


2023-2024

ANNUAL REPORT

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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



Reflecting on Our Progress and the Path Forward

Dear Residents and Stakeholders,

I am honoured to present Livingstone Shire Council's Annual Report for 2024. This year has been a time of significant achievements for our Council, but while we have reason to celebrate, there remains much work to do as we move forward in this term.

Firstly, I'd like to acknowledge the contributions and hard work of the previous Mayor, Andy Ireland, and former Councillor, Clint Swadling. Their dedication to their respective roles within the local community is well-known by all, and I'd like to thank them for everything they've done for the community. On the same note, I'd also like to welcome Councillor Lance Warcon and Councillor Wade Rothery to the Council table. They have already shown their dedication and tenacity in their roles as new Councillors, and I look forward to seeing how their input will no doubt benefit the community they've chosen to represent.

Our community, like many others, has faced tough external challenges this year, including rising living costs, interest rates, and inflationary pressures. Council, too, has felt these impacts, but we are tackling these hurdles with resilience and a firm commitment to delivering for our residents. I hope this determination gives our community confidence that we are working tirelessly to find solutions.

In July, we adopted this Council's first budget – a \$168.1 million plan that prioritises economic sustainability for Livingstone's ratepayers. I am proud to lead a Council that has delivered a modest increase in residential rates and charges of 3.26%, equivalent to just \$3.00 per week for the average household. Additionally, we are reducing Council's debt by \$6.172 million, bringing it down to \$42.371 million, with no further borrowings planned for 2024-25. This strong financial footing, paired with an operating deficit of only \$0.174 million, is part of our effort to keep rates and charges manageable, ensuring ratepayers can trust in our prudent financial management. Balancing a budget while maintaining 700km of sealed roads, 760km of unsealed roads, stormwater and sewerage infrastructure, and bridges is no small feat, yet we remain steadfast in delivering quality services.

Our region's economy continues to grow, evidenced by the registration of 378 new businesses and record-breaking domestic tourism with over 1.3 million overnight stays in 2022-2023. Livingstone Shire's population also increased beyond the state average, reaching 41,906 – a clear sign that our region is an attractive place to live and work.

We are fortunate to see so many new residents choosing Livingstone Shire as their home, but this growth also brings heightened demand for services and higher community expectations. Our \$47.8 million investment in capital works this year is aimed at meeting these needs, with crucial upgrades to roads, water, waste management, and land development. The expansion of our population underscores the appeal of Livingstone's vibrant lifestyle, job opportunities, and the promise of new and emerging industries.

This Annual Report provides a thorough review of the Council's progress and an honest reflection on the challenges we've faced. I encourage you to take the time to explore it and learn more about the work your Council is doing to secure a prosperous future for our region.

Thank you for your continued support as we work together to build a thriving future for Livingstone Shire.

Warm Regards,

A handwritten signature in black ink, appearing to read 'Adam Belot'. The signature is fluid and cursive, written over a horizontal line.

Adam Belot
Mayor

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 Councillors. Our Councillors represent all areas of the Shire as Livingstone is an undivided local government area.



Livingstone Shire Councillors (from left to right) Councillor Pat Eastwood, Councillor Glenda Mather, Councillor Wade Rothery, Mayor Adam Belot, Councillor Rhodes Watson, Councillor Andrea Friend, and Councillor Lance Warcon.

Mayor Adam Belot

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

Deputy Mayor Pat Eastwood

Development & Environment Committee Co-Chair

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

Councillor Andrea Friend

Recreation & Culture Committee Co-Chair

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Councillor Glenda Mather

Infrastructure Committee Co-Chair

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Councillor Wade Rothery

Development & Environment Committee Co-Chair

wade.rothery@livingstone.qld.gov.au | Mobile 0447 875 446

Councillor Lance Warcon

Recreation & Culture Committee Co-Chair

lance.warcon@livingstone.qld.gov.au | Mobile 0475 106 990

Councillor Rhodes Watson

Infrastructure Committee Co-Chair

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

LIVINGSTONE AT A GLANCE

POPULATION GROWTH



7.69%
(2017 - 2021)
LIVINGSTONE

+6.53%
(2017 - 2021)
CENTRAL QLD

+7.47%
(2017 - 2021)
QLD

55,740 estimated residents by 2041



1.6% per year
(2017 - 2041)



AGING POPULATION



RESIDENTS AGED

65+
(2021)

LIVINGSTONE **20.2%**
QLD **17%**

42 **51**

2021
LIVINGSTONE
MEDIAN AGE

2041
LIVINGSTONE
MEDIAN AGE

INCOME & HOME OWNERSHIP

69%

HOME OWNERSHIP



\$1,733

per month

LIVINGSTONE
MEDIAN MORTGAGE
REPAYMENTS

\$1,733

per month

QUEENSLAND
MEDIAN MORTGAGE
REPAYMENTS

\$1,641

per week

LIVINGSTONE
MEDIAN
INCOME

\$1,675

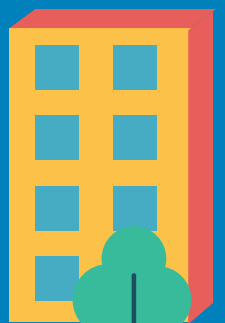
per week

QUEENSLAND
MEDIAN
INCOME

\$490,000

MEDIAN SALE PRICE

LIVINGSTONE



EMPLOYMENT



COMMON OCCUPATIONS LIVINGSTONE | 2021

- Sales Assistance and Salespersons
- Educational Professionals
- Automotive, Engineering and Trade Workers
- Machine and Stationary Plant Workers

CULTURAL MAKEUP

81.1%

PEOPLE BORN
IN AUSTRALIA

5%

PEOPLE
IDENTIFYING AS
ABORIGINAL OR
TORRES STRAIT
ISLANDER

89.8%

PEOPLE SPEAK
ENGLISH AS THEIR
FIRST LANGUAGE

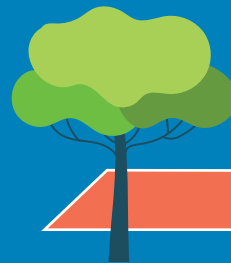


EDUCATION



73.9%

WERE ATTENDING
AN EDUCATIONAL
INSTITUTION IN 2021



ENVIRONMENT

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

754.6km²

FAMILY COMPOSITION



- COUPLES WITHOUT CHILDREN 46%
- COUPLES WITH CHILDREN 38%
- ONE PARENT FAMILIES 15%
- OTHER FAMILIES 1%



Council Activities and Performance

Corporate Plan and Operational Plan Annual Progress

The 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.

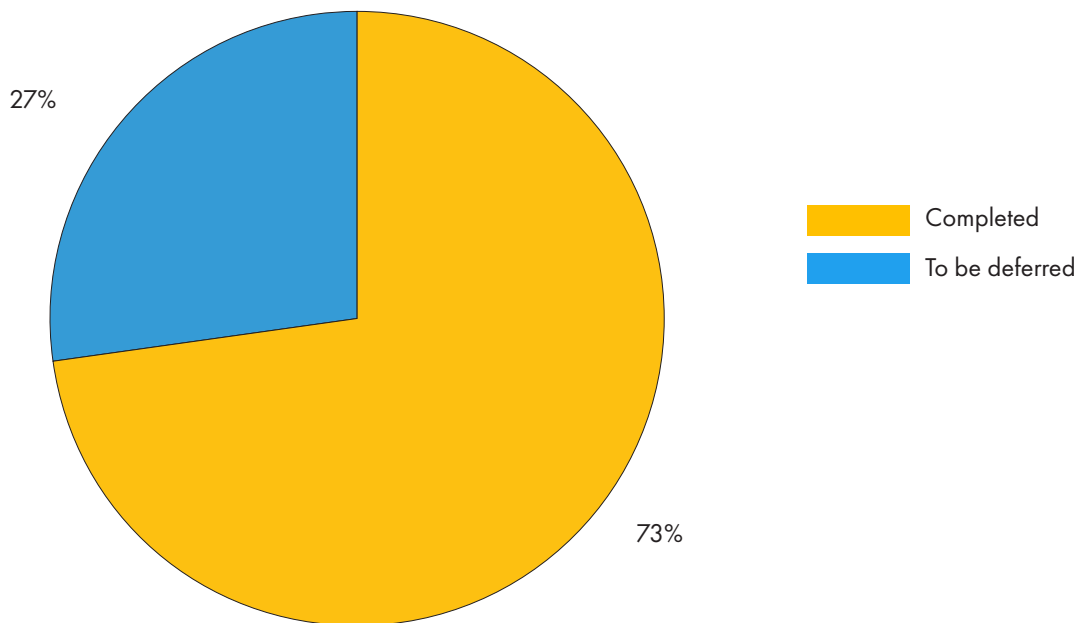
The Plan assists Council to monitor performance, remain on track and meet Council's legislative requirements of the *Local Government Act 2009*.

The Corporate Plan is implemented over its ten year lifespan through annual operational plans and budgets. Livingstone Shire Council's Operational Plan 2023-2024 identified programmes, activities and targets for Council to deliver within the financial year in order to progress implementation of the Corporate Plan's goals, strategies and established priorities.

Of the 70 Operational Plan targets:

- » 51 (73%) were completed;
- » 19 (27%) are to be deferred.

Corporate Plan and Operational Plan Scorecard



Refer to [Ordinary Council Meeting 20 August 2024](#) for the 4th Quarter Operational Plan 2023-2024 Performance Report.

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 2023-2024 financial year and applied the Code of Competitive Conduct during the year to the following three (3) Business Activities:

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

Audit, Risk & Improvement Committee

The primary objective of the Audit, Risk & Improvement Committee (Committee) is to provide independent assurance and assistance to 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.

Membership and meeting attendance of the Committee for the 2023-2024 financial year was:

Member	Role	Term Started	Term Ends	* Meetings Attended
CURRENT MEMBERS				
Mr Peter Sheville	Independent Member Independent Chair	1 March 2023 21 June 2023	28 February 2026 20 June 2026	7
Ms Kerry Phillips	Independent Member Independent Chair (Interim) Independent Chair Independent Member (reappointment)	18 February 2019 22 February 2021 21 June 2021 21 June 2023	21 February 2021 20 June 2021 20 June 2023 28 February 2024	6
Ms Melissa Jacobs	Independent Member (Member extension)	18 May 2021 19 May 2024	18 May 2024 31 March 2025	7
Mr Jeff Stewart-Harris	Independent Member	12 February 2024	11 February 2027	3
Councillor Rhodes Watson	Council Member Representative	20 September 2022	19 September 2028	6
Councillor Pat Eastwood	Council Member Representative	20 September 2022	19 September 2028	7

* 'Meetings attended' includes 4 x standard meetings, 2 x Flying Minutes and 1 x Strategic Planning Workshop

The Committee is well supported by Council including the Chief Executive Officer who assumes the role of Chief Audit Executive, the Chief Financial Officer, Executive Leadership Team, Governance, Pacifica Pty Ltd (Internal Auditors), and the Queensland Audit Office.

During 2023-2024 quorum was reached for all meetings which were held on 18 September 2023, 4 December 2023, 12 February 2024, and 6 June 2024.

Flying minutes were also facilitated on 1 September 2023 (to review the unaudited 2022-2023 Financial Statements and endorse that they be provided to the Auditor-General), and on 20 October 2023 (to receive the unaudited 2022-2023 General Purpose Financial Statements; and to recommend that the Mayor and Chief Executive Officer sign the Management Representation Letter and sign the final 2022-2023 audited General Purpose Financial Statements).

The Committee also participated in a Strategic Planning Workshop on 12 and 13 February 2024, with a site visit undertaken on Council's capital works project for the Cooee Bay Aquatic Centre.

The Committee performed its functions and responsibilities, as outlined in the Audit, Risk & Improvement Committee Charter and Terms of Reference.

The Committee reviewed the draft 2022-2023 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 2012*.

The Committee provides oversight to Council's Control Framework and observed those key internal controls operated soundly during 2023-2024. The Committee also observed that weaknesses in the application of internal controls reported by the Internal or External Auditors are planned to be resolved by management in a reasonably timely manner. The Committee continued to monitor progress against Council's Policy Framework Project which aims to improve Council's approach to managing policy reviews. Council's ICT Security & Controls was monitored by the Committee, with oversight on the status of controls for identified known risks that have been implemented as part of the Security Continuous Improvement Roadmap. Financial controls continued to be monitored with review of reports associated with Asset Management (reevaluation, capitalisation, sustainability, consumption, and maturity), accounting position papers, and fraud management.

The Committee continued to monitor the performance of the Internal Audit function and notes partial completion of projects against the approved 2023-2024 Annual Internal Audit Plan. The Committee reviewed internal audit reports on completed projects for 'Grants Management Practices', and 'Conflicts of Interest & Related Parties Disclosure Management'. Internal audit projects for 'Data Analytics', and 'Software Acquisition & Licencing' are noted as in-progress against the Plan and scheduled for deferred finalisation in Quarter 1 of the 2024-2025 financial year.

Queensland Audit Office assumed the statutory role of appointed External Auditors to Council. The Committee supported the work associated with preparing and finalising the financial statements and reviewing management's letter ensuring appropriate corrective action was established. The Committee also reviewed External Audit reports for 'Human Services Quality Framework (Strengthening Family Connections & Youth Services)', and Local Government Workcare Mutual's 'Safety Management System Review'.

The Committee assumes responsibility for providing assurance that Council is effectively identifying, evaluating and managing its key risks. The Enterprise Risk Management framework continued to evolve during the year under the Risk Management Maturity Advancement Project, with Council's risk profile reviewed and a revised Enterprise Risk Management Policy adopted by Council on 20 February 2024. Council's risk maturity continues to be monitored. The Committee also reviewed an operational risk report on Event Safety, acknowledging it as a high operational risk, exercising oversight to confirm that the risk strategy was appropriate. The Committee provided continued scrutiny over the Transformation Project (Merlin) as it faced significant difficulties associated with the vendor and contract performance.

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 the 2023-2024 financial year to ensure objectives were met efficiently and effectively, and to confirm that all responsibilities outlined in the Terms of Reference had been performed. This year's Committee assessment was again extended to seek 360° feedback from Council's Elected Members, the Executive Leadership Team, and Reporting Officers. Upon completion of the assessments the Committee confirmed its overall effectiveness, however, it did identify a few minor recommendations for improvements which have subsequently been actioned, implemented, or noted for future consideration.

Focus Areas for 2024-2025

- » Monitoring the recruitment, appointment and performance of contracted Internal Auditors (2025-28);
- » Strategic guidance on development of the 2025-28 Strategic Internal Audit Plan;
- » Continued monitoring of machinery of government changes to ensure continuity of operational performance, and effective mitigation of associated risks;
- » Lessons Learnt – Major Digital Transformation Projects;
- » Continued monitoring of the Audit Response Action Plan to ensure timely implementation of audit recommendations;
- » Continued monitoring of Council's Financial Sustainability, with particular focus on strategic asset management maturity and asset accounting practices;
- » Continued monitoring of Cyber Security and the effectiveness of Council's ICT security controls and systems;
- » Ongoing assessment of the maturity of the Enterprise Risk Management Framework and Safety Management System;
- » Continued monitoring of processes and controls associated with revenue recognition, in particular grant management practices;
- » Increased scrutiny of Council's fraud and corruption management framework and monitoring of reportable activities; and
- » Continued review and feedback of Council's Shell General Purpose Financial Statements in accordance with Council's External Audit Plan/s.

Councillor Remuneration, Expenses and Attendance

Councillor Remuneration

In accordance with section 250 of the *Local Government Regulation 2012*, Council must prepare and adopt by resolution an expenses reimbursement policy for the reimbursement of reasonable expenses incurred by Councillors when discharging their duties and responsibilities as Councillors and the provision of facilities necessary to undertake their roles.

Councillor	Gross Salary \$	Superannuation \$	Total Remuneration \$	Home Office Allowance \$	Motor Vehicle Allowance & Car Klm's Claimed \$	Expense Reimbursements	Remuneration Period
Cr Andrew Ireland (Mayor)	\$105,510	\$12,772	\$118,282	\$923	\$15,385	\$6,847	1 July 2023 - 29 March 2024
Cr Adam Belot (Deputy Mayor/ Mayor)	\$102,319	\$12,422	\$114,741	\$1,200	\$7,115	\$10,853	1 July 2023 - 30 June 2024
Cr Andrea Friend	\$74,766	\$9,116	\$83,882	\$1,200	\$6,402	\$4,069	1 July 2023 - 30 June 2024
Cr Rhodes Watson	\$75,258	\$9,175	\$84,433	\$1,200	\$3,634	\$3,415	1 July 2023 - 30 June 2024
Cr Clint Swadling	\$56,535	\$6,897	\$63,432	\$936	\$27,156	\$5,118	1 July 2023 - 3 April 2024
Cr Lance Warcon	\$18,436	\$2,244	\$20,680	\$268	\$1,362	\$589	3 April 2024 - 30 June 2024
Cr Pat Eastwood (Councillor/ Deputy Mayor)	\$78,262	\$9,536	\$87,798	\$1,200	\$3,692	\$7,437	1 July 2023 - 30 June 2024
Cr Wade Rothery	\$18,436	\$2,244	\$20,680	\$268	\$1,362	\$528	3 April 2024 - 30 June 2024
Cr Glenda Mather	\$74,912	\$9,133	\$84,045	\$1,200	\$12,536	\$2,380	1 July 2023 - 30 June 2024
TOTAL	\$604,434	\$73,539	\$677,973	\$8,395	\$78,644	\$41,236	\$806,248

Attendance at Council Meetings

Councillor	Ordinary Meetings 30 June 2023 - 16 March 2024 (9 Held)	Special Meetings 30 June 2023 - 16 March 2024 (9 Held)	Ordinary Meetings 17 March 2024 - 30 June 2024 (3 Held)	Special Meetings 17 March 2024 - 30 June 2024 (2 Held)	Standing Committee 4 June 2024 - 30 June 2024 (3 held)
Mayor Andy Ireland	9	9	-	-	-
Mayor Adam Belot	-	-	3	2	3
Deputy Mayor Adam Belot	9	9	-	-	-
Cr Glenda Mather	9	9	3	2	3
Cr Pat Eastwood	9	9	3	2	3
Cr Andrea Friend	9	9	3	2	3
Cr Rhodes Watson	9	9	3	2	3
Cr Clint Swadling	9	9	-	-	-
Cr Lance Warcon	-	-	3	2	3
Cr Wade Rothery	-	-	3	2	3

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)	0
Orders made under section 150IA(2)(b) of the Act	0
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). Details: Cr Andrew Ireland – Failure to comply with Council’s Councillor Complaints Investigation Policy.	1
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)	0
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)	8
Notices given under section 150S(2)(a) of the Act – (inappropriate conduct 3 times in 1 year)	0
Occasions information was given under section 150AF(3)(a) of the Act	0
Occasions the local government asked another entity to investigate, under chapter 5A, part 3, division 5 of the Act for the local government, the suspected inappropriate conduct of a councillor	0
Applications heard by the conduct tribunal under chapter 5A, part 3, division 6 of the Act about whether a councillor engaged in misconduct or a conduct breach	0
Referral notices given to the local government under section 150AC(1) of the Act	0
Number of decisions made by the local government under section 150AG(1) of the Act during the financial year	0
The number of matters not decided by the end of the financial year under section 150AG(1) of the Act	0
The average time taken by the local government in making a decision under section 150AG(1) of the Act	N/A



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 2023-2024 financial year, the total remuneration packages paid to Council's senior management amounted to \$1,578,166.

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

CEO Remuneration

The Chief Executive Officer remuneration package payable for the 2023-2024 financial year was as follows:

Gross Salary (Payable)	\$254,412
Motor Vehicle Allowance	\$20,588
Superannuation	\$33,000
Professional Memberships	\$605
CEO Total Remuneration Package Payable 2023-2024	\$308,605

Administrative Action Complaints

In accordance with section 187 of the *Local Government Regulation 2012*, Council has adopted an Administrative Action Complaints Policy and Procedure to effectively deal with complaints in a fair, confidential, prompt and respectful manner.

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, which is recognised as a key component of quality and governance practices. Details about the process, including how to lodge a complaint can be found on Council's website.

As required by section 187(2) of the *Local Government Regulation 2012*, the below table provides a summary of Administrative Action Complaint outcomes for 2023-2024.

OUTCOME OF ADMINISTRATIVE ACTION COMPLAINTS	2023 - 2024
Number of Administrative Action Complaints made	365
Number of Administrative Action Complaints resolved under the complaints management process (including complaints received in previous year 2022/2023)	370
Number of Administrative Action Complaints not resolved under the complaints management process	1
Number of Administrative Action Complaints that were made and not resolved that were made in the previous financial year (2022/2023)	0

To enhance service quality, administrative action complaints are classified into specific categories. This enables Council to identify emerging trends and root causes of these complaints. It allows for any concerns to be addressed and drives continuous improvement. Below is a breakdown of the percentage of complaints received by complaint category.

Complaint Category	Percentage of complaints made to the local government
TIME: Dissatisfaction over time taken for Council to provide a service	2%
QUALITY: Dissatisfaction over the quality of service provided by Council	0%
PERSON: Dissatisfaction over the actions of a Council Officer	0%
SAFETY: Dissatisfaction over an issue related to safety or risk	0%
COMMUNICATION: Dissatisfaction over the communication (or lack thereof) of Council	1%
EXPECTATION: Dissatisfaction over expectation of the service of Council	2%
INFRINGEMENT: Dissatisfaction over a penalty infringement notice received	95%

Human Rights Complaints

Public entities (including Local Governments) are required to act and make decisions 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 Act, individuals who believe that a public entity has breached their human rights have the right to raise a complaint and seek remedies. The Act provides various avenues for people to pursue complaints and secure appropriate remedies for any infringements on their human rights.

In the 2023-2024 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](#) or the [Queensland Human Rights Commission website](#).

Financial Assistance to Community Organisations

During the 2023-2024 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.

Community Grants Scheme

In 2023-2024, Livingstone Shire Council's Community Grants Scheme provided local not-for-profit community and sporting groups an opportunity to apply for funding up to \$5,000, for initiatives which enhance Livingstone's liveability and build the capacity and resilience of the applicant groups.

In 2023-2024, a total of \$99,999.78 contributed by Council, was granted to 26 not for profit community and sporting groups across Livingstone Shire.

Round One - 2023-2024 Livingstone Community Grants (Successful Applicants)

Applicant	Initiative Description	Amount \$
Yeppoon Rugby League Football Club Inc.	Construct disability access ramp from gate into grounds	\$4,852.00
Marlborough and District Lions Club Inc.	Purchase of generator and equipment for mobile refrigeration unit	\$4,550.00
Yeppoon and District Show Society Inc.	Purchase of defibrillator and kitchen equipment	\$4,648.30
The Caves Progress and Agricultural Society	Upgrade poultry cages and purchase gazebos, leaf blower, and air inflator	\$886.70
Cap Coast Kart Club Inc.	Fees for ecological report to enable development of track	\$5,000.00
Wildlife Rehabilitation HQ Inc.	Wheelchair accessible pathway	\$2,606.00
Joskeleigh Community Association Inc.	Fees for technical drawings to enable development of multi-purpose community building	\$5,000.00
Jack's Paddock Inc.	Purchase of arbour for cultivation and shade	\$1,438.80
Capricorn Coast Toy Library Inc.	Purchase of laptop and software	\$1,176.00
Cawarral Cricket Club Inc.	Purchase and application of topsoil on playing surface	\$4,770.00
Paddle Capricornia	Fees for trainers for Sea Kayaking Symposium 2024	\$5,000.00
Byfield and District Historical Society Inc.	Purchase of defibrillators, training, and promotion	\$4,882.78
Lions Club of Emu Park Inc.	Upgrade of signage at entrances to Emu Park	\$4,821.20
TOTAL		\$49,631.78

Round Two - 2023-2024 Livingstone Community Grants (Successful Applicants)

Applicant	Initiative Description	Amount \$
Yeppoon Australian Football Club Inc.	Final plans and engineering for female changeroom facilities	\$5,000.00
Yeppoon Senior Citizens Association Incorporated	Purchase of equipment and resources for activities	\$1,612.71
Cycling Without Age Yeppoon Inc.	Construct pathway between Capricorn Gardens Retirement Village and the Rail Trail	\$5,000.00
Emu Park Golf Club	Purchase of Public Address System	\$5,000.00
Capricorn Coast Rugby Union Football Club	Replacement of existing goal posts	\$4,500.00
Sing for Health and Happiness	Purchase of defibrillator and resources for activities	\$2,728.00
Yeppoon Tennis Club Inc.	Supply and install solar hot water service	\$5,000.00
Marlborough State Emergency Services	Purchase of Mobile fridge	\$1,708.00
Capricorn Coast Football Club	Improvements to provide all abilities access to canteen and shed	\$5,000.00
Broadmeadows Clay Target Club	Replace boundary fencing	\$4,950.00
Keppel Bay Sailing Club	Purchase of Lifejackets	\$3,610.00
The Caves Recreational Hall Inc	Replace external stairs	\$4,950.00
Yeppoon Little Theatre	Outdoor electronic billboard	\$1,309.29 (partial)
TOTAL		\$50,368.00

Regional Arts Development Fund (RADF)

The Regional Arts Development Fund is a partnership between state and local governments which invests in quality arts and cultural experiences across Queensland based on locally determined priorities.

The Regional Arts Development Fund 2023-2024 promotes the significance and value of arts, culture and heritage as the key to:

- » supporting diversity and inclusivity;
- » growing stronger regions; and
- » providing training, education and employment opportunities for Queensland artists and local communities.

The total budget available for the 2023-2024 Regional Arts Development Fund Program was \$66,225 comprising of \$36,225 from the State Government – Arts Queensland and \$30,000 from Livingstone Shire Council.

Round One - 2023-2024 RADF Grants (Successful Applicants)

Applicant/Community Group/Individual Professional Development	Purpose	Amount \$
Caitlyn Lever (Individual Professional Development)	Participation in the 'Thriving Muralist' course for professional development of mural artists.	\$2,762.00
Aphrodite Art School	'Common Ground'. Planning and delivery of fortnightly art/community meet ups to encourage getting creative in natural spaces.	\$3,771.00
Yeppoon Little Theatre	Youth theatre production of 'Ivy Shambitt and the Sound Machine'.	\$4,250.00
High Valley Dawn	Various arts and cultural components of the High Valley Dawn Festival 2024.	\$7,000.00
GKI Hideaway	Country on Keppel Music Festival – workshops	\$5,918.00
TOTAL		\$23,701.00

Round Two - 2023-2024 RADF Grants (Successful Applicants)

Applicant/Community Group/Individual Professional Development	Purpose	Amount \$
Lock and Hock	The Unlock Project (youth theatre development)	\$8,230.00
Keppel Coast Arts	The Creek Sessions (live music and arts events)	\$5,300.00
Warama Culture Pty Ltd	Ngilan (moon) Festival	\$4,500.00
Sandy Krak Reef Festival	Sandy Krak Reef Festival Workshops	\$5,000.00
Fig Tree Galleries	Artist Workshops	\$2,550.00
Suzan Stewart	Crafting by the Coast Retreat	\$4,200.00
TOTAL		\$29,780.00

Additional Local RADF Initiatives

\$10,000 to Keppel Coast Arts Incorporated to manage the Fig Tree Gallery and Workshop Space on Council's behalf.

\$2,744 was utilised by Council to supplement the cost of bringing 'Children are Stinky' (an award-winning theatre show by Circus Trick Tease for ages 3-12) to Livingstone Shire.

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 in accordance with the [Concealed Leak Refund Procedure](#) and [Water Consumption Charge Refund – Health Related Uses Procedure](#).

Tenders

Under section 228(4) or (7)(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 2023-2024 financial year, there were no changes to tenders under section 228(8) 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:

- Adopted Infrastructure Charges Register
- Asbestos Register
- Asset Register
- Cat and Dog Register
- Cemetery Register
- Contracts Register
- Corporate Delegation Register
- Council Fees and Charges (Cost-Recovery Fees) Register
- Enterprise Risk Management Register
- Gift Register
- Hazardous Substances Register
- Investigation and Fraud Register
- Local Law Register
- Register of Administrative Action Complaints
- Register of Complaints about the Conduct or Performance of Councillors
- Register of Complaints about the Conduct or Performance of Employees
- Register of Contact with Lobbyists
- Register of Delegations (Council to CEO and CEO to Officers and/or Contractors)
- Register of Development Applications
- Register of Impounded Animals
- Register of Installed On-site Sewerage and Grey Water Use Facilities
- Register of Interests of Chief Executive Officer
- Register of Interests of Councillors
- Register of Interests of Senior Executive Employees
- Register of Master Plan Applications
- Register of Pre-Qualified Suppliers
- Register of Resolutions about Land Liable to Flooding made under the Building Act
- Register of Roads and Road Maps
- Register of Subdivisions Approved under the repealed Local Government (Planning and Environment) Act 1990
- Register of Testable Backflow Prevention Devices
- Register of Thermostatic Mixing Valves
- Related Party 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 2023-2024 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; and
 - (2) An annual operations report.

Legislative Requirements - Nil to Report

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* which Livingstone Shire Council has no information to report for the 2023-2024 financial year:

- » Other contents (section 190 of the *Local Government Regulation 2012*)
 - (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).

Workplace Health and Safety

The safety and wellbeing of our people, and all people we interact with, remains a key priority. We are continuing to build a culture where we put safety first and want everyone to go home safe today and every day.

We have continued to implement our Safety Action Plan to improve our safety performance, with 100% of actions identified for the 2023-2024 financial year completed. Our safety performance is driven through 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. We continue to monitor these trends, focusing on lead and lag indicators.

The health, safety and wellbeing of our people both physically and mentally, continues to be a priority. As we closed out the 2023-2024 financial year our Lost Time Injury Frequency Rate (LTIFR) sat at 27.81%. Whilst this is not where we would like it to be, we are taking further steps to improve our safety and reduce our LTIFR to ensure all our people return home safely. Council actively supports worker's health and wellbeing through a range of health and wellbeing programs and by supporting workers to return to work as soon as possible, for both work-related and non-work-related injuries.

Not only is physical safety important but the psychological health and wellbeing of our people is just as important to us. Council continues to maintain a strong focus on mental health and wellbeing through trained and accredited Mental Health First Aid Officers who are able to provide support for team members who may be experiencing a mental health crisis or illness. Council's Employee Assistance Program also remains a key offering providing free counselling services to employees and their immediate family members.

The safety and wellbeing of employees continue to be our focus. This means that we will continue to focus strongly on safety and involve employees in the organisation as we aim for our goal that no person shall come to harm while working at Council.

Overseas Travel

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



Community Financial Report

For the Year Ended 30 June 2024

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 2024 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.

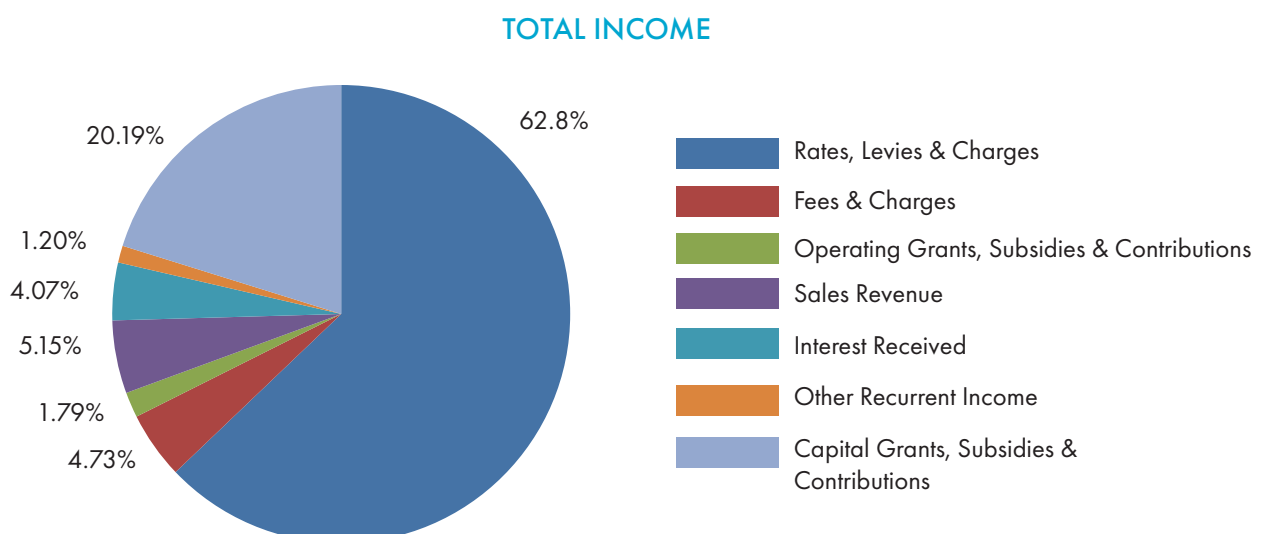
Sources of Income - Where our money comes from...

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 \$145.3 million in revenue was recognised for the year. This was comprised of \$116.0 million in operating revenues and \$29.3 million in capital revenue.

Unlike previous years, Council did not receive an advance payment of the Commonwealth Federal Assistance Grant and therefore grant revenue has reduced. As the timing of the grant payment is determined each year by the Federal Government, Council's operating results may be impacted by future changes to the timing or amount of the prepayment.

Capital revenue is derived from grants, contributions and the revaluation of Council's non-current assets. 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.



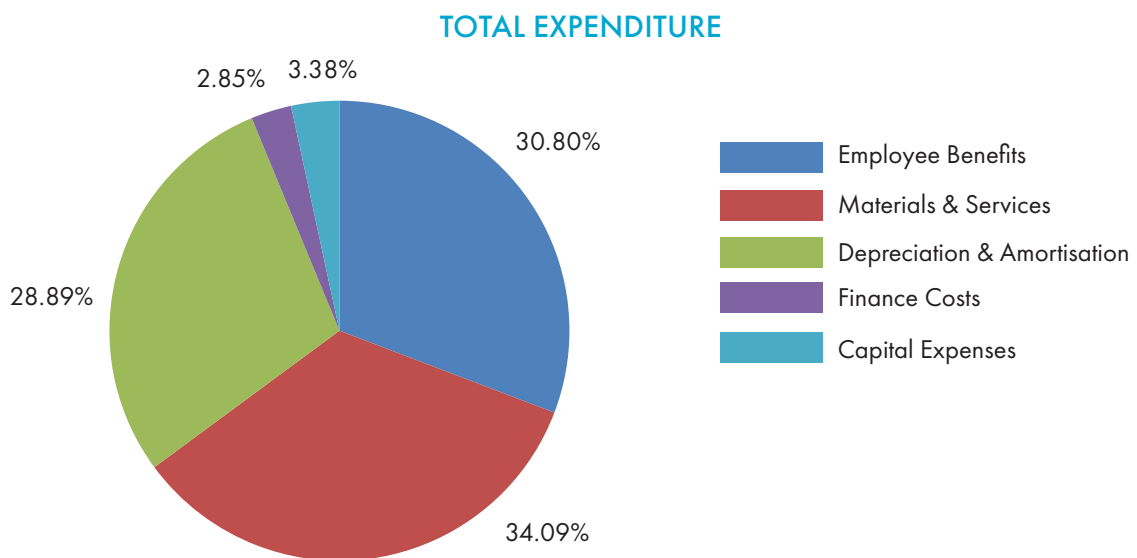
Expenses - Where our money is spent...

The three largest items of Council's expenditure are employee benefits, materials & services and depreciation, and overall operating expenses for the year totalled approximately \$112.0 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.

In addition to operating expenditure, Capital expenses totalled approximately \$3.9 million. This amount related predominantly to assets written off for disposal as part of our investment in renewing existing assets.



Total Comprehensive Income for the Year

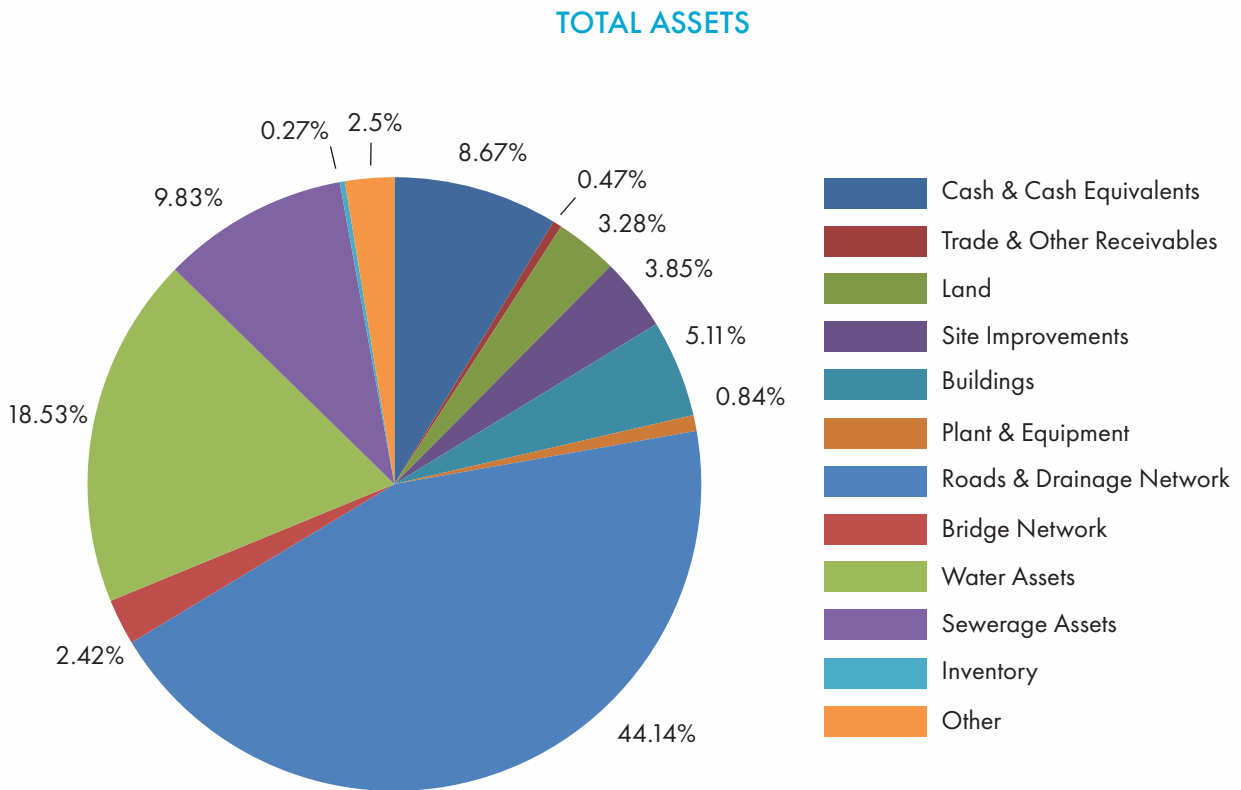
Total comprehensive income for the year was approximately \$40.1 million, which is the difference between total income and total expenses and measures the change in Council's net community assets. Total comprehensive income includes the increase in Council's asset revaluation surplus of \$10.7 million resulting from the revaluation of Council's non-current assets in accordance with Australian Accounting Standards, and a \$0.2 million change in Council's landfill rehabilitation provision.

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 88.0% 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 \$1.4 billion as at 30 June 2024.

Capital Works

Capital works undertaken for the year totalled approximately \$27.7 million. These capital works were funded from different sources including grants & subsidies, and cash holdings. Contributed assets of \$15.7 million were also received from new developments within the region. Significant projects undertaken in 2023-24 were:

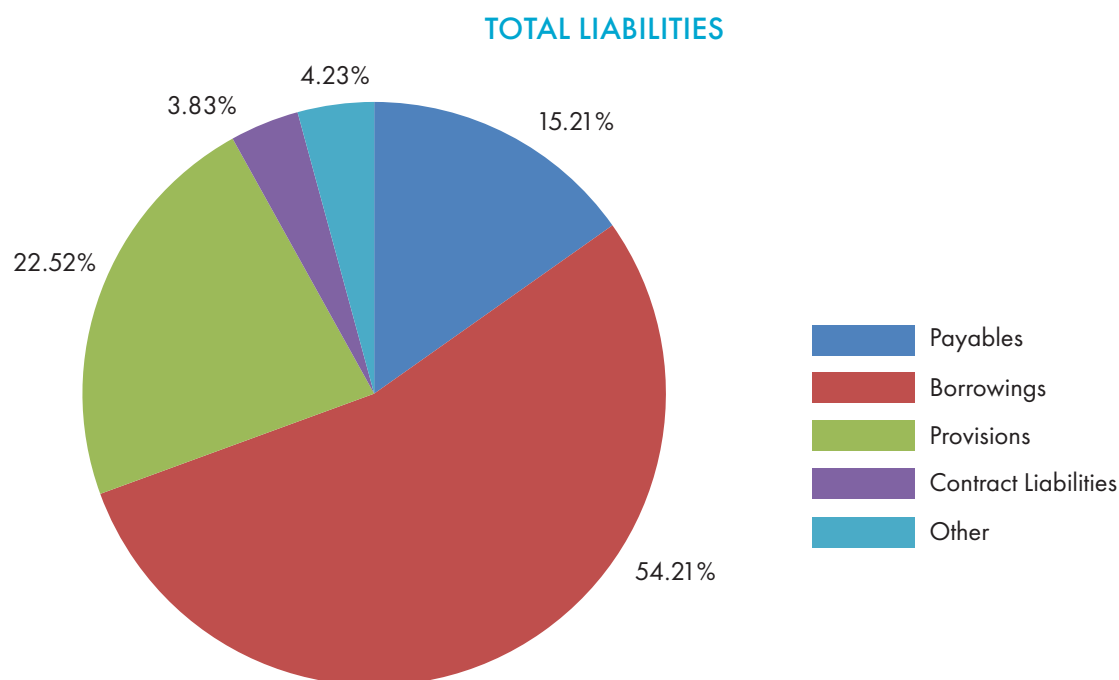
- » Emu Park Reservoir
- » Queen St Upgrade (Arthur St to Mary St)
- » Capricorn Coast Memorial Gardens
- » Station Quarter Community Recovery Hub
- » Gateway Industry and Business Park Stage 2A and 3B
- » Normanby St (Mary St to Ben St) HOBAS Mains Replacement
- » Annual Road Reseal Program
- » Barmaryee Sports Complex Emergency Services Staging Area
- » Yeppoon Sewerage Treatment Plant Membrane Augmentation
- » Yeppoon Road Upgrade – TMR Water Relocations
- » Local Disaster Co-ordination Centre ICT Renewal
- » Water Treatment Plant clarifier scraper replacement

- » Caves Waste Transfer Station Refurb & Upgrade
- » Merv Anderson Park Amenities
- » Cooe Bay Tennis Court Hardcourt Resurface
- » Progression on several major projects including:
 - Cooe Bay Swimming Pool Upgrade
 - Great Keppel Island Sewerage Treatment Plant & Arrivals Plaza
 - Emu Park Sewerage Treatment Plant Upgrade
 - Tanby Road South PFTI
 - Yeppoon Landfill Cell extension
 - Artillery/Greenlake Road Upgrade
 - Gateway Industry and Business Park Stage 4

What Do We Owe?

Council's borrowings at the 30 June 2024 totalled approximately \$48.5 million. The level of Council's long-term debt is regularly reviewed as a component of the long-term financial forecast.

Interest expense on all loans, totalled 2.2% of total operating income.



Total liabilities were approximately \$89.5 million at 30 June 2024 of which approximately 54.2% 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.

From the 2024 financial year, there are now eight ratios. The calculation of each of the first six ratios is independently audited each financial year, with the remaining two ratios used for contextual purposes only. 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.

With the exception of the Asset Sustainability Ratio and Asset Consumption Ratio, all of the ratios are within the target range over the long term. While the Asset Sustainability Ratio only achieves the target of greater than 80% in only one year, the results are 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. This is also reflected in the decline in the asset consumption ratio over the same period.

Relevant Measures of Financial Sustainability

		FORECAST										
	Target	30/06/2024	30/06/2025	30/06/2026	30/06/2027	30/06/2028	30/06/2029	30/06/2030	30/06/2031	30/06/2032	30/06/2033	30/06/2034
1 Unrestricted cash expense coverage ratio												
Total cash and equivalents add current investments add available ongoing QTC working capital limit less externally restricted cash / Total operating expenditure less depreciation and amortisation less finance costs x 12	Greater than 4 months	14.2 months										Forecast is not required

The unrestricted cash expense cover ratio is an indicator of the unconstrained liquidity available to a council to meet ongoing and emergent financial demands, which is a key component to solvency. It represents the number of months a council can continue operating based on current monthly expenses.

2 Operating Surplus Ratio												
Operating result / Total operating revenue	Greater than 0%	3.4%	(0.1)%	0.0%	2.2%	2.0%	2.5%	3.2%	2.3%	1.6%	1.1%	0.8%

The operating surplus ratio is an indicator of the extent to which operating revenues generated cover operational expenses. Any operating surplus would be available for capital funding or other purposes. Council's long-term financial forecast indicates that Council anticipates achieving a balanced operational budget or modest surplus through all future forecast years.

3 Operating Cash Ratio												
Operating result add depreciation and amortisation add finance costs / Total operating revenue	Greater than 0%	34.5%	31.0%	31.4%	33.8%	33.5%	33.3%	32.9%	32.2%	32.1%	31.9%	31.7%

The operating cash ratio is a measure of council's ability to cover its core operational expenses and generate a cash surplus excluding depreciation, amortisation, and finance costs.

4 Asset Sustainability Ratio												
Capital Expenditure on the Replacement of Assets (renewals) / Depreciation Expense (%)	Greater than 80%	31.0%	74.4%	94.2%	36.2%	36.5%	37.0%	49.0%	32.6%	27.3%	28.1%	26.1%

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% across each 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.

		FORECAST										
	Target	30/06/2024	30/06/2025	30/06/2026	30/06/2027	30/06/2028	30/06/2029	30/06/2030	30/06/2031	30/06/2032	30/06/2033	30/06/2034
5 Asset consumption ratio												
Written down replacement cost of depreciable infrastructure assets / Current replacement cost of depreciable infrastructure assets	Greater than 60%	68.1%	61.8%	62.4%	61.6%	61.1%	60.4%	60.1%	59.2%	58.3%	57.6%	56.7%

The asset consumption ratio approximates the extent to which council's infrastructure assets have been consumed compared to what it would cost to build a new asset with the same benefit to the community.

6 Leverage ratio												
Book value of debt / Total operating revenue less total operating expenditure add depreciation and amortisation	0 - 3 times	1.20	1.10	0.90	0.70	0.50	0.30	0.20	0.10	0.10	0.10	0.10

The leverage ratio is an indicator of a council's ability to repay its existing debt. It measures the relative size of the council's debt to its operating performance.

7 Council controlled revenue ratio												
Net rates, levies and charges add fees and charges / Total operating revenue	No target	84.7%	85.2%	88.0%	88.9%	88.7%	88.5%	88.8%	88.9%	88.6%	88.1%	87.7%

Council controlled revenue is an indicator of a council's financial flexibility, ability to influence its operating income, and capacity to respond to unexpected financial shocks.

8 Population growth												
Prior year estimated population / Previous year estimated population - 1	No target	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%

Population growth is a key driver of a council's operating income, service needs, and infrastructure requirements into the future. Council has used the Compound Annual Growth Rate method for calculating this ratio. This method calculates the average annual growth rate over a 10 year period based on the Queensland Government Statistician's Office population projections for the Livingstone local government area for the period 2026 to 2036.

Statement of Changes in Equity

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

What Are We Worth?

Community equity is equal to total assets less total liabilities and at 30 June 2024 is approximately \$1.3 billion. 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 2033-34 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 regard to financing activities, Council did not need to borrow any funds to pay for capital works undertaken in 2023-24.

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 2023-24 financial year was an increase of approximately \$13.1 million mainly as a result of the increased operational surplus, investment income, and timing related issues in the capital works program.

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 continue to align 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 remains committed to responsible financial management, ensuring that it abides by the four financial guiding principles it has adopted to develop and inform future budgets and long-term financial forecasts:

1. The community's finances will be managed responsibly to enhance the wellbeing of residents;
2. Council will maintain community wealth to ensure that the wealth enjoyed by today's generation may also be enjoyed by tomorrow's generation;
3. Council's financial position will be robust enough to recover from unanticipated events, absorb the volatility inherent in revenues and expenses; and
4. Resources will be allocated to those activities that generate community benefit.

Council will 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 2024



General Purpose Financial Statements

for the year ended 30 June 2024

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General Purpose Financial Statements
for the year ended 30 June 2024

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General Purpose Financial Statements for the year ended 30 June 2024

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 2024.

The format of the Financial Statements complies with both the accounting and reporting requirements of the 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 of 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 Auditor provides an audit report which gives an opinion on whether the Financial Statements present a true and fair

view of the Council's financial performance, position and cash flow for the year then ended.

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 2024

	Notes	2024 \$ '000	2023 \$ '000
Income			
Recurrent revenue			
Rates, levies and charges	34	91,384	81,975
Fees and charges	3b	6,881	7,128
Sales revenue	3c	7,489	3,830
Grants, subsidies and contributions	3d	2,609	8,104
Total recurrent revenue		108,363	101,037
Capital revenue			
Grants, subsidies and contributions	3d	29,132	41,458
Total capital revenue		29,132	41,458
Other income			
Interest received	4a	5,909	3,662
Other income	4b	1,738	1,772
Capital income	5	211	1,976
Total other income		7,858	7,410
Total income		145,353	149,905
Expenses			
Recurrent expenses			
Employee benefits	6	35,715	35,523
Materials and services	7	39,535	35,544
Finance costs	8	3,302	3,449
Depreciation and amortisation:			
Depreciation of property, plant and equipment	14	33,392	30,610
- Intangible assets		111	108
Total recurrent expenses		112,055	105,234
Other expenses			
Capital Expenses	8	3,921	7,725
Total other expenses		3,921	7,725
Total expenses		115,976	112,959
Net Result		29,377	36,946
Other comprehensive income			
Amounts which will not be reclassified subsequently to the operating result			
Net increase in asset revaluation surplus	14, 1b	10,756	155,706
Total other comprehensive income for the year		10,756	155,706
Total comprehensive income for the year		40,133	192,652

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

Statement of Financial Position

as at 30 June 2024

	Notes	2024 \$ '000	Restated 2023 ^a \$ '000
Assets			
Current assets			
Cash and cash equivalents	10	90,353	99,744
Financial assets	10	32,500	5,000
Receivables	11	6,717	6,208
Inventories	12	1,076	1,207
Contract assets	15a	5,284	2,652
Other assets	13	3,620	4,484
Total current assets		139,550	119,295
Non-current assets			
Inventories	12	2,764	4,763
Property, plant and equipment	14	1,274,164	1,259,067
Intangible assets		177	288
Total non-current assets		1,277,105	1,264,118
Total Assets		1,416,655	1,383,413
Liabilities			
Current liabilities			
Payables	16	13,620	13,555
Contract liabilities	15b	3,432	3,725
Borrowings	17	6,255	5,958
Provisions	18	7,972	7,917
Other liabilities	19	1,338	1,347
Total current liabilities		32,617	32,500
Non-current liabilities			
Borrowings	17	42,281	48,439
Provisions	18	12,188	12,125
Other liabilities	19	2,452	3,550
Total non-current liabilities		56,921	64,114
Total Liabilities		89,538	96,614
Net community assets		1,327,117	1,286,799
Community equity			
Asset revaluation surplus	14	271,505	260,564
Retained surplus		1,055,612	1,026,235
Total community equity		1,327,117	1,286,799

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

^a Council has made a retrospective restatement as a consequence of a correction of error in accordance with AASB 106. Details are disclosed in Note 26.

Statement of Changes in Equity for the year ended 30 June 2024

	Notes	Asset revaluation surplus \$ '000	Retained surplus \$ '000	Total equity \$ '000
Balance as at 1 July 2023		260,564	1,026,235	1,286,799
Net result		–	29,377	29,377
Other comprehensive income for the year				
- Increase in asset revaluation surplus	14	10,756	–	10,756
- Change in value of future rehabilitation costs	18	185	–	185
Other comprehensive income		10,941	–	10,941
Total comprehensive income for the year		10,941	29,377	40,318
Balance as at 30 June 2024		271,505	1,055,612	1,327,117
Balance as at 1 July 2022		104,858	992,899	1,097,757
Adjustments to opening balance	20	–	(3,610)	(3,610)
Net result		–	36,946	36,946
Other comprehensive income for the year				
- Increase in asset revaluation surplus	14	157,228	–	157,228
- Change in value of future rehabilitation costs	18	(1,522)	–	(1,522)
Other comprehensive income		155,706	–	155,706
Total comprehensive income for the year		155,706	36,946	192,652
Balance as at 30 June 2023		260,564	1,026,235	1,286,799

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

Statement of Cash Flows
for the year ended 30 June 2024

	2024	2023
	\$ '000	\$ '000
Cash flows from operating activities		
Receipts from customers	105,963	93,369
Payments to suppliers and employees	(79,681)	(76,897)
	26,282	16,472
Receipts		
Waste levy received in advance	55	1,196
Interest received	5,909	3,662
Non-capital grants and contributions	2,643	6,911
Other	7,356	6,208
Payments		
Borrowing costs	(2,842)	(3,154)
Net cash inflow (outflow) from operating activities	39,403	31,295
Cash flows from investing activities		
Receipts		
Proceeds from sale of property, plant and equipment	831	2,490
Grants, subsidies, contributions and donations	10,445	18,296
Payments		
Payments for financial assets	(27,500)	-
Payments for property, plant and equipment	(26,711)	(40,175)
Payments for intangible assets	-	(250)
Net cash inflow (outflow) from investing activities	(42,935)	(19,639)
Cash flows from financing activities		
Payments		
Repayment of borrowings	(5,859)	(5,563)
Net cash flow inflow (outflow) from financing activities	(5,859)	(5,563)
Net increase (decrease) in cash and cash equivalent held	(9,391)	6,093
Cash and cash equivalents at the beginning of the financial year	99,744	98,651
Cash and cash equivalents at the end of the financial year	90,353	104,744
plus: Investments on hand – end of year	32,500	5,000
Total cash, cash equivalents and financial assets	122,853	109,744

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

Notes to the Financial Statements for the year ended 30 June 2024

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 2023 to 30 June 2024. They are prepared in accordance with the *Local Government Act 2009* and the *Local Government Regulation 2012*.

Council is a not-for-profit entity for financial reporting purposes and these financial statements comply with the Australian Accounting Standards and Interpretations as applicable to not-for-profit entities.

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

(b) Date of authorisation

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

(c) 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 2023. None of the standards had a material impact on reported position, performance and cash flows.

(d) Standards issued by the AASB not yet effective

The Australian Accounting Standards Board (AASB) has issued Australian Accounting Standards and Interpretations which are not effective at 30 June 2024. These standards have not been adopted by Council and will be included in the financial statements on their effective date. None of the standards are expected to have a material impact on Council's financial statements.

(e) 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 28

(f) 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.

(g) 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.

(h) 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.

(i) Adjustments for Assets Not Previously Recognised and Duplicate Assets

During the year it has been identified that assets with a written down value of \$4,804,960 should have been disposed of prior to 1 July 2022 and council also identified some infrastructure assets such as footpaths, stormwater and sewer components; and road median strips which had not previously been recognised with a total value of \$1,195,446.

Due to their material nature, adjustments in the 2023-24 financial year relating to assets not previously recognised and duplicate assets have been disclosed in Note 26 Restated Balances.

Notes to the Financial Statements for the year ended 30 June 2024

Note 2. Analysis of results by function

(a) Components of Council functions

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 Communities 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 & Governance, Information Services 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. This function also has responsibility for council's depot operations and recoverable works.

Communities

The goal of Communities 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, open spaces and facilities, 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 2024

Note 2. Analysis of results by function (continued)

(b) Income, expenses and assets attributed to Council functions

Functions	Gross program income		Total income \$ '000	Total expenses \$ '000	Net result \$ '000	Total assets \$ '000
	Grants \$ '000	Other \$ '000				
2024						
Office of the Chief Executive Officer	778	702	1,480	(21,865)	(20,385)	11,256
Infrastructure services	9,979	19,996	29,975	(28,536)	1,439	696,007
Communities	2,121	9,556	11,677	(35,367)	(23,690)	108,164
Waste services	—	9,894	9,894	(8,911)	983	12,035
Water and sewerage services	20	36,468	36,508	(32,641)	3,867	412,216
Central funds	205	55,614	55,819	11,344	67,163	176,977
Total	13,103	132,250	145,353	(115,976)	29,377	1,416,656
2023						
Office of the Chief Executive Officer	362	194	556	(8,885)	(8,329)	727
Infrastructure services	22,936	23,740	46,676	(56,873)	(10,197)	788,037
Communities	2,487	5,930	8,417	(16,944)	(8,527)	10,502
Waste services	288	9,217	9,505	(7,476)	2,029	11,723
Water and sewerage services	16	30,525	30,544	(33,060)	(2,516)	417,814
Central funds	5,500	48,699	54,207	10,279	64,486	154,610
Total	31,600	118,305	149,905	(112,959)	36,946	1,383,413

Notes to the Financial Statements

for the year ended 30 June 2024

Note 3. Revenue

	2024	2023
	\$ '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.		
General rates	47,494	42,386
Separate rates	6,522	7,933
Sewerage charges	14,103	12,367
Special rates	378	388
Waste utility charges	8,658	7,946
Water access charges	12,585	10,892
Water consumption charges	9,964	7,434
Total rates and utility charge revenue	99,704	89,346
Less: discounts	(7,377)	(6,469)
Less: pensioner and other remissions	(943)	(902)
Total rates, levies and charges	91,384	81,975

(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 payment 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.

	2024	2023
	\$ '000	\$ '000
Building, plumbing and development fees	2,459	3,086
Infringements	119	115
Irrigation and commercial water fees	891	770
Local laws and health licensing fees	736	780
Venues, events, tourism, and cultural fees	265	193
Waste fees	1,734	1,694
Other fees and charges	677	490
Total fees and charges	6,881	7,128

Notes to the Financial Statements

for the year ended 30 June 2024

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. 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 2024, the net profit on sale was \$752,862 (2023: nil as no sales occurred).

	2024 \$ '000	2023 \$ '000
Rendering of services		
Contract and recoverable works	2,193	3,830
Total sale of services	<u>2,193</u>	<u>3,830</u>
Sale of goods		
Sale of land held as inventory	5,296	-
Total sale of goods	<u>5,296</u>	<u>-</u>
Total sales revenue	<u>7,489</u>	<u>3,830</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 vary in each agreement but include providing community development activities, engagement of trainees, and community events. Payment terms vary depending on the terms of the grant, cash is received upfront for some grants and on the achievement of certain payment milestones for others.

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

Grant income under AASB 1058

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

Capital grants

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 recognised in accordance with the percentage of the project's completion.

Donations and contributions

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

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

Physical assets contributed to council by developers in the form of road works, stormwater, water and wastewater infrastructure and park equipment are recognised as revenue when Council obtains control of the asset and there is sufficient data in the

Notes to the Financial Statements

for the year ended 30 June 2024

Note 3. Revenue (continued)

form of drawings and plans to determine the approximate specifications and values of such assets. Non-cash contributions with a value in excess of the recognition thresholds are recognised as non-current assets, and those below the thresholds (outlined in Note 14. a.) are recorded as expenses.

	2024	2023
	\$ '000	\$ '000

(i) Operating

Contributions	62	29
General purpose grants	205	5,556
Government subsidies and grants	2,342	2,519
Total operating grants, subsidies, contributions and donations	2,609	8,104

⁽¹⁾ In June 2023, Council received an amount of \$4,482,068 equaling to 100% of the 2023-24 Commonwealth Financial Assistance Grant allocation. As these grants are considered untied grants, they were recognised upon receipt in the 2022-23 financial year. In the 2023-24 financial year, Council did not receive any such advance grant funding and as such, there is a decrease in Council's revenue.

(ii) Capital

Assets contributed at fair value	15,673	13,413
Government subsidies and grants	10,556	23,525
Infrastructure contributions	2,903	4,520
Total capital grants, subsidies, contributions and donations	29,132	41,458

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

	2024		2023	
	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	21,215	10,526	26,037	23,525
	21,215	10,526	26,037	23,525

Note 4. Interest and other income

	2024	2023
	\$ '000	\$ '000

(a) Interest received

Interest received from investments	5,782	3,543
Interest received from overdue rates and utility charges	127	119
Total interest received	5,909	3,662

Notes to the Financial Statements

for the year ended 30 June 2024

Note 4. Interest and other income (continued)

	2024	2023
	\$ '000	\$ '000
(b) Other income		
Car wash income	344	303
Commission and collection fees	63	67
Insurance recoveries	57	203
Rental / lease income	590	581
Other operating income	684	618
Total other income	1,738	1,772

Note 5. Capital income

	2024	2023
	\$ '000	\$ '000
(a) Gain / loss on disposal of non-current assets		
Proceeds from the disposal of property, plant and equipment	831	2,339
Less: book value of property, plant and equipment disposed	(653)	(2,277)
Gain on disposal of non-current assets	178	62
(b) Provision for restoration of quarries		
Change in provision due to movement in discount rate and estimate of future cost	33	8
	33	8
(c) Other capital income		
Gain from assets not previously recognised	-	1,906
	-	1,906
Total capital income	211	1,976

Note 6. Employee benefits

	2024	2023
	\$ '000	\$ '000
Total staff wages and salaries	33,064	32,179
Termination Benefits:		
Annual leave, sick leave, long service leave, and other entitlements	749	1,281
Superannuation	3,813	3,727
Councillors' remuneration	806	774
	38,432	37,961
Other employee related expenses	748	1,078
	39,180	39,039
Less: capitalised employee expenses	(3,465)	(3,518)
Total Employee benefits	35,715	35,523

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

Notes to the Financial Statements

for the year ended 30 June 2024

Note 6. Employee benefits (continued)

	2024	2023
	Number	Number
Additional information:		
Total Council employees at the reporting date:		
Elected members	7	7
Administration staff	237	230
Depot and outdoors staff	123	124
Total full time equivalent employees	367	381

Note 7. Materials and services

	2024	2023
	\$ '000	\$ '000
Administration supplies and consumables	414	418
Advertising, marketing and promotion	203	214
Audit of annual financial statements **	241	201
Bulk water purchases	4,637	4,290
Communications and information technology	3,057	3,131
Consultants	3,117	2,763
Contractors	6,914	7,814
Donations and subscriptions paid	1,080	924
Electricity	1,985	2,270
Insurance	1,586	1,840
Repairs and maintenance	8,643	8,874
Security	632	584
Waste levy payment	1,951	1,954
Waste levy refund ***	(1,116)	(1,121)
Cost of goods sold - Land held as inventory ***	4,544	-
Other materials and services	1,647	1,408
Total materials and services	39,535	35,544

* Total audit fees quoted by the Queensland Audit Office relating to the 2023-24 financial statements are \$200,000 (2023: \$190,300).

** The Queensland State Government rebated \$1,116,720 (2023: \$1,120,554) 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

		2024	2023
	Notes	\$ '000	\$ '000
Bank charges		192	173
Unwinding of discount on provisions	16	460	295
Finance costs charged by the Queensland Treasury Corporation		2,563	2,859
Impairment of receivables		87	122
Total finance costs		3,302	3,449

Notes to the Financial Statements for the year ended 30 June 2024

Note 9. Capital expenses

	Note	2024 \$ '000	2023 \$ '000
(a) Provision for restoration of land			
Change from revision of future restoration expense	18	-	7
		-	7
(b) Other capital expenses			
Loss on write-off of assets		3,921	7,646
Other		-	7
Assets previously recognised incorrectly	11(i)	-	65
		3,921	7,718
Total capital expenses		3,921	7,725

Note 10. Cash and cash equivalents and financial assets

	Note	2024 \$ '000	2023 \$ '000
Cash and cash equivalents			
Cash in operating bank account		83,328	94,597
Cash on hand		1	1
Deposits at call with the Queensland Treasury Corporation		7,024	5,146
Total cash and cash equivalents		90,353	99,744
Balance per Statement of Cashflows		90,353	99,744
Financial assets - current			
Term deposits		32,500	5,000
Total current financial assets		32,500	5,000
Restricted cash			
Cash and cash equivalents		90,353	99,744
Plus: current financial assets - term deposits		32,500	5,000
Less: externally imposed restrictions on cash	10(i)	(32,952)	(33,122)
Unrestricted cash		89,901	71,622

Trust funds

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 \$1,461,426 in trust funds as at 30 June 2024 (2023: \$1,361,513).

Notes to the Financial Statements

for the year ended 30 June 2024

Note 10. Cash and cash equivalents and financial assets (continued)

	2024	2023
	\$ '000	\$ '000

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

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

Unspent government grants and subsidies	3,432	3,725
Unspent developer contributions	25,915	24,732
Waste levy refund received in advance	3,605	4,665
Total externally imposed restrictions on cash assets	32,952	33,122

Note 11. Receivables

Receivables are measured at amortised cost which approximates fair value at reporting date. Receivables are due for settlement within 30 days after the invoice is issued.

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 (2023: 7%). No interest is charged on other debtors. There is no concentration of credit risk for rates and charges or other debtors receivable.

	2024	2023
	\$ '000	\$ '000
Current		
Rates and charges	3,568	3,237
Other debtors	3,390	3,342
Total	6,958	6,579
less: Loss allowance		
Rates and charges	(212)	(366)
Other debtors	(29)	(5)
Total loss allowance - receivables	(241)	(371)
Total current receivables	6,717	6,208

Council's impairment of receivables is not material.

Notes to the Financial Statements

for the year ended 30 June 2024

Note 12. Inventories

Land acquired by council with the intention of reselling it (with or without further development) is classified as inventory. 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.

	2024	2023
	\$ '000	\$ '000
Current inventories		
(a) Inventories held for distribution		
Quarry and road materials	629	783
Stores and materials	447	424
Total current inventories	<u>1,076</u>	<u>1,207</u>
Non-current inventories		
Land held as inventory	2,764	4,763
Total non-current inventories	<u>2,764</u>	<u>4,763</u>

During the year ended 30 June 2024, no interest was capitalised to land purchased for sale.

Note 13. Other assets

	2024	2023
	\$ '000	\$ '000
Current		
GST recoverable	627	984
Prepayments	981	1,394
Water charges not yet levied	2,012	2,106
Total current other assets	<u>3,620</u>	<u>4,484</u>

Livingstone Shire Council

Notes to the Financial Statements

for the year ended 30 June 2024

Note 14. Property, plant and equipment

Measurement basis	Land \$ '000		Site improvements \$ '000		Buildings \$ '000		Plant and equipment \$ '000		Road and drainage network \$ '000		Bridge network \$ '000		Water \$ '000		Sewerage Work in progress \$ '000		Total \$ '000	
	Fair Value	Cost	Fair Value	Cost	Fair Value	Cost	Fair Value	Cost	Fair Value	Cost	Fair Value	Cost	Fair Value	Cost	Fair Value	Cost	Fair Value	Cost
Opening gross balances	40,026	33,367	66,674	104,543	104,543	23,367	51,837	51,837	659,486	31,721	210,320	183	7,008	1,535	10,815	15,672	13,059	1,759,859
Additions - renewal	-	3,447	-	227	227	3,447	2,340	2,340	51	183	20	7,008	-	-	-	-	-	91,256
Additions - other	3	-	23	13	13	261	1,734	1,734	-	-	-	-	-	-	-	-	-	16,406
Contributed assets	819	-	-	34	34	-	12,108	12,108	-	-	-	-	-	-	-	-	-	45,672
Disposals	-	-	-	(3,000)	(3,000)	-	-	-	-	-	-	-	-	-	-	-	-	(3,000)
Write-offs	-	-	-	(191)	(191)	-	(6,445)	(6,445)	-	-	-	-	-	-	-	-	-	(7,869)
Revaluation increments to equity (ARS)	5,963	-	-	7,770	7,770	-	-	-	-	-	-	-	-	-	-	-	-	13,731
Transfers from/to held for sale category	(996)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(996)
Work in progress transfers	1	368	-	879	879	368	17,016	17,016	-	-	-	-	-	-	-	-	-	21,981
Total Gross Value - Property, Plant and Equipment	46,514	117,251	67,055	117,251	117,251	24,037	805,517	805,517	54,820	460,786	212,191	27,531	1,840,835	1,840,835	1,840,835	1,840,835	1,840,835	1,840,835
Opening accumulated depreciation and impairment	-	54,004	-	14,483	14,483	12,778	174,835	174,835	18,754	192,013	67,758	-	519,836	-	-	-	-	33,382
Depreciation expense	-	2,577	-	3,807	3,807	1,722	(11,943)	(11,943)	800	7,600	5,243	-	(2,326)	-	-	-	-	16,406
Depreciation on disposals	-	-	-	-	-	(2,325)	-	-	-	-	-	-	-	-	-	-	-	(2,326)
Depreciation on write-offs	-	-	-	(60)	(60)	-	(2,517)	(2,517)	-	-	(47)	-	-	-	-	-	-	(3,993)
Revaluation increments to equity (ARS)	-	-	-	2,978	2,978	-	-	-	-	-	-	-	-	-	-	-	-	2,978
Total Accumulated Depreciation - Property, Plant and Equipment	-	56,581	-	17,420	17,420	11,725	180,395	180,395	19,554	199,613	72,998	-	1,838,671	1,838,671	1,838,671	1,838,671	1,838,671	1,838,671
Total net book value of property, plant and equipment	46,514	60,670	67,055	99,831	99,831	12,312	625,122	625,122	35,266	261,173	139,193	27,531	1,302,164	1,302,164	1,302,164	1,302,164	1,302,164	1,302,164
Other information	Not depreciated	-	6,137	6,114	6,114	3,140	8,300	8,300	61,120	61,188	6,160	Not depreciated	-	-	-	-	-	-
Range of estimated useful life (years)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Livingstone Shire Council

Notes to the Financial Statements
for the year ended 30 June 2024

Note 14. Property, plant and equipment (continued)

2023	Land		Site improvements		Buildings		Plant and equipment		Road and drainage network		Bridge network		Water		Sewerage		Work in progress		Total	
	Fair Value	\$ '000	Fair Value	\$ '000	Fair Value	\$ '000	Cost	\$ '000	Fair Value	\$ '000	Fair Value	\$ '000	Fair Value	\$ '000	Fair Value	\$ '000	Fair Value	\$ '000		\$ '000
Measurement base																				
Opening gross balance																				
Correction to opening balances																				
Additions - concrete																				
Additions - other																				
Contributed assets																				
Disposals																				
Write-offs																				
Revaluation increments to equity (ARS)																				
Transfers from/to Intangible Assets																				
Work in progress transfers																				
Acquisitions and other transfers																				
Total Gross Value - Property, Plant and Equipment	40,826		30,671		108,843		23,367		781,837		64,820		456,430		210,320		31,721		1,798,693	
Opening accumulated depreciation and impairment																				
Correction to opening balances																				
Depreciation expense																				
Depreciation on disposals																				
Depreciation on write-offs																				
Revaluation increments to equity (ARS)																				
Acquisitions and other transfers																				
Total Accumulated Depreciation - Property, Plant and Equipment																				
Total net book value of property, plant and equipment	40,826		56,669		70,080		10,609		606,982		35,116		284,412		142,552		31,721		1,250,067	

Other information:
Range of estimated useful life (years) Not depreciated 8 - 137 3 - 40 5 - 300 11 - 120 8 - 198 8 - 160 Not depreciated

(1) The 2023 balances have been restated due to prior period adjustments. Refer to note 28 for details.

Notes to the Financial Statements

for the year ended 30 June 2024

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

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.

(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.

Notes to the Financial Statements for the year ended 30 June 2024

Note 14. Property, plant and equipment (continued)

(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.

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 appropriately 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 2024. Further details in relation to valuers, the methods of valuation and the key assumptions and in valuing each different asset class are disclosed below.

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.

The following table presents all assets and liabilities that have been measured and recognised at fair values.

Livingstone Shire Council

Notes to the Financial Statements

for the year ended 30 June 2024

Note 14. Property, plant and equipment (continued)

Valuation techniques used to derive fair values

Asset class, fair value hierarchy, and value	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) 2024 - \$14.576M 2023 - \$13.424M	Fair Value	31/03/21	AssetVal Pty Ltd	<ul style="list-style-type: none"> - Current zoning - Sales evidence from market transactions involving comparable assets. - No impact from environmental issues including contamination. 	14.7% from AssetVal applied from 1 May 2023 to 30 June 2024.	Nil
- Land (Level 3) 2024 - \$31.937M 2023 - \$27.502M	Fair Value	31/03/21	AssetVal Pty Ltd	<ul style="list-style-type: none"> - Current zoning - Sales evidence from market transactions involving comparable assets. - Adjustments for any restrictions or constraints of ownership or special purpose usage. - No impact from environmental issues including contamination. 	14.7% from AssetVal applied from 1 May 2023 to 30 June 2024.	Nil
- Buildings (Level 3) 2024 - \$72.418M 2023 - \$70.060M	Fair Value	01/07/22	AssetVal Pty Ltd	<ul style="list-style-type: none"> - 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. - Components derived from council hierarchy or industry accepted percentages. 	7.1% from AssetVal index report applied from 1 May 2023 to 30 June 2024.	Nil

Livingstone Shire Council

Notes to the Financial Statements

for the year ended 30 June 2024

Note 14. Property, plant and equipment (continued)

Asset class, fair value hierarchy, and value	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) 2024 - \$54.484M 2023 - \$56.889M	Fair Value	01/07/21	AssetVal Pty Ltd	<ul style="list-style-type: none"> - 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. - 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. - Remaining useful lives are calculated using the age and condition of the asset. 	Nil	Nil
- Roads and Drainage Infrastructure (Level 3) 2024 - \$625.336M 2023 - \$606.882M	Fair Value	01/07/20	AssetVal Pty Ltd	<ul style="list-style-type: none"> - 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. - 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. - Remaining useful lives are calculated using the age and condition of the asset. 	Nil	Nil

Livingstone Shire Council

Notes to the Financial Statements

for the year ended 30 June 2024

Note 14. Property, plant and equipment (continued)

Asset class, fair value hierarchy, and value	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) 2024 - \$34.316M 2023 - \$35.116M	Fair Value	01/07/20	AssetVal Pty Ltd	- 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 - Costs are established by using published or available market data for recent projects, and published cost guides. - A condition assessment is applied based on the age and condition of the asset, and economic or functional obsolescence	Nil	Nil
- Sewerage Infrastructure (Level 3) 2024 - \$139.217M 2023 - \$142.552M	Fair Value	01/07/22	AssetVal Pty Ltd	- 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 - 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. - Remaining useful lives are calculated using the age and condition of the asset.	Nil	Nil

Livingstone Shire Council

Notes to the Financial Statements
for the year ended 30 June 2024

Note 14. Property, plant and equipment (continued)

Asset class, fair value hierarchy, and value	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) 2024 - \$262.472M 2023 - \$284.412M	Fair Value	01/07/22	AssetVal Pty Ltd	<ul style="list-style-type: none"> - 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. - 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. - Remaining useful lives are calculated using the age and condition of the asset. 	Nil	Nil

Notes to the Financial Statements

for the year ended 30 June 2024

Note 15. Contract balances

	2024	2023
	\$ '000	\$ '000
(a) Contract assets		
Contract assets	5,284	2,652
Contract assets	5,284	2,652
(b) Contract liabilities		
Funds received upfront to construct Council controlled assets	3,432	3,725
Contract liabilities	3,432	3,725
Revenue recognised that was included in the contract liability balance at the beginning of the year		
Funds to construct Council controlled assets	3,140	11,545
Total revenue recognised	3,140	11,545

Satisfaction of contract liabilities

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 and facilities. The contract liability will be released and recognised as revenue based on the percentage completion of the project at year end.

Council expects to recognise the contract liability as income over the next twelve months.

(c) Significant changes in contract balances

The increase in contract assets are a result of the completion of several projects in advance of all related grant funding being received. Many of these projects are awaiting the final payment of funds claimable on acquittal.

Note 16. Trade and Other Payables

	2024	2023
	\$ '000	\$ '000
Current		
Creditors and accruals	7,424	8,001
Prepaid rates	5,841	5,241
Other entitlements	355	313
Total current payables	13,620	13,555

Creditors are recognised when goods or services are received, at the amount owed. Amounts owing are unsecured and are generally settled on 7 or 30 day terms.

Notes to the Financial Statements

for the year ended 30 June 2024

Note 17. Borrowings

	2024	2023
	\$ '000	\$ '000
Current		
Loans - Queensland Treasury Corporation	6,255	5,956
Total current borrowings	6,255	5,956
Non-current		
Loans - Queensland Treasury Corporation	42,281	48,439
Total non-current borrowings	42,281	48,439

Reconciliation of Loan Movements for the year

Loans - Queensland Treasury Corporation		
Opening balance at beginning of financial year	54,395	59,958
Principal repayments	(5,859)	(5,563)
Book value at end of financial year	48,536	54,395

The loan market value at the reporting date was \$47,963,813. 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.

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 Housing, Local Government, Planning, and Public Works. Council has not utilised the facility during 2023-24.

Note 18. Provisions

Employee provisions

The provision for annual leave 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 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.

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. The 2021 Certified Agreement provides for the payment of long service leave on a pro-rata basis after five years of continuous service.

The provision for sick leave represents an obligation arising out of the 2021 Certified Agreement which provides for the vesting of unused sick leave and payment of up to \$6,500 per employee on termination subject to meeting certain eligibility criteria, such as ten years continuous service. The entitlement is subject to a sunset clause which expires on 30 September 2025. As set out in the Certified Agreement, the liability is calculated using the amount of available leave in weeks multiplied by \$250 up to the maximum amount of \$6,500. The estimates are adjusted for the probability of the employee remaining in the council's employment that 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.

Notes to the Financial Statements

for the year ended 30 June 2024

Note 18. Provisions (continued)

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, sick leave is classified as a current liability. Otherwise sick 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. Adjustments are made to allow for estimated inflation of costs to the anticipated date of expenditure, and the result is discounted to present value. The provision is discounted using the Commonwealth Bond yield rates. As the quarries are on state reserves or private land which the Council does not control, the provision for restoration is treated as an expense in the year the provision is first recognised.

The projected cost is \$243,000 (undiscounted) and this cost is expected to be incurred over the period 2025 to 2043.

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. 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.

The landfill is situated on council controlled land and is classified as a site improvement asset. The provision for restoration is therefore, included in the cost of the improvements and amortised over the expected useful life of the landfill cell.

The projected cost is \$18,128,264 (undiscounted) and this cost is expected to be incurred over the period 2029 to 2061.

	2024	2023
	\$ '000	\$ '000
Current		
Annual leave	3,316	3,127
Long service leave	4,238	4,338
Sick leave	408	432
Quarry restoration	10	20
Total current provisions	7,972	7,917
Non-current		
Long service leave	700	906
Sick leave	41	21
Quarry restoration	148	161
Landfill restoration	11,299	11,037
Total non-current provisions	12,188	12,125

Notes to the Financial Statements for the year ended 30 June 2024

Note 18. Provisions (continued)

	2024	2023
	\$ '000	\$ '000
Details of movements in non-employee provisions		
Quarry rehabilitation		
Balance at beginning of financial year	181	194
Amounts used	(2)	(18)
Increase in provision due to unwinding of discount	13	6
Decrease in provision due to change in discount rate	(1)	(8)
Increase/(decrease) in estimate of future cost	(33)	7
Balance at end of financial year	158	181
Landfill restoration		
Balance at beginning of financial year	11,037	9,225
Increase in provision due to unwinding of discount	447	289
Decrease in provision due to change in discount rate	(220)	(332)
Increase in estimate of future cost	35	1,855
Balance at end of financial year	11,299	11,037

Note 19. Other liabilities

	2024	2023
	\$ '000	\$ '000
Current		
Waste levy refund received in advance	1,153	1,120
Unearned revenue	185	227
Total current other liabilities	1,338	1,347
Non-current		
Waste levy refund received in advance	2,452	3,550
Total non-current other liabilities	2,452	3,550

The State Government has made advance payments to Council to mitigate the impacts on households for the estimated future costs of the State Waste Levy. As the payment was for a refund of Council's future Levy expenses, the amount was recognised as a liability and split between current and non-current in accordance with the State's calculations of the estimated annual charges. Revenue will be recognised in each subsequent year in accordance with these calculations.

Notes to the Financial Statements for the year ended 30 June 2024

Note 20. Asset revaluation surplus

The asset revaluation surplus comprises revaluation movements on property, plant and equipment.

Movements in the asset revaluation surplus were as follows:

Notes	2024 \$ '000	2023 \$ '000
Balance at beginning of financial year	260,564	104,526
Adjustments to opening balance:	-	332
Net adjustments to non-current assets at end of year to reflect a change in:		
Land	14 5,961	1,384
Buildings	14 4,795	12,512
Roads & drainage	14 -	73,986
Sewerage	14 -	7,290
Site improvements	14 -	6,431
Water	14 -	51,460
Bridge network	14 -	4,165
Site improvements - Landfill rehabilitation asset	185	(1,522)
Balance at end of financial year	271,505	260,564

Asset revaluation surplus analysis

	2024 \$ '000	2023 \$ '000
The closing balance of the asset revaluation surplus comprises the following asset categories:		
Land	11,864	5,903
Buildings	26,491	21,696
Roads & drainage	89,920	69,920
Sewerage	23,644	23,644
Site improvements	12,502	12,317
Water	90,273	90,273
Bridge network	16,811	16,811
	271,505	260,564

Notes to the Financial Statements

for the year ended 30 June 2024

Note 21. Commitments for expenditure

	2024	2023
	\$ '000	\$ '000

(a) Contractual commitments

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

Waste services	23,748	7,416
Water and sewerage services	4,599	8,814
ICT Services	-	2,601
Other	4,997	3,373
	<u>33,344</u>	<u>22,204</u>

(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	4,065	1,995
Facilities	82	-
Water and sewer network	4,248	6,728
Waste	174	112
Other	263	-
Total commitments	<u>8,832</u>	<u>8,835</u>

These expenditures are payable as follows:

Within the next year	8,380	8,218
Later than one year and not later than 5 years	452	617
Total payable	<u>8,832</u>	<u>8,835</u>

Note 22. Contingent liabilities

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

Local Government Mutual

The Council is a member of the local government mutual liability self-insurance pool, LGM Queensland. In the event of the pool being wound up or it is unable to meet its debts as they fall due, the trust deed and rules provide that any accumulated deficit will be met by the individual pool members in the same proportion as their contribution is to the total pool contributions in respect to any year that a deficit arises. The latest audited financial statements dated 30 June 2023 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 were 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. At 30 June 2024, Council's maximum exposure to the bank guarantee is \$1,193,663.81.

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 2024

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 managed by the LGIASuper trustee as trustee for LGIASuper trading as Brighter Super.

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

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

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

No changes have been made to prescribed employer contributions which remain at 12% of employee salary or wages and there are no known requirements to change the rate of contributions.

The next triennial actuarial review is not due until 1 July 2024.

The most significant risks that may result in 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.

	2024	2023
	\$ '000	\$ '000
Superannuation contributions made to the Regional Defined Benefits Fund	78	87
Other superannuation contributions for employees	3,735	3,640
Total superannuation contributions paid by Council for employees	3,813	3,727

Notes to the Financial Statements
for the year ended 30 June 2024

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

	2024 \$ '000	2023 \$ '000
Net operating result from statement of comprehensive income	29,377	36,946
Non-cash items		
Depreciation and amortisation	33,503	30,718
Other net asset adjustments	-	(1,841)
	33,503	28,877
Losses/(gains) recognised on fair value re-measurements through the income statement		
Unwinding of discount rates on restoration provisions	460	295
	460	295
Investing and development activities		
Net (profit)/loss on disposal of assets	(178)	(62)
Loss on write-off of assets	3,921	7,653
Capital grants and contributions	(29,132)	(41,458)
Other capital income	(33)	-
	(25,422)	(33,867)
Changes in operating assets and liabilities:		
(Increase)/decrease in receivables	(379)	225
Increase/(decrease) in provision for doubtful debts	(130)	121
(Increase)/decrease in inventories	131	(278)
(Increase)/decrease in other assets	864	(2,319)
Increase/(decrease) in payables	23	1,304
Increase/(decrease) in employee leave entitlements	107	212
Increase/(decrease) in other provisions	(23)	(18)
Increase/(decrease) in other liabilities	(1,107)	741
(Increase)/decrease in land held for sale	1,999	(944)
	1,485	(956)
Net cash provided from operating activities from the statement of cash flows	39,403	31,295

Note 25. Reconciliation of liabilities arising from finance activities

	As at 30/06/23 Opening Balance \$ '000	Cashflows \$ '000	As at 30/06/24 Closing balance \$ '000
2024			
Borrowings	54,395	(5,859)	48,536
	54,395	(5,859)	48,536

Notes to the Financial Statements

for the year ended 30 June 2024

Note 25. Reconciliation of liabilities arising from finance activities

	As at 30/06/22		As at 30/06/23	
	Opening Balance \$ '000	Cashflows \$ '000		Closing balance \$ '000
2023				
Borrowings	59,958	(5,563)		54,395
	59,958	(5,563)		54,395

Note 26. Restated Balances

Nature of prior-period error

As part of council processes to better align financial and asset management principles, practices, and systems, council has invested significant time and resources into validating its asset data. Using a process to compare council's geographical information system (GIS) and its asset register, and site inspections as required, it has been identified that assets with a written down value of \$4,804,960 should have been disposed of prior to 1 July 2022. As a result, council's property, plant and equipment balances were overstated as was council's depreciation expense.

The assets included:

- Assets identified through renewal of tenant agreements to not be council owned.
- Private assets incorrectly recognised as being council owned and maintained.
- Assets which were previously identified for disposal but not actioned.
- Duplicate assets created during amalgamation and de-amalgamation that were not correctly mapped to the GIS or correctly adjusted in the asset system and subsequently brought to account incorrectly.
- Assets found to not exist based on advice from field crews investigations.

Additionally, council identified some infrastructure assets such as footpaths, stormwater and sewer components, and road median strips which had not previously been recognised with a total value of \$1,195,446, understating Council's capital revenue and depreciation expense.

Asset Class	Existing Assets Not Previously Recognised	Disposals	Net Movement	Reduction in Accumulated Depreciation
Roads and drainage	\$1,185,157	(\$3,719,116)	(\$2,533,959)	\$806,820
Sewer	\$10,289	(\$4,480)	\$5,809	\$3,666
Water	-	(\$2,061,780)	(\$2,061,780)	\$480,327
Site Improvements	-	(\$260,119)	(\$260,119)	\$108,902
Buildings	-	(\$384,477)	(\$384,477)	\$225,297
Total	\$1,195,446	(\$6,429,972)	(\$5,234,526)	\$1,625,012

To correct the impact of these prior period errors on council's property, plant, and equipment balances, council has adjusted the opening balances at 1 July 2022 with the adjustments taken to retained surplus. No adjustments were made to council's depreciation as the net impact was immaterial.

Notes to the Financial Statements for the year ended 30 June 2024

Note 26. Restated Balances (continued)

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

Changes to the opening Statement of Financial Position at 1 July 2022

Statement of Financial Position

		Original Balance 1 July, 2022 \$ '000	Impact Increase/ (decrease) \$ '000	Restated Balance 1 July, 2022 \$ '000
	<i>Notes</i>			
Other assets		113,720	–	113,720
Property, plant and equipment	14	1,516,702	(5,235)	1,511,467
Property, plant and equipment – accumulated depreciation	14	(425,977)	1,625	(424,352)
Total assets		1,204,445	(3,610)	1,200,835
Total liabilities		106,688	–	106,688
Retained surplus		982,899	(3,610)	989,289
Asset revaluation surplus		104,858	–	104,858
Total community equity		1,097,757	(3,610)	1,094,147

Note 27. Events after the reporting period

There were no material adjusting or non-adjusting events after the reporting period.

Note 28. 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 Risk and 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.

Notes to the Financial Statements

for the year ended 30 June 2024

Note 28. Financial instruments (continued)

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 ARaC 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. Council has outsourced its internal audit function to undertake the planned internal audit work program, the results of which are reported to the ARaC.

(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 Note 17.

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.

	0 to 1 year \$ '000	1 to 5 years \$ '000	Over 5 years \$ '000	Total contractual cash flows \$ '000	Carrying amount \$ '000
2024					
Payables	7,424	—	—	7,424	7,424
Loans - QTC	8,422	33,687	15,807	57,916	48,536
	15,846	33,687	15,807	65,340	55,960

Notes to the Financial Statements

for the year ended 30 June 2024

Note 28. 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
2023					
Payables	8,001	–	–	8,001	8,001
Loans - QTC	8,422	33,687	24,229	66,338	54,395
	16,423	33,687	24,229	74,339	62,396

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 affect 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
2024					
Financial assets	122,853	1,228	(1,228)	1,228	(1,228)
Financial liabilities	(48,536)	(485)	485	(485)	485
Net	74,317	743	(743)	743	(743)
2023					
Financial assets	104,744	1,047	(1,047)	1,047	(1,047)
Financial liabilities	(54,395)	(544)	544	(544)	544
Net	50,349	503	(503)	503	(503)

Note 29. National competition policy

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

Water and Sewerage Services
Waste Services
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.

Notes to the Financial Statements

for the year ended 30 June 2024

Note 29. National competition policy (continued)

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	Building Certification \$ '000
Revenue for services provided to the Council	38	730	-
Revenue for services provided to external clients	36,797	9,928	623
Community service obligations	-	534	-
	36,835	11,192	623
Less: expenditure	(32,145)	(10,209)	(274)
Surplus/(deficit)	4,690	983	349

Description of CSO's provided to business activities:

Activities	CSO description	Actual \$ '000
Waste Services	Waste vouchers	469
Waste Services	Charity waste disposal	2
Waste Services	Collection, transport & disposal services for Waste for residents and public areas on Great Keppel Island	63

Note 30. Transactions with related parties

(a) Subsidiaries

Council has no interest in any subsidiaries.

(b) Associates

Council has no interests in any associates.

(c) Joint ventures

Council has no interests in any joint ventures.

(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 Information Officer and Chief Human Resources Officer.

Notes to the Financial Statements

for the year ended 30 June 2024

Note 30. Transactions with related parties (continued)

The compensation paid to KMP comprises:

	2024 \$ '000	2023 \$ '000
Short-term employee benefits	2,139	1,990
Post-employment benefits	236	271
Long-term benefits	34	33
Termination benefits	-	-
Total	2,409	2,294

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

	Amount of transactions during year \$ '000
2024	
Purchase of materials and services from entities controlled by key management personnel or their close family members	439
	<u>439</u>
2023	
Purchase of materials and services from entities controlled by key management personnel or their close family members	386
	<u>386</u>

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

Catering supplies of \$8,496 were purchased from Creative Cater Pty Ltd during 2023-24. Total purchases in 2022-23 were \$4,544. Close family members of the former Mayor had control over the operations of this company.

Professional photography services of \$6,037 were purchased from Levi Appleton Studios during 2023-24. Total purchases in 2022-23 were \$32,461. During both financial years a close family member of the current Mayor had control over the operations of this entity.

Magazine and newspaper supplies of \$7,292 were purchased from Capricorn News (McClelland Investments (OLD) Pty Ltd) during 2023-24. Total purchases in 2022-23 were \$7,910. During both financial years a close family member of the Chief Executive Officer had control over the operations of this company.

Stationery and office supplies of \$37,631 were purchased from Office Choice Yeppoon during 2023-24. Total purchases in 2022-23 were \$38,244. During both financial years a close family member of the Chief Executive Officer had control over the operations of this company.

Stationery and office supplies of \$9,068 were purchased from Office National XPress (Trustee for the McClelland Family Trust) during 2023-24. During the financial year a close family member of the Chief Executive Officer had control over the operations of this company.

Notes to the Financial Statements
for the year ended 30 June 2024

Note 30. Transactions with related parties (continued)

Advertising of \$1,800 was purchased from Spectator News Magazine during 2023-24. Total purchases in 2022-23 were \$2,563. During both financial years a close family member of Cr Watson had control over the operations of the company.

During 2023-24 payments totalling \$368,701 were made to Capricorn Tourism and Economic Development Limited in accordance with council's Capricorn Enterprise Partnership Agreement. Total payments in 2022-23 were \$300,000. During both financial years Cr Watson was a member of the Board of Directors and is considered to hold significant influence over the operations of the company.

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

As at 30 June 2024, Council has committed \$275,792 for future expenditure under the Capricorn Enterprise Partnership Agreement with Capricorn Tourism and Economic Development Limited.

(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 2024

Note 31. Council information and contact details

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
Internet: www.livingstone.qld.gov.au
Email: enquiries@livingstone.qld.gov.au
ABN: 95 399 253 048

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

Mayor:
Adam Belot (from 29 March 2024)
Andrew Ireland (to 28 March 2024)

Councillors:
Adam Belot (to 28 March 2024)
Patrick Eastwood
Andrea Friend
Glenda Mather
Rhodes Watson
Lance Warcon (from 3 April 2024)
Clint Swadling (to 3 April 2024)
Wade Rothery (from 3 April 2024)

Auditors:
Queensland Audit Office
Level 14, 53 Albert Street
Brisbane QLD 4000

Acting Chief Executive Officer:
Alastair Dawson

General Purpose Financial Statements
for the year ended 30 June 2024

Management Certificate

for the year ended 30 June 2024

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 4 to 42, 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.



Adam Belot
Mayor
09 October 2024



Alastair Dawson
Acting Chief Executive Officer
09 October 2024

INDEPENDENT AUDITOR'S REPORT

To the councillors of Livingstone Shire Council

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of Livingstone Shire Council (the council).

The financial report comprises the statements of financial position as at 30 June 2024, the statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, notes to the financial statements including material accounting policy information and the certificate given by the Mayor and Acting Chief Executive Officer.

In my opinion, the financial report:

- a) gives a true and fair view of the council's financial position as at 30 June 2024, and of their financial performance for the year then ended; and
- b) complies with the *Local Government Act 2009*, the Local Government Regulation 2012 and Australian Accounting Standards.

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 (including Independence Standards)* (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

The councillors are responsible for the other information.

The other information comprises the information included in the entity's annual report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon.

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 2024 was the current year financial sustainability statement, current year financial sustainability statement - contextual ratios (unaudited), unaudited long-term financial sustainability statement and annual report.

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

In connection with my audit of the financial report, my responsibility is to read the other information when it becomes available 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 *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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of my responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of my auditor's report.

Report on other legal and regulatory requirements

In accordance with s. 40 of the *Auditor-General Act 2009*, for the year ended 30 June 2024:

- 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.

Jacques Coetzee

10 October 2024

Jacques Coetzee
as delegate of the Auditor-General

Queensland Audit Office
Brisbane

Current Year Financial Sustainability Statement

	Target Tier 4	Actual 2024	5 Yr Av. 2020-24
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Audited ratios

Council's performance at 30 June 2024 against key financial ratios and targets.

Liquidity

1. Unrestricted cash expense coverage ratio

Total cash and equivalents add current investments add available ongoing QTC working capital limit less externally restricted cash		Greater than 4 mths	14.2 months	N/A
Total operating expenditure less depreciation and amortisation less finance costs	x 12			

The unrestricted cash expense cover ratio is an indicator of the unconstrained liquidity available to a council to meet ongoing and emergent financial demands, which is a key component to solvency. It represents the number of months a council can continue operating based on current monthly expenses.

Operating Performance

2. Operating surplus ratio

Operating result		Greater than 0%	3.41%	1.99%
Total operating revenue				

The operating surplus ratio is an indicator of the extent to which operating revenues generated cover operational expenses. Any operating surplus would be available for capital funding or other purposes.

3. Operating cash ratio

Operating result add depreciation and amortisation add finance costs		Greater than 0%	34.50%	31.05%
Total operating revenue				

The operating cash ratio is a measure of council's ability to cover its core operational expenses and generate a cash surplus excluding depreciation, amortisation, and finance costs.

Asset management

4. Asset sustainability ratio

Capital expenditure on replacement of infrastructure assets (renewals)		Greater than 80%	30.97%	52.29%
Depreciation expenditure on infrastructure assets				

The asset sustainability ratio approximates the extent to which the infrastructure assets managed by a council are being replaced as they reach the end of their useful lives.

5. Asset consumption ratio

Written down replacement cost of depreciable infrastructure assets		Greater than 60%	68.07%	71.32%
Current replacement cost of depreciable infrastructure assets				

The asset consumption ratio approximates the extent to which council's infrastructure assets have been consumed compared to what it would cost to build a new asset with the same benefit to the community.

Current Year Financial Sustainability Statement (continued)

	Target Tier 4	Actual 2024	5 Yr Av. 2020-24
Debt servicing capacity			
6. Leverage ratio			
Book value of debt			
Total operating revenue less total operating expenditure add depreciation and amortisation	0 - 3 times	1.2 times	1.9 times

The leverage ratio is an indicator of a council's ability to repay its existing debt. It measures the relative size of the council's debt to its operating performance.

Note 1 - basis of preparation

The current year financial sustainability statement is prepared in accordance with the requirements of the Local Government Regulation 2012 and the Financial Management (Sustainability) Guideline 2024. The amounts used to calculate the 6 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 2024.

Certificate of Accuracy (audited ratios)

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.



Adam Beiot
Mayor
09 October 2024



Alastair Dawson
Acting Chief Executive Officer
09 October 2024

INDEPENDENT AUDITOR'S REPORT

To the councillors of Livingstone Shire Council

Report on the Current-Year Financial Sustainability Statement – audited ratios

Opinion

I have audited the accompanying current year financial sustainability statement of Livingstone Shire Council for the year ended 30 June 2024, comprising the statement, explanatory notes, and the certificate of accuracy given by the Mayor and the Acting 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 2024 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 (including Independence Standards)* (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 2024 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

The councillors are responsible for the other information.

The other information comprises the information included in the entity's annual report for the year ended 30 June 2024, but does not include the financial sustainability statement and our auditor's report thereon.

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 2024 was the general-purpose financial statements, current-year financial sustainability statement - contextual ratios (unaudited), unaudited long-term financial sustainability statement, and the annual report.

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

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

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

Responsibilities of the councillors for the current year financial sustainability statement

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

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

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

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

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

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



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.

Jacques Coetzee

10 October 2024

Jacques Coetzee
as delegate of the Auditor-General

Queensland Audit Office
Brisbane

Current Year Financial Sustainability Statement

	Target Tier 4	Actual 2024	5 Yr Av. 2020-24
Contextual ratios (unaudited)			
Financial Capacity			
1. Council controlled revenue			
Net rates, levies and charges add fees and charges	N/A	84.70%	83.85%
Total operating revenue			
Council controlled revenue is an indicator of a council's financial flexibility, ability to influence its operating income, and capacity to respond to unexpected financial shocks.			
2. Population growth			
Prior year estimated population	-1	2.17%	1.95%
Previous year estimated population			

Population growth is a key driver of a council's operating income, service needs, and infrastructure requirements into the future.

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 2024*. The amounts used to calculate the 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 2024.

Certificate of Accuracy (contextual ratios - unaudited)

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.



Adam Belot
Mayor
09 October 2024



Alastair Dawson
Acting Chief Executive Officer
09 October 2024

Livingstone Shire Council

Unaudited Long Term Financial Sustainability Statement

	Actual 2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
		Forecast									
Measures of financial sustainability											
Operating Performance											
1. Operating surplus ratio											
Operating result	3.41%	0.10%	0.00%	2.20%	2.00%	2.50%	3.20%	2.30%	1.60%	1.10%	0.80%
Total operating revenue											
The operating surplus ratio is an indicator of the extent to which operating revenues generated cover operational expenses. Any operating surplus would be available for capital funding or other purposes.											
2. Operating cash ratio											
Operating result add depreciation and amortisation add finance costs	34.50%	31.00%	31.40%	33.80%	33.50%	33.30%	32.90%	32.30%	32.10%	31.90%	31.70%
Total operating revenue											
The operating cash ratio is a measure of council's ability to cover its core operational expenses and generate a cash surplus excluding depreciation, amortisation, and finance costs.											
Asset Management											
3. Asset sustainability ratio											
Capital expenditure on replacement of infrastructure assets (renewals)	30.97%	74.40%	94.20%	36.20%	36.50%	37.00%	49.00%	32.80%	27.30%	28.10%	28.10%
Depreciation expenditure on infrastructure assets											
The asset sustainability ratio approximates the extent to which the infrastructure assets managed by a council are being replaced as they reach the end of their useful lives.											
4. Asset consumption ratio											
Written down replacement cost of depreciable infrastructure assets	68.07%	61.80%	62.40%	61.80%	61.10%	60.40%	50.10%	59.20%	68.30%	67.60%	66.70%
Current replacement cost of depreciable infrastructure assets											
The asset consumption ratio approximates the extent to which council's infrastructure assets have been consumed compared to what it would cost to build a new asset with the same benefit to the community.											

Livingstone Shire Council

Unaudited Long Term Financial Sustainability Statement (continued)

	Actual		Forecast									
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	
Debt servicing capacity												
5. Leverage ratio												
Book value of debt												
Total operating revenue less total operating expenditure add depreciation and amortisation	1.2 times	1.1 times	0.9 times	0.7 times	0.5 times	0.3 times	0.2 times	0.1 times	0.1 times	0.1 times	0.1 times	
The leverage ratio is an indicator of a council's ability to repay its existing debt. It measures the relative size of the council's debt to its operating performance.												
Financial Capacity												
6. Council controlled revenue												
Net rates, levies and charges add fees and charges	84.70%	85.20%	88.00%	88.90%	88.70%	88.50%	88.80%	88.90%	88.60%	88.10%	87.70%	
Total operating revenue												
Council controlled revenue is an indicator of a council's financial flexibility, ability to influence its operating income, and capacity to respond to unexpected financial shocks.												
7. Population growth												
Prior year estimated population												
Previous year estimated population	-1	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	2.20%	
Population growth is a key driver of a council's operating income, service needs, and infrastructure requirements into the future.												
Council has used the Compound Annual Growth Rate method for calculating this ratio. This method calculates the average annual growth rate over a 10 year period based on the Queensland Government Statistician's Office population projections for the Livingstone local government area for the period 2026 to 2036.												

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.

Unaudited Long Term Financial Sustainability Statement

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.



Adam Belot
Mayor
09 October 2024



Alastair Dawson
Acting Chief Executive Officer
09 October 2024