

An aerial photograph of a coastal town, likely Livingstone, Western Australia. The image shows a mix of residential areas with houses and a caravan park with many small, uniform units. A long, straight road runs through the center, crossing a body of water. To the right, there's a wide, sandy beach with waves breaking. The background features a large, forested hill and a clear blue sky with some distant land visible on the horizon.

2022-2023

ANNUAL REPORT

TABLE OF CONTENTS

Message from the Mayor.....	1
Councillors.....	3
Livingstone at a Glance.....	5
Council Activities and Performance.....	7
Corporate Plan and Operational Plan Annual Progress.....	7
Corporate Plan and Operational Plan Scorecard.....	7
Council Activities.....	8
Audit, Risk and Improvement Committee.....	8
Council Remuneration, Expenses & Attendance.....	10
Councillor Remuneration.....	10
Attendance at Council Meetings.....	10
Code of Conduct for Councillors.....	11
Statutory Information.....	12
Senior Management Remuneration Packages.....	12
CEO Remuneration.....	12
Administrative Action Complaints.....	12
Human Rights Complaints.....	13
Financial Assistance to Community Organisations.....	13
Community Grants Scheme.....	13
Regional Arts Development Fund (RADF).....	15
Concession, Special Rates and Charges.....	16
Tenders.....	16
Registers kept by Council.....	16
Legislative Requirements Not Applicable.....	17
Legislative Requirements - Nil to Report.....	17
Workplace Health and Safety.....	17
Overseas Travel.....	18
Community Financial Report.....	19
Statement of Comprehensive Income.....	19
Statement of Financial Position.....	21
Finance Sustainability Ratios.....	22
Relevant Measures of Financial Sustainability.....	23
Statement of Changes in Equity.....	24
Statement of Cash Flows.....	24
Looking to the Future.....	24
General Purpose Financial Statements.....	25



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



Navigating Challenges, Shaping a Prosperous Future

Dear Residents and Stakeholders,

I am delighted to present the Livingstone Shire Council's Annual Report for the year 2023. The year under review has been nothing short of momentous for Livingstone Shire Council.

In the face of complex challenges confronting both our Council and the wider community, such as persistent inflationary pressures, the cost of living crisis, and the critical issues surrounding housing affordability and supply, it is with unwavering determination that we continue to position our Shire for a prosperous future.

Amidst these uncertain times, Council remains steadfast in its commitment to the core values, principles and aspirations of our long-term strategic *Livingstone Community Plan: Towards 2050*. This blueprint not only advocates for sustainable growth but also highlights our dedication to preserving Livingstone's environmental integrity and ensuring the importance of liveability in all our endeavours.

I am proud to share that despite the challenging economic landscape, characterised by a soaring consumer price index (CPI), Council limited the overall rate increase to 4.9%. This was below CPI (June 2022: 6.1%) at the time the budget was brought down. In the context of a broader regional structure where 46 out of 77 local councils in Queensland are facing varying degrees of viability risk, Livingstone stands as a model of fiscal strength¹.

Our financial result strikes a judicious balance, ensuring both the long-term financial stability and viability of our Shire, while being acutely aware of the financial pressures felt by households and businesses alike. I am delighted to report that our ongoing efforts to alleviate the debt burden inherited at the commencement of this term have been fruitful.

When this term began, Council was encumbered with a debt of approximately \$76.8 million. As of June 30, 2023, we have managed to pare this debt down to around \$54.4 million — a remarkable feat by any measure.

Beyond these economic accomplishments, Council has remained resolute in its pursuit of a future enriched by progress and promise.

Our commitment to this vision is evident in the strides taken towards the completion of major projects such as the \$21.6 million Stanage Bay Road project, which saw the upgrading and sealing of approximately 39.7 kilometres of road to enhance connectivity, safety and accessibility for residents and visitors to the area.

Stages 2B and 3 of the Gateway Business and Industry Park (The Gateway) are nearing completion, creating 10 new lots and road infrastructure for new and existing businesses and industries to call Yeppoon home. Works have also begun on the Western precinct of The Station in Yeppoon's CBD, which has been designed to double as a community hub and recovery space following a disaster.

Livingstone Shire is well and truly making its mark in Queensland, with recent economic analysis highlighting our significant population and industry growth.

¹Queensland Audit Office, Local Government 2022 (Report 15: 2022-23) available at <https://www.qao.qld.gov.au/reports-resources/reports-parliament/local-government-2022>

MESSAGE FROM MAYOR

Population growth across Livingstone Shire was above the Queensland State average between 2021 and 2022, growing to 40,952, which is no surprise given the substantial economic growth of \$65 million across the same period – increasing our gross regional product to over \$1.6 billion annually.

Highlights of this regional economic growth include a sizeable increase of 303 new business GST registrations², reflecting the growth of small business across the region, and domestic tourism visitation at an all time high with over 1.2 million³ overnight stays across 2021 – 2022.

Now more than ever, it's important for Council to focus on strong investment attraction alongside infrastructure planning.

We have been fortunate to have many people choose to call Livingstone Shire home since the pandemic, however this comes with increased demand for services and increased expectation from our community.

Council is taking immediate steps to ensure that we can meet the needs of our growing community.

Council recently gifted land to AnglicareCQ at Yeppoon and Emu Park which will be used to construct affordable dwellings including units for people with disabilities. Council is also working closely with Saint Vincent de Paul to establish high density residential dwellings in Yeppoon, offering much needed affordable housing options. These commitments are dependent on state funding and development approvals.

Alongside these endeavours, Council's capital works expenditure of \$40.2 million (\$26.8 million funded through capital grants and subsidies), is providing the necessary upgrades in essential services such as roads infrastructure, safe drinking water, waste and landfill and investment in land development.

The expanding population of Livingstone Shire stands as a testament to our region's charm, rooted in job opportunities, diverse lifestyle offerings, and the exciting prospects presented by emergent businesses and industries.

As we draw closer to the culmination of this four-year term, it is evident that substantial progress has been achieved in realising the goals we set out to attain.

This report delivers a comprehensive overview of Livingstone Shire Council's accomplishments over the past year, as well as an honest appraisal of the challenges we encountered. I invite you to peruse this report at your leisure, to gain deeper insights into the efforts and achievements of your Council.

Thank you for your continued support as we work collaboratively to shape a thriving future for our beloved Shire.

Warm regards,



Andy Ireland
Mayor

²To March 2023- Source: Australian Business Register. ©2020 Compiled and presented in economy.id by .id (informed decisions)

³Source: Tourism Research Australia, Unpublished data from the National Visitor Survey and International Visitor Survey 2021/2

COUNCILLORS

The role of Councillors is to represent the community. They make decisions that benefit the whole of Livingstone Shire, now and into the future. Livingstone Shire Council is represented by the Mayor and six (6) Councillors. Our Councillors represent all areas of the Shire as Livingstone is an undivided local government area. Former Councillor, Nigel Hutton, resigned from his position in March 2023. Councillor Clint Swadling was sworn into office in April 2023.



Livingstone Shire Councillors (from left to right) Councillor Glenda Mather, Councillor Adam Belot, Mayor Andrew Ireland, Councillor Pat Eastwood, Councillor Andrea Friend, Councillor Clint Swadling and Councillor Rhodes Watson.

Mayor Andrew Ireland

Portfolio: Economic Development and Regional Advocacy and Intergovernmental Relations

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

Deputy Mayor Adam Belot

Portfolio: Organisational Performance

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

Councillor Pat Eastwood

Portfolio: Healthy and Inclusive Community

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

Councillor Rhodes Watson

Portfolio: Vibrant Community (Tourism, Events and Culture)

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

Councillor Clint Swadling

Portfolio: Planning and Strategic Infrastructure

clint.swadling@livingstone.qld.gov.au | Mobile 0447 526 100

Councillor Glenda Mather

Portfolio: Transport (Roads, Drainage, Pathways)

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

Councillor Andrea Friend

Portfolio: Water, Waste Management and the Environment

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

COUNCILLORS



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

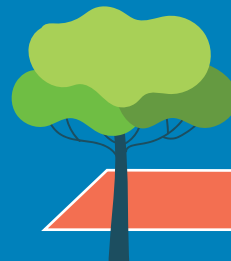


EDUCATION



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.

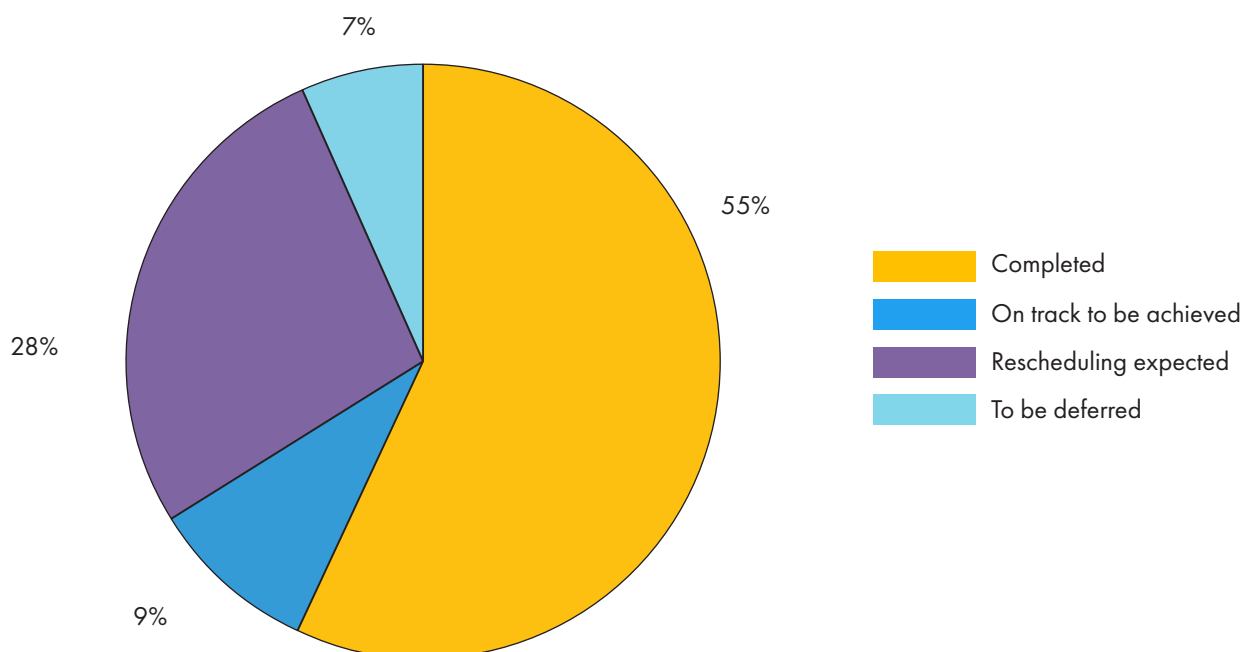
The Plan assists Council to monitor performance, remain on track and meet Council's legislative requirements of the *Local Government Act 2009*.

The Corporate Plan is implemented over its ten year lifespan through annual operational plans and budgets. Livingstone Shire Council's Operational Plan 2022-2023 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 74 Operational Plan targets:

- » 41 (55%) were completed;
- » 7 (9%) are on track to be achieved;
- » 21 (28%) have rescheduling expected; and
- » 5 (7)% are to be deferred.

Corporate Plan and Operational Plan Scorecard



Refer to [Ordinary Council Meeting 18 July 2023](#) for the 4th Quarter Operational Plan 2022-2023 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 2022-2023 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 Livingstone Shire Council (Council) through oversight of accounting, auditing, governance, risk and control activities, and reporting requirements imposed under the *Local Government Act 2009* and other relevant legislation.

Membership and meeting attendance of the Committee for the 2022-2023 financial year was:

Member	Role	Term Started	Term Ends	* Meetings Attended
CURRENT MEMBERS				
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	7
Mayor Andrew Ireland	Council Member Representative Council Member Proxy	April 2021 20 September 2022	September 2022 September 2028	3
Councillor Adam Belot	Council Member Representative (12-month member extension)	18 February 2019 28 February 2022	September 2022	1
Mr Stephen Coates	Independent Member (12-month member extension)	18 February 2019 28 February 2022	27 February 2022 28 February 2023	6
Ms Melissa Jacobs	Independent Member (Member extension)	18 May 2021 July 2023	May 2024 31 March 2025	7
Councillor Rhodes Watson	Council Member Representative	20 September 2022	19 September 2028	3
Councillor Pat Eastwood	Council Member Representative	20 September 2022	19 September 2028	3
Mr Peter Sheville	Independent Member Independent Chair	1 March 2023 21 June 2023	28 February 2026 20 June 2026	3

*'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 (CEO) who assumes the role of Chief Audit Executive, the Chief Financial Officer, Executive Leadership Team, Governance Business Unit, Pacifica Pty Ltd (Internal Auditors) and Deloitte Touche Tohmatsu (External Auditors) contracted by Queensland Audit Office (QAO).

During 2022-2023 quorum was reached for all meetings which were held in September 2022, December 2022, February 2023 and June 2023.

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 statutory financial statements, making appropriate enquiries of management to satisfy itself that compliance has been achieved in accordance with the *Local Government Act 2009* and *Local Government Regulation 2021*.

The Committee provides oversight to Council's control framework and observed those key internal controls operated soundly during 2022 - 2023. 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 notes completion of projects against the approved 2022-2023 Annual Internal Audit Plan, with the exception of Project #5 Asset Management & Asset Accounting Practices which was removed at request of Management and replaced with a special project on Grant Management Practices. The Committee continued to monitor the performance of the internal audit function and reviewed internal audit reports associated with Large-Scale Vendor Contract Compliance, Transformation Project Assurance Health Check (Phase 1), and Records Management Practices.

Deloitte Touche Tohmatsu were the External Auditors, appointed for this period via a statutory appointment determined by Queensland Audit Office (QAO). The Committee supported the work associated with preparing and finalising the financial statements and reviewing management's letter ensuring appropriate corrective action was established in a future action plan.

The Committee assumes responsibility for providing assurance that Council is effectively identifying, evaluating and managing its key risks. The enterprise risk management (ERM) framework continued to evolve during the year under the Risk Management Maturity Advancement Project, and Council's risk maturity continues to be monitored. The Committee provided continued scrutiny over the Transformation Project as it faced significant difficulties associated with the primary 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 2022-2023 FY period 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, did identify a few minor recommendations for improvements which have subsequently been actioned, implemented, or noted for future consideration.

Focus Areas for 2023-2024

- » Provision of strategic guidance on development of the 2024-2027 Strategic Internal Audit Plan, incorporating the 2024-2025 Annual Internal Audit Plan;
- » Continued monitoring of evolving corporate risks including financial sustainability and cyber security;
- » Continued oversight of progress, and monitoring of significant operational risks associated with the Transformation Project (Merlin);
- » Ongoing assessment of the maturity of the enterprise risk management framework in line with the Risk Management Maturity Advancement Project;
- » Continued monitoring of processes and controls associated with revenue recognition, in particular grant management practices;
- » Continued monitoring of Council's strategic asset management maturity and asset accounting practices;
- » Increased scrutiny of Council's fraud and corruption management framework and monitoring of reportable activities;
- » Review of the maturity of Council's work health & safety/safety management systems;
- » Continued review and feedback of Council's Shell General Purpose Financial Statements in accordance with Council's External Audit Plan/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
Mayor Cr Andrew Ireland	\$136,492	\$16,523	\$153,015	\$1,200	\$20,000	\$20,140	1 July 2022 - 30 June 2023
Deputy Mayor Cr Adam Belot	\$85,276	\$10,377	\$95,653	\$1,200	\$3,000	\$8,852	1 July 2022 - 30 June 2023
Cr Andrea Friend	\$72,482	\$8,842	\$81,324	\$1,200	\$5,220	\$4,676	1 July 2022 - 30 June 2023
Cr Rhodes Watson	\$72,482	\$8,842	\$81,324	\$1,200	\$5,593	\$5,830	1 July 2022 - 30 June 2023
Cr Nigel Hutton	\$54,330	\$6,630	\$60,960	\$923	\$2,308	\$4,639	1 July 2022 - 31 March 2023
Cr Clint Swadling	\$15,617	\$1,901	\$17,518	\$226	\$4,932	\$1,071	18 April 2023 - 30 June 2023
Cr Pat Eastwood	\$72,482	\$8,842	\$81,324	\$1,200	\$3,000	\$6,985	1 July 2022 - 30 June 2023
Cr Glenda Mather	\$72,482	\$8,842	\$81,324	\$1,200	\$15,159	\$2,177	1 July 2022 - 30 June 2023
TOTAL	\$581,643	\$70,799	\$652,442	\$8,349	\$59,212	\$54,370	

Attendance at Council Meetings

Councillor	Ordinary Meetings 1 July 2022 - 30 June 2023 (12 Held)	Special Meetings 1 July 2022 - 30 June 2023 (6 Held)	Total
Mayor Cr Andrew Ireland	10	4	14
Deputy Mayor Cr Adam Belot	11	5	16
Cr Glenda Mather	12	5	17
Cr Pat Eastwood	12	5	17
Cr Andrea Friend	12	5	17
Cr Rhodes Watson	10	5	17
Cr Clint Swadling * 18 April 2023 - 30 June 2023	2	1	3
Cr Nigel Hutton * 1 July 2022 - 31 March 2023	8	4	12

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 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 conduct tribunal)	1
Complaints referred to the assessor under section 150P(2)(a) of the Act by local government entities for the local government, a councillor of the local government or the Chief Executive Officer of the local government	2
Matters, mentioned in section 150P(3) of the Act, notified to the Crime and Corruption Commission	1
Notices given under section 150R(2) of the Act - (complaint referred to independent assessor by local government official about inappropriate conduct or misconduct)	0
Notices given under section 150S(2)(a) of the Act – (inappropriate conduct 3 times in 1 year)	0
Decisions made under section 150W(1)(a), (b) and (e) of the Act – (decision by Independent Assessor about conduct)	9
Referral notices accompanied by a recommendation mentioned in section 150AC(3)(a) of the Act – Suspected inappropriate conduct should be referred to another entity for consideration	1
Occasions information was given under section 150AF(4)(a) of the Act	1
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	1
Applications heard by the conduct tribunal under chapter 5A, part 3, division 6 of the Act about whether a councillor engaged in misconduct or inappropriate conduct	1



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 2022-2023 financial year, the total remuneration packages paid to Council's senior management amounts to \$1,527,006.

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 2022-2023 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 2022-2023	\$308,605

Administrative Action Complaints

In accordance with section 187 of the *Local Government Regulation 2012*, Council has adopted an Administrative Action Complaint 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 and it is recognised as an essential part of good quality and governance practices. Information about the process, including how to lodge a complaint can be found on Council's website: <https://www.livingstone.qld.gov.au/complaints-management/administrative-action-complaints>

As required by section 187 (2) of the *Local Government Regulation 2012*, the below table provides a summary of Administrative Action Complaint outcomes for 2022-2023.

OUTCOME OF ADMINISTRATIVE ACTION COMPLAINTS	2022 - 2023
Number of Administrative Action Complaints made	429
Number of Administrative Action Complaints resolved under the complaints management process (including complaints received in previous year 2021/2022)	436
Number of Administrative Action Complaints not resolved under the complaints management process	6
Number of Administrative Action Complaints that were made and not resolved that were made in the previous financial year (2021/2022)	1

As per the Administrative Action Complaint Procedure, below is a summary of administrative action complaints received by complaint category. The number of reviewed infringement notices has risen compared to the previous year (2021/2022) due to a 75% increase in the number of infringement notices issued. Over the past 12 months, Council has taken a more proactive stance, particularly concerning the enforcement of infringement notices related to beach driving.

Complaint Category	Percentage of complaints made to the local government
TIME: Dissatisfaction over time taken for Council to provide a service	6%
QUALITY: Dissatisfaction over the quality of service provided by Council	1%
PERSON: Dissatisfaction over the actions of a Council Officer	0%
SAFETY: Dissatisfaction over an issue related to safety or risk	1%
COMMUNICATION: Dissatisfaction over the communication (or lack thereof) of Council	1%
EXPECTATION: Dissatisfaction over expectation of the service of Council	5%
INFRINGEMENT: Dissatisfaction over a penalty infringement notice received	86%

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 a significant role in complying with Queensland's *Human Rights Act 2019* through its actions, decisions, proposals and recommendations.

Under the *Human Rights Act 2019* when individuals believe that their human rights have not been given proper consideration by Council, they have the right to complain and seek remedies.

In the 2022-2023 financial year, Council did not receive any human rights complaints.

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

Financial Assistance to Community Organisations

During the 2022-2023 financial year, Council supported a number of community organisations by granting financial assistance. Under section 189 of the *Local Government Regulation 2012*, Council must provide a summary of such contributions.

During 2022-2023, Livingstone Shire Council provided financial assistance totalling \$165,672 as per the following funding initiatives.

Community Grants Scheme

In 2022-2023, Livingstone Shire Community Grants Scheme provided local not-for-profit community and sporting groups an opportunity for funding up to \$5,000 for initiatives which support the local community and build the capacity and resilience of the groups. In 2022/2023, a total of \$100,000 was awarded to twenty-nine (29) not-for-profit community and sporting groups across Livingstone Shire. In Round One, Council provided \$40,000, The Real Group provided \$10,000 and M.Cranny Investments provided \$5,000. In Round Two, Council provided \$40,000 and M.Cranny Investments provided \$5,000.

Round One - 2022-2023 Livingstone Community Grants (Successful Applicants)

Applicant	Initiative Description	Amount \$
Keppel Coast Athletics Club Inc.	Sprint track rejuvenation and coach education	\$4,812.00
Cockscomb Veterans Bush Retreat Inc.	Construction of concrete entrance driveway to retreat to create all weather, accessible entrance	\$5,000.00
Yeppoon Junior Rugby League Football Club Inc.	Upgrade to club canteen point of sale system	\$1,696.00
Capricorn Coast Parkana Cricket Club Inc.	New synthetic netting for training facility	\$2,576.00
Emu Park & District Men's Activity Shed Inc.	Installation of concrete slab on western end of existing shed	\$5,000.00
Emu Park Historical Museum Society Inc.	Purchase fully automatic defibrillator. Purchase of self-propelled lawn mower and new wheelbarrow	\$3,655.73
Emu Park Art Gallery Inc.	Install energy efficient roller blind to main workshop	\$1,060.00
Lions Club of Emu Park Inc.	Purchase of router and equipment to provide a free WIFI access point at the Emu Park Lions shack	\$1,931.50
Yeppoon Choral Society Inc.	Upgrade existing sound equipment. Laptop computer and portable printer. Purchase of additional microphones and stands.	\$3,617.76
The Caves & District Lions Club	Replacement of verandah flooring in Lions clubhouse	\$5,000.00
Yeppoon Recreation Youth Club Inc.	Purchase of new stove and fridge	\$3,698.00
Yeppoon Little Theatre Group Inc.	Replacement sound desk, speakers and microphones	\$5,000.00
Yeppoon Tennis Club Inc.	Purchase of two x three tier 15/20 person spectator stands	\$5,000.00
Keppel Coast Country Music Club Inc.	Installation of LED lights and weather proofing, power points in BBQ area. Purchase of defibrillator. Improved mobile reception for communications.	\$5,000.00
Cawarral Cricket Club Inc.	Supply and install floor coverings to clubhouse.	\$1,953.01 (partial)
TOTAL		\$55,000.00

Round Two - 2022-2023 Livingstone Community Grants (Successful Applicants)

Applicant	Initiative Description	Amount \$
Yeppoon Meals on Wheels	Solar panel installation	\$5,000.00
Keppel Coast Arts Council	Banners and branded table covers	\$1,338.15
Capricorn Coast Netball Association	Laptop with software	\$1,663.00 (partial)
The Scout Association of Australia Qld Branch Inc. – Yeppoon Scout Group	Kayaking safety equipment	\$3,791.15
Capricorn Coast Football Club Inc.	Air conditioning for canteen kitchen	\$5,000.00
Capricorn Coast Landcare Group Inc.	Water quality testing equipment	\$1,331.00
Sailability Capricornia	Concrete pathway	\$4,200.00
Capricorn Coast Outrigger Canoe Club	Table, chairs and barbecue for club gatherings	\$3,158.90
Yeppoon Hack & Pony Club	Plumbing upgrades	\$4,960.00
KeppelFM Community Radio	3 x Desktop computers	\$2,997.00
Capricornia Blo Kart Club Inc.	Shade marquees, tables and wagon, laptop equipment	\$4,530.34
Yeppoon Surf Life Saving Club Inc.	Shade marquees and frames	\$4,268.00
Capricornia Catchments Inc.	UHF radio and Cel-Fi-Go Teltra repeater with antenna	\$2,332.00
Broadmeadows Clay Target Club	Perimeter Fencing	\$430.46 (partial)
TOTAL		\$45,000.00

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 2022-2023 promotes the significance and value of arts, culture and heritage as the key to:

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

The budget available for the 2022-2023 rounds of the Regional Arts Development Fund was \$65,972.00 comprising \$34,500 from the State Government Arts Queensland, \$30,000 from Livingstone Shire Council and \$1,472.00 rolled over from unspent funds from Round Two in 2021/2022.

Community Group/ Individual Professional Development	Purpose	Amount \$
Brad Butcher – Storytellers Songwriting Retreat	This grant will be used towards the costs of paying the four songwriting mentors and a videographer during our 4-day songwriting retreat, held in Emu Park in 2023.	\$7,000
Vicki Lomansey: Yeppoon Little Theatre	Contract Lock & Hock Productions to provide professional development, training and support for the play Children of the Black Skirt.	\$6,000
Shae O'Reilly: High Valley Dawn Festival	New Dawn - Arts, culture and sustainability event to be held in Sept 2023.	\$1,600
Angela Lomas: East Coast Arts	Production of 3D installation of black cockatoos for CQ Village Festival 2023.	\$3,000
Leanne Smith: Writers Festival	Delivering a series of workshops, artists presentations and panel discussion as part of Capricorn Coast Writers Festival 2023.	\$5,694
Erin Fisher: Capricorn Film Festival	Pop-up light installation - Glow in the Dark - a film centric journey through cinema's history presented as an immersive experience in Beaman Park.	\$2,250
Kelly Harris: Country on Keppel 2023	This grant will be used towards the costs of workshops associated with the 2023 Peter Blundell Memorial Country on Keppel Talent Search. Award-winning artists Lyn Bowtell, James Blundell, and Matt Cornell will run workshops.	\$5,380
Peter Burton: Keppel Sands Community Advancement League	This grant will be used towards the costs of painting 6 power poles in Taylor St., Keppel Sands. The posts will illustrate the topography, flora and fauna of Keppel Sands along with stories that reflect the history and culture of Keppel Sands	\$6,000
Keppel Coast Arts – The Creek Sessions	The Creek Sessions 2023 is intended to be a relaxed Sunday afternoon "session" of approximately 4 hours duration, held at the KCA Artship, on the banks of Fig Tree Creek in Yeppoon. The session will be open to the general public and free to attend. The program will include creative works by musicians, a poet, author, or actor, and a multimedia artist and/or performer.	\$5,750
Lock and Hock Productions – Jenny Wynter Improvisation and Comedy Workshop	This grant will be used towards the costs of bringing Brisbane-based comedian, Jenny Wynter to our region to provide workshop opportunities for those interested in the art of improvisation and comedy.	\$4,070
Keppel Coast Arts – Fig Tree Galleries	This grant will be used towards the costs of curating an exhibition to be held in the Fig Tree Galleries during the peak summer tourist holiday season from mid Dec 2023 to end Jan 2024. Entries will be open to artists from any region but works will reflect or be inspired by summertime in Capricornia.	\$4,098
Susan Stewart: Machine Embroidery Workshops	This grant will be to offset the costs of engaging, world-wide renowned Machine Embroider, Leanne Church. Leanne will tutor the participants in creative ways to enhance their skills and knowledge of Machine Embroidery. Leanne will also be hosting, through the event, "How to turn your hobby as a Machine Embroiderer into a home based business". We will be holding this event at the Haven, Emu Park.	\$3,330
Sienna Westcott (IPD)	Undertake classical ballet training with Classical Coaching Australia in Brisbane.	\$1,000
Janelle Westcott (IPD)	Professional development through BBODANCE in Melbourne to gain the latest teaching techniques and choreography styles, and attend specific training for ballet to boys.	\$1,500
Will Hearn (IPD)	Travel to the Gold Coast to record 4 EP tracks with music producer, George Carpenter.	\$7,800
Kylie Coquhoun (IPD)	Professional development through the ArtSHINE combined Launch Pad and Accelerator program.	\$1,500
TOTAL		\$65,972

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 2022-2023 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:

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

Legislative Requirements Not Applicable

The following list provides legislative requirements of a local government annual report in accordance with the *Local Government Act 2009* and the *Local Government Regulation 2012* that do not apply to Livingstone Shire Council for the 2022-2023 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 2022-2023 financial year:

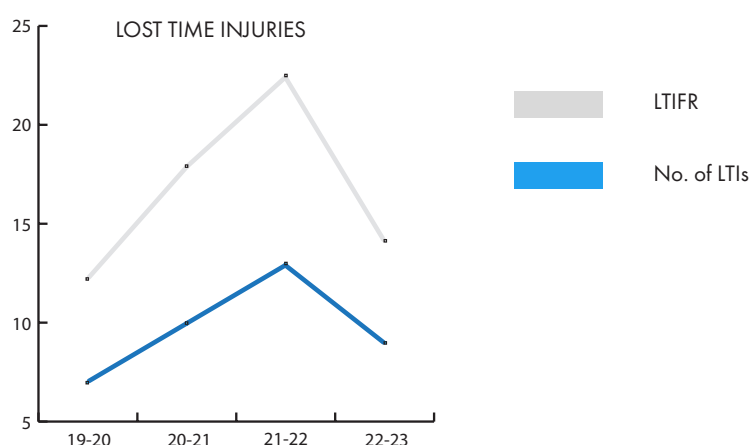
- » Other contents (section 190 of the *Local Government Regulation 2012*)
 - (1)(i) A summary of investigation notices given in the financial year under section 49 for competitive neutrality complaints;
 - (1)(j) The local government's responses in the financial year on the QCA's recommendations on 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.

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.

Council actively participates and promotes a safety culture free from injury and illness and is committed to managing workplace related injuries and illnesses through proactive rehabilitation and return to work programs. In the past year Council has reduced our lost time injury (LTI) events by 36%. Our lost time injury frequency rate (LTIFR) is lower than it was 2 years ago.



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.

In our commitment to supporting the wellbeing of our people, this year Council partnered with Converge to launch a new mobile app to assist employees in their own personalised health journey as well as expanding our offerings to include monthly sessions covering a range of health and wellbeing topics.

Month	Theme
July 2022	Financial Wellness
August 2022	Dealing with Uncertainty
September 2022	Building Resilience
October 2022	Positive Parenting
November 2022	Thriving Under Pressure
December 2022	Managing Personal Relationships
January 2023	Introduction to Mental Fitness
February 2023	Nutrition for Life
March 2023	Sleep and Our Health
April 2023	Work Life Integration
May 2023	Mindfulness
June 2023	Unconscious Bias

Whilst our overall safety performance is encouraging, the challenge is to maintain our momentum. 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 or visiting 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 2023

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 2023 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...

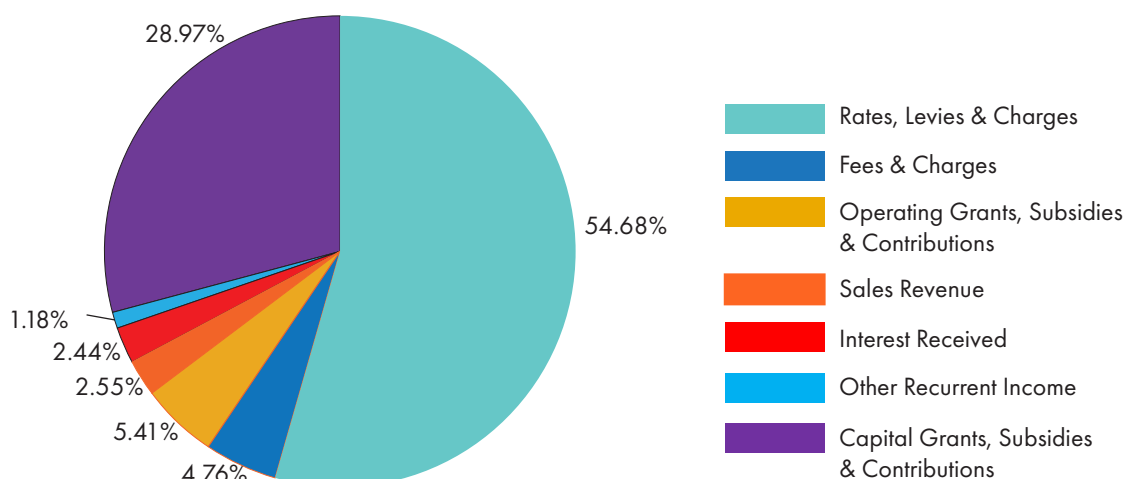
The majority of Council's income comes from rates, levies & charges, fees & charges, interest, sales revenue, grants, subsidies & contributions. To provide services to the community, Council must collect revenue. Rates and utility charges are Council's principal source of revenue. Council also charges 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 \$149.9 million in revenue was recognised for the year. This was comprised of \$106.5 million in operating revenues and \$43.4 million in capital revenue.

Included in revenue was an advance payment of \$4.5 million for the 2024 Federal Assistance Grant (a prepayment of \$3.5 million was received in the 2021-2022 year for the 2023 grant). The Accounting Standards require recognition of this untied grant on receipt which has increased the revenue and operating surplus for the 2022-2023 financial year. 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.

TOTAL INCOME



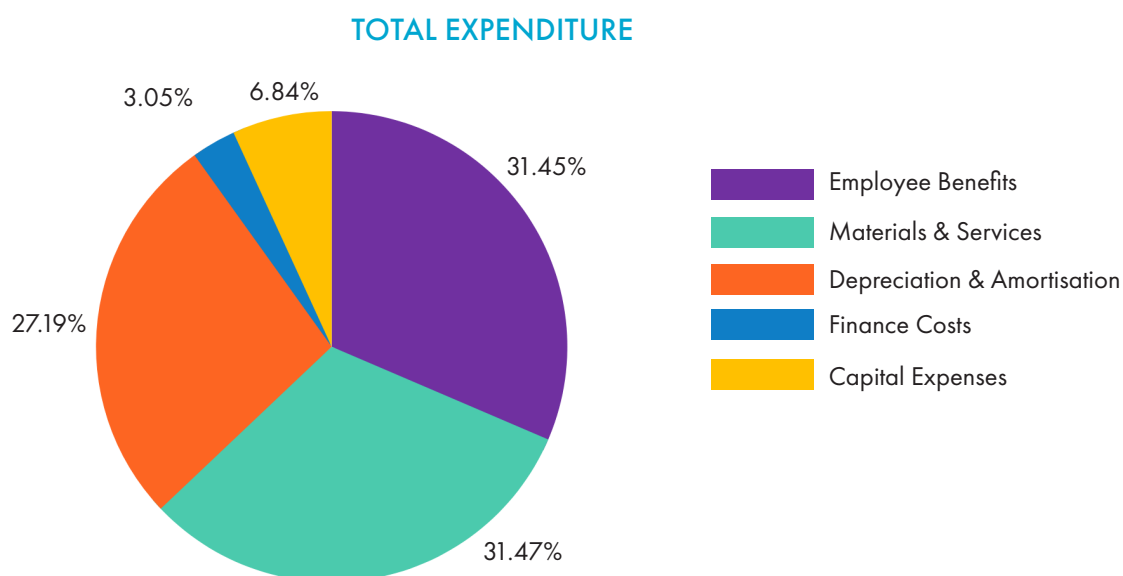
Expenses - Where our money is spent...

The three largest items of Council's expenditure are employee benefits, materials & services and depreciation, and overall operating expenses for the year totalled approximately \$105.2 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 asset's 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 \$7.7 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 \$192.7 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 \$157.2 million resulting from the revaluation of Council's non-current assets in accordance with Australian Accounting Standards, offset by a \$1.5 million change in Council's landfill rehabilitation provision.

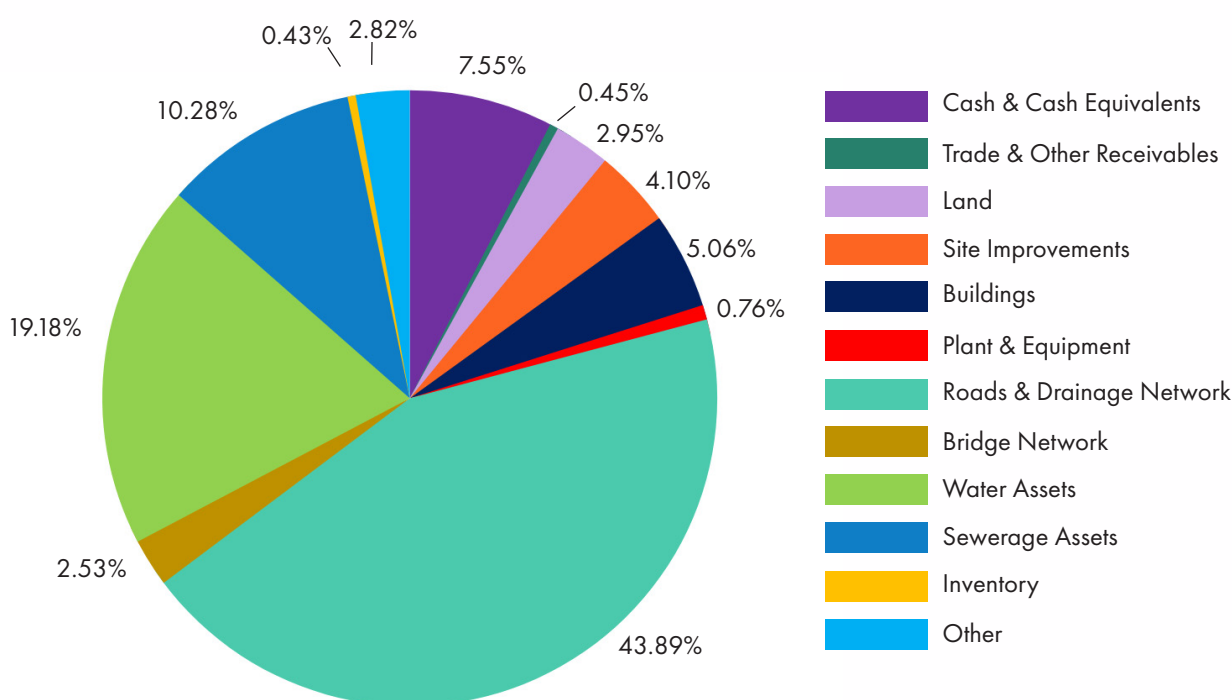
Statement of Financial Position

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 88.7% 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



Total assets are approximately \$1.24 billion as at 30 June 2023.

Capital Works

Capital works undertaken for the year totalled approximately \$40.2 million. These capital works were funded from different sources including grants & subsidies, and cash holdings. Contributed assets of \$13.4 million were also received from new developments within the region. Significant projects undertaken in 2022-23 were:

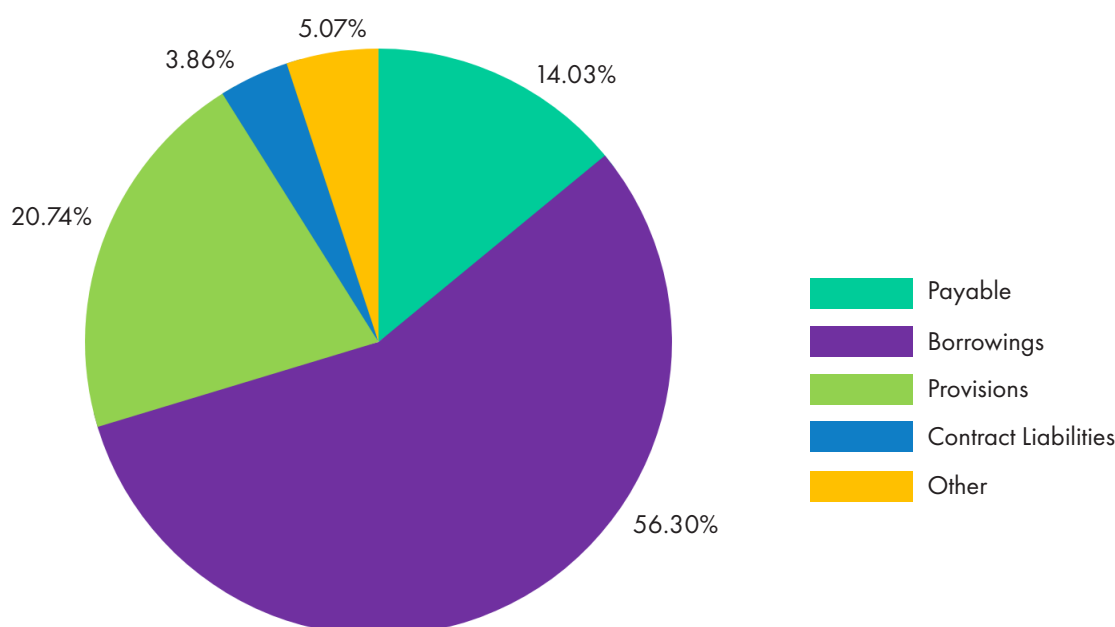
- Resource Recovery Centre at the Yeppoon Landfill
- Completion of major roadworks at various locations including:
 - Stanage Bay Road upgrade;
 - Carige Boulevard intersection upgrade;
 - Matthew Flinders Drive Rehabilitation Stage 2;
 - Adelaide Park Road, and
 - Completion of the annual road reseal program.
- Wreck Point walking trail
- Replacement of the Yeppoon Town Centre Carpark Façade
- Yeppoon Community Development Centre and CBD precinct CCTV upgrades

- Yeppoon sewerage treatment plant solar array
- Filter media replacement at the Woodbury Water Treatment Plant
- Progression on a number of major projects including:
 - Capricorn Coast Memorial Gardens;
 - Cooee Bay Swimming Pool upgrade;
 - Emu Park reservoir;
 - Gateway Industry and Business Park Stage 2A and 3B, and
 - Queen Street Upgrade (Arthur St to Mary St section).

What Do We Owe?

Council's borrowings at 30 June 2023 totalled approximately \$54.4 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 2.5% of total operating income.



Total liabilities were approximately \$96.6 million at 30 June 2023 of which approximately 56.3% are borrowings with the Queensland Treasury Corporation, which are used to pay for Council's capital works.

Financial Sustainability Ratios

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

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

Council's Long Term Financial Forecast has been developed and adopted by Council and shows a continued high level of investment into assets. Council has budgeted for a small operational surplus of approximately \$169,000 for the 2023-2024 financial year. The long-term financial forecast outlines that Council anticipates achieving a operational budget surplus through all forecast years to the conclusion of the forecast period in the 2032-2033 financial year. Council anticipates that the net financial liabilities ratio to be within the target range in all future financial years in the 10-year forecast period.

While the Asset Sustainability Ratio does not achieve the target of 90% in any of the forecast financial years, this result is a reflection that in accordance with Council's asset management plans a majority of Council's property, plant and equipment assets are not forecast to require renewal during the 10-year forecast period.

Relevant Measures of Financial Sustainability

		FORECAST										
	Target	30/06/2023	30/06/2024	30/06/2025	30/06/2026	30/06/2027	30/06/2028	30/06/2029	30/06/2030	30/06/2031	30/06/2032	30/06/2033
1 Operating Surplus Ratio												
Net Result (excluding capital items) / Total Operating Revenue (excluding capital items) (%)	Between 0% and 10%	1.2%	0.2%	0.2%	2.6%	3.3%	3.7%	4.4%	4.1%	3.1%	1.29%	1.0%

This ratio indicates the relationship between Council's operational result and total operating income, expressed as a percentage. It is an indication of Council's ability to fund its day-to-day operations. A targeted result of up to 10% means that surplus income is available after Council has paid for the cost of delivering all services to the community. Council's long-term financial forecast indicates that Council anticipates achieving an operational budget surplus through all future forecast years.

2 Asset Sustainability Ratio												
Capital Expenditure on the Replacement of Assets (renewals) / Depreciation Expense (%)	Greater than 90%	70.6%	81.1%	63.0%	70.7%	39.9%	52.9%	50.2%	48.3%	47.9%	40.8%	37.0%

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

3 Net Financial Liabilities Ratio												
Total Liabilities - Current Assets / Total Operating Revenue (excluding capital items) (%)	Not Greater than 60%	(21.3)%	(26.9)%	(40.2)%	(49.4)%	(63.3)%	(70.7)%	(76.4)%	(83.1)%	(90.6)%	(99.1)%	(108.0)%

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

Statement of Changes in Equity

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

What Are We Worth?

Community equity is equal to total assets less total liabilities and at 30 June 2023 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 2032-2033 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 2022-2023.

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 2022-2023 financial year was an increase of approximately \$6.1 million mainly as a result of grants funds received in advance, and other timing related issues.

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 2019-2020 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 2023



General Purpose Financial Statements

for the year ended 30 June 2023

Contents	Page
1. Understanding Council's Financial Statements	3
2. Primary Financial Statements:	
Statement of Comprehensive Income	4
Statement of Financial Position	5
Statement of Changes in Equity	6
Statement of Cash Flows	7
3. Notes to the Financial Statements	
1 Information about these financial statements	8
2 Analysis of results by function	9
3 Revenue	11
4 Interest and other income	14
5 Capital income	14
6 Employee benefits	15
7 Materials and services	15
8 Finance costs	16
9 Capital expenses	16
10 Cash and cash equivalents	17
11 Receivables	17
12 Inventories	18
13 Other assets	18
14 Property, plant and equipment	19
15 Contract balances	27
16 Trade and Other Payables	28
17 Borrowings	28
18 Provisions	29
19 Other liabilities	30
20 Asset revaluation surplus	31
21 Commitments for expenditure	32
22 Contingent liabilities	32
23 Superannuation	33
24 Reconciliation of net result for the year to net cash inflow/(outflow) from operating activities	34
25 Reconciliation of liabilities arising from finance activities	35
26 Events after the reporting period	35
27 Financial instruments	35
28 National competition policy	37
29 Transactions with related parties	38
Additional Council disclosures (unaudited)	
30 Council information and contact details	40

General Purpose Financial Statements

for the year ended 30 June 2023

Contents	Page
4. Management Certificate	41
5. Independent Auditor's Report	42
6. Current Year Financial Sustainability Statement	43
Current Year Sustainability Statement	44
Independent Auditor's Report - Current Year Financial Sustainability Statement	45
7. Unaudited Long Term Financial Sustainability Statement	46
Unaudited Long Term Financial Sustainability Statement	48

General Purpose Financial Statements

for the year ended 30 June 2023

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 2023.

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

About the Management Certificate

The financial statements must be certified by both the Mayor and the Chief Executive Officer as presenting a true and fair view 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 fairly the Council's financial performance and position.

Who uses the Financial Statements?

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

Statement of Comprehensive Income

for the year ended 30 June 2023

	Notes	2023 \$ '000	2022 \$ '000
Income			
Recurrent revenue			
Rates, levies and charges	3a	81,975	77,855
Fees and charges	3b	7,128	7,897
Sales revenue	3c	3,830	6,095
Grants, subsidies, contributions and donations	3d	8,104	8,131
Total recurrent revenue		101,037	99,978
Capital revenue			
Grants, subsidies, contributions and donations	3d	41,458	30,410
Total capital revenue		41,458	30,410
Other income			
Interest received	4a	3,662	653
Other income	4b	1,772	1,836
Capital income	5	1,976	24,488
Total other income		7,410	26,977
Total income		149,905	157,365
Expenses			
Recurrent expenses			
Employee benefits	6	35,523	35,588
Materials and services	7	35,544	36,783
Finance costs	8	3,449	3,413
Depreciation and amortisation:			
- Property, plant and equipment	14	30,610	24,634
- Intangible assets		108	87
Total recurrent expenses		105,234	100,505
Other expenses			
Capital Expenses	9	7,725	12,977
Total other expenses		7,725	12,977
Total expenses		112,959	113,482
Net Result		36,946	43,883
Other comprehensive income			
Amounts which will not be reclassified subsequently to the operating result			
Net increase in asset revaluation surplus	14,18	155,706	59,515
Total other comprehensive income for the year		155,706	59,515
Total comprehensive income for the year		192,652	103,398

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

Statement of Financial Position

as at 30 June 2023

	Notes	2023 \$ '000	2022 \$ '000
Assets			
Current assets			
Cash and cash equivalents	10	104,744	98,651
Receivables	11	6,208	6,554
Inventories	12	1,207	929
Contract assets	15a	2,652	1,471
Other assets	13	4,484	2,165
Total current assets		119,295	109,770
Non-current assets			
Inventories	12	4,763	3,819
Property, plant and equipment	14	1,262,677	1,089,997
Intangible assets		288	131
Total non-current assets		1,267,728	1,093,947
Total Assets		1,387,023	1,203,717
Liabilities			
Current liabilities			
Payables	16	13,555	11,706
Contract liabilities	15b	3,725	12,293
Borrowings	17	5,956	5,672
Provisions	18	7,917	9,413
Other liabilities	19	1,347	1,262
Total current liabilities		32,500	40,346
Non-current liabilities			
Borrowings	17	48,439	54,286
Provisions	18	12,125	8,586
Other liabilities	19	3,550	3,470
Total non-current liabilities		64,114	66,342
Total Liabilities		96,614	106,688
Net community assets		1,290,409	1,097,029
Community equity			
Asset revaluation surplus	20	260,564	104,526
Retained surplus		1,029,845	992,503
Total community equity		1,290,409	1,097,029

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

Statement of Changes in Equity

for the year ended 30 June 2023

	Notes	Asset revaluation surplus \$ '000	Retained surplus \$ '000	Total equity \$ '000
2023				
Balance as at 1 July		104,526	992,503	1,097,029
Adjustments to opening balance		332	396	728
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		260,564	1,029,845	1,290,409
2022				
Balance as at 1 July		45,011	948,620	993,631
Net result		—	43,883	43,883
Other comprehensive income for the year				
- Increase in asset revaluation surplus	14	59,515	—	59,515
Other comprehensive income		59,515	—	59,515
Total comprehensive income for the year		59,515	43,883	103,398
Balance as at 30 June		104,526	992,503	1,097,029

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

Statement of Cash Flows

for the year ended 30 June 2023

		2023	2022
	Notes	\$ '000	\$ '000
Cash flows from operating activities			
Receipts from customers		93,369	96,928
Payments to suppliers and employees		(76,897)	(76,299)
		<u>16,472</u>	<u>20,629</u>
Receipts			
Waste levy received in advance		1,196	4,610
Interest received		3,662	653
Non capital grants and contributions		6,911	8,131
Other		6,208	5,758
Payments			
Borrowing costs		(3,154)	(3,301)
Net cash inflow (outflow) from operating activities	24	<u>31,295</u>	<u>36,480</u>
Cash flows from investing activities			
Receipts			
Proceeds from sale of property, plant and equipment		2,490	1,674
Grants, subsidies, contributions and donations		18,296	27,785
Payments			
Payments for property, plant and equipment		(40,175)	(29,036)
Payments for intangible assets		(250)	(47)
Net cash inflow (outflow) from investing activities		<u>(19,639)</u>	<u>376</u>
Cash flows from financing activities			
Payments			
Repayment of borrowings		(5,563)	(5,282)
Net cash flow inflow (outflow) from financing activities		<u>(5,563)</u>	<u>(5,282)</u>
Net increase (decrease) in cash and cash equivalent held		<u>6,093</u>	<u>31,574</u>
Cash and cash equivalents at the beginning of the financial year		98,651	67,077
Cash and cash equivalents at the end of the financial year	10	<u>104,744</u>	<u>98,651</u>

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

Notes to the Financial Statements

for the year ended 30 June 2023

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 2022 to 30 June 2023. They are prepared in accordance with the *Local Government Act 2009* and the *Local Government Regulation 2012*.

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

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

(b) 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 2022. 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 AASB has issued Australian Accounting Standards and Interpretations which are not effective at 30 June 2023. These standards have not been adopted by Council and will be included in the financial statements on their effective date. None of the standards are expected to have a material impact for 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 27

(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, Council undertook a further review of its asset procedures and the data contained in the asset register. Additionally, Council undertook a comprehensive revaluation of its buildings, water, and sewerage asset classes. The review and revaluation have identified assets that had commission dates prior to 1 July 2022 comprising of existing assets not previously recognised, assets previously derecognised incorrectly, duplicate assets, and assets that are no longer in service but not derecognised.

The initial recognition and derecognition of non-current assets relates to assets that should have been included or excluded in previous years' financial statements but have only been identified and placed into (or removed from) the financial asset register during the current reporting period. The net written down value impact of the errors detailed above are not considered material in accordance with AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*, therefore, have not been presented in a restated prior period position. Council has brought the adjustments to account in the current year through profit and loss at Note 5(d) Other capital income and Note 9(b) Other capital expenses respectively resulting in a net impact of \$1.84 million to property, plant and equipment.

Notes to the Financial Statements

for the year ended 30 June 2023

Note 2. Analysis of results by function

(a) Council functions – component descriptions

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

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

Office of the Chief Executive Officer

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

Infrastructure services

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

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

Waste services

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

Water and sewerage services

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

Central funds

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

Livingstone Shire Council

Financial Statements 2023

Notes to the Financial Statements for the year ended 30 June 2023

Note 2. Analysis of results by function (continued)

(b) Council functions - analysis of results by function

Functions	Gross program income		Total income	Total expenses	Net result	Total assets
	Grants \$ '000	Other \$ '000	\$ '000	\$ '000	\$ '000	\$ '000
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)	791,647
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	19	30,525	30,544	(33,060)	(2,516)	417,814
Central funds	5,508	48,699	54,207	10,279	64,486	154,610
Total	31,600	118,305	149,905	(112,959)	36,946	1,387,023
2022						
Office of the Chief Executive Officer	91	304	395	(15,607)	(15,212)	862
Infrastructure services	16,029	39,245	55,274	(40,008)	15,266	680,040
Communities	947	8,968	9,915	(22,344)	(12,429)	10,274
Waste services	304	9,931	10,235	(8,169)	2,066	8,696
Water and sewerage services	42	29,704	29,746	(29,936)	(190)	361,455
Central funds	8,271	43,529	51,800	2,582	54,382	142,390
Total	25,684	131,681	157,365	(113,482)	43,883	1,203,717

Notes to the Financial Statements

for the year ended 30 June 2023

Note 3. Revenue

	2023	2022
	\$ '000	\$ '000

(a) Rates, levies and charges

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

Garbage charges	7,946	7,378
General rates	42,386	34,879
Separate rates	7,933	11,859
Sewerage charges	12,367	11,703
Special rates	388	377
Water access charges	10,892	10,584
Water consumption charges	7,434	7,780
Total rates and utility charge revenue	89,346	84,560
Less: discounts	(6,469)	(5,808)
Less: pensioner and other remissions	(902)	(897)
Total rates, levies and charges	81,975	77,855

(b) Fees and charges

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

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

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

	2023	2022
	\$ '000	\$ '000
Building, plumbing and development fees	3,086	2,981
Infringements	115	112
Irrigation and commercial water fees	770	938
Local laws and health licencing fees	780	509
Venues, events, tourism, and cultural fees	193	210
Waste fees	1,694	2,565
Other fees and charges	490	582
Total fees and charges	7,128	7,897

Notes to the Financial Statements

for the year ended 30 June 2023

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 2023, the net profit on sale was \$0 as no land sales occurred (2022: \$189,000 profit).

	2023 \$ '000	2022 \$ '000
Rendering of services		
Contract and recoverable works	3,830	3,265
Total sale of services	3,830	3,265
Sale of goods		
Sale of land held as inventory	—	2,830
Total sale of goods	—	2,830
Total sales revenue	3,830	6,095

(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 obligations 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.

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

Grant income under AASB 1058

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 as the construction progresses in accordance with the project schedule.

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.

Notes to the Financial Statements

for the year ended 30 June 2023

Note 3. Revenue (continued)

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 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.

	2023 \$ '000	2022 \$ '000
(i) Operating		
Contributions	29	38
General purpose grants	5,556	5,816
Government subsidies and grants	2,519	2,277
Total operating grants, subsidies, contributions and donations	8,104	8,131

(ii) Capital

Assets contributed at fair value	13,413	6,097
Government subsidies and grants	23,525	17,591
Infrastructure contributions	4,520	6,722
Total capital grants, subsidies, contributions and donations	41,458	30,410

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

	2023		2022	
	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	26,037	23,525	20,950	17,591
	26,037	23,525	20,950	17,591

Notes to the Financial Statements

for the year ended 30 June 2023

Note 4. Interest and other income

	2023 \$ '000	2022 \$ '000
(a) Interest received		
Interest received from bank and term deposits is accrued over the term of the investment.		
Interest received from investments	3,543	522
Interest received from overdue rates and utility charges	119	131
Total interest received	3,662	653
(b) Other income		
Car wash income	303	284
Commission and collection fees	67	66
Insurance recoveries	203	—
Rental / lease income	581	460
Other operating income	618	1,026
Total other income	1,772	1,836

Note 5. Capital income

	Notes	2023 \$ '000	2022 \$ '000
(a) Gain / loss on disposal of non-current assets			
Proceeds from the disposal of property, plant and equipment		2,339	1,674
Less: book value of property, plant and equipment disposed	14	(2,277)	(1,182)
Gain on disposal of non-current assets		62	492
(b) Provision for restoration of quarries			
Change in discount rate	18	8	38
		8	38
(c) Revaluations			
Revaluation increment of property, plant and equipment reversing previous revaluation decrement	14	—	15,076
		—	15,076
(d) Other capital income			
Gain from assets not previously recognised	1(i)	1,906	8,882
		1,906	8,882
Total capital income		1,976	24,488

Notes to the Financial Statements

for the year ended 30 June 2023

Note 6. Employee benefits

	Notes	2023 \$ '000	2022 \$ '000
Employee benefit expenses are recorded when the service has been provided by the employee.			
Total staff wages and salaries		32,245	33,177
Annual, sick and long service leave entitlements		858	428
Superannuation	23	3,727	3,672
Councillors' remuneration		774	741
		37,604	38,018
Other employee related expenses		1,435	1,017
		39,039	39,035
Less: capitalised employee expenses		(3,516)	(3,447)
Total Employee benefits		35,523	35,588

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

	2023 Number	2022 Number
Additional information:		
Total Council employees at the reporting date:		
Elected members	7	7
Administration staff	230	246
Depot and outdoors staff	124	128
Total full time equivalent employees	361	381

Note 7. Materials and services

	2023 \$ '000	2022 \$ '000
Expenses are recorded on an accruals basis as Council receives the goods or services.		
Administration supplies and consumables	418	431
Advertising, marketing and promotion	214	272
Audit of annual financial statements	201	173
Bulk water purchases	4,290	4,137
Communications and information technology	3,131	2,974
Consultants	2,763	2,709
Contractors	7,814	7,653
Donations and subscriptions paid	924	928
Electricity	2,270	2,219
Insurance	1,840	1,641
Repairs and maintenance	8,874	7,841
Security	564	564
Waste levy payment	1,954	2,150
Waste levy refund	(1,121)	(1,057)
Cost of goods sold - Land held as inventory	—	2,641
Other materials and services	1,408	1,507
Total materials and services	35,544	36,783

Notes to the Financial Statements

for the year ended 30 June 2023

Note 7. Materials and services (continued)

Total audit fees quoted by the Queensland Audit Office relating to the 2022-23 financial statements are \$190,300 (2022: \$173,012).

The Queensland State Government rebated \$1,120,554 (2022: \$1,056,945) 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

	Notes	2023 \$ '000	2022 \$ '000
Bank charges		173	152
Unwinding of discount on provisions	18	295	112
Finance costs charged by the Queensland Treasury Corporation		2,859	3,140
Impairment of receivables		122	9
Total finance costs		3,449	3,413

Note 9. Capital expenses

	Notes	2023 \$ '000	2022 \$ '000
(a) Provision for restoration of land			
Change from revision of future restoration expense		7	14
	18	7	14
(b) Other capital expenses			
Loss on write-off of assets		7,646	2,697
Other		7	—
Assets previously recognised incorrectly	1(i)	65	10,266
		7,718	12,963
Total capital expenses		7,725	12,977

Notes to the Financial Statements

for the year ended 30 June 2023

Note 10. Cash and cash equivalents

	2023 \$ '000	2022 \$ '000
Cash and cash equivalents in the statement of cash flows include cash on hand, cash at bank and other cash equivalents which are readily convertible to cash and are used in the cash management function on a day-to-day basis.		
Due to significant reductions in medium term interest rates, council has withdrawn all of its short term deposits and placed the amount in its operating account which is providing a higher level of return than what would otherwise be available.		
Cash and cash equivalents		
Cash in operating bank account	94,597	36,079
Cash on hand	1	1
Deposits at call with the Queensland Treasury Corporation	10,146	62,571
Total cash and cash equivalents	104,744	98,651
Restricted cash and cash equivalents		
Cash and cash equivalents	104,744	98,651
Less: externally imposed restrictions on cash	(33,122)	(40,111)
Unrestricted cash	71,622	58,540

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	3,725	12,293
Unspent developer contributions	24,732	23,208
Waste levy refund received in advance	4,665	4,610
Total externally imposed restrictions on cash assets	33,122	40,111

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 \$1,361,513 in trust funds as at 30 June 2023 (2022: \$478,372).

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 and are recognised at the amounts due. Debts are assessed for collectability and allowance is made, where appropriate, for impairment. All known bad debts were written-off by 30 June 2023. If an amount is recovered in a subsequent period it is recognised as revenue. The impairment loss is recognised in finance costs.

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 (2022: 7%). No interest is charged on other debtors. There is no concentration of credit risk for rates and charges or other debtors receivable.

Notes to the Financial Statements

for the year ended 30 June 2023

Note 11. Receivables (continued)

	2023 \$ '000	2022 \$ '000
Current		
Rates and charges	3,237	4,821
Other debtors	3,342	1,983
Total	6,579	6,804
less: Loss allowance		
Rates and charges	(366)	(243)
Other debtors	(5)	(7)
Total loss allowance - receivables	(371)	(250)
Total current receivables	6,208	6,554

Council's impairment of receivables is not material.

Note 12. Inventories

Land acquired by council with the intention of reselling it (with or without further development) is classified as inventory. This land is valued at the lower of cost or net realisable value. As an inventory item, this land is recognised as a current asset once subdivision is complete, survey plans are registered and identified parcels of land are being advertised for sale. Council is currently developing and marketing The Gateway Business & Industry Park. Inventories held for distribution are valued at cost and adjusted when applicable for any loss of service potential.

	2023 \$ '000	2022 \$ '000
Current Inventories		
(a) Inventories held for distribution		
Quarry and road materials	783	499
Stores and materials	424	430
Total current inventories	1,207	929
Non-current inventories		
Land held as inventory	4,763	3,819
Total non-current inventories	4,763	3,819

During the year ended 30 June 2023, no interest was capitalised to land purchased for sale.

Note 13. Other assets

	2023 \$ '000	2022 \$ '000
Current		
GST recoverable	984	936
Prepayments	1,394	1,229
Water charges not yet levied	2,106	—
Total current other assets	4,484	2,165

Notes to the Financial Statements

for the year ended 30 June 2023

Note 14. Property, plant and equipment

	Notes									
	Land \$ '000	Site improvements \$ '000	Buildings \$ '000	Plant and equipment \$ '000	Road and drainage network \$ '000	Bridge network \$ '000	Water \$ '000	Sewerage \$ '000	Work in progress \$ '000	Total \$ '000
2023										
Measurement basis	Fair Value	Fair Value	Fair Value	Cost	Fair Value	Fair Value	Fair Value	Fair Value	Cost	
Opening gross balance	39,858	77,380	90,426	24,011	670,081	47,769	356,665	186,663	23,517	1,516,370
Correction to opening balances	-	332	-	-	-	-	-	-	-	332
Additions - renewal	-	197	1,118	1,729	4,614	3	1,471	241	12,857	22,230
Additions - other	59	656	1,166	106	4,374	-	2,053	183	9,348	17,945
Contributed assets	112	-	5	-	8,614	577	2,408	1,696	-	13,412
Disposals	(1,610)	-	-	(2,546)	-	-	-	-	-	(4,156)
Write-offs	-	(118)	(1,833)	-	(6,297)	(7)	(3,817)	(366)	(157)	(12,595)
Revaluation increments to equity (ARS)	1,384	9,847	15,598	-	95,117	6,478	97,411	23,088	-	248,923
Transfers from/to Intangible Assets	-	-	-	-	-	-	-	-	(15)	(15)
Work in progress transfers	1,123	789	2,442	69	7,868	-	1,352	186	(13,829)	-
Adjustments and other transfers	-	1,851	5	-	-	-	1,005	(1,377)	-	1,484
Total Gross Value - Property, Plant and Equipment	40,926	90,934	108,927	23,367	784,371	54,820	458,548	210,314	31,721	1,803,928
Opening accumulated depreciation and impairment	-	28,297	33,051	13,078	146,418	16,673	141,312	47,544	-	426,373
Correction to opening balances	-	(396)	-	-	-	-	-	-	-	(396)
Depreciation expense	-	2,642	3,091	1,561	10,689	721	7,099	4,907	-	30,610
Depreciation on disposals	-	-	-	(1,881)	-	-	-	-	-	(1,881)
Depreciation on write-offs	-	(76)	(300)	-	(2,576)	(3)	(1,644)	(192)	-	(4,791)
Revaluation increments to equity (ARS)	-	3,416	3,086	-	21,131	2,313	45,951	15,798	-	91,695
Adjustments and other transfers	-	330	(240)	-	-	-	(164)	(285)	-	(359)
Total Accumulated Depreciation - Property, Plant and Equipment	-	34,113	38,688	12,758	175,662	19,704	192,554	67,772	-	541,251
Total net book value of property, plant and equipment	40,926	56,821	70,239	10,609	608,709	35,116	265,994	142,542	31,721	1,262,677
Other information	Not depreciated	6 - 137	8 - 114	3 - 40	5 - 300	11 - 120	8 - 198	9 - 160	Not depreciated	-
Range of estimated useful life (years)										

Livingstone Shire Council

Notes to the Financial Statements

for the year ended 30 June 2023

Note 14. Property, plant and equipment (continued)

2022	Land \$ '000	Site improvements \$ '000	Buildings \$ '000	Plant and equipment \$ '000	Road and drainage network \$ '000	Bridge network \$ '000	Water \$ '000	Sewerage \$ '000	Work in progress \$ '000	Total \$ '000
Measurement basis	Fair Value	Fair Value	Fair Value	Cost	Fair Value	Fair Value	Fair Value	Fair Value	Cost	
Opening gross balance	39,002	67,080	79,654	23,933	621,077	45,219	321,078	173,743	13,842	1,384,628
Additions - renewal	-	184	85	336	2,850	1	409	329	6,394	10,588
Additions - other	1	474	1,482	1,562	2,558	-	2,198	938	9,247	18,460
Contributed assets	18	-	22	-	4,526	-	1,085	446	-	6,097
Disposals	(748)	-	-	(1,505)	-	-	-	-	-	(2,253)
Write-offs	-	(672)	(308)	-	(3,020)	-	(491)	(98)	(56)	(4,645)
Revaluation increments to equity (ARS)	1,545	9,325	7,880	-	25,316	2,746	31,554	16,463	-	94,829
Transfers from/to Intangible Assets	-	-	-	-	-	-	-	-	43	43
Work in progress transfers	40	420	1,606	13	1,799	-	1,109	966	(5,953)	-
Adjustments and other transfers	-	1,913	5	(328)	797	(197)	(277)	(6,124)	-	(4,211)
Increase/(decrease) in landfill rehabilitation asset due to changes in discount rate and estimated future costs	-	-	-	-	-	-	-	-	-	(1,344)
Reversal of prior period reval. decrements to P/L	-	(1,344)	-	-	14,178	-	-	-	-	14,178
Total Gross Value - Property, Plant and Equipment	39,858	77,380	90,426	24,011	670,081	47,769	358,665	186,663	23,517	1,516,370
Opening accumulated depreciation and impairment	-	20,329	27,913	12,544	130,352	15,011	125,279	41,686	-	373,114
Depreciation expense	-	2,850	2,453	1,873	9,637	755	4,410	2,656	-	24,634
Depreciation on disposals	-	-	-	(1,073)	-	-	-	-	-	(1,073)
Depreciation on write-offs	-	(278)	(171)	-	(1,005)	-	(379)	(59)	-	(1,892)
Revaluation increments to equity (ARS)	-	5,396	2,864	-	9,382	947	12,540	4,185	-	35,314
Adjustments and other transfers	-	-	(8)	(266)	(1,051)	(40)	(538)	(924)	-	(2,827)
Reversal of prior period reval. decrements to P/L	-	-	-	-	(897)	-	-	-	-	(897)
Total Accumulated Depreciation - Property, Plant and Equipment	-	28,297	33,051	13,078	146,418	16,673	141,312	47,544	-	426,373
Total net book value of property, plant and equipment	39,858	49,083	57,375	10,933	523,663	31,096	215,353	139,119	23,517	1,089,997
Other information										
Range of estimated useful life (years)	Not depreciated	6 - 137	8 - 114	3 - 40	5 - 300	11 - 120	8 - 198	9 - 160	Not depreciated	-

Notes to the Financial Statements

for the year ended 30 June 2023

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.

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

(d) Depreciation

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

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

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

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

Notes to the Financial Statements

for the year ended 30 June 2023

Note 14. Property, plant and equipment (continued)

(e) Accumulated Depreciation

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

(f) Impairment

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

(g) Valuation

Non-current physical assets measured at fair value are revalued as necessary so that the carrying amount of each class of asset does not materially differ from its fair value at the reporting date. Plant and equipment and work in progress are measured at cost. Independent, professionally qualified valuers are engaged to determine the fair value for each class of property, plant and equipment assets measured at fair value at least once every five years. This process involves the valuer physically sighting a representative sample of council assets across all asset classes and making their own assessments of the condition of the assets at the date of inspection. A full revaluation was undertaken of the Buildings, Water and Sewerage asset classes as at 1 July 2022 and indexation of Land, Water, Sewer, Road and Drainage, Buildings, Bridges and Site Improvements asset classes as at 30 April 2023.

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 2023. Further details in relation to valuers, the methods of valuation and the key assumptions and in valuing each different asset class are disclosed below.

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

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

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

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

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

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

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

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 2023

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) 2023 - \$13.424M 2022 - \$13.399M	Fair Value	31/03/21	Herron Todd White	- Current zoning - Sales evidence from market transactions involving comparable assets. - No impact from environmental issues including contamination.	3.50% from Herron Todd White applied from 1 April 2022 to 30 April 2023.	Nil
- Land (Level 3) 2023 - \$27.502M 2022 - \$26.459M	Fair Value	31/03/21	Herron Todd White	- 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.	3.50% from Herron Todd White applied from 1 April 2022 to 30 April 2023.	Nil
- Buildings (Level 3) 2023 - \$70.239M 2022 - \$57.375M	Fair Value	01/07/22	AssetVal Pty Ltd	- 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.	Nil - Comprehensive Revaluation undertaken.	5.80% from AssetVal index assessment report applied from 1 July 2022 to 30 April 2023.

Livingstone Shire Council

Notes to the Financial Statements
for the year ended 30 June 2023

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) 2023 - \$56.821M 2022 - \$49.083M	Fair Value	01/07/21	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.	Index of 13.10% AssetVal index assessment report applied from 1 April 2022 to 30 April 2023.	Nil
- Roads and Drainage Infrastructure (Level 3) 2023 - \$608.709M 2022 - \$523.663M	Fair Value	01/07/20	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.	13.40% for Roads and 14.70% for Drainage from AssetVal index assessment report applied from 1 April 2022 to 30 April 2023.	Nil

Livingstone Shire Council

Notes to the Financial Statements

for the year ended 30 June 2023

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) 2023 - \$35.116M 2022 - \$31.096M	Fair Value	01/07/20	Forcecor Infrastructure Consultants	- 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.	13.40% from AssetVal index assessment report applied from 1 April 2022 to 30 April 2023.	Nil
- Sewerage Infrastructure (Level 3) 2023 - \$142.542M 2022 - \$139.119M	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 - Comprehensive Revaluation undertaken.	8.80% from AssetVal index assessment report applied from 1 July 2022 to 30 April 2023.

Livingstone Shire Council

Notes to the Financial Statements

for the year ended 30 June 2023

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) 2023 - \$265.994M 2022 - \$215.353M	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 - Comprehensive Revaluation undertaken.	8.80% from AssetVal index assessment report applied from 1 July 2022 to 30 April 2023.

Notes to the Financial Statements

for the year ended 30 June 2023

Note 15. Contract balances

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

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

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

	2023 \$ '000	2022 \$ '000
(a) Contract assets		
Contract assets	2,652	1,471
Contract assets	2,652	1,471

(b) Contract liabilities

Funds received upfront to construct Council controlled assets	3,725	12,293
Contract liabilities	3,725	12,293

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 when the obligation to construct has been completed.

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

Funds to construct Council controlled assets	11,545	2,607
Total revenue recognised	11,545	2,607

Satisfaction of contract liabilities

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

(c) Significant changes in contract balances

The decrease in contract liabilities are as a result of the completion of large projects including the Stanage Bay project which had been phased over several years. 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 acquital.

Notes to the Financial Statements

for the year ended 30 June 2023

Note 16. Trade and Other Payables

	2023 \$ '000	2022 \$ '000
Trade creditors are recognised as a liability at the time the amount owed can be measured reliably and when it is probable the amount will be paid, or when the goods are received or the service is performed. Amounts owing are unsecured and are generally settled on 7 or 30 days terms.		
Current		
Creditors and accruals	8,001	6,696
Prepaid rates	5,241	4,665
Other entitlements	313	345
Total current payables	13,555	11,706

Note 17. Borrowings

	2023 \$ '000	2022 \$ '000
Current		
Loans - Queensland Treasury Corporation	5,956	5,672
Total current borrowings	5,956	5,672
Non-current		
Loans - Queensland Treasury Corporation	48,439	54,286
Total non-current borrowings	48,439	54,286

Reconciliation of Loan Movements for the year

Loans - Queensland Treasury Corporation		
Opening balance at beginning of financial year	59,958	65,240
Loans raised	—	—
Principal repayments	(5,563)	(5,282)
Book value at end of financial year	54,395	59,958

Borrowings are initially recognised at fair value plus any directly attributable transaction costs. Thereafter they are measured at amortised cost. Principal and interest repayments are made quarterly in arrears. The loan market value at the reporting date was \$54,342,965. 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 State Development, Infrastructure, Local Government and Planning. Council has not utilised the facility during 2022-23.

Notes to the Financial Statements

for the year ended 30 June 2023

Note 18. Provisions

Employee provisions

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

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

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

Where employees have met the prerequisite length of service and council does not have an unconditional right to defer this liability beyond 12 months from reporting date, 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 published on the Yield Report website. 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. Changes in the provision are treated as an expense or income.

The projected cost is \$263,617 (undiscounted) and this cost is expected to be incurred over the period 2024 to 2042.

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 published on the Yield Report website.

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. Changes in the provision not arising from the passing of time are added to or deducted from the asset revaluation surplus for site improvements. If there is no available revaluation surplus, increases in the provision are treated as an expense and recovered

Notes to the Financial Statements

for the year ended 30 June 2023

Note 18. Provisions (continued)

out of future decreases (if any). Changes to the provision resulting from the passing of time (the unwinding of the discount) are treated as a finance cost.

The projected cost is \$18,158,824 (undiscounted) and this cost is expected to be incurred over the period 2029 to 2061.

	2023 \$ '000	2022 \$ '000
Current		
Annual leave	3,127	3,198
Long service leave	4,338	4,229
Sick leave	432	474
Quarry restoration	20	20
Landfill restoration	—	1,492
Total current provisions	7,917	9,413
Non-current		
Long service leave	906	629
Sick leave	21	50
Quarry restoration	161	174
Landfill restoration	11,037	7,733
Total non-current provisions	12,125	8,586

Details of movements in non-employee provisions

Quarry rehabilitation		
Balance at beginning of financial year	194	226
Amounts used	(18)	(11)
Increase in provision due to unwinding of discount	6	3
Decrease in provision due to change in discount rate	(8)	(38)
Increase in estimate of future cost	7	14
Balance at end of financial year	181	194
Landfill restoration		
Balance at beginning of financial year	9,225	10,461
Increase in provision due to unwinding of discount	289	109
Decrease in provision due to change in discount rate	(332)	(1,400)
Increase in estimate of future cost	1,855	55
Balance at end of financial year	11,037	9,225

Note 19. Other liabilities

	2023 \$ '000	2022 \$ '000
Current		
Waste levy refund received in advance	1,120	1,140
Unearned revenue	227	122
Total current other liabilities	1,347	1,262

Notes to the Financial Statements

for the year ended 30 June 2023

Note 19. Other liabilities (continued)

	2023 \$ '000	2022 \$ '000
Non-current		
Waste levy refund received in advance	3,550	3,470
Total non-current other liabilities	3,550	3,470

The State Government made advance payments to Council in the 2022 and 2023 financial years to mitigate the impacts on households for the following four financial years 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.

Note 20. Asset revaluation surplus

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

Movements in the asset revaluation surplus were as follows:

	Notes	2023 \$ '000	2022 \$ '000
Balance at beginning of financial year		104,526	45,011
Adjustments to opening balance		332	-
Net adjustments to non-current assets at end of year to reflect a change in:			
Land	14	1,384	1,545
Buildings	14	12,512	5,016
Roads & drainage	14	73,986	15,934
Sewerage	14	7,290	12,278
Site improvements	14	6,431	3,929
Water	14	51,460	19,014
Bridge network	14	4,165	1,799
Site improvements - Landfill rehabilitation asset		(1,522)	-
Balance at end of financial year		260,564	104,526

Asset revaluation surplus analysis

	2023 \$ '000	2022 \$ '000
The closing balance of the asset revaluation surplus comprises the following asset categories:		
Land	5,903	4,519
Buildings	21,696	9,184
Roads & drainage	89,920	15,934
Sewerage	23,644	16,354
Site improvements	12,317	7,076
Water	90,273	38,813
Bridge network	16,811	12,646
	260,564	104,526

Notes to the Financial Statements

for the year ended 30 June 2023

Note 21. Commitments for expenditure

	2023	2022
	\$ '000	\$ '000

(a) Contractual commitments

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

Waste services	7,416	8,422
Water and sewerage services	8,814	3,818
ICT Services	2,601	7,234
Other	3,373	584
	<u>22,204</u>	<u>20,058</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	1,995	9,207
Water and sewer network	6,728	4,869
Waste	112	1,149

Total commitments

<u>8,835</u>	<u>15,225</u>
--------------	---------------

These expenditures are payable as follows:

Within the next year	8,218	15,225
Later than one year and not later than 5 years	617	—
Later than 5 years	—	—
Total payable	<u>8,835</u>	<u>15,225</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 2022 reported an accumulated surplus and it is not anticipated any liability will arise.

Local Government Workcare

Council is a member of the Queensland local government worker's compensation self-insurance scheme, Local Government Workcare. Under this scheme council has provided an indemnity towards a bank guarantee to cover bad debts which may remain should the self insurance licence be cancelled and there was insufficient funds available to cover outstanding liabilities. Only the Queensland Government's workers compensation authority may call on any part of the guarantee should the above circumstances arise. At 30 June 2023, Council's maximum exposure to the bank guarantee is \$1,037,650.

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 2023

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.

	Notes	2023 \$ '000	2022 \$ '000
Superannuation contributions made to the Regional Defined Benefits Fund		87	90
Other superannuation contributions for employees		3,640	3,582
Total superannuation contributions paid by Council for employees	6	3,727	3,672

Notes to the Financial Statements

for the year ended 30 June 2023

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

	2023 \$ '000	2022 \$ '000
Net operating result from statement of comprehensive income	36,946	43,883
Non-cash items		
Depreciation and amortisation	30,718	24,721
Reversal of prior period property, plant and equipment revaluation decrements costed direct to the income statement	—	(15,076)
Other net asset adjustments	(1,841)	1,383
	28,877	11,028
Losses/(gains) recognised on fair value re-measurements through the income statement		
Unwinding of discount rates on restoration provisions	295	(24)
	295	(24)
Investing and development activities		
Net (profit)/loss on disposal of assets	(62)	(492)
Loss on write-off of assets	7,653	2,697
Capital grants and contributions	(41,458)	(30,410)
	(33,867)	(28,205)
Changes in operating assets and liabilities:		
(Increase)/decrease in receivables	225	(1,072)
Increase/(decrease) in provision for doubtful debts	121	8
(Increase)/decrease in inventories	(278)	60
(Increase)/decrease in contract assets	—	(82)
(Increase)/decrease in other assets	(2,319)	1,722
Increase/(decrease) in payables	1,304	915
Increase/(decrease) in contract liabilities	—	82
Increase/(decrease) in employee leave entitlements	212	523
Increase/(decrease) in other provisions	(18)	101
Increase/(decrease) in other liabilities	741	4,907
(Increase)/decrease in land held for sale	(944)	2,634
	(956)	9,798
Net cash provided from operating activities from the statement of cash flows	31,295	36,480

Notes to the Financial Statements

for the year ended 30 June 2023

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
	<u>59,958</u>	<u>(5,563)</u>	<u>54,395</u>

	as at 30/06/21		as at 30/06/22
	Opening Balance \$ '000	Cashflows \$ '000	Closing balance \$ '000
2022			
Borrowings	65,240	(5,282)	59,958
	<u>65,240</u>	<u>(5,282)</u>	<u>59,958</u>

Note 26. Events after the reporting period

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

Note 27. 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 (ARaC) oversees and provides guidance on the development of policies for overall risk management, as well as specifically for managing market, liquidity and credit risk.

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

Notes to the Financial Statements

for the year ended 30 June 2023

Note 27. Financial instruments (continued)

The ARaIC 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 ARaIC.

(c) Credit risk

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

The credit risk of financial assets that have been recognised in the Statement of Financial Position is the carrying amount net of any impairment. No significant concentration of credit risk has been identified, as exposure is spread over a large number of counterparties and customers. Exposure to credit risk is managed through regular analysis of counterparty ability to meet payment obligations. The carrying amount of financial assets represents the maximum credit exposure.

Investments in financial instruments are required to be made with the Queensland Treasury Corporation or financial institutions in Australia, in line with the requirements of the *Statutory Bodies Financial Arrangements Act 1982*. No collateral is held as security relating to the financial assets of council. The carrying amounts of financial assets at the end of the reporting period represent the maximum exposure to credit risk for council.

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

(d) Liquidity risk

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

Council's approach to managing liquidity is to ensure, as much as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to council's reputation. This is done by maintaining sufficient cash deposits and undrawn facilities to cater for unexpected volatility in cash flows. Council has in place a working capital facility with the Queensland Treasury Corporation (QTC). Further details on this facility are disclosed in the borrowings note.

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

	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
	<u>16,423</u>	<u>33,687</u>	<u>24,229</u>	<u>74,339</u>	<u>62,396</u>
2022					
Payables	6,696	—	—	6,696	6,696
Loans - QTC	8,422	33,687	32,651	74,760	59,958
	<u>15,118</u>	<u>33,687</u>	<u>32,651</u>	<u>81,456</u>	<u>66,654</u>

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

Notes to the Financial Statements

for the year ended 30 June 2023

Note 27. Financial instruments (continued)

(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
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)
2022					
Financial assets	98,651	987	(987)	987	(987)
Financial liabilities	(59,958)	(600)	600	(600)	600
Net	38,693	387	(387)	387	(387)

Note 28. 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.

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.

Notes to the Financial Statements

for the year ended 30 June 2023

Note 28. National competition policy (continued)

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	26	584	—
Revenue for services provided to external clients	30,768	9,277	563
Community service obligations	—	453	—
	<u>30,794</u>	<u>10,314</u>	<u>563</u>
Less : expenditure	(27,552)	(9,529)	(248)
Surplus/(deficit)	<u>3,242</u>	<u>785</u>	<u>315</u>

Description of CSO's provided to business activities:

Activities	CSO description	Actual \$'000
Waste Services	Waste vouchers	423
Waste Services	Charity waste disposal	10
Waste Services	Community groups greenwaste disposal	10
Waste Services	Landcare groups waste disposal from public areas	10

Note 29. 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, Councilors, Chief Executive Officer, Executive Directors, Chief Financial Officer, Chief Technology Officer and Chief Human Resources Officer.

Notes to the Financial Statements

for the year ended 30 June 2023

Note 29. Transactions with related parties (continued)

The compensation paid to KMP comprises:

	2023 \$ '000	2022 \$ '000
The compensation paid to key management personnel comprises:		
Short-term employee benefits	1,990	2,015
Post-employment benefits	271	270
Long-term benefits	33	33
Termination benefits	—	—
Total	2,294	2,318

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

(e) Other Related Parties

Other related parties include the close family members of KMP and any entities controlled or jointly controlled by KMP or their close family members. Close family members include a spouse, child and dependent of a KMP or their spouse and may include extended family members if they could be expected to influence, or be influenced by, KMP.

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

Transactions with other related parties

	Details	Amount of transactions during year \$ '000
2023		
Purchase of materials and services from entities controlled by key management personnel or their close family members		86
		86
2022		
Purchase of materials and services from entities controlled by key management personnel or their close family members		86
		86

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

During 2022-23 no catering supplies were purchased from Whisk Tappas Pty Ltd. Total purchases in 2021-22 were \$1,102. During both financial years the spouse of the Mayor had control over the operations of this company.

Catering supplies of \$4,544 were purchased from Creative Cater Pty Ltd during 2022-23. Total purchases in 2021-22 were \$5,095. Close family members of the Mayor had control over the operations of this company.

Professional photography services of \$32,461 were purchased from Levi Appleton Studios during 2022-23. Total purchases in 2021-22 were \$72,762. During both financial years a close family member of the Deputy Mayor had control over the operations of this entity.

Magazine and newspaper supplies of \$7,910 were purchased from Capricorn News (McClelland Investments (QLD) Pty Ltd) during 2022-23. Total purchases in 2021-22 were \$7,140. 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 \$38,244 were purchased from Office Choice Yeppoon during 2022-23. 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 2023

Note 29. Transactions with related parties (continued)

Advertising of \$2,563 was purchased from Spectator News Magazine during 2022-23. During the financial year a close family member of Cr Watson had control 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

Council had the following commitments with related parties as at 30 June 2023:

- Levi Appleton Studios pertaining to photography services totaling \$1,540.
- Spectator News Magazine pertaining to advertising totalling \$9,880.
- Office Choice Yeppoon pertaining to office supplies and stationary totalling \$539.

(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.

Note 30. Council information and contact details

Principal place of business:
4 Lagoon Place
YEPPOON QLD 4703

Mailing address:
PO Box 2292
YEPPOON QLD 4703

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

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

Mayor
Andrew Ireland

Chief Executive Officer:
Cale Dendle

Councillors
Adam Belot
Andrea Friend
Glenda Mather
Nigel Hutton (to 31 March 2023)
Patrick Eastwood
Rhodes Watson
Clint Swadling (from 31 April 2023)

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

General Purpose Financial Statements for the year ended 30 June 2023

Management Certificate

for the year ended 30 June 2023

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

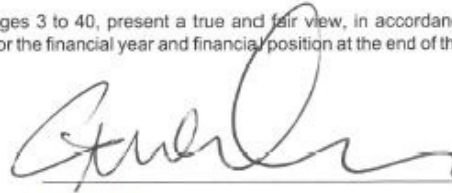
In accordance with Section 212(5) of the Regulation, we certify that:

(i) the prescribed requirements of the *Local Government Act 2009* and *Local Government Regulation 2012* for the establishment and keeping of accounts have been complied with in all material respects; and

(ii) the general purpose financial statements, as set out on pages 3 to 40, present a true and fair view, in accordance with Australian Accounting Standards, of the Council's transactions for the financial year and financial position at the end of the year.



Andrew Ireland
Mayor
26 October 2023



Cale Dendie
Chief Executive Officer
26 October 2023

INDEPENDENT AUDITOR'S REPORT

To the councillors of Livingstone Shire Council

Report on the audit of the financial report

Opinion

I have audited the financial report of Livingstone Shire Council.

In my opinion, the financial report:

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

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

Basis for opinion

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

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

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

Other information

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

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

The councillors are responsible for the other information.

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

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

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

Responsibilities of the councillors for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

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

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

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

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

Report on other legal and regulatory requirements

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

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

Prescribed requirements scope

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

Jacques Coetzee

Jacques Coetzee
as delegate of the Auditor-General

30 October 2023

Queensland Audit Office
Brisbane

Current Year Financial Sustainability Statement

	Actual 2023	Target
Measures of financial sustainability		
1. Operating surplus ratio		
Net result (excluding capital items) ¹		
Total operating revenue (excluding capital items) ²	1.16%	0% - 10%
An indicator of which the extent to which revenues raised cover operational expenses only or are available for capital funding purposes or other purposes.		
2. Asset sustainability ratio		
Capital expenditure on the replacement of assets (renewals) ³		
Depreciation expense	70.57%	> 90.00%
An approximation of the extent to which the infrastructure assets managed are being replaced as these reach the end of their useful lives.		
3. Net financial liabilities ratio		
Total liabilities less current assets		
Total operating revenue (excluding capital items) ²	(21.30)%	< 60.00%
An indicator of the extent to which the net financial liabilities can be serviced by its operating revenue.		

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

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

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

Note 1 - basis of preparation

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

Current Year Sustainability Statement

Certificate of Accuracy

for the year ended 30 June 2023

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

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



Andrew Ireland
Mayor
26 October 2023



Cale Dendle
Chief Executive Officer
26 October 2023

INDEPENDENT AUDITOR'S REPORT

To the councillors of Livingstone Shire Council

Report on the Current-Year Financial Sustainability Statement

Opinion

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

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

Basis of opinion

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

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

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

Emphasis of matter – basis of accounting

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

Other Information

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

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

The councillors are responsible for the other information.

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

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

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

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

Responsibilities of the councillors for the current year financial sustainability statement

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

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

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

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

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

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

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

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

Jacques Coetzee

Jacques Coetzee
as delegate of the Auditor-General

30 October 2023

Queensland Audit Office
Brisbane

Unaudited Long Term Financial Sustainability Statement

	Target	Actual 2023	2024	2025	2026	2027	Forecast 2028	2029	2030	2031	2032	2033
Measures of financial sustainability												
1. Operating surplus ratio												
Net result (excluding capital items) ¹												
Total operating revenue (excluding capital items) ²	0% - 10%	1.16%	0.20%	0.20%	2.60%	3.30%	3.70%	4.36%	4.10%	3.10%	1.90%	1.00%
An indicator of which the extent to which revenues raised cover operational expenses only or are available for capital funding purposes or other purposes.												
2. Asset sustainability ratio												
Capital expenditure on the replacement of assets (renewals) ³												
Depreciation expense	> 90.00%	70.57%	81.10%	63.00%	70.70%	39.90%	52.90%	50.20%	48.30%	47.90%	40.80%	37.00%
An approximation of the extent to which the infrastructure assets managed are being replaced as these reach the end of their useful lives.												
3. Net financial liabilities ratio												
Total liabilities less current assets												
Total operating revenue (excluding capital items) ²	< 60.00%	(21.30)%	(26.90)%	(40.20)%	(49.40)%	(63.30)%	(70.70)%	(76.40)%	(83.10)%	(90.60)%	(99.10)%	(108.00)%
An indicator of the extent to which the net financial liabilities can be serviced by its operating revenue.												

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

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

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

Livingstone Shire Council 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

Certificate of Accuracy

for the year ended 30 June 2023

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

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



Andrew Ireland
Mayor
26 October 2023

Cale Dendle
Chief Executive Officer
26 October 2023