial sustainability statement prepared as at 30 June 2021

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

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



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Andrew Ireland  
Mayor  
13 October 2021



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Cale Dendle  
Chief Executive Officer  
13 October 2021