



# ANNUAL REPORT

2021-2022

# Welcome



Our Annual Report is an important component of Council's performance management process. This is an essential document that will inform the Community how McKinlay Shire Council have performed over the 2021/22 financial year. It captures the achievements, hopes, aspirations, priorities and goals of our community.

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# At a Glance



## *Vision & Mission*

Council is required under the Local Government Act 2009 and the Local Government Regulation 2012 to prepare an annual report of its operations each financial year. Our 2021/22 Annual Report reflects our commitment to achieving effective corporate governance through openness and accountability and ensuring resources are used efficiently to provide value for money service to the McKinlay Shire Community.

Our Communication objective is to provide ratepayers and other stakeholders with:

- An account of our revenue and related policies and how we have used public funds
- An insight into the challenges and opportunities that have influenced our actions and delivery of strategic outcomes.
- Our priorities for the year ahead
- An accurate, balanced and transparent assessment of our achievement in implementing our Community, Corporate and Operational Plans.

A great place to live with a well connected, strong, healthy and friendly community; McKinlay Shire will continue to sustain and grow as a place that represents the best aspects of outback living.

McKinlay Shire supports our population to meet the key thresholds for social, health, education and commercial services and also underpins a sustainable, diversified rural economy.

The community welcomes new industries that contribute to its overall vision and sustainability. Ongoing improvements to infrastructure, amenities and services will continue to improve the health and quality of life for residents and make McKinlay Shire an increasingly attractive and connected place for residents and visitors.

Through good governance and partnerships, we strive to achieve bottom line outcomes that maximise the social, cultural, environmental and economic benefits of all our future actions.



*Leading the way towards a future that can sustain growth and economic development, while retaining a lifestyle that is uniquely "Outback"*

# At a Glance



## Profile of McKinlay Shire

McKinlay Shire is the gateway to the Gulf of Carpentaria. The shire spans some 41,000 square kilometres and incorporates the townships of Julia Creek and Nelia on the Flinders Highway, and McKinlay and Kynuna on the Landsborough Highway. A rural and regional shire, McKinlay is home to a productive and innovative pastoral industry, as well as the world's richest single mine producer of silver, lead and zinc at Cannington, and a copper mine in Eloise. The world's largest natural aquifer, the Great Artesian Basin underpins and supports our community and the diversity of rich grazing lands and unique animal life that the shire has to offer. McKinlay Shire has a proud history, industry and is a close family oriented community. Looking into the future, the Shire will shortly enter a steady growth phase as more discover this little gem of the North West.



### Community Centres

- Julia Creek Civic Centre
- Julia Creek CSA Building
- Julia Creek Library & Smart Hub
- McKinlay Library
- Jan Eckford Centre
- Crafty Old School House
- Fr. Bill Busuttin Centre



### Recreation Facilities

- Julia Creek Indoor Sports Centre
- Daren Ginns Centre
- Julia Creek Swimming Pool
- Bike Safety Park
- Kev Bannah Oval
- McIntyre Park
- Julia Creek Community Precinct
- Tennis Courts
- Nerida Currin Skate Park
- Peter Dawes Park
- Centenary Park



# At a Glance

## Mayor's Overview



This Annual Report marks the mid-point of the current Council's term of office. My motivation to become Mayor included objectives to improve the performance of Council and create opportunities for growth in McKinlay Shire.

My fellow Councillors and I, together with the Council Senior Management Team have delivered another successful year, with projects delivered on the ground and discussions commenced to create new industry in McKinlay Shire.

Council farewelled our CEO John Kelly who provided sterling leadership to staff and invaluable advice to my Councillors and me for many years. John became an important part of the Julia Creek community and will be sorely missed. We also welcomed our new CEO Trevor Williams and his wife Margaret to Julia Creek, and we look forward to working with Trevor over the next few years as our Shire develops.



## Financial Performance

Council remains in a sound financial position with no debt, a healthy bank balance and sound measures of Financial Sustainability, including an Operating surplus ratio of 5.18%, an Asset sustainability ratio of 137.15% and a Net financial liabilities ratio of -130.20%.

## Projects Delivery

Our Council has delivered some key projects this year and my Councillors and I are proud of what we have achieved by working with our staff and with the support of local contractors.

The following are some of the major projects:

- Completion of the 2019/2020 flood damage works
- 10 kilometres Reseal of Gilliat McKinlay Road
- Bitumen sealing 5 kilometres of Byrimine Road and 5 kilometres of Taldora Road
- Undertaking works for Transport and Main Roads including Heavy Vehicle Stopping Bays on the Landsborough Highway, a culvert replacement on the Wills Development Road and replacement of the Oorindi Bore
- Commencement of the Burke Street Kerb and Footpath upgrade
- Completion of the concept design for the Julia Creek Early Learning Centre
- Commencement of the Dalgona/ Millungera Floodway

# At a Glance



## Mayor's Overview

### Emerging Opportunities and Challenges

The Julia Creek Caravan Park won a silver medal at the National Tourism Awards. This is a great Council facility and continues to attract visitors to our region. The Cotton crop at Etta Plains was successfully harvested and proves the viability of irrigated agriculture on our black soil plains. Council have commenced negotiations with Namoi Cotton, who are looking at constructing a cotton gin in Julia Creek. Council have commenced the process of obtaining land to develop an Industrial Estate at the intersection of the Beef Road and the Flinders Highway. This land will make an ideal location for a future cotton gin.



Council was successful in obtaining a grant for the provision of NBN fibre to the premise for the town of Julia Creek. The \$4.2M grant will enable businesses and residents to access high speed broadband, and will significantly improve access to health, education and business services.



The search for a doctor for Julia Creek is ongoing. Council have partnered with North West Hospital and Health in the recruitment campaign. Deputy Mayor Janene Fegan has lead this project from Council's side with a fierce determination and we are hopeful for finding a doctor.



# At a Glance

## Mayor's Overview



The two Vanadium mines being developed in our Shire are progressing well and we are liaising with both companies to ensure a positive outcome for our community. The award of the cattle rail transport contract to Watco by the Queensland Government has created some issues with the loading yards in Julia Creek which are owned by Aurizon. I am working with all parties to allow cattle to be loaded from Julia Creek as soon as practicable. The State and Federal Governments continue to support our Shire with financial support for many activities and projects and for this we are grateful. I continue to engage with key Government connections to keep McKinlay Shire at the front of their thoughts.

## Conclusion

McKinlay Shire is on the cusp of some exciting developments which will lead to growth and opportunity for our community. However, we are still in drought, so we have been deliberate in maintaining services without excessive increases in rates and charges. With the ongoing support of my Council Team – Deputy Mayor Cr Janene Fegan, Cr Shauna Royes, Cr John Lynch and Cr Tim Pratt, we will continue to work for the betterment of our Shire and our community.



# At a Glance

## Chief Executive Officer's Overview



McKinlay Shire Council has successfully worked through the year with the challenges of the ongoing drought and Covid. Numerous projects have been delivered and services maintained, with the Shire remaining debt free with positive financial indicators. The year commenced with John Kelly in the role of CEO. John decided to wind up his stellar career in Local Government and retired in December. Thanks, John, for the great work and leadership over the years. I commenced in December and have been made very welcome in the organisation and community.

### Project and Initiatives

My Directors Tenneil Cody (Corporate and Community) and Cameron Scott (Engineering and Regulatory Services) have provided detailed accounts of their activities and outcomes within this report. Our employees have delivered for our community and continue to amaze me with their work ethic and skills and commitment to our Shire.

The Community Team worked with our local organisations to help deliver many amazing events. Our local events help to improve the liveability and reinforce what a great part of the world we live in! The Corporate Team works to ensure our Council runs effectively and complies with all the rules and regulations of local government.

The year saw another certified Agreement delivered which will remain in place for the next two years. Director Cameron also introduced camping for our works crews to allow greater efficiency on remote jobs. Parts of our Shire received flooding rain which caused damage to our road network. Council engaged Project Delivery Managers (PDM) to manage our Disaster Recovery Funding Arrangement (DRFA) work. PDM has commenced assessment of damage for the 2022 events. The diversity of services provided by Council is amazing. Remote Councils like ours provide the traditional services such as Workshop, Parks, Animal Control, Library, Tourism, Roads and Drainage, Swimming Pool and Environmental. We also provide a Gymnasium, Commonwealth Home Support Program, Community Nurse, Early Learning Centre, Ranger, Cattle Yards, Caravan Park and Aerodrome.

### Challenges

The high inflation rate will impact on the cost of providing services to our community. Our staff will endeavour to minimise the impact by looking at ways to improve efficiency. The labour shortage is making the replacement of staff even more challenging than normal. The Elected Members and senior staff continue to concentrate on the numbers of great things about our community and the good reasons to move here when we are trying to recruit. Our partnership with North West Hospital and Health in the campaign to attract a doctor to Julia Creek is a great example of this approach. We also take every opportunity we can to engage with the media to support our campaigns. This approach was highlighted when one of our local families was interviewed on a national television network stressing the importance of our Early Learning Centre and our search for staff.

### Conclusion

We are fortunate to have a very cohesive Council. Our elected members work extremely well together in their quest to make our Shire and community better. There are some exciting times ahead for Julia Creek and McKinlay Shire with the expansion of our agriculture industry and the development of mining. Our Council executive management team is very experienced and stable, and looking forward to moving our community forward.



# At a Glance

## Our Councillors



Born in Cairns, Janene was raised in Hawaii and lived and worked throughout Queensland. After completing her nursing training in Mackay in 1990 she briefly worked at the Townsville General Hospital before travelling and working overseas. Janene moved to Julia Creek in 1992 to take up a Registered Nurse position at the Julia Creek Hospital. It was here that she met her husband Trevor, a local electrician. Janene has four young adult children. Most of her time is taken up managing their electrical/refrigeration and tyre business, and as a Councillor for the Shire.

Over the years, she has been involved with several committees and community services and currently involved with CAN (Community Advisory Network) Committee, Julia Creek Turf Club, Lions Ladies and volunteers for Meals on Wheels. Janene enjoys being able to give back to her community and has learned a lot from her different roles. Her hobbies include travelling, water skiing, swimming, fishing, cooking and reading when she has time.



Shauna was born in Julia Creek and raised on Shire properties such as Dalgonally, Canobie, Millungera and 6 years at Burleigh Station north of Richmond. Schooling consisted of primary correspondence through Brisbane to then completing high school studies at the Julia Creek State School. Shauna has worked in the stock and station industry most of her life and currently is employed by Booth Rural Julia Creek branch. Shauna has always been passionate about the community and contributing in way of serving on committees and clubs such as the Julia Creek Rodeo Association, Julia Creek Campdraft, Isolated Children and Parents Association, QCWA and currently as the president of the Julia Creek Pony Club.

Shauna lives with her partner Jim and has a daughter Rachel who is currently attending University and spends any free time with family, friends and a menagerie of animals.

# At a Glance

## Our Councillors



John Lynch has lived in McKinlay Shire all of his life. He completed eight years of schooling in Townsville before returning to work on the land for his family's grazing operation based at Ouchy Station. He now lives at Viola Station in the northwest of McKinlay Shire. John has been operating the family beef and wool operation and a trucking company for a number of years. He is also an active member of the Julia Creek Lion's Club, and for the last 38 years he has enjoyed being involved in Sedan Dip Sports & Recreation Club, and continues to participate in many local community events, that support many groups of his community. John has over 30 years' experience in running businesses, watching market and business trends and using innovation whilst keeping sight of the 'bigger picture' that helps in decision-making, whilst also factoring in the needs of the people involved. "McKinlay Shire has a lot to offer – our strong local culture based on our people, leading in primary production, transport, industry and tourism, and I aim to work at cultivating and developing ventures that help us to grow in strength and reputation."



Tim Pratt is born and bred in the McKinlay Shire and has a long, solid history with the district and the families in it. He knows both sides of the tick line - literally. Together with his wife Sheree and their three children Abbie, Sam and Bronte, they own and operate Pratt Cattle Transport, the local Post Office including mail-runs, their own herd of cattle plus a clothing business. Everyone who knows Tim knows his passion is trucks so it is very fitting that his portfolio is roads, considering there's not many he hasn't been on and spends the majority of his time travelling on.



# Community Services

# Performance Reporting

## Community Services



McKinlay Shire Council's Community Services aims to deliver an extensive range of community based programs, services, support and facilities to meet community needs and expectations.

These include the provision of aged care services, the operation of sport and recreational programs and facilities, support to community organisations, supporting festivals and events, promoting tourism and providing library services. This area of Council is also responsible for operating community infrastructure including the Caravan Park and Swimming Pool and ensuring that the appropriate engagement and consultation of the community on issues affecting individuals, specific interest groups or the community are met.



## Community Benefit Assistance Scheme

The Community Benefit Assistance Scheme offered dollar for dollar funding to local community groups under the categories of infrastructure, equipment and volunteer support. Funding was provided in accordance with Council's Community Grants Policy. In 2021/22 Council provided a total of \$9,784.83 to community groups to assist local groups achieve their objectives and enabling quality events and programs to be delivered.

Julia Creek Combined Sporting Association	\$1,972.50	Equipment
Scripture Union Queensland - Julia Creek State School Chaplaincy	\$1,379	Equipment
Sedan Dip Sports and Recreation	\$3,000	Equipment
McKinlay Shire Cultural Association	\$2,433.08	Equipment
Julia Creek Isolated Children's Parents Association	\$1,000	Volunteer Support

# Community Funding



## Regional Arts Development Fund 2021/22

The Regional Arts Development Fund (RADF) is a Queensland Government initiative provided through a partnership with Arts Queensland to support local arts and culture. The program provides the community with an opportunity to experience a wide range of workshops, performances and exhibitions that are seldom seen in our region. Council administered the RADF Program throughout 2021/22 with \$21,553 worth of community-based arts and culture projects being funded and delivered. A big thank you must be awarded to the committee members who volunteer their time promoting the program and assessing applications.

Organisation	Project	Funding
Julia Creek Dirt and Dust Festival	Sacred Circus Roving Performers + Children's Workshop	\$4,950
Julia Creek Primary P&C Association	Cultural Mural at Julia Creek State School	\$2,200
McKinlay Shire Council	Bigger & Blacker: Steven Oliver's Life in Cabaret	\$3,800
McKinlay Shire Council	Crack-Up Sisters Community Workshops & Performance	\$4,503
McKinlay Shire Council	Charlotte's Web Workshops & Performance	\$2,500
McKinlay Shire Council	Peter Dawes Park Mural	\$5,000



# Performance Reporting



## Community Events

### McKinlay Shire Christmas Tree

With the rejuvenation of the newly formed Julia Creek Dirt & Dust Festival committee, Council was able to support the organisation as they hosted the 2021 McKinlay Shire Christmas Tree. The event was held at the Julia Creek Community Events Precinct (Dirt and Dust Central) and involved a special visit from Santa in the Fire Truck, children's amusement rides and live music.

It was a terrific evening with entertainment for the whole family and highlighted the strong sense of community spirit that is present within our Shire.



### Australia Day 2022

On Wednesday morning of January 26th 2022, Council held its annual Official Australia Day Celebrations and Award Ceremony at Julia Creek Civic Centre with a barbeque breakfast available for the community. Council was supposed to welcome special guest Tim Fairfax from Tim Fairfax Family Foundation to the event, however this had to be cancelled due to the impacts of COVID-19. A huge congratulations must be awarded to all award winners and nominees.

Citizen of the Year – Kylie Burke

Young Citizen of the Year – Kalan Lococo

Volunteer of the Year – Peter Golledge

Junior Cultural Award – Alice Hacon

Senior Cultural Award – Not awarded

Small Community Event – 2021 Back to Julia Creek Reunion hosted by Julia Creek Lions Ladies

Large Community Event – 'The Big Weekend' hosted by Julia Creek Combined Sporting Association

Senior Sports Award – Jake Curr

Junior Sports Award – Bronte Pratt

Sports Administration – Not awarded

Southern Gulf NRM Sarus Crane Award – Burnett Family



# Performance Reporting



## Julia Creek Dirt N Dust Festival 2022

Following a two year hiatus, the annual Julia Creek Dirt and Dust Festival returned in 2022. With a new committee at the helm, the format of the event changed with an adventure run replacing the famous triathlon, along with the addition of a Feature Saddle Bronc event on Friday evening to accompany a Feature Bull Riding event on Saturday evening that followed the Artesian Express Raceday. Council was again able to provide financial and in-kind support to this year's event and following the settling of the dust, was able to meet with committee members to discuss the success of its return. The committee has extended their sincere thanks to Council for their ongoing support and discussed thoughts and ideas to assist with the progression of the event. The committee was also able to provide an in-depth Marketing and Media PR report of which some key statistics and highlights are presented below:

- A total crowd of 1,839 entered the Community Events Precinct (Dirt & Dust Central) over the course of the weekend with 1,170 people also attending the Artesian Express Raceday hosted by the Julia Creek Turf Club
- 8 committee members and 100 volunteers hosted 60 rodeo competitors, 91 adventure run competitors, 10 lighting and sound crew and key performers Mick Lindsay, Rachael Fahim and DeeJay Bux
- Visitor Origins breakdown:
  - o 78% from within Queensland
  - o 15% McKinlay Shire residents
  - o 6.5% interstate visitors
  - o 0.5% international visitors
- Total estimated combined media reach - 25,347,967 (from 1 December 2021 - 30 April 2022)
  - o Online news reach - 23,826,675
  - o Radio reach - 538,000
  - o TV reach - 982,492
  - o Facebook reach - 383,488
  - o Instagram reach - 80,773
- Total social media reach - 464,261



# Community Funding



## McKinlay Shire Council Community Funding Expenditure 2021/22

Council continued its ongoing support of local community groups and not-for-profit organisations by provided funding streams to assist with the delivery of programs, events and activities that enrich the lives of McKinlay Shire residents. In 2021/22, Council were able to provide \$51,593.21 to local organisations by means of Sponsorship, Donations (cash & in-kind) and Community Benefit Assistance Scheme.

Organisation	Amount	Funding Program
Sedan Dip Sports and Recreation Inc	\$5,000	Sponsorship
MCKISSA	\$2,000	Sponsorship
Julia Creek Combined Sporting Association	\$5,000	Sponsorship
Julia Creek Pony Club	\$1,800	Sponsorship
QCWA McKinlay	\$1,000	Sponsorship
QCWA Nelia	\$1,500	Sponsorship
Julia Creek Turf Club	\$3,000	Sponsorship
Julia Creek Campdraft	\$5,000	Sponsorship
Saxby Round Up	\$5,000	Sponsorship
McKinlay Race Club	\$5,000	Sponsorship
Scripture Union Queensland - Julia Creek State School Chaplaincy	\$5,000	Donation
Julia Creek Primary P&C Association	\$1,100	Donation
Kids of the Creek Inc	\$908.38	Donation
Julia Creek Isolated Children's Parents Association	\$500	Donation
Julia Creek Combined Sporting Association	\$1,972.75	CBAS
Scripture Union Queensland - Julia Creek State School Chaplaincy	\$1,379	CBAS
Sedan Dip Sports & Recreation Inc	\$3,000	CBAS
McKinlay Shire Cultural Association	\$2,433.08	CBAS
Julia Creek Isolated Children's Parents Association	\$1,000	CBAS



# Community Funding



## Queensland Day 2022

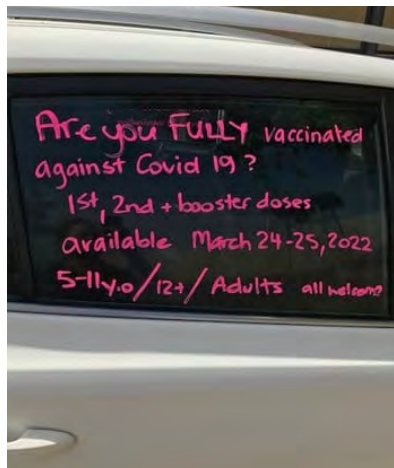
On Saturday June 4th 2022, Council was able to collaboratively deliver Queensland Day Celebrations with thanks to funding from the Queensland Government and the assistance of Julia Creek Combined Sporting Association. The festivities coincided with a Mid-West Rugby League cluster day that involved players and families from Richmond, Hughenden, Julia Creek, Cloncurry and Normanton. Following the completion of the junior matches, senior fixtures commenced which involved women's and men's matches between Julia Creek and Normanton. The family-friendly outing also included free children's amusement rides and live music until late. The event attracted over 150 players and 250 spectators who all enjoyed celebrating all things Queensland.



# Performance Reporting

## Community Health

Council has continued its ongoing partnership with North West Hospital and Health Service (NWHHS) to provide support for the provision of a Community Health Nurse within the Julia Creek community. The role of the Community Nurse serves to meet a wide range of health care needs from community based aged care and consultation to follow-up after patients are discharged from hospital. The Nurse is involved with tasks including performing health assessments, assisting with chronic disease management, assisting with the coordination of appointments with health care providers, arranging telehealth and telepharmacy medical reviews, conducting patient education and the delivery of health promotion activities. The Community Nurse also works closely with the attending doctor, Julia Creek Medical Centre, Julia Creek Multipurpose Health Service (MPHS) and Commonwealth Home Support Coordinator (CHSP) along with visiting health providers. Council is in a very fortunate position to have this role filled to provide much needed assistance and care to the wider community. The role of the Community Nurse has been especially important over the past year due to the lack of continuity of available doctors in Julia Creek which at times has made providing consistent patient-coordinated quite complicated. Given these challenges, the local Community Nurse has been pivotal in aligning the required health services.



## Commonwealth Home Support Programme (CHSP)

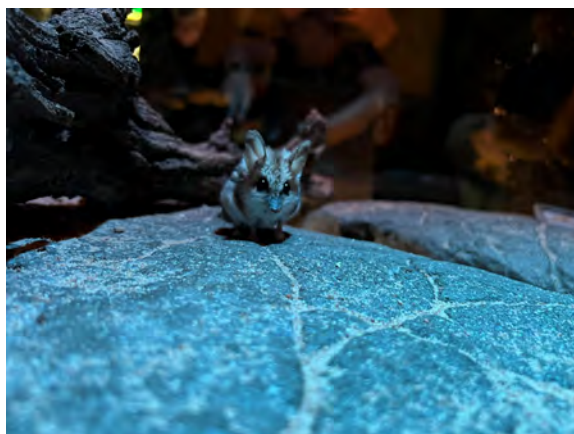
Following on from previous years, Council has again been able to provide extensive aged-care assisted living through the Commonwealth Home Support Programme (CHSP). This is possible through the support a federal funded program that aims to support locals over the age of 65 to ensure they are able to continue to live independently in their own homes. Council is proud to offer this service to work with the longstanding residents of our community and provide daily support with a diverse range of activities. Council employs a dedicated CHSP Coordinator to entertain and assist clients while other Council departments provide nursing, cleaning, physical activity, maintenance and other support services. Throughout this financial year, Council was able to support a total of 24 CHSP clients with a range of activities including assisting with social support, home maintenance, grocery shopping, yard maintenance, moving around town, retrieving medication and prescriptions and social interaction through group lunches and games. Council continued its support of the Meals on Wheels Program (delivered solely by volunteers and Council staff) as well as hosting regular luncheons and activities at the Fr. Bill Busuttin Community Centre. Throughout 2021/22, there were some occasions of disruption due to the impacts of COVID-19 and Council ensured safety to CHSP clients during these times by limiting face-to-face contact in group settings, arranging extra meals and shopping trips, and regular one-on-one visits.

# Performance Reporting



## Tourism

Throughout 2021/22, our rebound from the effects of COVID-19 pandemic has been strong. We have observed increased visitors at our Visitor Centre, RV Site and Caravan Park. The actions taken have set us up for sustained growth over the coming years. The tourism industry – particularly the caravan and camping industry – is one of Australia’s brightest hopes to be a catalyst for recovery in regional Australia. Therefore, it is important that we continue to make investment and effectively allocate resources in this area to enable economic recovery for our region. Returning in 2022, was the Julia Creek Dirt n Dust Festival after a two-year hiatus. We are enormously proud of this newly formed committee for reinvigorating this event and we are equally proud to be an event partner. The Dirt n Dust Festival traditionally heralds the start of the tourism season which we observed this year with strong visitor numbers in and around this date. We were fortunate to recruit a full-time Tourism Officer and casual tourism staff to ensure our Visitor Information Centre ‘At the Creek’ could operate at full capacity throughout the peak tourism period in 2022.



## Visitor Nights

Overnight stays Council-owned facilities (Julia Creek Caravan Park and Julia Creek RV Friendly Site) totalled 16,584 in 2021/22 compared with 13,884 in 2020/21 – a 19% increase between financial year figures.

McKinlay Shire Visitor Nights				
	Caravan Park	RV Site	Total	Increase
2015/16	7,242	2,175	9,417	-
2016/17	7,284	2,563	9,847	4.57%
2017/18	8,647	2,942	11,589	17.69%
2018/19	8,956	2,382	11,338	-2.17%
2019/20	6,794	1,846	8,640	-23.80%
2020/21	11,789	2,095	13,884	39.10%
2021/22	13,925	2,659	16,584	19%

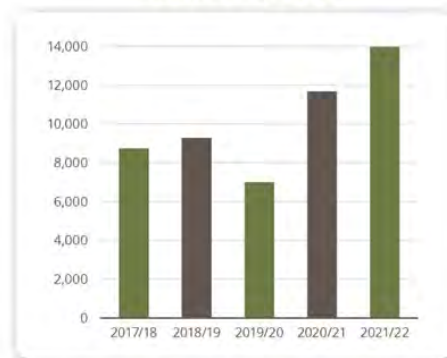
# Performance Reporting

Julia Creek Caravan Park

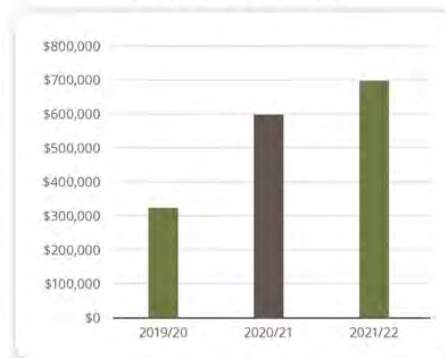


## Our Growing Popularity

TOTAL GUESTS



TOTAL REVENUE



Type of service	JULY 2021 Total revenues (incl GST)	AUGUST 2021 Total revenues (incl GST)	SEPTEMBER 2021 Total revenues (incl GST)	OCTOBER 2021 Total revenues (incl GST)	NOVEMBER 2021 Total revenues (incl GST)	DECEMBER 2021 Total revenues (incl GST)
Visitors	2371	2080	1791	1147	616	350
Donga Units	\$4,125	\$3,750	\$3,750	\$3,592.50	\$5,690	\$2,162.50
Powered Sites	\$47,879	\$43,595	\$30,668	\$15,517.50	\$7,634	\$2,655
Cabins	\$16,760	\$16,035	\$12,280	\$14,661	\$15,105	\$12,663
Unpowered Sites	\$5,897	\$3,718	\$2,150	\$607.99	\$56	\$28
Sub Total	\$74,661	\$67,098	\$48,848	\$34,378.99	\$28,485	\$17,508.50
Artesian Baths incl. salts	\$30,630.50	\$20,606	\$19,081	\$14,836	\$7,980	\$4,135
McIntyre Park	\$2,916	\$1,458	\$208			
Cheese Platters	\$7,645	\$5,790	\$5,940	\$2,310	\$710	\$420
Laundry	\$2,235	\$44	\$1,502.50	\$955	\$352	\$56
Long Term Stay	\$2,380	\$3,640	\$1,260	\$2,180	\$840	\$580
Calculated Total	\$120,467.50	\$98,636	\$76,839.50	\$54,569.99	\$30,387	\$22,699.50

# Performance Reporting



## Julia Creek Caravan Park

Type of service	JANUARY 2022 Total revenues (inc GST)	FEBRUARY 2022 Total revenues (inc GST)	MARCH 2022 Total revenues (inc GST)	APRIL 2022 Total revenues (inc GST)	MAY 2022 Total revenues (inc GST)	JUNE 2022 Total revenues (inc GST)
Visitors	286	250	412	1033	1335	2254
Donga Units	\$775	\$990	\$1,350	\$3,330	\$4,320	\$3,510
Powered Sites	\$2,419	\$3,210	\$4,205	\$17,171	\$24,953.50	\$44,594
Cabins	\$12,282.50	\$8,775	\$14,170	\$21,110	\$17,810	\$20,874.80
Unpowered Sites	\$60	\$60	\$120	\$1,800	\$1,851	\$4,100
Sub Total	\$15,536.50	\$13,035	\$19,845	\$43,411	\$48,934.50	\$73,078.80
Artesian Baths incl. salts	\$3,704	\$4,035	\$5,827	\$12,357	\$18,323	\$21,475
McIntyre Park						\$546
Cheese Platters	\$300	\$210	\$570	\$1,110	\$1,685	\$2,730
Laundry	\$280	\$58	\$157	\$642	\$631	\$1,996
Long Term Stay	\$320		\$960	\$480		
<b>Calculated Total</b>	<b>\$20,140.50</b>	<b>\$17,338</b>	<b>\$27,359</b>	<b>\$58,000</b>	<b>\$69,573.50</b>	<b>\$99,825.80</b>

Julia Creek Caravan Park is a major attractor for visitors to our town, where our priority is to maximise our economic injection and assist in building a strong, sustainable economy. With recreational vehicle manufacturing at its highest level in forty years (2022) and record industry bookings and domestic tourism expenditure, investing in the Julia Creek Caravan Park is important for tourism in the McKinlay Shire and supporting our regional economy. Despite continued border closures, we welcomed a record 13,925 guests to the Caravan Park in 2021/22, an 18.11% increase from 2020/21. Consistent with the growth in our guest numbers was a 17.83% increase in revenue in 2021/22 compared with 2020/21. Council was also able to undertake some capital works projects at the park which including the replacement of eight artesian bathtubs, water and drainage upgrades to the artesian bathhouses, drainage upgrades to amenities and water isolation points throughout the park. Our Park's success can also be attributed to the skillset and hard work of Management Staff and Council cleaning staff who work tirelessly to ensure the best experiences for our guests.

# Performance Reporting

## Julia Creek Caravan Park

We have found that our Park's growing popularity has created demand pressures, increasing guest expectations.

The following actions have been taken to meet the increased demand/expectations:

- We created an additional 15 unpowered sites – allowing for up to 60 extra guests per night.
- Recruited working holiday makers to fulfil duties such as cleaning, laundry and administration.
- Online booking system upgrade to reduce pressure on frontline staff with number of phone calls and email bookings during peak periods and to enhance user experience.

As a result, we have increased our prices across all the park's accommodation and experiences to recompense rising operational costs and assisted with our increased profitability.



# Performance Reporting

## Julia Creek Caravan Park

### Highlights

#### Queensland and Australian Tourism Awards

Our Caravan Park was extremely fortunate to be recognised at both State and National Awards with the park receiving Gold at the Queensland Tourism Awards and Silver at the Australian Tourism Awards in the 'Caravan and Holiday Parks' category. This was a massive achievement and reward for the tireless efforts of Council's Community Services team and the Park Manager's throughout the year. Our small, outback park beat some very strong competition from corporate-run parks such as 'BIG4' and 'Ingenia'. The awards also strongly reflect Council's continued dedication to growing and expanding its tourist market and sustained investment through several capital works projects to enhance visitor experiences.



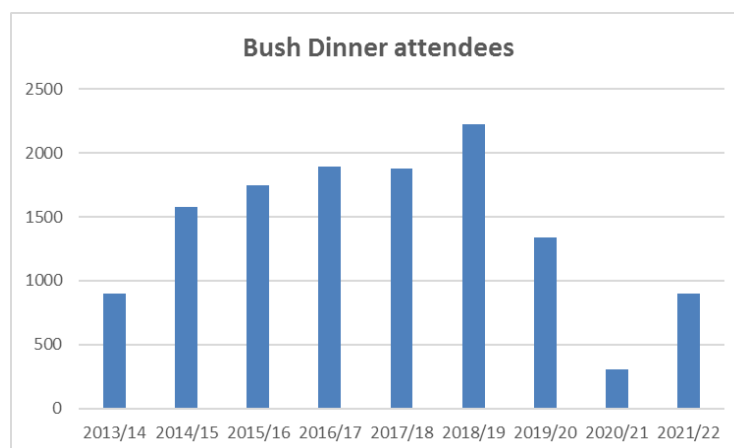
Channel 10's Survivor contestants travelled to Julia Creek for an artesian bath experience which was shared across Survivor's social media channels of 300,000 followers and brought considerable enquiry.

# Performance Reporting

## Julia Creek Caravan Park

### Bush Dinners

After our Bush Dinners were not able to run in the 2020 calendar year due to the impact of COVID-19, our Bush Dinner program was reinstated on 7th June 2021 with new Covid safe parameters in place. Patron numbers were limited to 100 and the courtesy bus from the RV Site was removed to reduce points of contact with the patrons. There has also been a consolidation in the number of not-for-profit groups that are able to cater but we are pleased with result of 900 attendees throughout 2021/22 in a post-pandemic world. This threshold appears to be more sustainable for our volunteer groups and operational staff.



We surveyed our 2022 Bush Dinner attendees.

From a sample of 178 respondents, the following was revealed:

- 65.17% of our bush dinner attendees were from Interstate
- 21.35% of bush dinner attendees were return visitors to Julia Creek
- 11.30% were travelling as a family
- 71.35% were travelling in a caravan
- 46.33% spent more than \$201 in Julia Creek during their stay
- 57.87% rated the night as excellent value for money
- 94.94% would attend another Julia Creek Caravan Park Bush Dinner



# Performance Reporting

## RV Friendly Site

2659 permits were issued at the Julia Creek RV site in 2021/22. Our Camp Host program resumed in 2021/22 and is pivotal to the smooth running of the site.



## RV Friendly Permits

	2018-19	2019-20	2020-21	2021-22
<b>Jul</b>	808	767	216	600
<b>Aug</b>	723	708	302	966
<b>Sept</b>	250	298	214	303
<b>Oct</b>	18	17	59	27
<b>Nov</b>	4	5	7	7
<b>Dec</b>	1	5	1	0
<b>Jan</b>	0	0	4	0
<b>Feb</b>	0	0	0	0
<b>Mar</b>	0	2	10	2
<b>Apr</b>	51	0	184	33
<b>May</b>	153	0	541	189
<b>Jun</b>	374	44	557	532
<b>TOTAL</b>	2382	1846	2095	2659

# Performance Reporting



## At the Creek

Our Visitor Centre welcomed 7577 guests in 2021/22 which was a 27% increase on 2020/21. We have also successfully recruited a full time Tourism Officer and Casual which has enabled our operating hours to return to normal. Several improvements have been made at the Centre including new landscaping, feature light ball and a variety of metal sculptures that add to the Centre's appeal. We look forward to continuing to drive more travelers to this tourism asset over the coming years throughout the COVID-19 recovery.



## At the Creek Visitor Numbers

	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
<b>Jul</b>	1177	2054	2172	3129	2583	3094	3353	3192	645	2729
<b>Aug</b>	1050	1503	1731	2628	2053	2336	2348	3018	1265	1166
<b>Sept</b>	496	813	915	1347	1534	1128	1036	1130	871	794
<b>Oct</b>	231	262	203	655	521	490	558	268	349	244
<b>Nov</b>	94	125	120	211	235	157	240	149	69	51
<b>Dec</b>	78	58	81	90	115	141	139	31	40	16
<b>Jan</b>	92	50	230	119	166	116	191	59	25	43
<b>Feb</b>	65	85	108	200	172	175	99	29	25	43
<b>Mar</b>	55	105	234	236	290	230	294	73	73	82
<b>Apr</b>	509	523	553	605	608	836	604	0	384	419
<b>May</b>	857	844	1044	1127	1257	1050	743	0	760	860
<b>Jun</b>	1371	1388	2047	2304	2241	1810	1840	200	1429	1130
<b>Total</b>	6075	7810	9438	12651	11775	11563	11645	8149	5935	7577

# Performance Reporting

## Library



The Julia Creek Library continued to be well utilised by the community and tourists alike throughout the year, especially with the absence of a Sport and Recreation Officer. The facility became a popular spot for local children and families to spend time over the course of the school holidays and also on weekdays upon the completion of school. Through funding received via the 'First Five Forever' program, Council was able to purchase a significant amount of outdoor play equipment and furniture that has been of great benefit to the younger members of the community as it has opened up new and exciting play opportunities. Our Librarian was once again invited to the Julia Creek Under 8's Day where they had the pleasure of reading a story that had been written by former Julia Creek State School residents titled 'Mr. Cuddles moves to the bush'. Lastly, the Library was also used for a range of purposes during the year including being the hub for the 2021 Census, a venue for the McKinlay Shire Cultural Association's Annual General Meeting, a drop-off point for the Council's Buy Local Campaign and the local Centrelink access point. Unfortunately, due to a lack of available volunteers in McKinlay, we were unable to regularly open the facility but are hopeful this may improve over the next 12 months.



# Performance Reporting



## Middle School

Council in partnership with the State Government through the Department of Education continued to deliver a Remote Learning Facility in Julia Creek throughout 2021/22. The facility enables children in years 7 through to 10 enrol through Mount Isa School of The Air and complete their studies in a classroom at the Julia Creek State School with the assistance of a Teachers Aide funded by the State Government. In 2021 the facility had six students enrolled with three of those leaving upon completion of their Year 10 studies. In 2022, a total of six students were also utilising the facility with three of those being new enrolments. Council believes this initiative helps to sustain, retain and attract families to our community and provide education after the completion of Year 6.



# Performance Reporting



## Early Learning Centre

Council continues to operate the Early Learning Centre, offering care for children from 12 months of age through to school age with the financial assistance from the Australian Government under the Community Support Programme. An approved kindergarten program is delivered from the centre with assistance from the Queensland Kindergarten Funding Scheme (QKFS).

Unfortunately, the Centre struggled with staffing issues throughout 2021/22 including the resignation of a Kinder Teacher in 2021 and Room Leader and Director in 2022. This also fell in-line with the nationwide shortage of childcare educators and led to reduced operating hours and limited the number of children and families able to access the service. However, credit must be awarded to staff who worked tirelessly to ensure the Centre could remain open as it is such a pivotal service to our community. Council engaged in a huge recruitment drive through social media, television, several recruitment agencies and community channels. This eventually led to the successful appointment of a Director and full-time educator who were scheduled to begin in August 2022.

Although the Centre dealt with disruption to the number of children attending and the available operating hours, it is suffice to say there were still a multitude of activities provided in conjunction with day-to-day learning. Some highlights for this period included us participating in Council-led initiatives such as Flipside Circus Workshops, a performance from Blue Gum Farm, a visit from the Crack-Up Sisters. Furthermore, within the Centre the children were able to engage in activities included a 'Pop-up Playground', Book Week, science experiments, Halloween and trick-or-treating, Christmas craft, Julia Creek State School transition days as well as a graduation and break-up part at the end of 2021. Staff and children also participated in several community awareness events including 'Day for Daniel', 'Loud Shirt Day' and 'R U OK Day'. 'R U OK Day' was especially significant as staff, children and families created a video highlighting the importance of mental health awareness that was circulated via Council's social media channels.



# Performance Reporting

## Sport and Recreation

Council was able to continue to deliver a number of sport and recreational activities intermittently throughout 2021/22 due to issues with staffing. A full-time Sport and Recreation Officer was employed from August 2021 through to May 2022 and during this time they were able to deliver a wide range of activities for all members of the community.

Council continued its ongoing relationship with Julia Creek State School to deliver the annual Bike Safety Awareness Program, partnered with QLD Police, Council & Julia Creek State School. Bike Muster was conducted with a high level of interest with roughly 20-30 students participating and improving their knowledge of road safety. Through the AusSport Sporting Schools Program, Council also continued to provide students an opportunity to learn a variety of new skills in sports such as rugby league, soccer, swimming and cricket. We were also able to continue the School Holiday Program and deliver fun and exciting opportunities for local children that included a Blue Gum Farm performance, Flipside Circus workshops, a visit from the Crack-Up Sisters and a puppet making workshop with Dead Puppet Society. Along with this, children were also engaged in recreational activities such as swimming, team challenges/exercise at the Indoor Sports Centre, Library fun, technology engagement at the Smart Hub, Christmas craft and science experiments just to name a few.



In collaboration with the North Queensland Sports Foundation, Council were successful in receiving funding to continue the 'Move It NQ' Program. Based on previously identified community needs, this funding has allowed Council to provide the community with free Group Fitness classes twice per week, as well as 1-On-1 Personal Training Sessions. This program has been incredibly well received within the community, with regular attendees to both initiatives each week. The Group Fitness sessions have provided individuals who otherwise may not have taken the step towards their fitness and wellbeing goals to improve their fitness and overall wellbeing in a fun, varying and supportive environment. The popular 1-On-1 sessions have also given people the opportunity to progress towards their goals, who otherwise may not have been comfortable stepping foot inside the gym. The Daren Ginns Centre also remained a popular outlet for many locals and transient workers with over 70 members using the facility throughout the year.

# Performance Reporting



## Sport and Recreation

Council was also successful in receiving funding from Sport Australia to deliver the 'McKinlay Shire Festival of Sport' through the Regional Sport Events Fund. This funding allowed Council to deliver a junior bull-riding clinic, netball clinic and tennis clinic which provided specialist coaching across all sports for local children.



Lastly, 2021/22 welcomed the return of many local annual events that are highlights on many social calendars and draw a large number of spectators and participants from all over Queensland and interstate. These included Saxby Round-Up Rodeo & Campdraft, Sedan Dip Races, Rodeo & Campdraft, Julia Creek Turf Club race days including the infamous Beach Races, Town vs Country Rugby League & Netball, Julia Creek Saints Junior Rugby League matches, McKinlay Races and the renowned Julia Creek Dirt and Dust Festival.





# Corporate Services



# Performance Reporting



## Corporate Services

The objective of Corporate Services is to implement financial strategies to bring about financial stability for current and future generations and maximise and develop the potential of Council's human, physical and financial resources.

## Workforce

### Employees Departed

Employee Initiated Separation 21

Employee Turnover rate 38.9%

### Employees Recruited

Internal 2

External 25

Gender Balance	Male	Female
Executive/Managerial	2	1
Professional		
Community and Personal Services		8
Clerical & Administrative	1	9
Machine Operators	7	1
Labourer/Unskilled	10	7
Trades	3	0
Team Leaders/Supervisors	4	1
Total	27	27

## Employees at a glance

Workforce/Total number of employees

Permanent	35
Permanent Part-Time	5
Contract – Executive & Managerial	3
Contract – Other	2
Casual	9
Total	54

# Performance Reporting



## Policy Review

Our policies are available for download from our website or a hardcopy can be viewed at Council's administration office. This year a number of policies were reviewed and established, including:

- Debt Policy
- Investment Policy
- Procurement Policy
- Revenue Statement
- Revenue Policy
- Asset and Services Management Policy
- Advertising pending Policy
- Council Briefing Sessions Policy
- Dealing with Complaints about the Public Official Policy
- Council Legal Assistance Defamation Policy
- Relocation Assistance Policy
- Related parties Disclosure Policy
- Community Grants Policy
- Entertainment & Hospitality Policy
- Active Community Policy
- Commonwealth Home Support Programme (CHSP) Fees Policy
- Library Public Access Internet Policy
- Public Interest Disclosure Policy
- Independent Seniors Living Unit Policy
- Motor Vehicle Fleet Plant and equipment Policy
- Drinking Water Quality Policy
- Fraud Management Policy and associated documents
- Environmental Policy
- WHS Policy

### **Policies Revoked during the period:**

- Funeral Costs Policy
- Recycled Water Reuse Policy

## Professional Development

Council recognises that the ability to deliver the required standard of service to its community is highly dependent upon the skills and capabilities of its staff. Council offer training and development assistance to employees to provide long term benefits to both Council and the employee in terms of competence, job satisfaction and efficiency. Councils Employee Professional Development and Training Policy outlines the framework in which Council supports employees to further their skills and knowledge through courses and the like.

During the year Council has assisted employees in the following training:

- First Aid
- CPR
- Certificate III in Construction
- Certificate IV in Human Resources
- Aeronautical Radio Operator
- Aerodrome Reporting Officer
- Diploma in Early Childhood Education



# *Engineering and Works*

# Performance Reporting



## *RMPC*

Council undertakes routine maintenance works (patching potholes, sign replacement, guidepost replacement, cleaning and maintaining culverts and removal of dead animals) on State controlled roads within the Shire on behalf of the Department of Transport and Main Roads (DTMR). The 2021/22 Contract was fully completed.

## *Roads Maintenance*

Council Roadworks' teams undertook maintenance works on a regular basis and any additional operational matters that are required on Shire roads.

## *Cannington Road Works*

Council has an agreement with South 32 Cannington Mine to undertake the repairs and maintenance from McKinlay Township to Cannington Mine. On top of day to day activities some stabilising/sealing works were undertaken.



# Performance Reporting



## Road Projects

### 2020 DRFA program

Reconstruction of Essential Public Assets (REPA) works approved by Queensland Reconstruction Authority (QRA) for the 2020 event were completed by the end of October 2021. The value of works totalled \$4,996,217.70.

### 2022 DRFA program

Following significant wet weather events in January and April 2022, Council requested and received activation for REPA through QRA for damage to the road network. Information has been collected and submissions prepared, with reconstruction work expected to commence prior to Christmas 2022.

### Gilliat/McKinlay Reseal

10 kilometres of resealing was undertaken from McKinlay north, project value \$249,132 funded 50/50 Transport Infrastructure Development Fund (TIDS) and Roads to Recovery (R2R).

### Taldora Rd Gravel/Seal

5 kilometres from end of existing seal was regavelled/formed and sealed, project value \$507,192 funded from R2R.

### Byrimine Rd Gravel/Seal

5 kilometres from the start of Byrimine Rd heading towards Cloncurry was regavelled/formed and sealed, project value, \$546,005 funded 50/50 TIDS and Local Roads and Community Infrastructure (LRCI).

### Malpass/Trenton Resheet

9 kilometres of various sections of the Malpass/Trenton Road were resheeted with 150mm gravel, project value \$387,014 funded from R2R.

### DTMR Contract work

Council undertook or subcontracted a number of projects for the Department of Transport and Main Roads, these included:

- CN16540 Oorindi Bore – drilling of new bore and headworks at the Oorindi Truck Stop
- CN18096 14D Stabilising – 8500 m<sup>2</sup> stabilising and seal between Julia Creek and Richmond
- CN17292 Heavy Vehicle Stopping Bays – Construction of two sets of stopping bays on Landsborough Highway between McKinlay and Kynuna.



# Performance Reporting



## Department Works Workshop

Council's Workshop is responsible for the replacement and servicing of the Council fleet, plant and equipment. Within the 2021/22 financial year, Council purchased 1x new grader and 1x new Garbage truck have been ordered for delivery within the new financial year. Tender T212202 sale of Miscellaneous items was awarded to the successful tenders at the Council meeting on 14th December 2022 this tender realized a amount of \$498,709.55.

## Parks and Gardens

The Council Parks and Gardens crew are responsible for maintaining all lawns, gardens, toilets, and the rubbish collection within the Shire. The Parks and Gardens crew have been maintaining the Oorindi Rest stop. The Parks and Garden crew have been maintaining all street islands within the Shire. The parks and gardens crew are also responsible for performing all event set ups and clean up.

## Airport

Council operates and maintains the Julia Creek airport for RPT, Lifeflight, RFDS and private aircraft activities that service the local community. Regular inspections are carried out by trained staff and annual safety inspections are undertaken by CASA approved inspectors ensuring the safe operation of the airport.

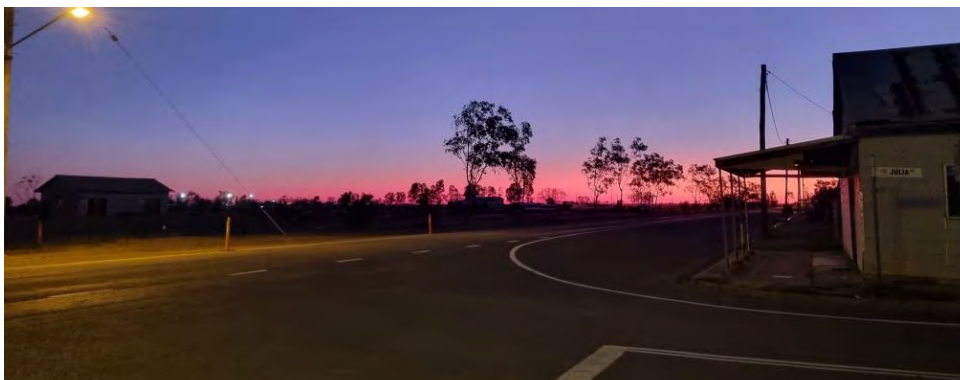
For the 2021/22 Financial Year the Julia Creek Airport received 324 aircraft movements (landings + take-offs) recorded. Movements comprised 256 RPT (REX airlines) with the remainder made up of RFDS and General Aviation. There were 579 Air Transport Passengers via REX airlines.

The following projects were undertaken under Council's Capital Works Program during the year:

- Linemarking Renewal

## Workplace Health and Safety

McKinlay Shire Council holds the Safety of our Council Staff and Contractors as the highest concern. Appropriate resources and training are provided by Council's WHS Officer so that Council's core operational activities are delivered in a safe manner.





# *Environmental Health and Regulatory Services*

# Performance Reporting



## *Environmental Health and Regulatory Services*

The Environment and Regulatory Services Department delivers the following services to the McKinlay Shire community:

- Waste Management
- Environmental Health Services
- Local Laws
- Pest Animal and Plant Control
- Livestock Operations
- Stock Routes and Reserves
- Julia Creek Work Camp
- Council Housing Management
- Disaster Management
- Food Safety
- Town Planning

## *Waste Management*

Regular pushing, covering and picking up loose rubbish continued at the Julia Creek Waste Facility during the year when required by Council Staff with the assistance of the Julia Creek Work Camp. Changes were made to the general refuse area during the year to make it easier for the community to dump rubbish in the tip.

Department of Environment and Science (DES) conducted two compliance inspections on the Julia Creek and Nelia Landfills during the course of the year.

## *Town Planning*

Council received the following Development Applications during the 2021/22 Financial Year:

- 7 x Building Works Applications
- 1 x Planning Applications
- 1 x Plumbing Applications and
- 4 x Operational Works Applications.



# Performance Reporting



## Environmental Health

### Water

Water sampling is undertaken on all four drinking water schemes being Julia Creek, Kynuna, McKinlay and Nelia on a monthly basis as required under the verification monitoring program outlined in Council's Drinking Water Quality Management Plan (DWQMP). All parameters are generally within the guideline limits. Any exceedance of the health guideline limit set by the Australian Drinking Water Guidelines is to be reported to the Department of Regional Development, Manufacturing and Water Department. A regular review was conducted on Council's DWQMP in 2021/22. A copy of the plan was submitted to the Regulator for approval on the 29 April 2022. Council prepares an Annual Report each year as required under Section 142 of the Water Supply (Safety and Reliability) Act 2008. The purpose of the annual report is to provide the Water Supply Regulator with information on the overall performance of the DWQMP. The reports are to be completed 120 business days after 30 June. A copy of the 2021/22 Report can be found on Council's website.

### Sewerage

Council operates and maintains sewerage infrastructure that consists of the Hickman Street Pump Station, Imhoff Tank, package activated sludge bioreactor plant and 2 x wet weather storage lagoons. An irrigation area has been set up along the Old Normanton Road for the treated effluent to be discharged to when within the required limits as set in Council's Environmental Authority (EA) permit. Department of Environment and Science (DES) conducted two compliance inspections on the STP during the course of the year.

# Performance Reporting



## Local Laws

The Local Laws Officer is responsible for ensuring compliance of local laws within the community. For the 2021/22 Financial Year the following areas were covered by the department; unsightly allotments, commercial use of roads, waste facilities, pest management, pest weed spraying, airport maintenance including Aerodrome Reporting Officer duties, vector control (mosquito fogging), assistance with Stock Route Facilities, Reserves and Livestock Facility. Animal Management continues to be the primary focus of this Department.

The Council Boarding Facility has seen a total of 149 dogs boarded over the 2021/22 Financial Year.

## Pest Animal and Plant Control

### Pest Animal

There were two rounds of 1080 baiting conducted during the 2020/21 Financial Year.

October 2021

- 18 properties participated
- 4,930kg dog baits treated
- 180kg pig baits treated

June 2022

- 27 properties participated
- 7,600kg dog baits treated

### Pest Weed

Council staff continued treating pest weed around the Shire with the assistance of the Julia Creek Work Camp along creeks, drains, stock route water facilities and reserves.

Contractors were engaged to treat prickly acacia along various local roads within the Shire.

There were 31 dingo scalps presented during the year.

There were 1,180 Factory Baits issued during the year.

# Performance Reporting



## Livestock Operations

### Livestock Facility

There were 15,709 head of cattle weighed and/or scanned through the facility from 1 July 2021 to 30 June 2022. The Ranger, with the assistance of the Julia Creek Work Camp undertook regular maintenance of the facility during the year including but not limited to; mowing, whipper snipping, cleaning of troughs and scales, welding, water pipe repairs and cattle feed trough repairs.

The following upgrade works were conducted on the facility under the 2021/22 Capital Works Program:

- Laying new gravel in yards
- Concreting loading and unloading ramps
- Renew cattle rails and paint
- Install four new troughs

### Cattle Loading

There were 7,658 head of cattle loaded onto 24 trains during the year. Cattle loading has not re-commenced since Watco East West was awarded the contract for the north-west line that was previously held by Aurizon.



# Performance Reporting

## Stock Routes and Reserves

### Stock Routes

Bores were logged at the following facilities under the 2021/22 Stock Routes Capital Works Program:

- 49 Mile
- Bullock Holes
- Longford Plains
- Cremona

New fence installed at 49 Mile and Bullock Holes.



### Reserves

Under Council's 2021/22 Capital Works Program the following projects were completed;

- 4 kilometres of new fencing around tick paddock and installation of 2 new troughs and aprons and clean out turkeys' nest on the DPI Paddock.
- New trough and apron installed on south side of Gilliat Reserve.
- New trough, apron and 5000gal tank and fence installed on north side of Gilliat Reserve.
- New fence, trough and tank installed on McKinlay Dump Paddock.



# Performance Reporting

## Julia Creek Work Camp

Work Camp continued delivering a wide range of projects in and around the McKinlay Shire area over the 2021/22 Financial Year.

A summary of the jobs completed over the course of the year is below;

- Regular mowing of various non-for-profit organisations and churches within the Shire.
- Various works at all Cemeteries.
- Regular assistance with the clean up and maintenance of all waste facilities within the Shire.
- Regular clean up of RV Site and around Julia Creek Township.
- Regular mowing and clean up of Dirt and Dust Central.
- Preparation and clean up for various campdrafts and race events around the Shire.
- Regular maintenance and mowing/whipper snipping around Livestock Facility and Aerodrome Area including slashing of runway strip.
- Regular mowing and general maintenance of Julia Creek State School.
- Providing assistance within the Workshop.
- Providing assistance with Pony Club activities.
- Assist Ranger with Capital Works Projects on Reserves including fence installation on DPI Paddock and Water tank installation on Nelia Common.
- Oiling of seating around Council properties.
- Installation of new concrete slab on lawn area at Cemetery.
- Assist with Cloncurry Show through the Cloncurry Show Society.
- Install fence at Combo Water Hole.
- Lay topsoil and sand at Kindergarten.
- Assist with set up and pack up of Lions Ladies Reunion Event.
- Paint floor at Dog Pound.



# Performance Reporting

## Council Housing Management

Council own and maintain 24 properties for the purposes of staff housing. Two additional properties are currently under a lease agreement to Queensland Health.

Council also own and maintain nine seniors living units. As of 30 June 2022, there were two units available to rent. The following upgrades were undertaken during the 2021/22 Financial Year:

- Internal and External Painting of 10 Shaw Street.
- Bathroom Upgrade at 8 Byrne Street.
- Turf and Irrigation at 2 Netterfield Street.
- Full house renovations to 33 Byrne Street.
- New split systems installed in 5 Coyne Street.
- Internal painting on 17 Coyne Street.



## Disaster Management

The Local Disaster Management Group (LDMG) is developed to inform and prepare the community for any natural disaster that may occur. The Group is chaired by the Mayor and supported by a wide range of Council, Emergency and Supporting Services. The Group meets on a regular basis to ensure that the Shire is in a position to deal with disaster to ensure that the community can get back to or as close to normal as soon as possible. SES currently has nine members. The SES has a flood boat in place and also a trailer set up for storm season. A trailer is set up with Jet A1 that we can deliver to Life flight in emergencies around the Shire.

McKinlay Shire Council has the primary responsibility for managing the impacts of disasters and emergencies within our boundaries. McKinlay Shire Council's Disaster Management Plan outlines our disaster management system roles and responsibilities and provides a framework of sub-plans for our most likely threats, and for the recovery phase following an event.

## Food Safety

An external food auditor is engaged to inspect food businesses within the Shire to ensure compliance with the relevant legislation. These inspections occur twice yearly with reports being provided to Council. All inspections are up to date. Food Recalls are sent from Queensland Health and are forwarded onto food businesses for action if required.

As of 30 June 2022, there were 11 registered food businesses within the Shire.



# Statutory Information

## OUR LEGISLATIVE COMPLIANCE

Local Government Act 2009	
<b>Identifying Beneficial Enterprises (s41)</b>	
A local government's annual report for each financial year must contain a list of all the beneficial enterprises that the local government conducted during the financial year	Nil
<b>Identifying Significant business activities (s45)</b>	
A local government's annual report for each financial year must—	
(a) contain a list of all the business activities that the local government conducted during the financial year; and	Airport Saleyards Roads Water & Sewerage Waste Management & Landfill Plant Childcare Caravan Park
(b) identify the business activities that are significant business activities; and	Nil
(c) state whether or not the competitive neutrality principle was applied to the significant business activities, and if the principle was not applied, the reason why it was not applied; and	Not applicable
(d) state whether any of the significant business activities were not conducted in the preceding financial year, i.e. whether there are any new significant business activities.	Not applicable
<b>Senior Management Remuneration Packages (s201)</b>	
(1) The annual report of a local government must state—	
(a) the total of all remuneration packages that are payable for the year to the senior management of the local government; and	
(b) the number of employees in senior management who are being paid each band of remuneration; and	
Total Remuneration Package (including superannuation)	Number of senior management employees
\$100,000 - \$200,000	2
\$200,000 - \$300,000	1
Senior Management includes Chief Executive Officer and two Directors	
Local Government Regulation 2012	
<b>Financial Statements (s183)</b>	
The annual report for a financial year must contain—	
(a) the general purpose financial statement for the financial year, audited by the auditor-general; and	Refer pages 65 - 102
(b) the current-year financial sustainability statement for the financial year, audited by the auditor-general; and	Refer pages 98
(c) the long-term financial sustainability statement for the financial year; and	Refer pages 102
(d) the auditor-general's audit reports about the general purpose financial statement and the current-year financial sustainability statement.	Refer pages 95 - 97
<b>Community Financial Report (s184)</b>	
The annual report for a financial year must contain the community financial report for the financial year.	Refer pages 53 - 64
<b>Particular Resolutions (s185)</b>	
The annual report for a financial year must contain—	



(a) a copy of the resolutions made during the financial year under section 250(1) – expenses and reimbursement policy <i>No resolutions made under this section during the reporting period.</i>	
(b) a list of any resolutions made during the financial year under section 206(2)	No resolutions were made in the 2021/22 financial year regarding asset thresholds
<b>Councillors (s186)</b>	
The annual report for a financial year must contain particulars of—	
(a) for each councillor, the total remuneration, including superannuation contributions, paid to the councillor during the financial year; and	Refer Table 1
(b) the expenses incurred by, and the facilities provided to, each councillor during the financial year under the local government’s expenses reimbursement policy; and	Refer Table 2 and 3
(c) the number of local government meetings that each councillor attended during the financial year; and	Refer Table 4
(d) the total number of the following during the financial year—	
(i) orders made under section 150I(2) of the Act;	Nil
(ii) orders made under section 150AH(1) of the Act;	Nil
(iii) decisions, orders and recommendations made under section 150AR(1) of the Act;	Nil
and	
(e) each of the following during the financial year—	
(i) the name of each councillor for whom a decision, order or recommendation mentioned in paragraph (d) was made;	N/A
(ii) a description of the unsuitable meeting conduct, inappropriate conduct or misconduct engaged in by each of the councillors;	N/A
(iii) a summary of the decision, order or recommendation made for each councillor;	N/A
The number of each of the following during the financial year—	
(i) complaints referred to the assessor under section 150P(2)(a) of the LGA by the local government, a councillor of the local government or the Chief Executive Officer of the local government;	Nil
(ii) matters, mentioned in section 150P(3) of the Act, notified to the Crime and Corruption Commission;	Nil
(iii) notices given under section 150R(2) of the Act;	Nil
(iv) notices given under section 150S(2)(a) of the Act;	Nil
(v) decisions made under section 150W(1)(a), (b) and (e) of the LGA	Nil
(vi) referral notices accompanied by a recommendation mentioned in section 150AC(3)(a) of the LGA;	Nil
(vii) occasions information was given under section 150AF(4)(a) of the LGA;	Nil
(viii) occasions the local government asked another entity to investigate, under chapter 5A, part 3, division 5 of the LGA for the local government, the suspected inappropriate conduct of a councillor;	Nil
(x) applications heard by the conduct tribunal:	
• under chapter 5A, part 3, division 6 of the Act about whether a councillor engaged in misconduct or inappropriate conduct	Nil

**Table 1**

Councillor	Remuneration
Cr Philip Curr	\$108,222
Cr Janene Fegan	\$62,435.04
Cr Shauna Royes	\$54,110.04
Cr Tim Pratt	\$54,110.04
Cr John Lynch	\$54,110.04

**Table 2**

Facilities and Resources provided					
Councillor	Administrative Assistance	Council Ipad	Council Mobile Phone	Council Vehicle	Office & Resources
Cr Philip Curr	✓	✓	✓		✓
Cr Janene Fegan		✓			
Cr Shauna Royes					
Cr Tim Pratt		✓			
Cr John Lynch		✓			

All Councillors have access to a Council car if they are travelling to attend a meeting or function of Council outside of Julia Creek.

**Table 3**

Expenses & Reimbursements			
Councillor	Conference & Workshop Expenses	Travel Expenses (Flights & Accommodation)	Total
Cr Philip Curr	\$530.00	\$2,116.55	<b>\$2,464.55</b>
Cr Janene Fegan	\$385.69	\$4,535.68	<b>\$4,921.37</b>
Cr Shauna Royes	\$429.82	\$4,194.41	<b>\$4,624.23</b>
Cr Tim Pratt	\$725.45	\$966.22	<b>\$1,691.67</b>
Cr John Lynch	\$1,559.09	\$1,731.08	<b>\$3,290.17</b>

Table 4

Councillor	Ordinary Meetings Held	Ordinary Meetings Attended	Special Meetings Held	Special Meetings Attended
Cr. Philip Curr	12	12	4	4
Cr. Janene Fegan	12	12	4	4
Cr. Shauna Royes	12	12	4	4
Cr. Tim Pratt	12	12	4	4
Cr. John Lynch	12	12	4	4

#### LOCAL GOVERNMENT REGULATION 2012 CONTINUED

##### Administrative Action Complaints (s187)

McKinlay Shire Council is committed to providing an open and accountable local government. To assist Council achieve this Council has endorsed a General Complaints Process Policy to ensure an effective and transparent method of responding to complaints regarding its services, actions and conduct of Councillors and Council officer's to better enable Council to undertake this role. Council is committed to dealing fairly with administrative action complaints.

Summary of complaints as required by section 187 of the *Local Government Regulation 2012*

Administrative Actions Complaints Made 2021/22 0

Administrative Action Complaints resolved 2021/22 0

Administrative Action Complaints Unresolved 2021/22 0

Administrative Action Complaints Unresolved (from above) made in 2020/21 0

##### Overseas Travel (s188)

(1) The annual report for a financial year must contain the following information about any overseas travel made by a councillor or local government employee in an official capacity during the financial year—

- (a) for a councillor—the name of the councillor;
- (b) for a local government employee—the name of, and position held by, the local government employee;
- (c) the destination of the overseas travel;
- (d) the purpose of the overseas travel;
- (e) the cost of the overseas travel.

Nil overseas travel by a Councillor or employee

(2) The annual report may also contain any other information about the overseas travel the local government considers relevant. Not applicable

##### Expenditure on grants to community organisations (s189)

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

Council provides support to the local community by providing financial assistance to various community organisations. Grants are provided under Councils Community Grants Policy, which offers support under three funding programs; Community Donations, Community Sponsorship, and Community Benefits Assistance Scheme. Refer to pages 11-15 for a summary of the grants.

(2) The annual report must also contain the following information about the local government's discretionary funds—

Not applicable – McKinlay Shire Council councillors do not have discretionary funds

- (a) the total amount budgeted for the financial year as the local government's discretionary funds;
- (b) the prescribed amount (0.1% of the local government's revenue from general rates for the previous financial year) for the local government for the financial year;
- (c) the total amount of discretionary funds budgeted for the financial year for councillors to allocate for each of the following purposes—
  - (i) capital works of the local government that are for a community purpose;
  - (ii) other community purposes;
- (d) the amount of discretionary funds budgeted for use by each councillor for the financial year;
- (e) if a councillor allocates discretionary funds in the financial year—
  - (i) the amount allocated; and
  - (ii) the date the amount was allocated; and
  - (iii) the way mentioned in section 202(1) in which the amount was allocated; and
  - (iv) if the amount was allocated to a person or organisation—the name of the person or organisation to whom the allocation was made; and
  - (v) the purpose for which the amount was allocated, including sufficient details to identify how the funds were, or are to be, spent.

**Other Contents (s190)**

(1) The annual report for a financial year must contain the following information—

(a) the chief executive officer's assessment of the local government's progress towards implementing its 5-year corporate plan and annual operational plan;	Refer to the section 'Performance Reporting'
(b) particulars of other issues relevant to making an informed assessment of the local government's operations and performance in the financial year;	
(c) an annual operations report for each commercial business unit;	Not Applicable
(d) details of any action taken for, and expenditure on, a service, facility or activity—	Not Applicable
<ul style="list-style-type: none"> <li>i) supplied by another local government under an agreement for conducting a joint government activity; and</li> <li>ii) for which the local government levied special rates or charges for the financial year;</li> </ul>	Not Applicable
(e) the number of invitations to change tenders under section 228(8) during the financial year;	Nil
f) a list of the registers kept by the local government;	Asset Register Register of Interests (Council and Senior Executive Officers) Register of Delegations Local law Register Roads Register Councillor Conduct Register Policy Register Fees & Charges Register Register of Pre-Qualified Suppliers
(g) a summary of all concessions for rates and charges granted by the local government;	In accordance with the <i>Local Government Regulation 2012 Part 10</i> Council granted a remission equal to 55% of gross rates and charges to

property owners who qualified for the current State Government pensioner rate remission scheme. This policy only applied to ratepayers in categories 1 – 4.

**Discount**  
 In accordance with Section 130 of the *Local Government Regulation 2012*, a discount of 10% was allowed on all rates and charges (excluding Fire Services Levy) if paid in full including overdue rates and charges before the end of the discount period. The discount period is a period that ends on or before the due date for payment.

(h) the report on the internal audit for the financial year;	Nil
(i) a summary of investigation notices given in the financial year under section 49 for competitive neutrality complaints;	Nil
(j) the local government’s responses in the financial year on the QCA’s recommendations on any competitive neutrality complaints under section 52(3).	Not Applicable



Community  
Financial  
Report  
2021 - 2022

# Community Financial Report

## for the year ending 30 June 2022

The Community Financial Report is a plain English summary of Council's Financial Statements prepared in accordance with Section 179 of the Local Government Regulation 2012.

### 1. 2021/22 Snapshot

Key highlights of the 2021/22 financial year include:

- Completion of 2020 DRFA Flood Damage program
- Burke Street Footpath and Pavement Re-construction
- Gilliat/McKinlay Road bitumen re-seal 10 kilometres
- Flood Warning Infrastructure Network Project
- Byrimine Road gravel and sealing five kilometres

### 2. About Council's End of Year Financial Statements

What you will find in the Financial Statements

The Audited Financial Statements of Council set out the financial performance, financial position, cash flows and the net wealth of Council for the financial year ended 30 June 2022.

About the Management Certificate

The Financial Statements must be certified by both the Mayor and the Chief Executive Officer as "presenting fairly" the 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 by management and elected representatives.

# Community Financial Report

## for the year ending 30 June 2022

### **About the Financial Statements**

The Financial Statements incorporate 4 "primary" financial statements and accompanying notes.

#### 1. A Statement of Comprehensive Income

A summary of Council's financial performance for the year, listing both regular income and expenses and other comprehensive income which records items such as changes in the fair values of Council's assets and investments.

#### 2. A Statement of Financial Position (Balance Sheet)

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. A Statement of Cash Flows

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

#### 5. Notes to the Financial Statements

Provides greater detail to the line numbers of the 4 "primary" financial statements.

### **About the Auditor's Reports**

Council's Financial Statements are required to be audited by the Queensland Audit Office. The audit of many Queensland Councils is contracted to Audit firms that specialise in Local Government. The Auditor provides an audit report which gives an opinion on whether the Financial Statements present fairly the Council's financial performance and position.

Where to find a complete version of Council's 2021/22 Financial Statements?

A complete version of Council's Financial Statements for the 12 months to 30 June 2022 is contained in this annual report and can also be found at our website:

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

or at Council's administrative office at: 29 Burke Street, Julia Creek Qld 4823



# Community Financial Report

## for the year ending 30 June 2022

### 3. An Overview of this year's Financial Result and Financial Position

#### 3.1 Council's Statement of Comprehensive Income (Profit and Loss) for 2021/22

Council's headline "profit/loss" result for the 2021/22 year was a \$4,115,690 profit.

<i>Council's Result</i>			
	Actual	Budget	Actual
\$ '000	2022	2022	2021
Expenditure	41,437	20,799	18,381
Revenues (excl. income for capital purposes)	18,718	13,636	18,479
<b>Net Result before Capital Grants &amp; Contributions</b>	<b>- 22,719</b>	<b>- 7,163</b>	<b>98</b>
Capital Grants & Contributions	6,977	10,500	26,984
Increase in Asset Revaluation	19,858	-	470
<b>Net Result</b>	<b>4,116</b>	<b>3,337</b>	<b>27,552</b>

The budgeted "profit/loss" for 2021/22 was \$3,336,937 however Council's profit was \$4,115,690 which meant Council exceeded its budgeted projections. The main reasons relating to this difference between the actual result and the budgeted performance was:

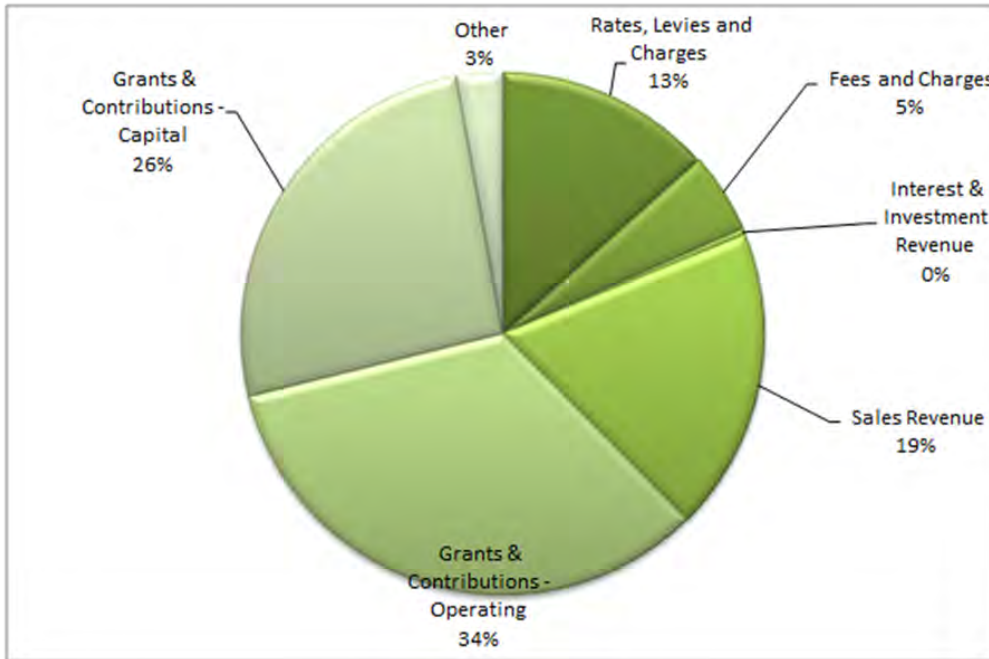
- Increased revenue from grants and subsidies

Overall Council and Management believe the financial result for 2021/22 to be pleasing.

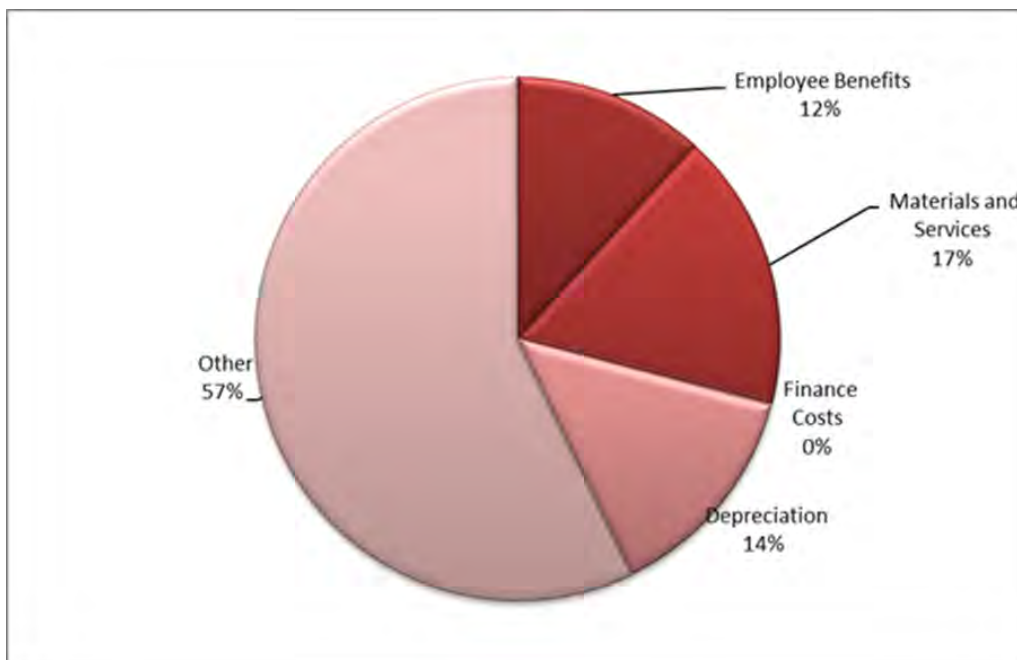
# Community Financial Report for the year ending 30 June 2022

The charts below summarises where Council's revenue and expenses came from:

## Council's Revenue Sources for the 2021/22 year:



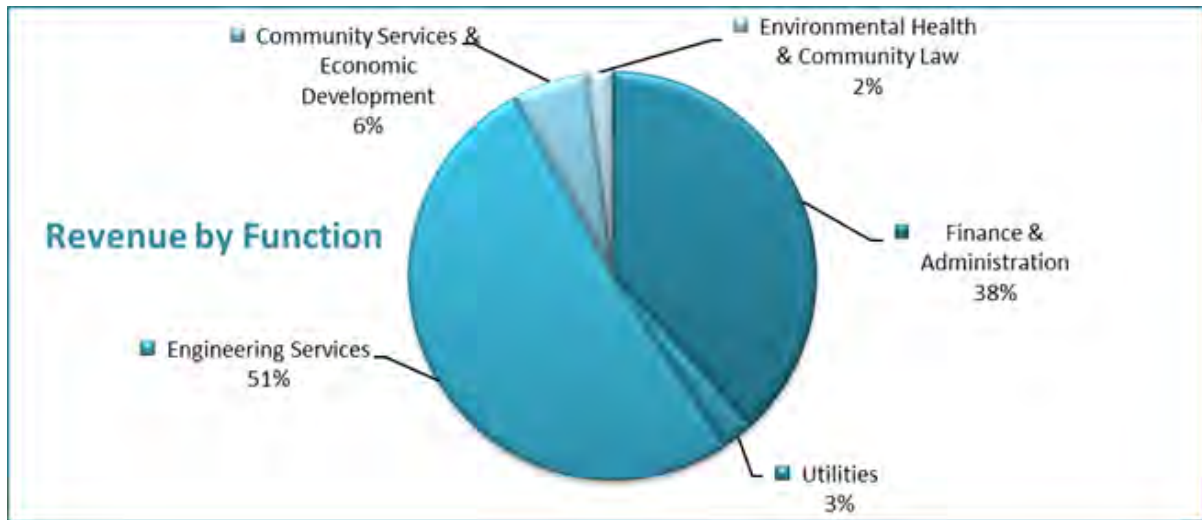
## Council's total Expenditure's (by type) for the 2021/22 year:



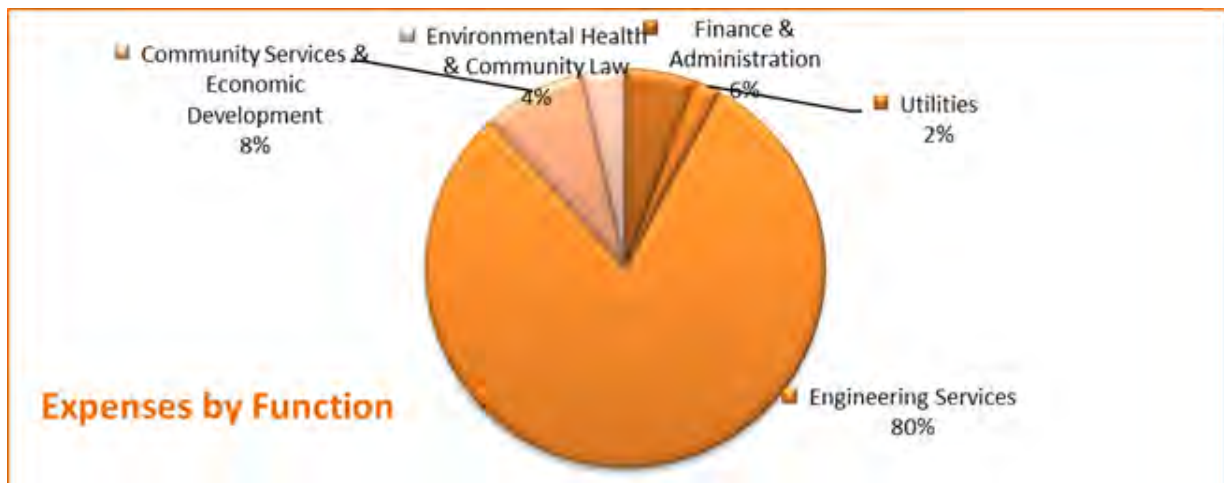
# Community Financial Report

## for the year ending 30 June 2022

**Council's total revenue covered the following activities/functions:**



**Council's total expenditure's covered the following activities/functions:**



# Community Financial Report

## for the year ending 30 June 2022

### 3.2 Councils Statement of Financial Position (Balance Sheet) for 2021/22

#### Council's Net Wealth

The Balance Sheet "bottom line" discloses the Net Community Equity of Council, which represents it's wealth as measured by a dollar value of its asset less liabilities.

#### Council's Wealth

	Actual 2022	Actual 2021
\$ '000		
The major items that make up Council's wealth include the following assets:		
Available Cash & Investments	24,385	17,734
Inventories (stores, raw materials & land purchased for development & sale)	221	119
Debtors	1,138	2,254
Contract Assets	1,406	3,905
Other Assets	104	93
Infrastructure, Property, Plant & Equipment		
- Capital Work in Progress	1,615	3,873
- Land and Improvements	1,443	1,510
- Buildings	26,262	23,686
- Other Plant and Equipment	3,300	3,891
- Road, Drainage and Bridge Network	193,324	198,312
- Water	6,084	4,275
- Sewerage	7,841	6,540
- Other Infrastructure Assets	9,063	8,514
- Office Furniture and Fittings	268	297
Land Held for Resale	-	87
Council has funded some of its operations and assets by the following liabilities:		
Trade & Other Payables	643	2,721
Loans & Borrowings (refer Councils Debt Policy for further information)	-	-
Contract Liabilities	1,107	1,758
Provisions	1,138	1,160
<b>Net Community Equity</b>	<b>273,566</b>	<b>269,451</b>

# Community Financial Report

## for the year ending 30 June 2022

### Council's Capital Expenditure for 2021/22

Council's Capital Expenditure by Asset Class was as follows:

- Land \$113,144
- Water Infrastructure \$85,359
- Sewerage Infrastructure \$0
- Roads and Streets Infrastructure \$6,718,304
- Buildings \$361,865
- Other Structures \$613,633
- Plant & Equipment \$149,188
- Office Furniture & Equipment \$16,818

\$8,058,311

### Council's Major Capital Projects for 2021/22 included the following:

#### **Gilliat/McKinlay Road \$249,132**

Bitumen re-sealing of approximately 10 kilometres from chainages 71.36km through to 61.36kms. This project was realised through funding from the Transport Infrastructure Development Scheme (TIDS) and Roads to Recovery Programme (R2R).

#### **Burke Street Footpath & Pavement Reconstruction \$491,016**

This project involved the reconstruction of footpath, stormwater and parking lane on southern side Burke Street between Julia Street and Quarrell Street. This project was realised through the Local Roads and Community Infrastructure Programme (LRCI) and the Transport Infrastructure Development Scheme (TIDS).

#### **Byrimine Road Sealing \$546,005**

This project involved the regraveling, forming and sealing of the first 5 kilometres of the Byrimine Road from Ch 0.00km through CH 5.00km. This project was realised through funding from the Transport Infrastructure Development Scheme (TIDS) and Local Roads and Community Infrastructure Programme (LRCI).

#### **Taldora Road Gravel & Seal \$507,192**

This project involved the regraveling, forming and sealing of 5 kilometres from end of existing seal at Millungera. This project was supported by the Roads to Recovery Programme (R2R).

#### **Flood Warning Infrastructure Network \$208,547**

Installation of rain/river gauges and cameras at Alick Creek, McKinlay River, Seymour's Gap, Sedan Dip and Toorak Station.

# Community Financial Report

## for the year ending 30 June 2022

### 3.3 Council's Key Financial Figures - A Snapshot

A summary of some key financial figures over the past 5 years lets you see some overall trends.

Financial Performance Figures (\$'000)	2022	2021	2020	2019	2018
<b>Inflows:</b>					
Rates, Levies & Charges	3,459	3,153	3,104	3,030	2,908
Fees & Charges	1,287	1,301	961	931	733
Interest Received	94	99	271	362	318
Sales Revenue	4,815	7,581	2,476	3,773	2,037
Other Revenue	442	286	393	325	493
Grants, Subsidies, Contributions & Donations - Operating & Capital	8,620	6,060	6,580	7,227	5,915
<b>Total Income from Continuing Operations</b>	<b>18,717</b>	<b>18,480</b>	<b>13,785</b>	<b>15,648</b>	<b>12,404</b>
Grants, Subsidies, Contributions & Donations - Capital	6,688	26,984	25,792	10,432	8,983
Capital Income	288	-	84	-29	97
Sale Proceeds from PP&E	532	-	-	-	-
New Loan Borrowings & Advances	-	-	-	-	-
<b>Outflows:</b>					
Employee Benefits	4,892	4,819	5,019	5,322	4,714
Materials & Services	7,139	8,148	5,876	7,730	5,141
Finance Costs	36	28	25	27	23
Depreciation and Amortisation	5,678	5,387	5,093	4,442	4,403
Inventory write-down	-	-	-	-	-
Loss on Disposal of Non-Current Assets	-	-	-	-	-
Write-off Flood Damaged Roads	-	-	4,558	-	14,721
Revaluation Decrement	-	-	-	573	-
<b>Total Expenses from Continuing Operations</b>	<b>17,745</b>	<b>18,382</b>	<b>20,571</b>	<b>18,094</b>	<b>29,002</b>
Total Cash purchases of PP&E	8,058	27,302	31,318	9,541	13,045
Other Capital Expenses	-	-	-	-	-
Total Loan Repayments (incl Finance Leases)	-	-	-	-	-
<b>Operating Surplus/(Deficit) (excl. Capital Income &amp; Exps)</b>	<b>1,260</b>	<b>97,501</b>	<b>2,143</b>	<b>1,872</b>	<b>1,878</b>
<b>Financial Position Figures (\$'000)</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Current Assets	27,254	24,104	25,137	19,302	15,379
Current Liabilities	2,656	5,370	11,586	1,756	1,353
<b>Net Current Assets</b>	<b>24,598</b>	<b>18,734</b>	<b>13,551</b>	<b>17,546</b>	<b>14,026</b>
Cash & Cash Equivalents	24,385	17,734	18,835	16,151	12,862
Total Borrowings Outstanding (excl any overdraft) (Loans, Advances & Finance Leases)	-	-	-	-	-
Total Value of PP&E (excl. Land & Improvements)	247,758	249,388	227,025	203,923	189,141
Total Accumulated Depreciation	72,426	62,236	56,605	51,520	60,374
Indicative Remaining Useful Life (as a % of NBV)	71%	75%	75%	75%	68%

Source: Published audited financial statements of Council (current year & prior year annual financial statements)

# Community Financial Report

## for the year ending 30 June 2022

### 4. Financial Sustainability Measures

The Financial Sustainability of Councils is now a cornerstone of the Local Government Act and a core responsibility of individual Councils across Queensland.

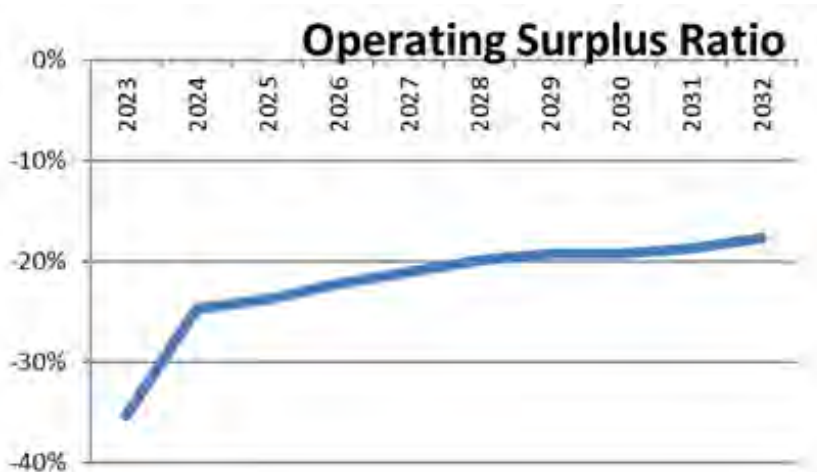
Financial Sustainability is defined as when a "Local Government is able to maintain its financial capital and infrastructure capital over the long term" [source: Local Government Act 2009 section 102(2)].

The Financial Sustainability indicators (in accordance with the Local Government Regulation 2012) that Council must publish are as follows:

#### Operating Surplus Ratio - Target 0-10%

##### Net Result divided by Total Operating Revenue

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



# Community Financial Report

## for the year ending 30 June 2022

### Asset Sustainability Ratio - Target >90%

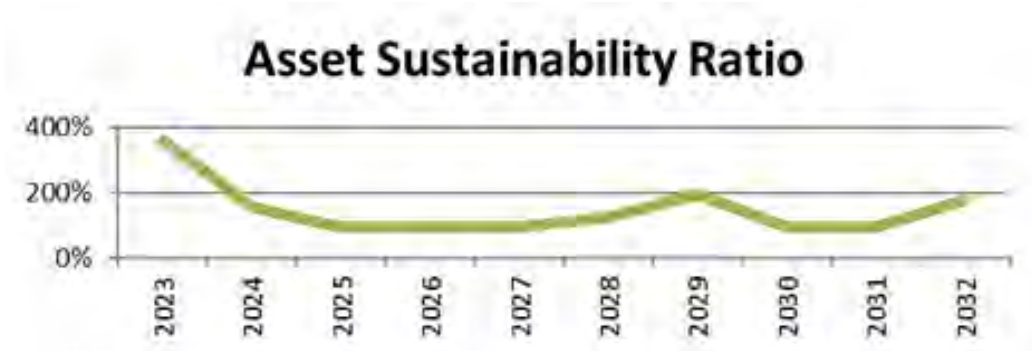
Capital Expenditure on the Replacement of Assets (Renewals) divided by Depreciation Expense

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

Depreciation expense represents an estimate of the extent to which the infrastructure assets have been consumed in a period.

Capital expenditure on renewals (replacing assets that the local government already has) is an indicator of the extent to which the infrastructure assets are being replaced.

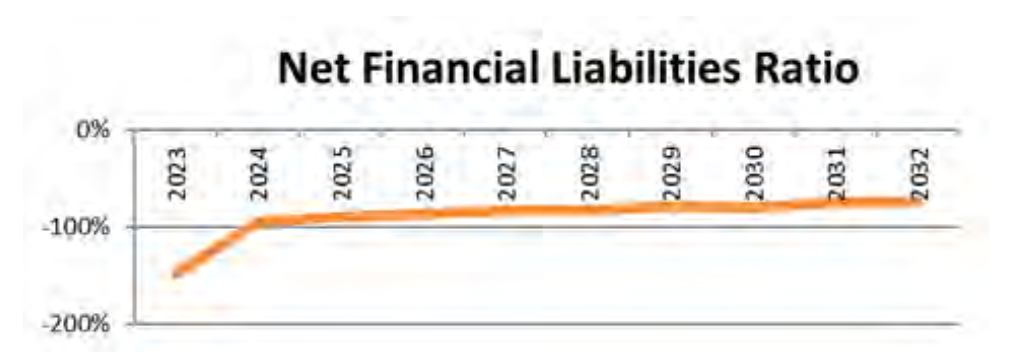
This ratio indicates whether a local government is renewing or replacing existing non-financial assets at the same rate that its overall stock of assets is wearing out.



### Net Financial Liabilities Ratio - Target <60%

Total Liabilities less Current Assets divided by Total Operating Revenue.

This is an indicator of the extent to which the net financial liabilities of a local government can be serviced by its operating revenues.





# Community Financial Report

## for the year ending 30 June 2022

### Financial Sustainability Indicators

for the year ended 30 June 2022

	Target	Actual 2022	Long Term Financial Plan Projections									
			Yr 1 2023	Yr 2 2024	Yr 3 2025	Yr 4 2026	Yr 5 2027	Yr 6 2028	Yr 7 2029	Yr 8 2030	Yr 9 2031	Yr 10 2032
<b>Ratio</b>												
Operating Surplus Ratio	0 - 10%	5%	-35%	-25%	-24%	-22%	-21%	-20%	-19%	-19%	-19%	-18%
Asset Sustainability Ratio	> 90%	137%	357%	155%	93%	94%	95%	122%	193%	94%	92%	178%
Net Financial Liabilities Ratio	< 60%	-130%	-148%	-95%	-90%	-87%	-83%	-83%	-79%	-80%	-75%	-74%



# *Financial Statements*

*2021 - 2022*

## Financial Statements

### for the year ending 30 June 2022

#### McKinlay Shire Council Statement of Comprehensive Income For the year ended 30 June 2022

	2022	2021
Note	\$	\$
<b>Income</b>		
<b>Revenue</b>		
<b>Recurrent revenue</b>		
Rates, levies and charges	3(a) 3,459,104	3,152,571
Fees and charges	3(b) 1,286,946	1,300,735
Sales revenue	3(c) 4,815,245	7,580,764
Grants, subsidies, contributions and donations	3(d) 8,620,258	6,059,739
<b>Total recurrent revenue</b>	<u>18,181,553</u>	<u>18,093,809</u>
<b>Capital revenue</b>		
Grants, subsidies, contributions and donations	3(d) 6,688,433	26,984,463
<b>Total capital revenue</b>	<u>6,688,433</u>	<u>26,984,463</u>
Interest received	4 93,859	98,926
Other income	442,436	286,163
Other capital income	5 288,262	-
<b>Total income</b>	<u>25,694,543</u>	<u>45,463,361</u>
<b>Expenses</b>		
<b>Recurrent expenses</b>		
Employee benefits	6 (4,891,856)	(4,818,976)
Materials and services	7 (7,139,071)	(8,147,538)
Finance costs	(36,594)	(27,763)
Depreciation and amortisation	12 (5,678,061)	(5,387,120)
	<u>(17,745,582)</u>	<u>(18,381,397)</u>
<b>Capital expenses</b>		
Write-off of flood damaged roads	12 (23,691,120)	-
<b>Total expenses</b>	<u>(41,436,702)</u>	<u>(18,381,397)</u>
<b>Net result</b>	<u>(15,742,159)</u>	<u>27,081,964</u>
<b>Other comprehensive income</b>		
<b>Items that will not be reclassified to net result</b>		
Increase in asset revaluation surplus	17 19,857,849	470,380
<b>Total other comprehensive income for the year</b>	<u>19,857,849</u>	<u>470,380</u>
<b>Total comprehensive income for the year</b>	<u>4,115,690</u>	<u>27,552,344</u>

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

## Financial Statements for the year ending 30 June 2022

### McKinlay Shire Council Statement of Financial Position as at 30 June 2022

	<u>Note</u>	<u>2022</u> \$	<u>2021</u> \$
<b>Current assets</b>			
Cash and cash equivalents	8	24,385,109	17,733,602
Receivables	9	1,137,902	2,253,911
Inventories	10	221,059	118,940
Contract assets	13 (a)	1,406,149	3,904,568
Other assets		103,849	93,405
		<u>27,254,068</u>	<u>24,104,426</u>
Non current assets held for resale	11	-	87,500
<b>Total current assets</b>		<u>27,254,068</u>	<u>24,191,926</u>
<b>Non-current assets</b>			
Property, plant and equipment	12	249,201,355	250,898,124
<b>Total non-current assets</b>		<u>249,201,355</u>	<u>250,898,124</u>
<b>Total assets</b>		<u>276,455,423</u>	<u>275,090,050</u>
<b>Current liabilities</b>			
Payables	15	643,220	2,721,496
Contract liabilities	13 (b)	1,107,089	1,757,504
Provisions	16	905,990	890,854
<b>Total current liabilities</b>		<u>2,656,299</u>	<u>5,369,854</u>
<b>Non-current liabilities</b>			
Provisions	16	232,170	268,932
<b>Total non-current liabilities</b>		<u>232,170</u>	<u>268,932</u>
<b>Total liabilities</b>		<u>2,888,469</u>	<u>5,638,786</u>
<b>Net community assets</b>		<u>273,566,954</u>	<u>269,451,264</u>
<b>Community equity</b>			
Asset revaluation surplus	17	99,831,564	79,973,715
Retained Surplus		173,735,390	189,477,549
<b>Total community equity</b>		<u>273,566,954</u>	<u>269,451,264</u>

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

## Financial Statements

### for the year ending 30 June 2022

#### McKinlay Shire Council Statement of Changes in Equity For the year ended 30 June 2022

	Note	Asset revaluation surplus \$	Retained Surplus \$	Total \$
<b>Balance as at 1 July 2021</b>		79,973,715	189,477,549	269,451,264
Net result		-	(15,742,159)	(15,742,159)
Other comprehensive income for the year				
Increase in asset revaluation surplus	17	19,857,849	-	19,857,849
<b>Total comprehensive income for the year</b>		<u>19,857,849</u>	<u>(15,742,159)</u>	<u>4,115,690</u>
<b>Balance as at 30 June 2022</b>		<u>99,831,564</u>	<u>173,735,390</u>	<u>273,566,954</u>
<b>Balance as at 1 July 2020</b>		79,503,335	162,395,585	241,898,920
Net result		-	27,081,964	27,081,964
Other comprehensive income for the year				
Increase in asset revaluation surplus	17	470,380	-	470,380
<b>Total comprehensive income for the year</b>		<u>470,380</u>	<u>27,081,964</u>	<u>27,552,344</u>
<b>Balance as at 30 June 2021</b>		<u>79,973,715</u>	<u>189,477,549</u>	<u>269,451,264</u>

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

## Financial Statements

### for the year ending 30 June 2022

#### McKinlay Shire Council

#### Statement of Cash Flows

#### For the year ended 30 June 2022

	Note	2022 \$	2021 \$
	_____	_____	_____
<b>Cash flows from operating activities</b>			
Receipts from customers		19,280,299	16,886,272
Payments to suppliers and employees		(14,151,568)	(12,714,723)
		5,128,731	4,171,549
Interest received	4	93,859	98,926
Borrowing costs		(36,594)	(27,763)
<b>Net cash inflow from operating activities</b>	22	<u>5,185,996</u>	<u>4,242,712</u>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment	12	(8,058,310)	(27,302,352)
Proceeds from sale of property plant and equipment	5	532,010	-
Grants, subsidies, contributions and donations (capital)	3(d)	8,991,811	21,957,821
<b>Net cash inflow (outflow) from investing activities</b>		<u>1,465,511</u>	<u>(5,344,531)</u>
<b>Net increase / (decrease) in cash and cash equivalent held</b>		<u>6,651,507</u>	<u>(1,101,819)</u>
<b>Cash and cash equivalents at the beginning of the financial year</b>		17,733,602	18,835,421
<b>Cash and cash equivalents at end of the financial year</b>	8	<u><u>24,385,109</u></u>	<u><u>17,733,602</u></u>

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

# Financial Statements

## for the year ending 30 June 2022

### McKinlay Shire Council Notes to the financial statements For the year ended 30 June 2022

#### 1 Information about these financial statements

##### 1.01 Basis of preparation

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

These general purpose finance statements are for the period 1 July 2021 to 30 June 2022. They are prepared in accordance with *Local Government Act 2009* and the *Local Government Regulation 2012*.

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

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

##### 1.02 New and revised Accounting Standards adopted during the year

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

##### 1.03 Standards issued by the AASB not yet effective

The AASB has issued Australian Accounting Standards and Interpretations which are not effective at 30 June 2022. These standards have not been adopted by Council and will be included in the financial statements at their effective date. These standards are not expected to have a significant impact on Council.

##### 1.04 Estimates and judgements

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

Revenue recognition (Note 3)  
Valuation and depreciation of property, plant and equipment (Note 12)  
Provisions (Note 16)  
Contingent liabilities (Note 19)  
Financial instruments and financial liabilities (Note 23)

##### 1.05 Rounding and comparatives

The financial statements are in Australian Dollars that have been rounded to the nearest \$1, unless otherwise stated.

Comparative information is generally restated for classifications, errors and changes in accounting policies unless permitted otherwise by transition rules in a new Accounting Standard.

##### 1.06 Taxation

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

##### 1.07 COVID-19

Council has assessed the impact of the COVID-19 global pandemic and found whilst there had initially been a drop off in traveller visitations in the region, there were no material implications for the financial year ended 30 June 2022.

# Financial Statements

## for the year ending 30 June 2022

### McKinlay Shire Council Notes to the financial statements For the year ended 30 June 2022

## 2. Analysis of Results by Function

### 2(a) Components of council functions

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

#### **Finance and administration**

This comprises of the overall management of the Shire's administration in accordance with the provisions of the Local Government Act and other Acts, to facilitate the business of Council covering areas such as the following:

- Support functions for the Mayor and Councillors
- Council and committee meetings and statutory requirements
- Support functions of management of the Council's finances
- Information Technology (IT)
- Administration

#### **Utilities**

The goal of this program is to protect and support our community and natural environment by sustainably managing Council's water and sewerage network.

#### **Engineering services**

The core function is to provide and maintain Council's infrastructure assets to a standard which meet the objectives of safety and need within the financial framework of Council's Works Program. It comprises of specific areas such as the following:

- Construction and maintenance of roads and drainage works
- Maintenance of Council's plant and equipment
- Operation and maintenance of Council workshop and depot.

#### **Community services and economic development**

The goal of community services is to ensure McKinlay is a healthy, vibrant, contemporary and connected community. Community services provides well maintained community facilities, and ensures the effective delivery of cultural, health, welfare, environmental and recreational services.

This function includes:

- Maintenance of halls
- Operation of the swimming pool
- Operation of recreation centres and various services
- Operation of library
- Operation of senior citizen's centre
- Operation of Early Learning Centre

#### **Environmental health and community laws**

The goal of this program is to protect our community by way of implementing Council & EPA policies and guidelines. It comprises of specific functions such as the following:

- Environment issues, workplace health and safety, animal control, pest management, stock routes, refuse collection and disposal, town planning and local laws administration.



# Financial Statements

## for the year ending 30 June 2022

### McKinlay Shire Council Notes to the financial statements For the year ended 30 June 2022

- 2 Analysis of results by function  
(b) Income and expenses defined between recurring and capital are attributed to the following functions:

Year ended 30 June 2022	Functions	Gross program income						Total income	Gross program expenses		Total expenses	Net result from recurring operations	Net Result	Assets
		Recurring		Capital		2022	2022		2022	2022				
		Grants	Other	Grants	Other									
	Finance and administration	6,639,691	3,171,712	-	-	9,811,403	(2,373,069)	-	(2,373,069)	7,438,334	7,438,334	28,872,476		
	Utilities	-	536,911	129,550	-	666,461	(896,694)	-	(896,694)	(359,783)	(230,233)	13,965,948		
	Engineering services	1,486,774	4,920,036	6,463,717	288,262	13,158,789	(9,560,479)	(23,691,120)	(33,251,599)	(3,153,669)	(20,092,810)	233,277,563		
	Community services & economic development	485,857	947,928	95,166	-	1,528,851	(3,453,929)	-	(3,453,929)	(2,020,244)	(1,925,078)	292,623		
	Environmental health & community laws	7,936	521,103	-	-	529,039	(1,461,411)	-	(1,461,411)	(932,372)	(932,372)	46,813		
	<b>Total Council</b>	<b>8,620,258</b>	<b>10,097,590</b>	<b>6,688,433</b>	<b>288,262</b>	<b>25,694,543</b>	<b>(17,745,582)</b>	<b>(23,691,120)</b>	<b>(41,436,702)</b>	<b>972,266</b>	<b>(15,742,159)</b>	<b>276,455,423</b>		

Year ended 30 June 2021	Functions	Gross program income						Total income	Gross program expenses		Total expenses	Net result from recurring operations	Net Result	Assets
		Recurring		Capital		2021	2021		2021	2021				
		Grants	Other	Grants	Other									
	Finance and administration	4,268,156	2,820,502	-	-	7,088,658	(2,391,067)	-	(2,391,067)	4,697,591	4,697,591	25,858,774		
	Utilities	-	521,423	1,090,000	-	1,611,423	(913,058)	-	(913,058)	(391,635)	696,365	13,403,108		
	Engineering services	1,052,499	7,610,228	24,964,556	-	33,627,283	(9,757,721)	-	(9,757,721)	(1,094,994)	23,868,562	235,162,782		
	Community services & economic development	704,084	960,068	929,907	-	2,594,059	(3,669,477)	-	(3,669,477)	(2,005,325)	(1,075,418)	665,386		
	Environmental health & community laws	35,000	506,938	-	-	541,938	(1,650,073)	-	(1,650,073)	(1,108,135)	(1,108,135)	-		
	<b>Total Council</b>	<b>6,059,739</b>	<b>12,419,159</b>	<b>26,984,463</b>	<b>-</b>	<b>45,463,361</b>	<b>(18,381,397)</b>	<b>-</b>	<b>(18,381,397)</b>	<b>97,501</b>	<b>27,081,964</b>	<b>275,090,050</b>		

# Financial Statements

## for the year ending 30 June 2022

### McKinlay Shire Council Notes to the financial statements For the year ended 30 June 2022

#### 3 Revenue

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

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

	2022	2021
	\$	\$
General rates	3,086,958	2,783,733
Water	340,171	330,062
Sewerage	244,270	237,307
Garbage charges	144,783	142,887
Total rates, levies and charges	<u>3,816,182</u>	<u>3,493,989</u>
Less: Discounts	(330,734)	(315,526)
Less: Pensioner remissions	(26,344)	(25,892)
Net rates, levies and charges	<u><u>3,459,104</u></u>	<u><u>3,152,571</u></u>

##### (b) Fees and charges

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

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

Licences granted by Council are all either short term or low value and all revenue from licences is recognised at the time that the licence is granted rather than the term of the licence.

Caravan Park Fees	641,161	604,499
Childcare fees	173,370	258,353
Livestock saleyard fees	64,391	95,119
Animal registration & controls	22,471	15,605
Stock route fees	235,015	211,933
Other fees and charges	150,538	115,226
	<u>1,286,946</u>	<u>1,300,735</u>

##### (c) Sales revenue

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

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

##### Rendering of services

RMPC revenue	4,276,529	7,091,777
Other recoverable work	538,716	488,987
Total sales revenue	<u><u>4,815,245</u></u>	<u><u>7,580,764</u></u>

# Financial Statements

## for the year ending 30 June 2022

### McKinlay Shire Council Notes to the financial statements For the year ended 30 June 2022

#### (d) Grants, subsidies, contributions and donations

##### Grant Income under AASB 15

Where grant income arises from an agreement which is enforceable and contains sufficiently specific performance obligations then the revenue is recognised when control of each performance obligation is satisfied.

The performance obligations vary in each agreement but include the requirement to meet specific program funding objectives and outcomes and will include the requirement to repay the relevant funding should these specific objectives not be met.

Payment terms vary depending on the terms of the grant, cash is received upfront for some grants and on achievement of certain payment milestones for others.

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

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

##### Grant Income under AASB 1058

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

##### Capital Grants

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

##### Donations and contributions

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

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

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

#### (i) Operating

Commonwealth government subsidies and grants	8,106,366	5,320,655
State government subsidies and grants	<u>513,892</u>	<u>739,084</u>
	<u>8,620,258</u>	<u>6,059,739</u>

#### (ii) Capital

Capital Revenue includes grants and subsidies received which are tied to specific projects for the replacement or upgrade of existing non-current assets and/or investment in new assets.

State government subsidies and grants	2,292,985	5,929,140
Disaster Recovery Funding Arrangements (DRFA)	3,444,964	19,864,234
Commonwealth government subsidies and grants	<u>950,484</u>	<u>1,191,089</u>
	<u>6,688,433</u>	<u>26,984,463</u>

## Financial Statements

### for the year ending 30 June 2022

#### McKinlay Shire Council Notes to the financial statements For the year ended 30 June 2022

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

		2022 Revenue Recognised at a point in time \$	2022 Revenue recognised over time \$	2021 Revenue Recognised at a point in time \$	2021 Revenue recognised over time \$
Grants and subsidies	3d	8,271,215	7,037,476	5,441,723	27,602,479
Donations & Contributions	3d	-	-	-	-
		<u>8,271,215</u>	<u>7,037,476</u>	<u>5,441,723</u>	<u>27,602,479</u>

#### 4 Interest and other income

Interest received from bank and term deposits is accrued over the term of the investment.

Interest received from bank and term deposits		84,468	89,099
Interest from overdue rates and utility charges		9,391	9,827
		<u>93,859</u>	<u>98,926</u>

#### 5 Capital income

##### Gain / (loss) on the disposal of non-current assets

Proceeds from the sale of property, plant and equipment		532,010	-
Less: Book value of property, plant and equipment disposed of		(243,748)	-
Total capital income		<u>288,262</u>	<u>-</u>

#### 6 Employee benefits

Employee benefit expenses are recorded when the service has been provided by the employee.

Total staff wages and salaries		3,613,119	3,482,844
Councillors' remuneration		332,987	332,987
Annual, sick and long service leave entitlements		752,979	775,751
Superannuation	21	426,918	436,797
		<u>5,126,003</u>	<u>5,028,379</u>
Other employee related expenses		35,931	27,366
		<u>5,161,934</u>	<u>5,055,745</u>
Less: Capitalised employee expenses		(270,078)	(236,769)
		<u>4,891,856</u>	<u>4,818,976</u>

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

Total Council employees at the reporting date:		2022	2021
Elected members		5	5
Administration staff		14	15
Depot and outdoors staff		40	43
Total full time equivalent employees		<u>59</u>	<u>63</u>

# Financial Statements

## for the year ending 30 June 2022

### McKinlay Shire Council Notes to the financial statements For the year ended 30 June 2022

7 Materials and services	2022	2021
Expenses are recorded on an accruals basis as Council receives the goods or services.	\$	\$
Administration costs	744,833	845,296
Airport operating costs	98,472	103,382
Audit of annual financial statements by the Auditor-General of Queensland	52,750	45,815
Caravan park costs	416,816	334,782
Community service expenses	439,984	598,453
Council housing expenses	157,085	156,981
Parks & gardens expenses	326,332	346,550
Plant operating costs	1,074,481	1,005,686
Pool expenses	214,859	225,930
Road & street maintenance	924,806	531,450
Recoverable works	1,522,965	2,711,901
Sports & rec facilities	217,161	247,369
Stock route & livestock expenses	203,085	208,357
Tourism expenses	176,503	178,725
Water & sewerage costs	416,419	426,047
Weed control expenses	89,869	94,504
Other materials and services	62,651	86,310
	<u>7,139,071</u>	<u>8,147,538</u>

Total audit fees quoted by the Queensland Audit Office relating to the 2021-22 financial statements are \$50,000 (2021: \$50,000).

### 8 Cash and cash equivalents

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

Cash at bank and on hand	205,895	4,984,811
Deposits at call	24,179,214	12,748,791
Balance per Statement of Financial Position	<u>24,385,109</u>	<u>17,733,602</u>

Council is exposed to credit risk through its investments with Suncorp Bank and QTC Cash fund. Cash and deposits at call are held with Suncorp Bank in normal term deposits and business cheque accounts. The Suncorp Bank currently has a short term S&P credit rating of A-1 and a long term credit rating of A+. The QTC Cash Fund is an asset management portfolio investing in a wide range of high credit rated counterparties. Deposits with the QTC Cash Fund are capital guaranteed.

Cash and cash equivalents	24,385,109	17,733,602
Less: Externally imposed restrictions on cash	(1,107,089)	(1,757,504)
Unrestricted cash	<u>23,278,020</u>	<u>15,976,098</u>

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

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

Unspent Government grants & subsidies	1,107,089	1,757,504
Total externally imposed restrictions on cash assets	<u>1,107,089</u>	<u>1,757,504</u>

(ii) Internally imposed expenditure restrictions at the reporting date:

Internal allocations of cash may be lifted by a Council with a resolution.

Future capital works	2,101,000	2,101,000
Asset replacement reserve	30,000	30,000
Total internally allocated cash	<u>2,131,000</u>	<u>2,131,000</u>

In accordance with the *Local Government Act 2009* and *Local Government Regulation 2012*, a separate trust bank account and separate accounting records are maintained for funds held on behalf of outside parties. Funds held in the trust account include those funds from the sale of land for arrears in rates, deposits for the contracted sale of land, security deposits lodged to guarantee performance and unclaimed monies. The Council performs only a custodian role in respect of these monies and because the monies cannot be used for Council purposes, they are not considered revenue nor brought to account in the financial statements since Council has no control over the assets.

#### Trust funds held for outside parties

Monies collected or held on behalf of other entities yet to be paid out	99,754	151,999
Security deposits	3,950	9,440
	<u>103,704</u>	<u>161,439</u>

# Financial Statements

## for the year ending 30 June 2022

### McKinlay Shire Council Notes to the financial statements For the year ended 30 June 2022

#### 9 Receivables

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

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

	2022	2021
	\$	\$
Current		
Rateable revenue and utility charges	305,376	123,094
Other debtors	840,776	2,138,307
Less impairment	(8,250)	(7,490)
	<u>1,137,902</u>	<u>2,253,911</u>

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

There is a geographical concentration of risk in the Council's jurisdiction, and since the area is largely agricultural, there is also a concentration in the agricultural sector. The Council does not require collateral in respect of trade and other receivables.

#### Accounting policies - Grouping

When McKinlay Shire Council has no reasonable expectation of recovering an amount owed by a debtor, and has ceased enforcement activity, the debt is written off by directly reducing the receivable against the loss allowance. If the amount of debt written off exceeds the loss allowance, the excess is recognised as an impairment loss.

Accounting for impairment losses is dependant upon the individual group of receivables subject to impairment. The loss allowance for grouped receivables reflects lifetime expected credit losses and incorporates reasonable and supportable forward looking information. Economic changes impacting debtors, and relevant industry data for part of the impairment assessment.

McKinlay Shire Council has identified 4 distinctive groupings of its receivables: Rates & Charges, Statutory Charges, Grants and Other Debtors.

**Rates & Charges:** Council is empowered under the provisions of the *Local Government Act 2009* to sell an owner's property to recover outstanding rate debts and therefore the expected credit loss is immaterial. Impairments of rates and charges will occur only if arrears are deemed to be greater than the proceeds Council would receive for the sale of the respective property.

**Statutory Charges:** In some limited circumstances McKinlay Shire Council may write off impaired statutory charges, on this basis the McKinlay Shire Council calculates an ECL for Statutory Charges (non rates & utility charges). Although not material, disclosure is being made for the purposes of public interest and transparency.

**Grants:** payable by State and Commonwealth Governments and their agencies. A credit enhancement exists as these payments are effectively government guaranteed and both the State and Commonwealth Governments have high credit ratings, accordingly McKinlay Shire Council determines the level of credit exposure to be immaterial and therefore does not record an Expected Credit Loss for these counterparties.

**Other Debtors:** McKinlay Shire Council identifies other debtors as receivables which are not rates and charges, statutory charges or grants.

## Financial Statements

### for the year ending 30 June 2022

#### McKinlay Shire Council Notes to the financial statements For the year ended 30 June 2022

The Exposure to credit risk for receivables by type of counterparty was as follows:

	2022	2021
	\$	\$
Rates and utility charges	305,376	123,094
State & Commonwealth Government	742,536	1,867,418
Community organisations	4,710	5,301
Other	85,280	258,098
<b>Total</b>	<b>1,137,902</b>	<b>2,253,911</b>

#### 10 Inventories

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

Inventories held for distribution are:

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

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

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 held for resale is treated as a current asset. Proceeds from the sale of this land will be recognised as sales revenue on the signing of a valid unconditional contract of sale.

#### Inventories held for sale

Stores & raw materials		133,559	118,940
		<u>133,559</u>	<u>118,940</u>
<b>Land purchased for development and sale</b>	11	87,500	87,500
<b>Total inventories</b>		<u>221,059</u>	<u>206,440</u>
<b>11 Non-current assets held for sale</b>			
Opening Balance		87,500	107,500
Less:			
Disposed during the year		-	(20,000)
		<u>87,500</u>	<u>87,500</u>
<b>Classified as</b>			
Current	10	87,500	-
Non Current		-	87,500
		<u>87,500</u>	<u>87,500</u>

# Financial Statements for the year ending 30 June 2022

## McKinlay Shire Council Notes to the Financial Statements For the year ended 30 June 2022

### 12 Property, plant & equipment 30 Jun 22

	Land	Buildings		Office furniture & fittings		Plant and equipment		Road & street infrastructure		Water infrastructure		Sewerage infrastructure		Other structures		Work in progress		Total
		Fair Value	Fair Value	Cost	Cost	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Cost	Cost	Cost	
Basis of measurement																		
<b>Asset values</b>																		
Opening gross value as at 1 July 2021	1,510,205	33,781,598	742,246	9,973,277	229,263,486	8,184,588	11,751,621	14,054,430	3,873,013									
Additions																		
- Renewals	-	-	16,818	149,188	-	-	-	-	-	-	-	-	-	-	-	6,882,235	7,048,241	
- Other additions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,010,070	1,010,070	
Disposals	(118,100)	-	-	(1,260,150)	(23,691,120)	-	-	-	-	-	-	-	-	-	-	-	-	(1,378,250)
Write off of flood damaged roads on statement of comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(23,691,120)
Revaluation adjustment to asset revaluation surplus	-	3,344,378	-	-	19,174,262	675,228	982,436	1,328,143	-	-	-	-	-	-	-	-	-	25,504,447
Transfers between classes	51,215	986,575	-	-	6,194,508	1,583,838	1,048,585	285,058	(10,149,779)	-	-	-	-	-	-	-	-	-
<b>Closing gross value as at 30 June 2022</b>	<b>1,443,320</b>	<b>38,112,551</b>	<b>759,064</b>	<b>8,862,315</b>	<b>230,941,136</b>	<b>10,443,654</b>	<b>13,782,642</b>	<b>15,667,631</b>	<b>1,615,539</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>321,627,852</b>

Note

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### Accumulated depreciation and impairment

Opening balance as at 1 July 2021	-	10,095,415	445,022	6,082,256	30,951,888	3,909,472	5,211,721	5,540,566	-	-	-	-	-	-	-	-	-	62,236,340
Depreciation expense	-	689,123	45,683	614,626	3,445,029	116,855	272,409	494,337	-	-	-	-	-	-	-	-	-	5,678,061
Depreciation on disposals	-	-	-	(1,134,502)	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,134,502)
Write off of flood damaged roads on statement of comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Revaluation adjustment to asset revaluation surplus	-	1,065,957	-	-	3,219,822	333,663	457,257	569,899	-	-	-	-	-	-	-	-	-	5,646,598
Transfers between classes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Accumulated depreciation as at 30 June 2022</b>	<b>-</b>	<b>11,850,495</b>	<b>490,705</b>	<b>5,562,380</b>	<b>37,616,739</b>	<b>4,359,989</b>	<b>5,941,387</b>	<b>6,604,802</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>72,426,497</b>

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### Total written down value as at 30 June 2022

Residual value	1,443,320	26,262,056	268,359	3,299,935	193,324,397	6,083,665	7,841,255	9,062,829	1,615,539	-	-	-	-	-	-	-	-	249,201,355
Range of estimated useful life in years	Land: Not depreciated.	10 - 200	3 - 20	2 - 20	10 - 200	10 - 200	10 - 200	15 - 200	-	-	-	-	-	-	-	-	-	-



# Financial Statements

## for the year ending 30 June 2022

### McKinlay Shire Council Notes to the Financial Statements For the year ended 30 June 2022

#### 12 Property, plant & equipment (cont.) 30 Jun 21

	Land	Buildings		Office furniture & fittings		Plant and equipment		Road & street infrastructure		Water infrastructure		Sewerage infrastructure		Other structures		Work in progress		Total
		Fair Value	Fair Value	Cost	Cost	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Cost	Cost	Fair Value	Cost	
Basis of measurement		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Asset values</b>																		
Opening gross value as at 1 July 2020	1,488,100	32,156,928	678,293	9,636,735	204,368,104	7,903,583	11,664,053	13,239,344	3,982,715									285,117,855
Additions																		
- Renewals	-	-	63,953	336,542	-	-	-	-	-	-	-	-	-	-	-	-	22,282,112	22,682,607
- Other additions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,619,745	4,619,745	4,619,745
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Write off of flood damaged roads on statement of comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Revaluation adjustment to asset revaluation surplus	22,105	482,354	-	-	24,895,382	281,005	87,568	583,183	(27,011,559)	714,257								714,257
Transfers between classes	1,510,205	1,142,316	-	-	229,263,486	8,184,588	11,751,621	14,054,430	3,873,013									313,134,464
<b>Closing gross value as at 30 June 2021</b>																		

Note

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#### Accumulated depreciation and impairment

Opening balance as at 1 July 2020	-	9,325,079	401,508	5,339,793	27,859,930	3,777,153	4,925,467	4,976,413	-	-	-	-	-	-	-	-	-	56,605,343
Depreciation expense	-	621,281	43,514	742,463	3,091,958	132,319	286,254	469,331	-	-	-	-	-	-	-	-	-	5,387,120
Depreciation on disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Write off of flood damaged roads on statement of comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Revaluation adjustment to asset revaluation surplus	-	149,055	-	-	-	-	-	94,822	-	-	-	-	-	-	-	-	-	243,877
Transfers between classes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Accumulated depreciation as at 30 June 2021</b>																		
	-	10,095,415	445,022	6,082,256	30,951,888	3,909,472	5,211,721	5,540,566	-	-	-	-	-	-	-	-	-	62,236,340

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#### Total written down value as at 30 June 2021

	1,510,205	23,686,183	297,224	3,891,021	198,311,598	4,275,116	6,539,900	8,513,864	3,873,013									250,898,124
Residual value	1,510,205	-	-	1,215,306	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Range of estimated useful life in years	Land: Not depreciated.	10 - 200	3 - 20	2 - 20	10 - 200	10 - 200	10 - 200	15 - 200	-	-	-	-	-	-	-	-	-	-

# Financial Statements

## for the year ending 30 June 2022

### McKinlay Shire Council Notes to the financial statements For the year ended 30 June 2022

#### 12 Property, plant and equipment

##### 12 (a) Recognition

Plant and equipment with a total value of less than \$5,000 and infrastructure assets with a total value of less than \$10,000 are treated as an expense in the year of acquisition. All other items of plant and equipment are capitalised.

Replacement of a major component of an asset, in order to maintain its service potential, is treated as the acquisition of a new asset. However, routine operating maintenance, repair costs and minor renewals to maintain the operating capacity and useful life of the non current asset is expensed as incurred.

Expenditure incurred in accordance with Disaster Recovery Funding Arrangements (DRFA) on road assets is analysed to determine whether the expenditure is capital in nature. The analysis of the expenditures 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.

##### Land under roads

Land under the road network within the Council area that has been dedicated and opened for public use under the *Land Act 1994* or the *Land Title Act 1994* is not controlled by Council but is controlled by the state pursuant to the relevant legislation. Therefore this land is not recognised in these financial statements.

##### 12 (b) Measurement

Property, plant and equipment assets are initially recorded at cost. Subsequently, each class of property, plant and equipment is stated at cost or fair value (as shown in the previous table) less, where applicable, any accumulated depreciation and accumulated impairment loss.

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

Property, plant and equipment received in the form of contributions, are recognised as assets and revenues 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 the restoration costs are recognised against asset revaluation surplus.

##### 12 (c) Depreciation

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

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

Where assets have separately identifiable components, these components have separately assigned useful lives.

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

##### **Key judgements and estimates:**

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets.

##### 12 (d) Impairment

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

##### 12 (e) Flood Damage Write Off

Council experienced a flood damage rain event during the year both in January 2022 as well and April / May 2022. During the course of these rain events, Council road infrastructure experienced significant damage. Notwithstanding this, Council is eligible for QRA funding to facilitate the reconstruction and is currently in the process of finalising the funding claim with QRA.

In the aftermath of the rain event, Council has engaged with its consulting engineers to initially survey Council's road infrastructure and collate a schedule of damage for submission to QRA. As part of Council's end of year processes, Council further analysed the damage identified by the consulting engineers and together with its finance team identified the relevant assets which suffered substantial damage for write off in line with the Department of Local Government Belletin 2011-16.

# Financial Statements

## for the year ending 30 June 2022

### McKinlay Shire Council Notes to the financial statements For the year ended 30 June 2022

#### 12 (e) Valuation

##### Key judgements and estimates:

Some of the Council's assets and liabilities are measured at fair value for financial reporting purposes.

In estimating the fair value of an asset or a liability, the Council uses market observable data to the extent it is available and other inputs as necessary.

##### (i) Valuation process

Council considers the carrying amount of its property, plant & equipment on an annual basis compared to fair value and makes adjustments where these are materially different. Every 3 - 5 years, Council performs a full comprehensive revaluation by engaging an external professionally qualified valuer.

In the intervening years, Council undertakes a desktop valuation involving an index adjustment which involves a combination of internal engineers together with Council's external valuers determining a suitable index adjustment allowing for increases in relevant producer prices and adjusted for relevant regional factors where appropriate.

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

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

On revaluation, accumulated depreciation is restated proportionately with the change in the carrying amount of the asset and any change in the estimate of remaining useful life.

Fair values are classified into three levels as follows:

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

There were no transfers between level 1 and level 2 during the year, nor between level 2 and level 3.

## Financial Statements for the year ending 30 June 2022

### McKinlay Shire Council Notes to the financial statements For the year ended 30 June 2022

#### (ii) Valuation techniques used to derive fair values for level 2 and level 3 valuations

Asset class and fair value hierarchy	Valuation approach	Last comprehensive valuation date	Valuer engaged	Key assumptions and estimates (related data sources)	Index applied (change in index recognised this year)	Other interim revaluation adjustment
Land (level 2)	Market value	30/06/2019	Australis Asset Advisory Group	Current zoning Sale prices per square metre (database of recent sales) of comparable properties, adjusted for differences in key attributes such as property size)	n/a	Nil
Buildings (level 2) 2022 - \$4,032,024 ; 2021 - \$3,172,439	Market value	30/06/2019	Australis Asset Advisory Group	Sale prices per square metre (database of recent sales) of comparable properties, adjusted for differences in key attributes such as condition)	QLD residential construction index, adjusted and weighted with additional cost indices where appropriate - 9.90%	Nil
Buildings (level 3) 2022 - \$22,230,032 2021 - \$20,513,744	Current replacement cost	30/06/2019	Australis Asset Advisory Group	Gross replacement cost Indexed for subsequent changes in construction costs (QLD Non Building Construction Index) • Unit rates for construction as at the comprehensive revaluation date (Industry standard cost guides, project costs from recently completed buildings	QLD non residential construction index, adjusted and weighted with additional cost indices where appropriate - 9.90%	Nil
Road & street infrastructure (level 3)	Current replacement cost	30/06/2019	Australis Asset Advisory Group	Existing supply contract rates for raw materials appropriate for the asset based on age, size, location and condition. • Labour rates based on Council's EBA • Average cost of outsourced projects • Remaining life of assets including existing conditions	QLD road & bridge construction index, adjusted and weighted with additional cost indices where appropriate - 8.00%	Review of condition reports based on weather events
Water and sewerage infrastructure (level 3)	Current replacement cost	30/06/2019	Australis Asset Advisory Group	• Development, soil and depth factors taking into account current condition • Gross replacement cost per m2 based on appropriate materials. Remaining useful lives and physical obsolescence	QLD non residential construction index, adjusted and weighted with additional cost indices where appropriate - 8.25% for water and 8.36% for sewerage	Nil
Other structures (level 3)	Current replacement cost	30/06/2019	Australis Asset Advisory Group	Gross replacement cost Indexed for subsequent changes in construction costs, QLD non residential building construction index • Unit rates for construction as at the comprehensive revaluation date (Industry standard cost guides, project costs from recently completed projects, manufactures specifications and other data Accumulated depreciation • Useful life estimates (average lives of disposed assets, lives applied by neighbouring councils, planned replacements per asset management plan, differences between actual and expected asset condition ratings)	QLD non residential construction index, adjusted and weighted with additional cost indices where appropriate - 9.45%	Revision of useful life estimate

## Financial Statements

### for the year ending 30 June 2022

#### McKinlay Shire Council Notes to the financial statements For the year ended 30 June 2022

	2022	2021
	\$	\$
<b>13 Contract balances</b>		
Contract assets represents the excess of costs incurred in relation to a contract with the customer or construction of an asset over the amount that Council has invoiced the customer or the grantor. Where Council has invoiced the customer or the grantor amounts in excess of what it has incurred in relation to a contract or in constructing an asset, this gives rise to a contract liability.		
a. Contract assets	<u>1,406,149</u>	<u>3,904,568</u>
b. Contract liabilities		
Funds received upfront to construct Council controlled assets	1,030,545	1,645,305
Non-capital performance obligations not yet satisfied	<u>76,544</u>	<u>112,199</u>
	<u>1,107,089</u>	<u>1,757,504</u>
Revenue recognised that was included in the contract liability balance at the beginning of the year:		
Funds received upfront to construct Council controlled assets	1,645,305	7,252,383
Non capital performance obligations	<u>112,199</u>	<u>162,042</u>
	<u>1,757,504</u>	<u>7,414,425</u>

c. Significant changes in contract balances

There has been a significant fall in the value of funds received in advance at the end of the reporting period. The prior period had been affected by substantial QRA funds received in advance in relation to flood damage restoration works to be undertaken. As Council only experienced a late 2022 flood damage event, no funds were received prior to end of the year. Notwithstanding this Council had commenced undertaking some emergent restoration works with these costs recognised as a contract assets to be recovered from QRA in due course.

#### 14 Leases

##### Council as lessee

Council does not have any leases in place as lessee. Accordingly no further disclosures are required in this regard.

##### Council as a lessor

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

If the lease contains lease and non lease components then the non lease components are accounted for in accordance with AASB 15 Revenue from Contracts with Customers.

The lease income is recognised on a straight line basis over the term of the lease.

#### 15 Payables

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

##### Current

Creditors	14,852	92,075
Prepaid rates	46,705	51,028
Accrued wages and salaries	96,527	113,943
Accrued expenses	485,136	2,464,450
Other creditors	-	-
	<u>643,220</u>	<u>2,721,496</u>

## Financial Statements

### for the year ending 30 June 2022

#### McKinlay Shire Council

#### Notes to the financial statements

#### For the year ended 30 June 2022

#### 16 Provisions

Liabilities are recognised for employee benefits such as wages and salaries, sick and annual leave in respect of services provided by the employees up to the reporting date. The liability is calculated using the present value of remuneration rates that will be paid when the liability is expected to be settled and includes related on-costs.

Short term benefits which are expected to be wholly settled within 12 months are calculated on wage and salary levels which are expected to be paid and include related employee on-costs. The estimates are adjusted for the probability of the employee remaining in the Council's employment or the associated employment which would result in the Council being required to meet the liability. Adjustments are then made to allow for the proportion of the benefit earned to date, and the result is discounted to present value. The provision is discounted using the Commonwealth Bond yield rates published by the Department of State Development, Infrastructure, Local Government and Planning website.

##### *Long Service Leave*

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

##### *Refuse dump restoration provision*

A provision is made for the cost of restoring refuse dumps and quarries where it is probable the Council will have an obligation to rehabilitate the site when the use of the facilities is complete.

The calculation of the provisions 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 provisions are reviewed at least annually and updated based on the facts and circumstances available at the time.

Refuse restoration provision represents the present value of the anticipated future costs associated with the closure of the dump sites, decontamination and monitoring of historical residues and leaching on these sites.

As refuse dumps are on state reserves 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.

	2022	2021
	\$	\$
<b>Current</b>		
Annual leave	414,428	442,900
Long service leave	491,562	447,954
	<u>905,990</u>	<u>890,854</u>
<b>Non-current</b>		
Long service leave	90,708	127,470
Refuse restoration	141,462	141,462
	<u>232,170</u>	<u>268,932</u>
<b>Refuse Dump Rehabilitation</b>		
Balance at the beginning of the financial year	141,462	141,462
Initial recognition of provision	-	-
	<u>141,462</u>	<u>141,462</u>

# Financial Statements

## for the year ending 30 June 2022

### McKinlay Shire Council Notes to the financial statements For the year ended 30 June 2022

#### 17 Asset revaluation surplus

The asset revaluation surplus comprises adjustments relating to changes in value of property, plant and equipment that do not result from the use of those assets. Net incremental changes in the carrying value of classes of non-current assets since their initial recognition are accumulated in the asset revaluation surplus.

Increases and decreases on revaluation are offset within a class of assets.

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

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

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

	2022	2021
Balance at beginning of financial year	79,973,715	79,503,335
Net adjustment to non-current assets at end of period to reflect a change in current fair value:		
Land	-	-
Buildings	2,278,421	333,299
Road & streets infrastructure	15,954,440	-
Water infrastructure	341,565	-
Sewerage infrastructure	525,179	-
Other structures	758,244	137,081
Balance at end of financial year	<u>99,831,564</u>	<u>79,973,715</u>

#### Asset revaluation surplus analysis

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

Land	202,301	202,301
Buildings	5,573,313	3,294,892
Road & streets infrastructure	85,573,551	69,619,111
Water infrastructure	3,265,408	2,923,843
Sewerage infrastructure	4,191,106	3,665,927
Other structures	1,025,884	267,640
	<u>99,831,564</u>	<u>79,973,715</u>

#### 18 Commitments for expenditure

##### Contractual commitments

	2022	2021
Contractual commitments at end of financial year but not recognised in the financial statements are as follows		
Shire Road construction	864,202	188,578
Plant & Equipment Hire	32,313	22,008
Council Housing construction	-	117,026
Flood Damage construction	16,041	1,790,689
Sundry commitments	53,464	108,700
	<u>966,020</u>	<u>2,227,001</u>

#### 19 Contingent liabilities

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

##### Local Government Mutual

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

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

# Financial Statements

## for the year ending 30 June 2022

### McKinlay Shire Council Notes to the financial statements For the year ended 30 June 2022

#### Local Government Workcare

The Council is a member of the Queensland local government worker's compensation self-insurance scheme, Local Government Workcare. Under this scheme the Council has provided an indemnity towards a bank guarantee to cover bad debts which may remain should the self insurance licence be cancelled and there was insufficient funds available to cover outstanding liabilities. Only the Queensland Government's workers compensation authority may call on any part of the guarantee should the above circumstances arise. The Council's maximum exposure to the bank guarantee is \$75,117.

#### 20 Events after the reporting period

There were no material adjusting events after the balance date.

#### 21 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 LGIAsuper trust deed and may be varied on the advice of an actuary. The Regional Defined Benefits Fund is a complying superannuation scheme for the purpose of the Commonwealth Superannuation Industry (Supervision) legislation and is also governed by the *Local Government Act 2009*.

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

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

McKinlay Shire Council can be liable to the scheme for the portion of another local government's obligation 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 risk 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.

	<u>Note</u>	<u>2022</u> \$	<u>2021</u> \$
Superannuation contributions made to the Regional Defined Benefits Fund		10,056	16,815
Other superannuation contributions for employees		416,862	419,982
	6	<u>426,918</u>	<u>436,797</u>



## Financial Statements

### for the year ending 30 June 2022

#### McKinlay Shire Council

#### Notes to the financial statements

#### For the year ended 30 June 2022

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

	<u>Note</u>	<u>2022</u>	<u>2021</u>
		\$	\$
Net result		<u>(15,742,159)</u>	<u>27,081,964</u>
Non-cash items:			
Depreciation and amortisation	12	5,678,061	5,387,120
Write-off of flood damaged roads	12	23,691,120	-
Revaluation adjustments		-	-
		<u>29,369,181</u>	<u>5,387,120</u>
Investing and development activities:			
Net (profit)/loss on disposal of non-current assets	5	(288,262)	-
Capital grants and contributions	3 (d)	(6,688,433)	(26,984,463)
		<u>(6,976,695)</u>	<u>(26,984,463)</u>
Changes in operating assets and liabilities:			
(Increase)/ decrease in receivables		1,116,009	(756,296)
(Increase)/ decrease in contract assets		(455,375)	-
(Increase)/decrease in inventory		(14,619)	15,395
(Increase)/decrease in other assets		(10,444)	(9,679)
Increase/(decrease) in payables		(2,078,276)	(622,123)
Increase/(decrease) in other provisions		(21,626)	130,795
		<u>(1,464,331)</u>	<u>(1,241,908)</u>
Net cash inflow from operating activities		<u>5,185,996</u>	<u>4,242,712</u>

# Financial Statements

## for the year ending 30 June 2022

### McKinlay Shire Council Notes to the financial statements For the year ended 30 June 2022

#### 23 Financial instruments and financial risk management Financial assets and financial liabilities

The McKinlay Shire Council has the following financial assets / liabilities:

- Cash
- Receivables
- Payables

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

- credit risk
- liquidity risk
- market risk

#### Risk management framework

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

Council's management approve policies for overall risk management, as well as specifically for managing credit, liquidity and market risk.

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

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

The McKinlay Shire Council does not enter into derivatives.

#### Credit risk

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

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

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

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

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

#### Liquidity risk

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

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

Council manages its exposure to liquidity risk by maintaining sufficient cash deposits, both short and long term, to cater for unexpected volatility in cash flows. These facilities are disclosed in note 8.

## Financial Statements

### for the year ending 30 June 2022

#### McKinlay Shire Council Notes to the financial statements For the year ended 30 June 2022

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, excluding the impact of netting agreements:

	0 to 1 year	1 to 5 years	Over 5 years	Total contractual cash flows	Carrying amount
	\$	\$	\$	\$	\$
<b>2022</b>					
Trade and other payables	643,220	-	-	643,220	643,220
	643,220	-	-	643,220	643,220
<b>2021</b>					
Trade and other payables	2,721,496	-	-	2,721,496	2,721,496
	2,721,496	-	-	2,721,496	2,721,496

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

#### Market risk

Market risk is the risk that changes in market prices, such as interest rates, will affect the Council's income or the value of its holdings of financial instruments.

#### Interest rate risk

McKinlay Shire Council is exposed to interest rate risk through investments with QTC and investments held with financial institutions.

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

#### Sensitivity

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

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

Council	Net carrying amount	Effect on Net Result		Effect on Equity	
		1% increase	1% decrease	1% increase	1% decrease
	\$	\$	\$	\$	\$
<b>2022</b>					
Financial assets	25,523,011	255,230	(255,230)	255,230	(255,230)
<b>Net total</b>	<b>25,523,011</b>	<b>255,230</b>	<b>(255,230)</b>	<b>255,230</b>	<b>(255,230)</b>
<b>2021</b>					
Financial assets	19,987,513	199,875	(199,875)	199,875	(199,875)
<b>Net total</b>	<b>19,987,513</b>	<b>199,875</b>	<b>(199,875)</b>	<b>199,875</b>	<b>(199,875)</b>

#### Fair value

The fair value of trade and other receivables and payables is assumed to approximate the value of the original transaction, less any allowance for impairment.

# Financial Statements

## for the year ending 30 June 2022

### McKinlay Shire Council Notes to the financial statements For the year ended 30 June 2022

#### 24 National Competition Policy

##### Activities to which the code of competitive conduct applies:

A "business activity" of a local government is divided into 2 categories:

- (a) Roads building activity means:
  - (i) The construction or maintenance of State controlled roads for which the local government submits an offer to carry out work in response to a tender invitation other than through a sole supplier arrangement; or
  - (ii) Submission of a competitive tender for the construction or maintenance on the local government's road which the local government has put out to tender, or called for by another local government.
  
- (b) Other business activity (previously referred to as type 3 activities) means the following:
  - (i) trading in goods and services to clients in competition with the private sector; or
  - (ii) the submission of a competitive tender in the local government's own tendering process in competition with others for the provision of goods and services to itself. Excluded activities are (a) library services and (b) an activity or part thereof prescribed by legislation.

There are no activities to which the Code of Competitive Conduct (CCC) applies in respect of the financial year ended 30 June 2022.

## Financial Statements for the year ending 30 June 2022

### McKinlay Shire Council Notes to the financial statements For the year ended 30 June 2022

#### 25 Transactions with related parties

##### (a) Transactions with key management personnel (KMP)

In the context of McKinlay Shire council, KMP includes the Mayor, Councillors, Chief Executive Officer, Director of Corporate & Community Services, Director of Engineering Services and Works Manager. The compensation paid to KMP for 2021/22 comprises:

	2022	2021
	\$	\$
Short-term employee benefits	1,066,784	1,225,559
Post-employment benefits	74,292	67,069
Long-term benefits	8,617	5,233
Termination benefits	-	-
<b>Total</b>	<b>1,149,693</b>	<b>1,297,861</b>

Detailed remuneration disclosures are provided in the annual report.

##### (b) Transactions with other related parties

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

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

Details of Transaction	Additional information	2022	2021
		\$	\$
Payments charged by entities controlled by key management personnel	25(b)(i)	357,470	318,939
Payments charged by Council to entities controlled by key management personnel	25(b)(ii)	188,049	25,964
Employee expenses for close family members of key management personnel	25(b)(iii)	234,602	203,566

(i) The payments charged by entities controlled by key management personnel were on an arm's length basis in accordance with Council's procurement policies. The totals disclosed includes:

- Amounts totalling \$269,093 (2021: \$265,476) were paid to Marwill Pty Ltd for various electrical contracting services. The company is controlled by close family members of Cr Janene Fegan.

## Financial Statements for the year ending 30 June 2022

McKinlay Shire Council  
Notes to the financial statements  
For the year ended 30 June 2022

(ii) The payments charged by Council to entities controlled by key management personnel were on an arm's length basis in accordance with the schedule of fees and charges adopted by council. The amounts levied related to common fees and charges. All amounts levied by Council were on commercial terms and in accordance with its schedule of fees and charges.

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

The council employs 54 staff of which only 6 are close family members of key management personnel.

### (c) Outstanding balances

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

Receivables		Amounts owed by entities controlled by key management personnel	Amounts owed by entities controlled by key management personnel
		2022	2021
not due - less than 30 days		100	-
Past due 31-60 days		-	-
Past due 61-90 days		-	-
More than 90 days overdue		-	-
<b>Total Owing</b>		<b>\$100</b>	<b>\$0</b>

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

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

### (e) 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 McKinlay Council Shire. Therefore, on a regular basis ordinary citizen transactions occur between Council and its related parties. Some examples include:

- Payment of rates
- Use of the town swimming pool
- Dog registration
- Gym membership fees
- Borrowing books from a council library

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

**Financial Statements**  
**for the year ending 30 June 2022**

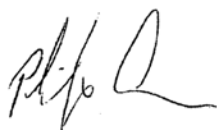
**McKinlay Shire Council**  
**Financial statements**  
**For the year ended 30 June 2022**

**Management Certificate**  
**For the year ended 30 June 2022**

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

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

- (i) the prescribed requirements of the *Local Government Act 2009* and *Local Government Regulation 2012* for the establishment and keeping of accounts have been complied with in all material respects; and
- (ii) the general purpose financial statements, as set out on pages 1 to 28, present a true and fair view, in accordance with Australian Accounting Standards, of the Council's transactions for the financial year and financial position at the end of the year.



\_\_\_\_\_  
Mayor  
Cr Philip Curr

Date: 11 / 10 / 2022



\_\_\_\_\_  
Chief Executive Officer  
Trevor Williams

Date: 11 / 10 / 2022

# Financial Statements

## for the year ending 30 June 2022



### INDEPENDENT AUDITOR'S REPORT

To the councillors of McKinlay Shire Council

#### Report on the audit of the financial report

##### Opinion

I have audited the financial report of McKinlay Shire Council.

In my opinion, the financial report:

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

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

##### Basis for opinion

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

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

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

##### Other information

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

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

The councillors are responsible for the other information.

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



## Financial Statements for the year ending 30 June 2022



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

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

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

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

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

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

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

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

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

## Financial Statements for the year ending 30 June 2022



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

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

### Report on other legal and regulatory requirements

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

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

### Prescribed requirements scope

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

A handwritten signature in black ink that reads "M Claydon".

13 October 2022

Michael Claydon  
as delegate of the Auditor-General

Queensland Audit Office  
Brisbane

## Financial Statements for the year ending 30 June 2022

### McKinlay Shire Council Current-year Financial Sustainability Statement For the year ended 30 June 2022

Measures of Financial Sustainability	How the measure is calculated	Actual - Council	Target
Council's performance at 30 June 2022 against key financial ratios and targets:			
Operating surplus ratio	Net result (excluding capital items) divided by total operating revenue (excluding capital items)	5.2%	between 0% and 10%
Asset sustainability ratio	Capital expenditure on the replacement of assets (renewals) divided by depreciation expense	137.1%	greater than 90%
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue (excluding capital items)	-130.2%	not greater than 60%


#### Note 1 - Basis of Preparation

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

#### Certificate of Accuracy For the year ended 30 June 2022

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

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



Mayor  
Cr Philip Curr

Date: 11 / 10 / 2022



Chief Executive Officer  
Trevor Williams

Date: 11 / 10 / 2022

# Financial Statements

## for the year ending 30 June 2022



### INDEPENDENT AUDITOR'S REPORT

To the councillors of McKinlay Shire Council

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

##### Opinion

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

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

##### Basis of opinion

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

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

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

##### Emphasis of matter – basis of accounting

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

##### Other Information

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

At the date of this auditor's report, the available other information in McKinlay Shire Council's annual report for the year ended 30 June 2022 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.

## Financial Statements

for the year ending 30 June 2022



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

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

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

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

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

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

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

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

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

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

**Financial Statements**  
**for the year ending 30 June 2022**



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.

A handwritten signature in black ink that reads "M. Claydon".

13 October 2022

Michael Claydon  
as delegate of the Auditor-General

Queensland Audit Office  
Brisbane

# Financial Statements

## for the year ending 30 June 2022

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

Measures of Financial Sustainability	Measure	Target	Projected for the years ended										
			Actuals at 30 June 2022	30 June 2023	30 June 2024	30 June 2025	30 June 2026	30 June 2027	30 June 2028	30 June 2029	30 June 2030	30 June 2031	30 June 2032
Operating surplus ratio	Net result (excluding capital items) divided by total operating revenue (excluding capital items)	between 0% and 10%	5.18%	-35.43%	-24.71%	-23.78%	-22.31%	-21.11%	-19.96%	-19.28%	-19.29%	-18.72%	-17.66%
Asset sustainability ratio	Capital expenditure on the replacement of assets (renewals) divided by depreciation expense	greater than 90%	137.15%	357.33%	155.28%	92.88%	93.54%	94.99%	122.33%	192.65%	93.90%	92.08%	177.98%
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue (excluding capital items)	not greater than 60%	-130.20%	-147.71%	-94.65%	-90.17%	-86.71%	-83.33%	-82.68%	-79.40%	-79.79%	-75.07%	-74.17%

**McKinlay Shire Council's Financial Management Strategy**

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

**Certificate of Accuracy**  
**For the long-term financial sustainability statement prepared as at 30 June 2022**

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

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

*PHC*

Mayor  
 Cr Phillip Curr

Date: 11 / 10 / 2022

*Trevor Williams*

Chief Executive Officer  
 Trevor Williams

Date: 11 / 10 / 2022