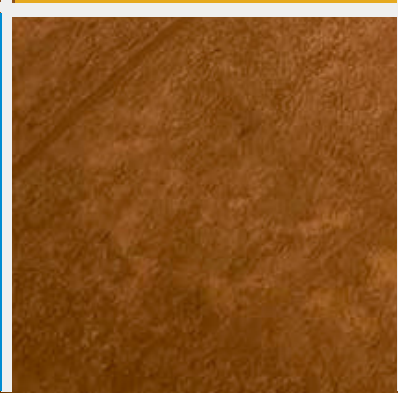
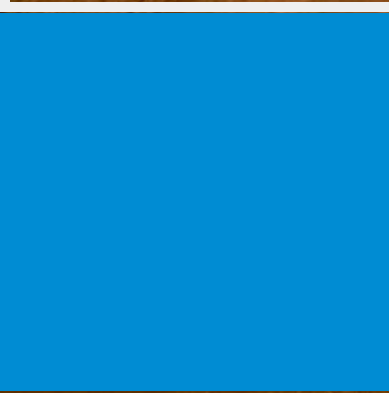
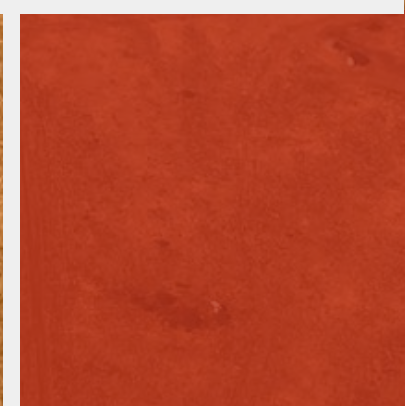
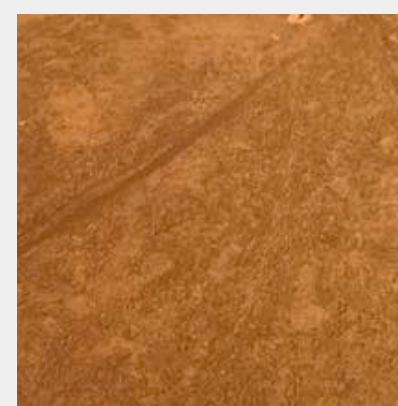
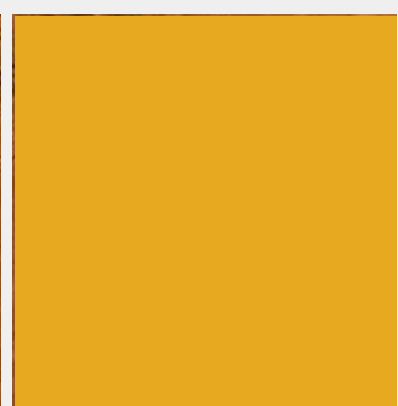
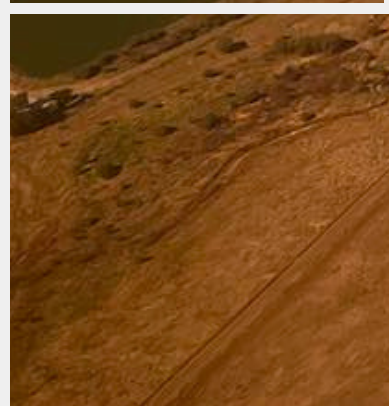
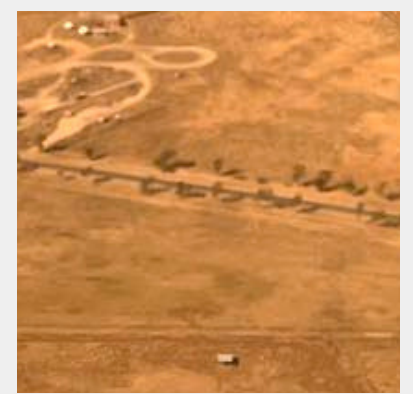




Annual Report 2022-2023



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 2022/23 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 2022/23 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 bench marks 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, investors 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.



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 largest deposit of Vanadium in the Southern Hemisphere is located in McKinlay Shire.

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 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
- 9-Hole Mini Golf Course



At a Glance

Mayor's Overview



This Annual Report marks the third year 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.

Together with my fellow Councillors and the Council Senior Management Team, we have delivered another successful year with a multitude of projects delivered on the ground and setting the foundations to create new industry in McKinlay Shire.

Several mining companies have progressed their developments and it will not be long before we see vanadium being mined near Julia Creek. Council has engaged with five mining companies who intend to develop six vanadium mines in McKinlay Shire.

The availability of housing and residential land in Julia Creek is in critically short supply. With the development of mines and the CopperString project, it is essential that Council continue to engage with all levels of government to ensure they assist in finding solutions. Council hosted the State Coordinator General in Julia Creek to show him the challenges ahead, including housing, residential land and attracting people to fill jobs. I have also met with other Government Ministers and Directors-General to ensure State Government Departments are working in a coordinated approach for all the pipeline projects in planning or underway.



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 11.62%, and Asset Sustainability Ratio of 210.37% and a Net Financial Liabilities Ratio of -149.87%.

At a Glance



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 in 2022/23:

- Commencement of the \$34 million flood damage works
- 10km reseal of Taldora Road
- 5km bitumen sealing of Byrimine Road
- Undertaking works for Transport and Main Roads including the RMPC Contract on the State controlled roads and some emergency flood repairs on sections of the Flinders Highway
- Completion of the Burke Street Kerb and Footpath upgrade
- Commencement of the detailed design for the Julia Creek Early Learning Centre
- Completion of the Dalgonally / Millungera Floodway

Emerging Opportunities and Challenges

The CopperString project was confirmed to proceed with backing from the Queensland Government. At this stage, the project does not include a substation at Julia Creek. A substation is required at Julia Creek to ensure an improved power supply for the town and access to the network for renewable energy projects being developed around Julia Creek. I have had many meetings with Queensland Government Ministers and Directors-Generals to ensure the substation is provided at Julia Creek. I have also lobbied the State Government to provide a legacy from the CopperString project in the form of housing for Julia Creek.

Another Cotton crop at Etta Plains was successfully harvested and proves the viability of irrigated agriculture on our black soil plains. Council have continued 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. I have also engaged with Major General Jake Ellwood, the CEO of the Queensland Reconstruction Authority, in an attempt to source betterment funding to improve the standard of the Etta Plains Road.

At a Glance



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. Design of the project has commenced, with construction scheduled for 2023/24.

Council partnered with North West Hospital and Health and successfully recruited a doctor to Julia Creek. Deputy Mayor Janene Fegan has led this project from Councils side with a fierce determination and we were delighted to welcome Dr Adam Louws and his family to Julia Creek in February 2023.

Council entered a lease arrangement with Aurizon for the cattle loading facility at Julia Creek. This allowed cattle to be loaded onto rail once again at the Julia Creek facility. The cost of materials used by Council and services provided by Council have risen greater than the rate of inflation. The challenge of attracting and retaining staff to McKinlay Shire has also become increasingly difficult. Council are working regionally with other north west Councils to find solutions to these challenges.

The State and Federal Governments continue to provide financial support to our Shire 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 now planning for mining and renewable energy developments which will lead to growth and opportunity for our community. Although the cost of providing local government services has outpaced inflation, 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 completed another year coming out of Covid and drought. Staff turnover has been high and finding replacements has been challenging. Numerous projects have been delivered and services maintained, with the Shire remaining debt free with positive financial indicators. The leadership team at council remained unchanged this year, which enabled progress to be made in asset management and workplace health and safety systems.



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.

Parts of our Shire received flooding rain which caused damage to our road network. Council had previously engaged Project Delivery Managers (PDM) to manage our Disaster Recovery Funding Arrangement (DRFA) work. PDM's assessment of damage for the 2022 events resulted in approximately \$34 million worth of works for our road network.

The Julia Creek cattle loading facility was made operational again, thanks to the Mayor negotiating a lease with Aurizon. It is pleasing to see large numbers of cattle being loaded onto the rail from Julia Creek.

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.

At a Glance



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 which attracted 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. Council has a great relationship with the Julia Creek Work Camp. The team from work camp undertake an enormous amount of work for our community and our community groups. We are grateful for the ongoing relationship with Corrective Services for the provision of this service.

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 and CopperString. Our Council executive management team is very experienced and stable, and looking forward to moving our community forward.

At a Glance

Our Councillors



Our Mayor



Philip Curr was born in Brisbane and raised in Julia Creek. He completed his schooling at boarding school in Toowoomba and Abergowie near Ingham. After school, Philip returned to McKinlay Shire to work on the land. Together with his wife Tania, their three daughters help operate and work the Family Cattle Stations.

Philip has enjoyed being a part of the Saxby Committee for over 30 years, 15 years of which he was the Committee President. Philip has worked eight years as Councillor and four years as McKinlay Shire Council Mayor. Philip's hobbies are Camp Drafting and Horses.

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 six 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, 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 2022/23, Council provided a total of \$3,000 to community groups to assist local groups achieve their objectives and enabling quality events and programs to be delivered.

The following groups were allocated financial assistance

Julia Creek Combined Sporting Association	\$3,000	Equipment
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Community Funding



Regional Arts Development Fund 2022/23

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 2022/23 with \$23,680 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
McKinlay Crafty Old School House	Paint & Sip	\$1,500
Julia Creek Dirt and Dust Festival	Crack-Up Sisters at Dirt & Dust Festival	\$5,000
Julia Creek Turf Club	Belly Dancers at Artesian Express Raceday	\$3,300
McKinlay Shire Council	Flipside Circus 2-day residency	\$4,500
McKinlay Shire Cultural Association	Family Fun Paint Sesh	\$1,580
McKinlay Shire Cultural Association	2-day Mosaic Workshop	\$7,800

Performance Reporting



Community Events

McKinlay Shire Christmas Tree



Council was able to support the Julia Creek Dirt & Dust Festival committee as they kindly hosted the 2022 McKinlay Shire Christmas Tree following on from the success from the 2021 edition. 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.

Performance Reporting



Australia Day 2023

On Wednesday evening of January 25th 2023, Council held its annual Official Australia Day Celebrations and Award Ceremony at Julia Creek CSA Building with a free BBQ Dinner and special fireworks for the community to enjoy. Council was joined by special guest, Justine Christerson, as our 2023 Australia Day Ambassador. Justine Christerson moved with her family from Biloela to Brisbane in 2012, and started up a program, Breaking Down the Barriers for Rural Patients in City Hospitals, assisting thousands of patients, carers and families who are required to travel to Brisbane to access healthcare services not available locally. Justine spends her days providing free services to many, including airport pick-ups and drop offs, cooking and delivering home cooked meals, toiletries and advice on the healthcare system, patient travel subsidy scheme, accommodation options or just general information about getting around Brisbane.

A huge congratulations must be awarded to all award winners and nominees:

Citizen of the Year – Neil Warner

Young Citizen of the Year – Ava Ballantyne

Volunteer of the Year – Neil (Tex) Wright

Junior Cultural Award – Ruby-Jayne Gabbert

Senior Cultural Award – Maggie Rudolph

Small Community Event – Julia Creek State School – Remembrance Day

Large Community Event – Julia Creek Dirt & Dust Festival

Senior Sports Award – Peter Verhoeven

Junior Sports Award – Breanna Verhoeven

Sports Administration – Ben Mussig

Southern Gulf NRM Sarus Crane Award – Julia Creek State School Chaplaincy



Performance Reporting



Julia Creek Dirt N Dust Festival 2023

Following its huge return in 2022, the famous Julia Creek Dirt & Dust Festival was hosted from April 21 – 23 in 2023. The committee took up where they left off and hit the ground running for another action-packed festival that drew close to 2,000 attendees to Julia Creek for the weekend. The format remained the same as the previous year with the Friday and Saturday evening rodeo events of Saddle Bronc and Bullriding accompanied by a ‘tough-mudder’ style adventure run and Artesian Express Raceday at Julia Creek Turf Club. Council worked closely with both organisations to ensure these events could once again promote Julia Creek and McKinlay Shire to the whole of Australia and even internationally. The Festival received plenty of online, television and radio exposure through mediums that included the Townsville Bulletin, Courier Mail, Herald Sun, Queensland 9 News, 7 Weekend Sunrise, Studio 10, ABC Radio, Triple M Radio and through a range of social media accounts.



Community Funding



Funding Expenditure 2022/23

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 2022/23, Council were able to contribute \$47,000 to local organisations by means of Sponsorship, Donations (cash & in-kind) and Community Benefit Assistance Scheme.

Organisation	Amount	Funding Program
Julia Creek Combined Sporting Association	\$5,000	Sponsorship
Julia Creek ICPA Conference Committee	\$5,000	Sponsorship
Julia Creek Turf Club	\$5,000	Sponsorship
McKinlay Shire Cultural Association	\$5,000	Sponsorship
Julia Creek Campdraft	\$5,000	Sponsorship
McKinlay Race Club	\$5,000	Sponsorship
Saxby Round-Up	\$5,000	Sponsorship
Scripture Union QLD Julia Creek State School Chaplaincy	\$5,000	Donation
McKinlay Shire Cultural Association	\$1,500	Donation
Outback Futures	\$1,500	Donation
Julia Creek ICPA	\$1,000	Donation
Julia Creek Combined Sporting Association	\$3,000	CBAS

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 23 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.

Performance Reporting

Tourism



Julia Creek and McKinlay Shire is continuing to cement itself as one of the most popular outback tourist destinations in Queensland. We have witnessed a continuation of high visitor numbers across our Visitor Centre, Caravan Park and RV Site which highlights that continued investment in unique visitor experiences has certainly paid dividends over the past few years. Our tourism team is highly versatile and works tirelessly throughout peak visitation periods to ensure each and every guest goes away with a positive experience in the hopes that we will have them return in the future.

Visitor Nights

Overnight stays Council-owned facilities (Julia Creek Caravan Park and Julia Creek RV Friendly Site) totaled 15,382 in 2022/23 compared with 16,584 in 2021/22 – a 7.25% decrease between financial year figures. Although the 2022/23 figure is lower than the previous financial year, it still rates as our second best figure overall. This certainly highlights that McKinlay Shire Council and Julia Creek are certainly very sought after locations which bodes well for our local economy.

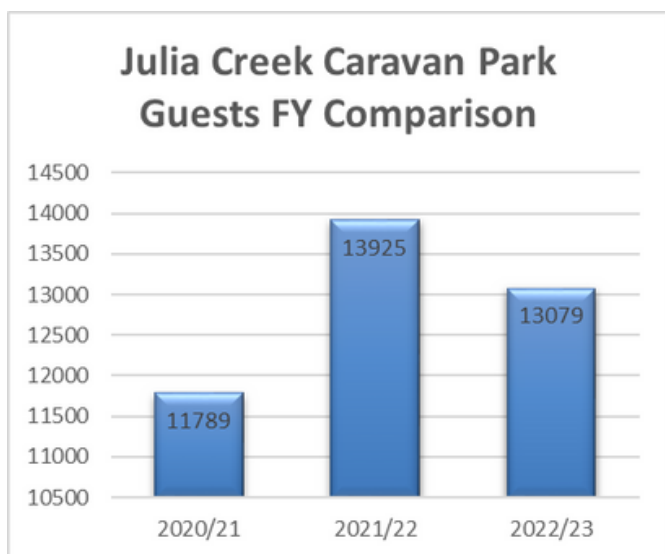
McKinlay Shire Visitor Nights				
	Caravan Park	RV Site	Total	Increase
2015/16	7,242	2,175	9,417	-
2016/17	7,284	2,563	9,847	4.57%
2017/18	8,647	2,942	11,589	17.69%
2018/19	8,956	2,382	11,338	-2.17%
2019/20	6,794	1,846	8,640	-23.80%
2020/21	11,789	2,095	13,884	39.10%
2021/22	13,925	2,659	16,584	19%
2022/23	13,079	2,303	15,382	-7.25%

Performance Reporting



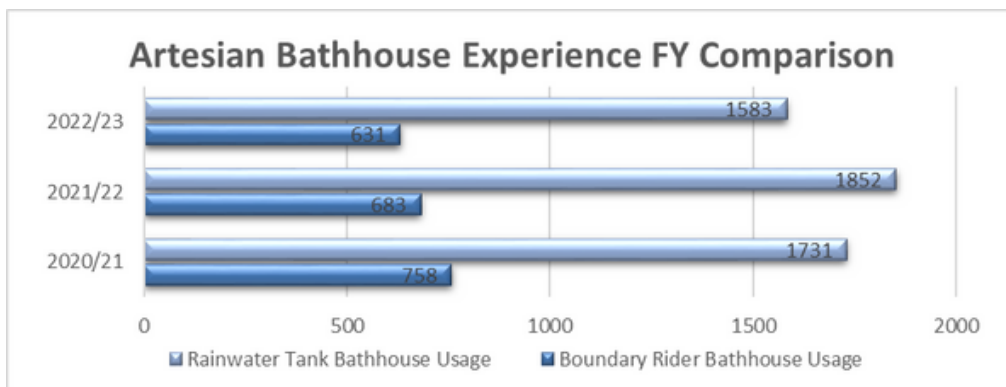
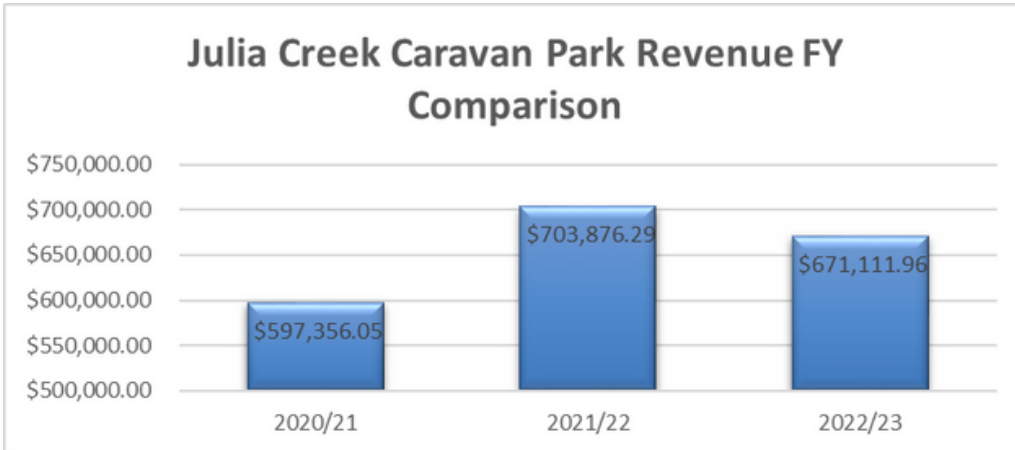
Julia Creek Caravan Park

Julia Creek Caravan Park is one of the major attractions for visitors to our town, where our priority is to maximise our economic injection and assist in building a strong sustainable economy. Council has continued to invest in the facility as its popularity amongst grey nomads, families, retirees and young travellers is extremely high. The Park has now developed into a must-see destination in Queensland with thanks to the multitude of unique outback experiences we are able to offer our guests. In 2022/23, we were able to welcome 13,079 guests to the park compared to 13,925 in 2021/22, a decrease of only 6.47%. Similarly, revenue was also slightly down in 2022/23 by 4.88% compared to 2021/22. Given the record numbers of 2021/22, this still indicates the Park is highly sought-after experience amongst travelers. Our Park's ongoing success is certainly attributed to the skillset and hard work of Management Staff, Contractors and Council cleaning staff who work tirelessly to ensure the best experiences for our guests.



Performance Reporting

Julia Creek Caravan Park



Performance Reporting

Julia Creek Caravan Park

Bush Dinners

The famous Monday Night Bush Dinners continued at Julia Creek Caravan Park throughout 2022/23. Feedback has indicated many attendees to these wonderful evenings plan their trip to ensure they are in Julia Creek on a Monday to experience true outback hospitality and a delicious home-cooked meal. Similar to the previous year, Council has continued to have a limit of 100 guests per night to ensure the strain on volunteers from local community groups is minimal. Across the 2022/23, our local groups were able to provide a total of 1,132 meals over 13 evenings which resulted in \$21,285 raised for their efforts.



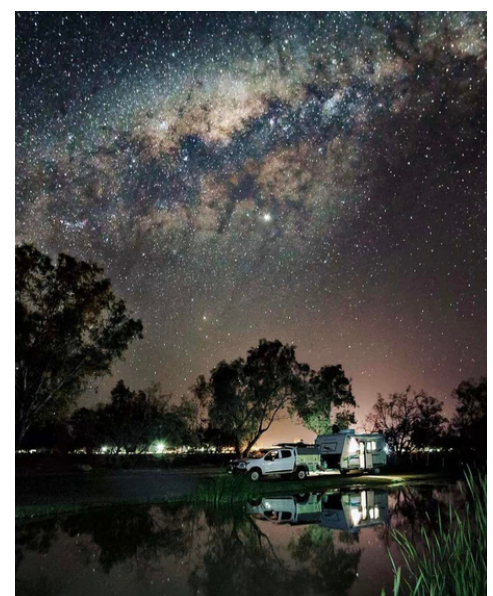
Performance Reporting



RV Friendly Site

Our RV Site hosted a total of 2,303 guests in 2022/23 compared to the record number of 2,659 permits issued 2021/22. Our volunteer Camp Host Program resumed in 2021/22 and is pivotal to the smooth running of the site. Council must extend a huge thanks to all those who have assisted with the role of Camp Host throughout the last few years.

Financial Year Statistics					
	2018-19	2019-20	2020-21	2021-22	2022-23
Jul	808	767	216	600	797
Aug	723	708	302	966	602
Sept	250	298	214	303	131
Oct	18	17	59	27	
Nov	4	5	7	7	4
Dec	1	5	1		0
Jan	0	0	4		0
Feb	0	0	0		0
Mar	0	2	10	2	8
Apr	51	0	184	33	64
May	153	0	541	189	176
Jun	374	44	557	532	521
TOTAL	2382	1846	2095	2659	2303



Performance Reporting



At the Creek

Our Visitor Centre welcomed 8,108 guests in 2022/23 which was a 6.77% increase on 2021/22. Our Tourism Coordinator and Tourism Officer were able to assist us through the operation of another year with the assistance of eight casual staff. The Centre continues to deliver high quality experiences and destination information to guests which is a credit to all involved.

At the Creek Visitor Numbers

Month/Year	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023
Jul	3553	3192	645	2729	2021
Aug	2348	3018	1265	1166	2563
Sept	1036	1130	871	794	1021
Oct	558	268	349	244	284
Nov	240	149	69	51	87
Dec	139	31	40	16	24
Jan	191	59	25	43	12
Feb	99	29	25	43	17
Mar	294	73	73	82	41
Apr	604	0	402	419	257
May	743	0	760	860	756
Jun	1840	200	1429	1130	1025
Total	11645	8149	5953	7577	8108



Performance Reporting

Library



The Julia Creek Library continued to be well utilised by the community and tourists alike. We continued to be the hub for a Centrelink Access point, provide computer and internet access and organise book loans for members and visitors. 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, especially in the absence of a Sport and Recreation Officer. 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. This equipment is well utilised by local children after school, during the holidays and also by the local Playgroup who regularly meet at the Library for their organised sessions. Special visits from Outback Futures also provided great opportunities for families to connect with specialised allied health services who are regularly in Julia Creek to provide their wide array of services. Other special events that took place at the Library included a visit from local paramedics to deliver safety training for the children, the Mail Run Book Club luncheon, framing of a children's artwork piece, the installation of new bike and bag racks and the transformation of the old pond to a new garden bed.



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 2022/23. 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 2022, the facility had five students enrolled and in 2023 a total of 4 students were also utilising the facility. Council believes this initiative helps to sustain, retain and attract families to our community and provide education after the completion of Year 6.

Early Learning Centre

Council continues to operate the Julia Creek 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, staffing issues were again faced during 2022/23 with the Centre facing periods without a Director and other Educators. Ultimately, this led to periods of 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.

Once a Director and a Full time Educator were appointed in August 2022, the Centre was able to accept on more enrolments and remain open for longer hours which was certainly beneficial to our community. The increase in staffing also opened up opportunities for exciting activities for the children which included visits from local Ambulance and Police, Kinder transition to School, Halloween trick-or-treating around Julia Creek, regular visits to the Café, Library and Park, a Christmas Party, Graduation, Flipside Circus workshops and a performance of the 'The Wind in the Willows'.



Performance Reporting



Sport and Recreation

Council again faced issues with filling the Sport and Recreation position throughout most of 2022 and early 2023. However, Council successfully filled this position in March 2023. Council was able to resume many of the regular sport and recreation activities. This included the return of After School Sport such as athletics, cricket, basketball and soccer. These sessions across the first two school terms were a great opportunity for local children living in the shire to learn new and exciting skills. A School Holiday Program was also provided across the Easter and June/July holidays and incorporated activities including arts and crafts, swimming, tennis coaching, bike safety, board games, movies and a variety of sports and challenges. Children were also treated to a 2-day Flipside Circus residency in May 2023 as well as a performance of 'The Wind in the Willows' in June 2023 as a means to have them involved in arts and cultural performances.



Council was successful in obtaining funding through the 'Move It NQ Program' to recommence community fitness sessions delivered by the Sport and Recreation Officer both at the Daren Ginns Centre Gym and Indoor Sports Centre. These provided a great opportunity for locals to begin their fitness journey with many becoming members of the gym to continue working on their goals. For those who aren't necessarily interested in structured workouts, Council also worked with the community to provide social sporting opportunities that included netball, cricket and touch football to allow another avenue for locals to be active recreation participants.



Performance Reporting



Funding received through the Local Roads and Community Infrastructure Program Phase 3 provided Council the opportunity to upgrade and enhance a number of community recreation facilities. Projects included: erecting shade sails over the Skate Park, installing new softfall at Peter Dawes Park, Lions Park and Pool Splash Pad, as well as the construction of a brand new 9-hole mini golf course adjacent to the Caravan Park and Bike Safety Park.





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.

Employees Departed

Employee Initiated Separation 23

Employee Turnover rate 41%

Employees Recruited

Internal 1

External 21

Gender Balance	Male	Female
Executive/Managerial	2	1
Professional		
Community and Personal Services	1	10
Clerical & Administrative	1	7
Machine Operators	7	0
Labourer/Unskilled	9	8
Trades	4	0
Team Leaders/Supervisors	4	2
Total	28	28

Workforce

Employees at a Glance



Workforce/Total number of employees

Permanent	37
Permanent Part-Time	4
Contract – Executive & Managerial	3
Contract – Other	2
Casual	10
Total	56

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
 - Bush Dinner Policy
 - Arts & Cultural Policy
 - Anti-Discrimination, Bullying, Sexual Harassment & Equal Employment Opportunity Policy
 - Closed Circuit Television (CCTV) Policy
 - Information Privacy Policy
 - Employee Code of Conduct
 - Human Rights Policy
 - Investigation Policy – Councillors Conduct
 - Council Housing Policy
 - Performance & Misconduct Policy/Disciplinary Procedures Policy
 - Standing Orders of Council
 - Expenses and Reimbursement Policy
 - Caravan Park Bookings Terms and Conditions Policy
 - Disposal of Assets Policy
 - Data Breach Response Plan
- Policies Revoked during the period:
- Emergency Preparedness 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.

Council's 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 Water Industry Operations
- Certificate III Civil – Roads & Maintenance
- Aeronautical Radio Operator
- Aerodrome Reporting Officer
- Authorised Persons Course
- Implement Traffic Management Plans
- Apply Risk Management Procedures
- WHS Due Diligence
- WHS Supervisors Course
- Certificate III Work Health & Safety



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 2022/23 Contract was fully completed.

Road 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

2022 DRFA program

McKinlay Region as part of Central Western Queensland was activated 10 May 2022 for Disaster Recovery Funding Arrangements, due to an intense heavy rainfall event on the 21 April – 12 May 2022.

Council was activated for Counter Disaster Operations and Reconstruction of Essential Public Assets. The Region received over 290 mm of Rainfall which inundated over 1,170 km of road network across the region. Council made a submission to the Queensland Reconstruction Authority (QRA) for Reconstruction of Essential Public Assets including Emergency Works and Reconstruction works.

Council was approved for Disaster Recovery Funding Arrangements (DRFA) which is a jointly funded program between the Federal and State governments, through which the Australian Government provides financial assistance to support state governments with disaster recovery costs.

Council awarded November 2022, five work package contracts to both Local and non-local civil contract suppliers totaling over \$33 M.



Work package	Location in the Shire	Km of Road	Value of the Contract	Date of Commencement	% Completed as of 30 June 23
WP01	South East	187 km	\$5,003,490.05	15/11/2022	42%
WP02	South	192 km	\$4,032,101.43	05/01/2023	16%
WP03	South West	162 km	\$7,014,662.34	05/06/2023	5%
WP04	North West	314 km	\$8,944,941.00	17/04/2023	15%
WP05	North East	317 km	\$8,836,745.31	17/04/2023	15%

As of 30 June 2023, Works progress for the recovery of the unseal road network was 32% with an expenditure of \$8,585,692.13.

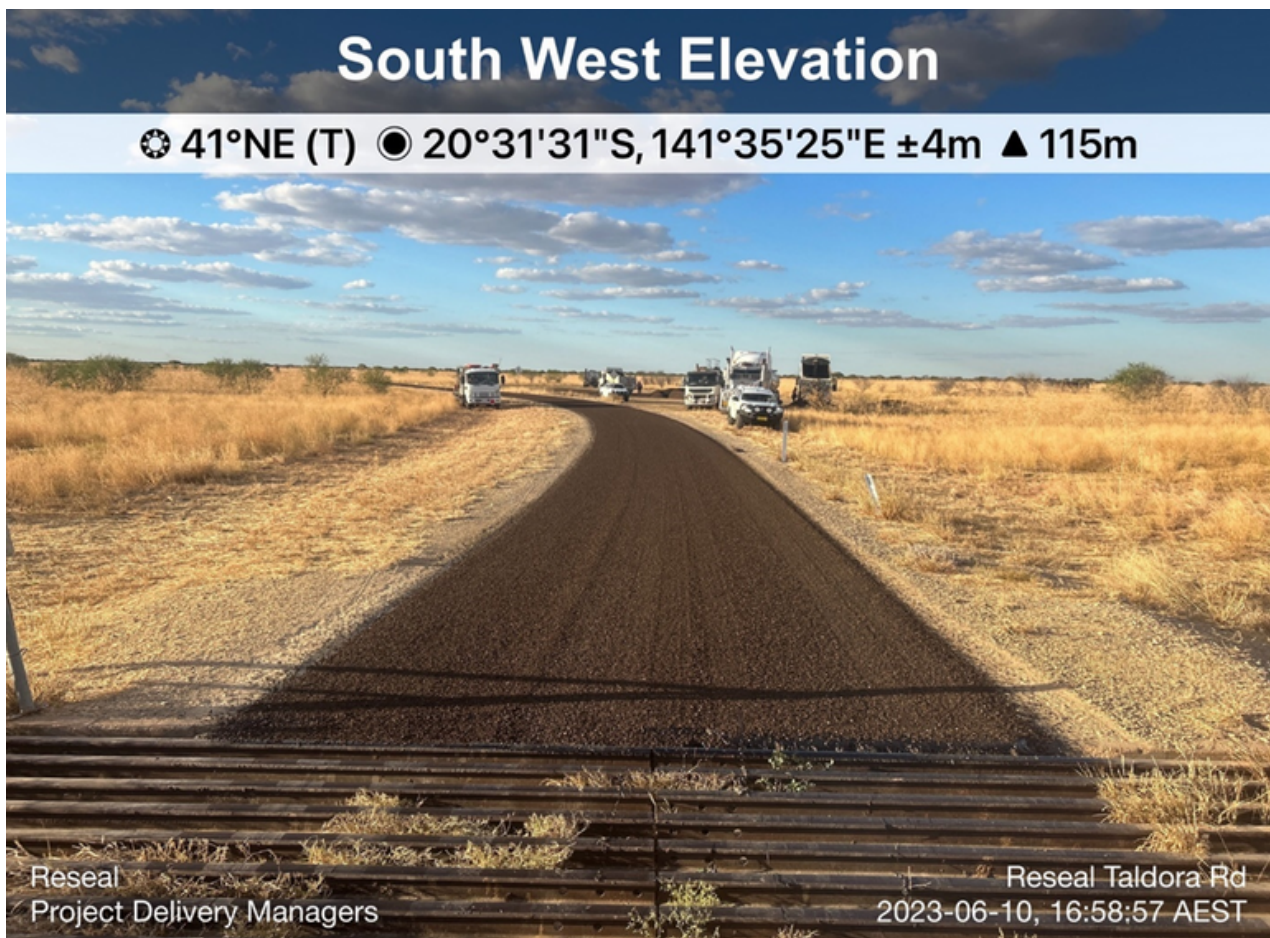
McKinlay Shire was again activated in March 2023 for Disaster Recovery Funding Arrangements, due to intense rainfall events 20 December 2022 through 30 April 2023.

Council was activated for Counter Disaster Operations and Reconstruction of Essential Public Assets. Council arranged for inspections of the road network to assess damage in accordance with QRA guidelines.

Council have made submission to the QRA for Reconstruction of Essential Public Assets with a focus on the sealed road network and had an infield assessment of that submission on the 26 June 2023.

Taldora Rd Resealing

10km from start of existing seal was resealed, project value \$198,119 funded from R2R.



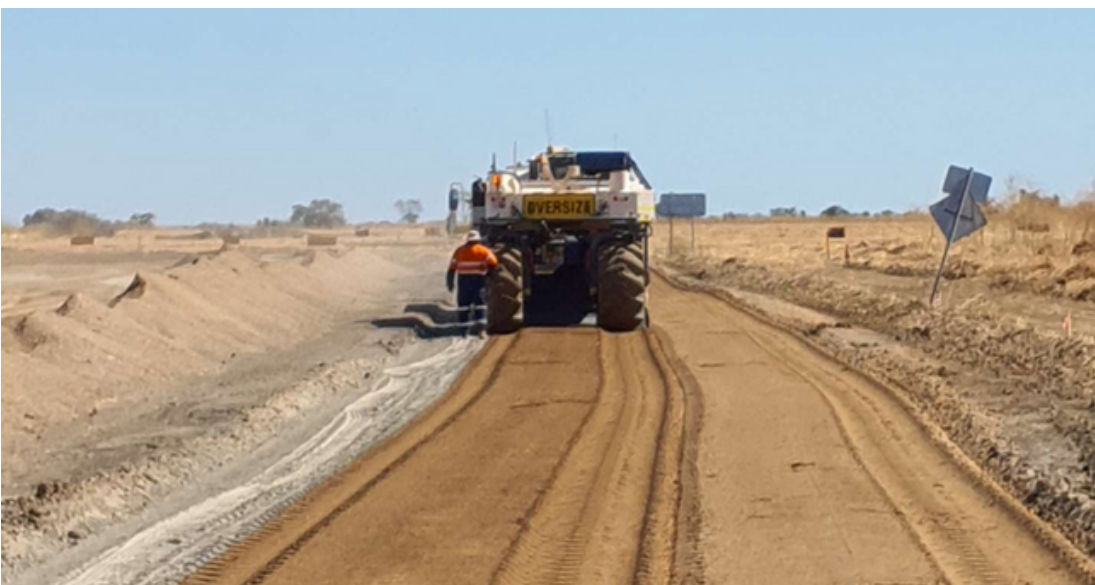
Byramine Rd Gravel/Seal

5km from Ch 5km to Ch 10km of Byramine Rd heading towards Cloncurry was regravelled/formed and sealed. The total project value was \$422,976 funded TIDS/R2R.



Nelia/Bunda Rd Drop Section Gravel and Seal

400m sealed drop section installed on the Nelia/ Bunda Rd at Kilterry, project value \$325,510 funded TIDS/R2R



Dalgonally Culverts

2 floodways and culverts were installed on Julia Creek at Dalgonally. The total project value was \$790,000 funded QRRRF/R2R.



Burke St footpath and Pavement Reconstruction

The Burke Street Footpath and Pavement Reconstruction Project was completed early in the financial year. The project was funded by TIDS/W4QLD/LRCIP



Julia St Footpath Reconstruction

The Julia Street Footpath Reconstruction commenced in 2022/23. The project value was \$538,000, which was funded by W4QLD/LRCIP



DTMR Contract Work

Council undertook Emergent Road repairs for TMR following the 2023 declared events. Works included stabilising and sealing outer wheel paths on all State controlled roads in the Shire.



Department Works Workshop



Councils Workshop is responsible for the replacement, maintenance and servicing of Council fleet, plant and equipment. Given the general unavailability of new plant and fleet for the financial year, replacements were generally delayed. Therefore the workshop focussing on maintenance of existing fleet. Council took delivery of one Grader and one Garbage Truck and two light vehicles during the year. Council installed a bunded concrete refuelling pad at the Works depot.

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 Gardens crew have been maintaining all street islands and parks within the Shire. The Parks and Gardens crew are also pivotal for performing all event set ups and clean ups.



Airport

Council operates and maintains the Julia Creek airport for RPT, Lifeflight, Royal Flying Doctors Service 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.

During the 2022/23, 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:

- Airside access gate was replaced
- Council in Partnership with Woodham Petroleum established an AVGAS refueling station at the Julia Creek Airport.

Workplace Health and Safety

McKinlay Shire Council is committed to providing a safe and healthy workplace for everyone including employees, visitors, contractors and the community.

Our focus is on:

- Safe behaviors and decisions made daily
- Positive safety communication and culture
- Having measures in place that eliminate or reduce the risk of harm
- Continuous improvement of the safety management system

A safe workplace benefits everyone. It protects workers from injury and illness—but it also increases productivity, lowers running costs and improves morale.



Environmental Health and Regulatory Services

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

Julia Creek/Kynuna/McKinlay Waste Facilities

Regular pushing, covering and picking up loose rubbish continued at all waste facilities during the year when required by Council Staff with the assistance of the Julia Creek Work Camp.

Department of Environment and Science (DES) conducted two compliance inspections of the Julia Creek Waste Facility. The main areas of concern were the stockpiles of tyres and green waste and unauthorised dumping of asbestos at the facility.

Water Monitoring

Monthly water sampling was undertaken on all four drinking water schemes being Julia Creek, Kynuna, McKinlay and Nelia as required under the verification monitoring program outlined in Council's Drinking Water Quality Management Plan (DWQMP). All parameters were generally within the guideline limits.

Any exceedance of the health guideline limit set by the Australian Drinking Water Guidelines is reported to the Department of Regional Development, Manufacturing and Water.

Julia Creek's drinking water supply contains about three milligrams per litre of naturally occurring fluoride. This is considerably higher than the recommended limit in the Australian Drinking Water Guidelines where they recommend an upper limit of 1.5 milligrams per litre (or parts per million) of fluoride in drinking water. Council, in consultation with the Townsville Public Health Unit, has prepared a fluoride fact sheet that has information relating to the background and management of fluoride in your drinking water. This fact sheet can be found on Council's website.

Council's drinking water quality management plan (DWQMP) amendment application was approved by the Regulator on the 15 December 2022 subject to the following conditions:

- Copies of bore integrity and reservoir inspection reports from 1 January 2023 to 31 December 2023 are to be provided to the Department on a quarterly basis; and
- After re-implementing colilert testing in inhouse laboratory and increasing E. coli monitoring frequency, a review of the verification monitoring section of the DWQMP was required.

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 Report can be found on Council's website.



Capital Works Program

Water Infrastructure Services (WIS) were engaged to clean the storage reservoirs in Kynuna and McKinlay under the 2022/23 Capital Works Program.



Sewerage

Council operates and maintains sewerage infrastructure that consists of the Hickman Street Pump Station, Imhoff Tank, package activated sludge bioreactor plant (STP) 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. Unfortunately, the STP was not operational so no release to land could occur.

Department of Environment and Science (DES) conducted two (2) compliance inspections on the STP during the year.

Capital Works Program

Council received funding under the Building our Regions fund to refurbish the STP. Xylem Water Solutions were engaged to undertake the repairs. The following works were conducted under the program:

- Replaced stainless steel pipework
- Replaced electrical switchboard
- Cleaned tanks, biokubes and Imhoff Tank.
- Painted existing pipework with heat protection paint



Local Laws

The Local Laws Officer is responsible for ensuring compliance of local laws within the community.

For the 2022/23 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 and avgas testing, vector control (mosquito fogging), assistance with Stock Route Facilities, Reserves and Livestock Facility. Animal Management continues to be the primary focus of this Department.

Impounding – Three dogs

Euthanised Animals – Six dogs, Three Cows, One steer

Infringement Notices – One

Trapping – Thirteen cats

The Council Boarding Facility saw total of 153 dogs boarded over the 2022/23 Financial Year. The facility is proving to be very popular especially around the Christmas Break.



There were also seven Show Cause Notices issued for dilapidated houses in Julia Creek, Kynuna, McKinlay and Nelia.

Pest Animal and Plant Control

There were two rounds of 1080 baiting conducted during 2022/23. A breakdown of syndicate numbers is below.

SYNDICATE	2023 - Kilograms of Bait
MILLUNGERA	3240
ALVA	840
BRINARD	1890
WINMORE	3510
ERNESTINA	1060
PROA	0
KYNUNA	0
MCKINLAY	1800
No of Properties	31
TOTAL (Kgs)	12,340



Councils Ranger assisted Cloncurry Shire Council with baiting program over the course of the year.

There were nine nine dingo scalps presented during the year.

There were 348 Factory Baits issued during the year.

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.

Livestock Operations

Livestock Facility

There were 5,746 head of cattle weighed and/or scanned through the facility from 1 July 2022 to 30 June 2023.

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, whippersnipping, 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 2022/23 Capital Works Program:

- Painting of yards
- Laying of more gravel in yards
- New power pole and light installed
- Tender was called for new walkway however the project was cancelled

Cattle Loading

Cattle loading re-commenced in May 2023. There was a total of 5,430 head of cattle loaded onto 11 trains in May and June.



Stock Routes and Reserves

Stock Routes

The following works occurred on the following facilities under the 2022/23 Stock Routes Capital Works Program.

Consentes

- New fence erected around tank and bore

Longford

- Drill new bore

Mimong

- Desilt turkey's nest

Reserves

Under Council's 2022/23 Capital Works Program the following projects were completed.

- Replaced corners and gateways and fence along rail line to Airport Road on Horse Paddocks around McIntyre Park
- Erect new fence on Oorindi Reserve
- Replace troughs on Town Common
- Replace corners and stays on fencing on McKinlay Reserve. Repair gate approaches



Julia Creek Work Camp



Work Camp continued delivering a wide range of projects in and around the McKinlay Shire area over the 2022-23 Financial Year. A summary of the jobs completed over the course of the year is below;

- Assist Council with various events including set up and clean up
- Mowing/Whippersnipping of McIntyre Park compound
- Regular mowing of various non-for-profit organisations and churches within the Shire
- Various works at all Cemeteries including mowing/whippersnipping
- 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 camp drafts and race events around shire
- Regular maintenance and mowing/whipper snipping around Livestock Facility and Washdown Bay
- Regular mowing and whippersnipping of Airport Area including runway strip
- Mowing at “At the Creek”
- Regular mowing and general maintenance of Julia Creek State School
- Providing assistance within the Workshop
- Providing assistance with Pony Club activities for Julia Creek Pony Club
- Providing assistance to the Water and Sewerage Officer
- Assist Ranger with Capital Works Projects on Stock Route Water Facilities and Reserves
- Oiling of seating around Council properties
- Assist with Cloncurry Show through the Cloncurry Show Society
- Regular yard maintenance for the Julia Creek Hospital
- Assistance with Lions Ladies function
- Maintenance/mowing/whippersnipping at various council houses including spreading soil at 7 Coyne Street, pressure wash outside of 4 Netterfield St, seal kitchen bench and clean yard at 3 Coyne Street, install clothesline at Doctors Unit, top soil 18 Shaw Street, lay soil at 33 Byrne Street, remove rubbish and rip up old carpets at 4 Amberly Drive, rip up old carpets at Unit 2/9 Shaw Street, install fencing at 33 Byrne Street
- Paint sign at Peter Dawes Park
- Erect fence at Kynuna Waste Facility
- Plant trees on Netterfield and Coyne Street
- Provide assistance to the Cultural Association
- Provide assistance for the ICPA Conference
- Clean toilet block at Combo Water Hole

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 Qld Health. As of 30 June 2023, there were no properties available for rent.

Council also own and maintain nine seniors living units. As of 30 June 2023, there was 1 unit available to rent.

The following upgrades were undertaken during the 2022/23 Financial Year:

- Install concrete at 18 Shaw Street to assist with water damage
- New fencing at 33 Byrne Street
- Cold water tank, concrete driveway and new split system at 25 Byrne Street
- Bathroom Upgrade at 4 Amberly Drive
- New cupboards in bedrooms at 5 Coyne Street
- Internal and external painting of 7 Coyne Street
- New house drain to 3 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 the disaster to ensure that the community can get back to or as close to normal as soon as possible.

McKinlay Shire Council has the primary responsibility for managing the impacts of disasters and emergencies within our boundaries. The McKinlay Shire Council 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 2023, there were twelve registered food businesses within the shire.

Town Planning

Council received the following Development Applications during the 2022/23 Financial Year:

- 9 x Building Works Applications
- 5 x Planning Applications; and
- 5 x Operational Works Applications.





Statutory Information 2022-2023

OUR LEGISLATIVE COMPLIANCE

Local Government Act 2009	
Identifying Beneficial Enterprises (s41)	
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
Identifying Significant business activities (s45)	
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
Senior Management Remuneration Packages (s201)	
(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	
Financial Statements (s183)	
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 75 - 113
(b) the current-year financial sustainability statement for the financial year, audited by the auditor-general; and	Refer pages 109
(c) the long-term financial sustainability statement for the financial year; and	Refer pages 113
(d) the auditor-general's audit reports about the general purpose financial statement and the current-year financial sustainability statement.	Refer pages 106
Community Financial Report (s184)	
The annual report for a financial year must contain the community financial report for the financial year.	Refer pages 64 - 74
Particular Resolutions (s185)	
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

Resolution No. 070/2223

Council adopt the Expenses and Reimbursement Policy Version 4.0.

Moved Cr. J Fegan

Seconded Cr. S Royes

CARRIED 5/0

(b) a list of any resolutions made during the financial year under section 206(2)	No resolutions were made in the 2022/23 financial year regarding asset thresholds
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Councillors (s186)

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
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(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
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(c) the number of local government meetings that each councillor attended during the financial year; and	Refer Table 4
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(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	\$110,386
Cr Janene Fegan	\$63,684
Cr Shauna Royes	\$55,191.96
Cr Tim Pratt	\$55,191.96
Cr John Lynch	\$55,191.96

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	\$1,109.09	\$908.27	\$2,017.36
Cr Janene Fegan	\$0	\$1,739.16	\$1,739.16
Cr Shauna Royes	\$0	\$0	\$0
Cr Tim Pratt	\$2,509.09	\$1,280.81	\$3,789.90
Cr John Lynch	\$2,036.36	\$3,173.41	\$5,209.77

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	2
Cr. John Lynch	12	12	4	3

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 2022/23	1
Administrative Action Complaints resolved 2022/23	1
Administrative Action Complaints Unresolved 2022/23	0
Administrative Action Complaints Unresolved (from above) made in 2021/22	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 13- 18 for a summary of the grants.
(2) The annual report must also contain the following information about the local government's 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	Not applicable – McKinlay Shire Council councillors do not have discretionary funds

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;	
(d) details of any action taken for, and expenditure on, a service, facility or activity—	Not Applicable
i) supplied by another local government under an agreement for conducting a joint government activity; and	Not Applicable
(ii) for which the local government levied special rates or charges for the financial year;	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 <i>Local Government Regulation 2012</i> , 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 Statements 2022-2023

Community Financial Report

for the year ended 30 June 2023

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. 2022/23 Snapshot

Key highlights of the 2022/23 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 6 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 2023.

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.

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.

Community Financial Report

for the year ended 30 June 2023

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 2022/23 Financial Statements?

A complete version of Council's Financial Statements for the 12 months to 30 June 2023 is contained in this annual report and can also be found at our website:

www.mckinlay.qld.gov.au

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

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

3.1 Council's Statement of Comprehensive Income (Profit and Loss) for 2022/23

Council's headline "profit/loss" result for the 2022/23 year was a \$16,666,075 profit.

	Actual	Budget	Actual
\$ '000	2023	2023	2022
Expenditure	17,806	18,696	41,437
Revenues (excl. income for capital purposes)	20,147	15,610	18,718
Net Result before Capital Grants & Contributions	2,341	- 3,086	- 22,719
Capital Grants & Contributions	11,690	17,503	6,977
Increase in Asset Revaluation	2,635	-	19,858
Net Result	16,666	14,417	4,116

The budgeted "profit/loss" for 2022/23 was \$14,417,283 however Council's profit was \$16,666,075 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

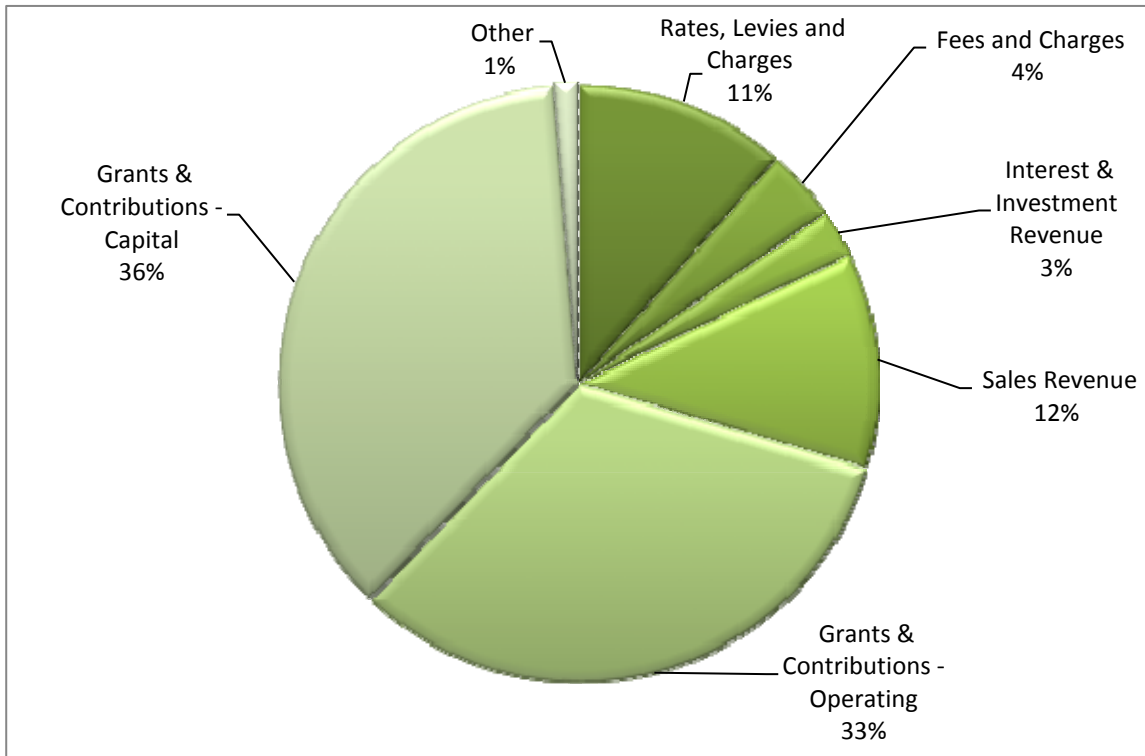
Overall Council and Management believe the financial result for 2022/23 to be pleasing.

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

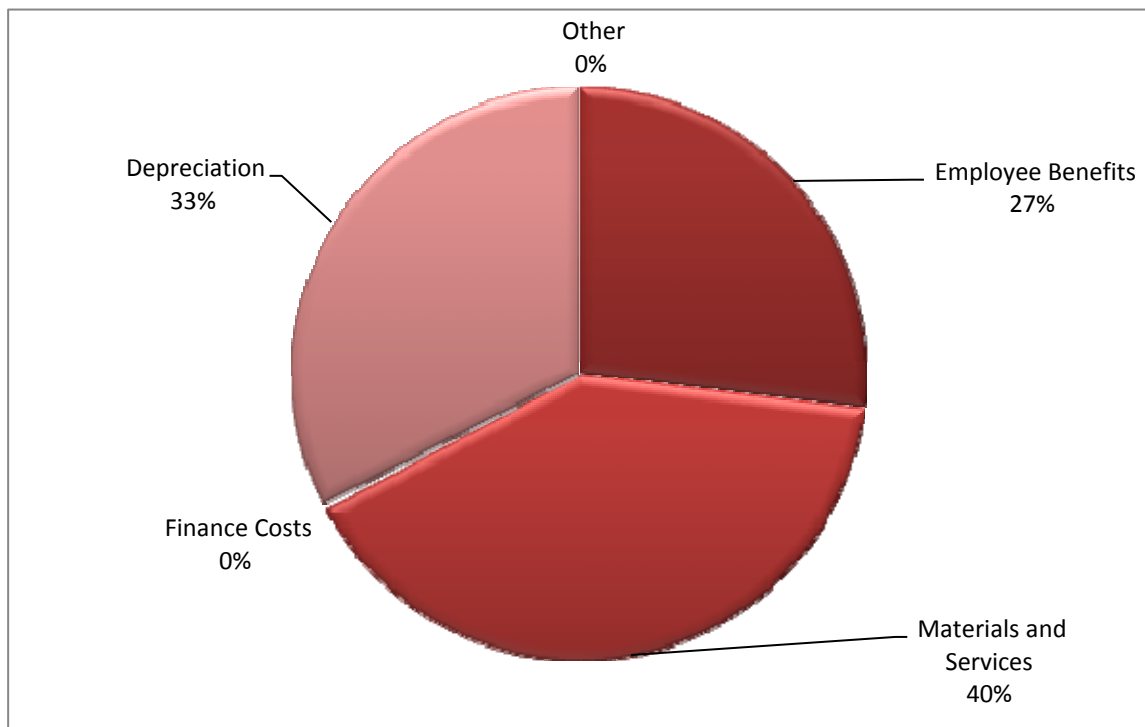
Community Financial Report

for the year ended 30 June 2023

Council's Revenue Sources for the 2022/23 year:



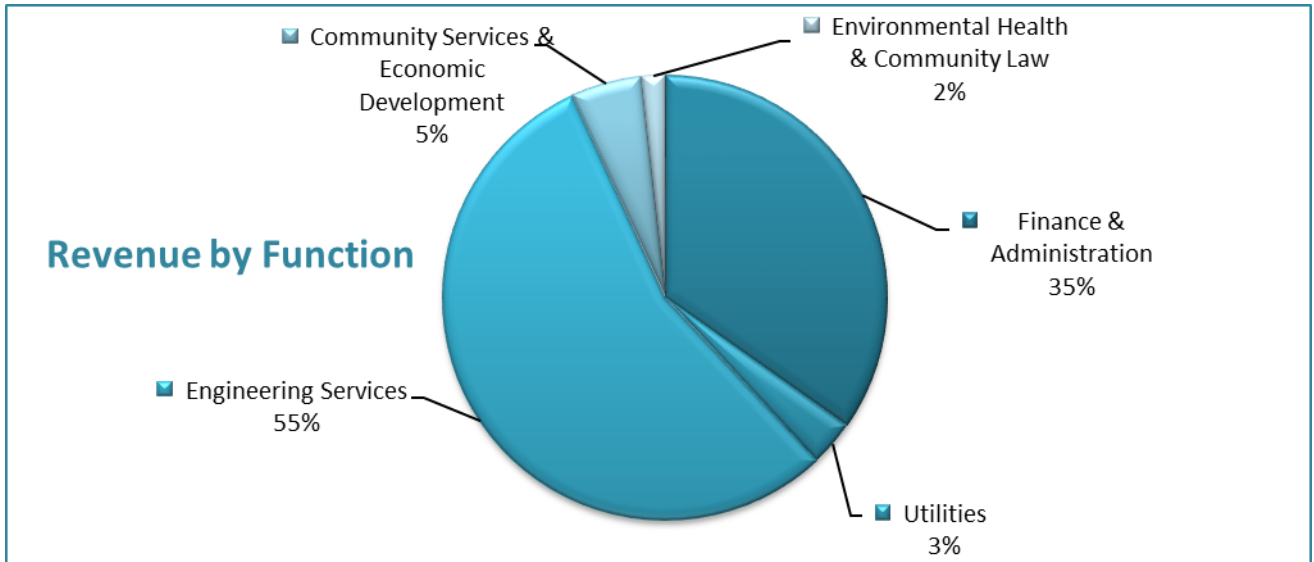
Council's total Expenditure's (by type) for the 2022/23 year:



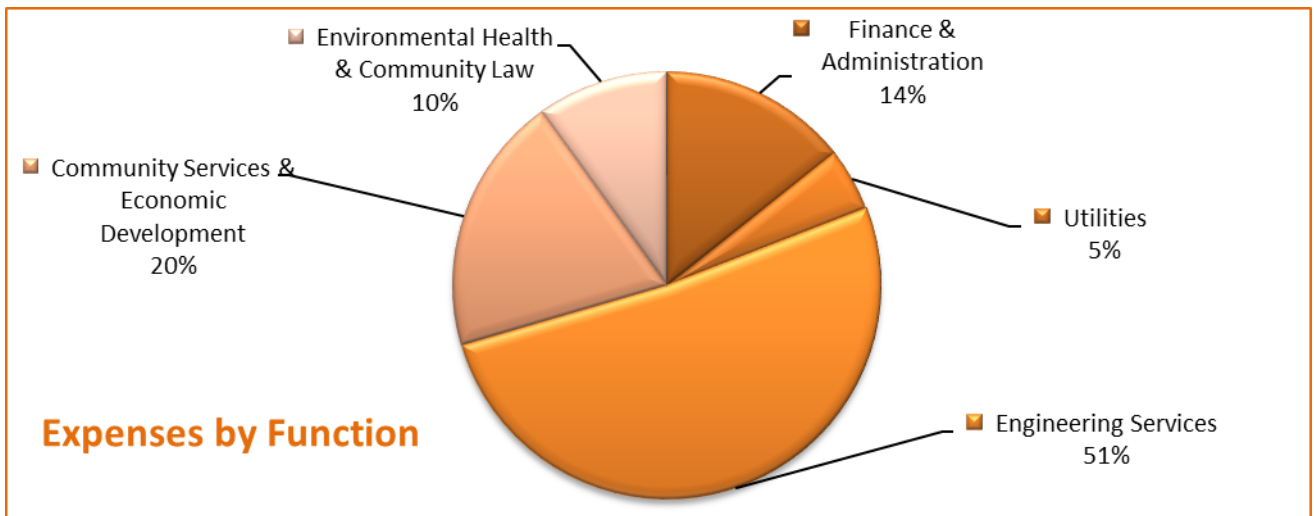
Council's total revenue covered the following activities/functions:

Community Financial Report

for the year ended 30 June 2023



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



Community Financial Report

for the year ended 30 June 2023

3.2 Councils Statement of Financial Position (Balance Sheet) for 2022/23

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.

\$ '000	Actual 2023	Actual 2022
The major items that make up Council's wealth include the following assets:		
Available Cash & Investments	32,712	24,385
Inventories (stores, raw materials & land purchased for development & sale)	188	221
Debtors	835	1,138
Contract Assets	2,140	1,406
Other Assets	129	104
Infrastructure, Property, Plant & Equipment		
- Capital Work in Progress	1,836	1,615
- Land and Improvements	2,029	1,443
- Buildings	24,183	26,262
- Other Plant and Equipment	3,740	3,300
- Road, Drainage and Bridge Network	203,941	193,324
- Water	6,616	6,084
- Sewerage	8,651	7,841
- Other Infrastructure Assets	8,806	9,063
- Office Furniture and Fittings	239	268
Land Held for Resale	-	-
Council has funded some of its operations and assets by the following liabilities:		
Trade & Other Payables	619	643
Loans & Borrowings (refer Councils Debt Policy for further information)	-	-
Contract Liabilities	4,175	1,107
Provisions	1,018	1,138
Net Community Equity	290,233	269,451

Council's Capital Expenditure for 2022/23

Community Financial Report

for the year ended 30 June 2023

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

❖ Land	\$67,830
❖ Water Infrastructure	\$76,233
❖ Sewerage Infrastructure	\$42,420
❖ Roads and Streets Infrastructure	\$11,147,854
❖ Buildings	\$395,754
❖ Other Structures	\$1,195,945
❖ Plant & Equipment	\$1,186,336
❖ Office Furniture & Equipment	\$18,416
	\$14,130,787

Council's Major Capital Projects for 2022/23 included the following:

Dalgonally/Millungera Rd Culvert \$704,689

This project involved the replacement of floodway with culvert structure on the Dalgonally/Millungera Rd at chainage 12km at the Julia Creek crossing which assisted to returns access to markets quicker than originally structure. This project was realised through funding from the Queensland Resilience and Risk Reduction Fund (QRRRF).

Burke Street Footpath & Pavement Reconstruction \$433,327

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

Byrimine Road Sealing \$414,128

This project involved the re-gravelling, forming and sealing four kilometres of the Byrimine Rd from Ch 5.00km through CH 9.00km. This project was realised through funding from the Transport Infrastructure Development Scheme (TIDS) and Roads to Recovery Programme (R2R).

Nelia Bunda Road Gravel \$281,267

This project involved the gravelling and stabilising a drop section of road on the Nelia/Bunda road. This project was supported by the Roads to Recovery Programme (R2R) and the Transport Infrastructure Development Scheme (TIDS).

DRFA 2022 Works \$9,242,159

Restoration of Council road assets under the Disaster Recovery Funding Arrangements continued throughout 2022/23 with over \$9million worth of works being completed.

Mini Golf Course Development \$263,352

Installation of nine hole mini golf course in Julia Creek.

Community Financial Report

for the year ended 30 June 2023

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)	2023	2022	2021	2020	2019
Inflows:					
Rates, Levies & Charges	3,657	3,459	3,153	3,104	3,030
Fees & Charges	1,233	1,287	1,301	961	931
Interest Received	834	94	99	271	362
Sales Revenue	3,693	4,815	7,581	2,476	3,773
Other Revenue	346	442	286	393	325
Grants, Subsidies, Contributions & Donations - Operating & Capital	10,384	8,620	6,060	6,580	7,227
Total Income from Continuing Operations	20,147	18,717	18,480	13,785	15,648
Grants, Subsidies, Contributions & Donations - Capital	11,615	6,688	26,984	25,792	10,432
Capital Income	74	288	-	84	-29
Sale Proceeds from PP&E	201	532	-	-	-
New Loan Borrowings & Advances	-	-	-	-	-
Outflows:					
Employee Benefits	4,789	4,892	4,819	5,019	5,322
Materials & Services	7,174	7,139	8,148	5,876	7,730
Finance Costs	42	36	28	25	27
Depreciation and Amortisation	5,800	5,678	5,387	5,093	4,442
Inventory write-down	-	-	-	-	-
Loss on Disposal of Non-Current Assets	-	-	-	-	-
Write-off Flood Damaged Roads	-	-	-	4,558	-
Revaluation Decrement	-	-	-	-	573
Total Expenses from Continuing Operations	17,805	17,745	18,382	20,571	18,094
Total Cash purchases of PP&E	14,131	8,058	27,302	31,318	9,541
Other Capital Expenses	-	-	-	-	-
Total Loan Repayments (incl. Finance Leases)	-	-	-	-	-
Operating Surplus/(Deficit) (excl. Capital Income & Exps)	2,415	1,260	97,501	2,143	1,872
Financial Position Figures (\$'000)	2023	2022	2021	2020	2019
Current Assets	36,005	27,254	24,104	25,137	19,302
Current Liabilities	5,638	2,656	5,370	11,586	1,756
Net Current Assets	30,367	24,598	18,734	13,551	17,546
Cash & Cash Equivalents	32,713	24,385	17,734	18,835	16,151
Total Borrowings Outstanding (excl. any overdraft) (Loans, Advances & Finance Leases)	-	-	-	-	-
Total Value of PP&E (excl. Land & Improvements)	258,012	247,758	249,388	227,025	203,923
Total Accumulated Depreciation	103,198	72,426	62,236	56,605	51,520
Indicative Remaining Useful Life (as a % of NBV)	60%	71%	75%	75%	75%

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

Community Financial Report

for the year ended 30 June 2023

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.

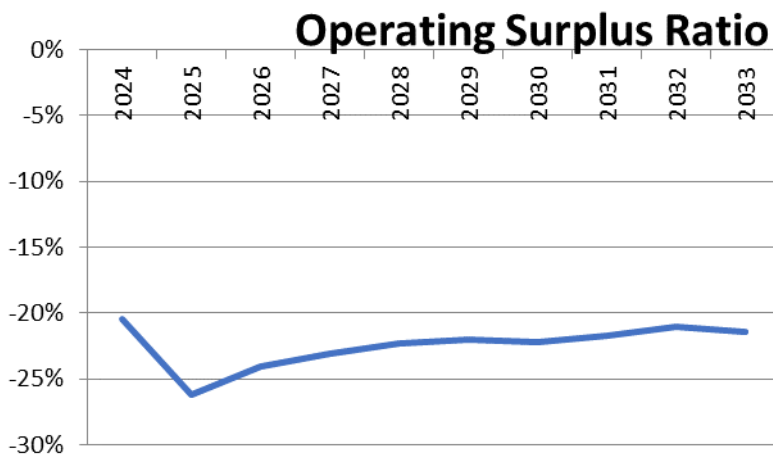
Financial Sustainability is defined as when a **"Local Government is able to maintain its financial capital and infrastructure capital over the long term"** [source: Local Government Act 2009 section 102(2)].

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.



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.

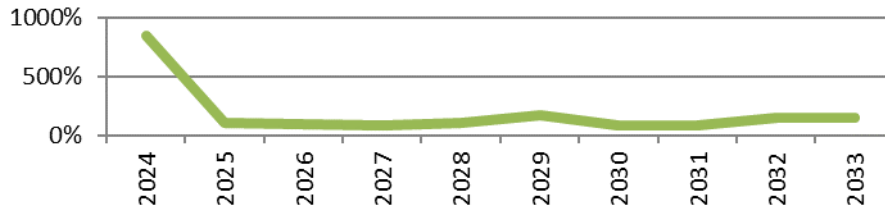
Capital expenditure on renewals (replacing assets that the local government already has) is an indicator of the extent to which the infrastructure assets are being replaced.

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.

Community Financial Report

for the year ended 30 June 2023

Asset Sustainability Ratio

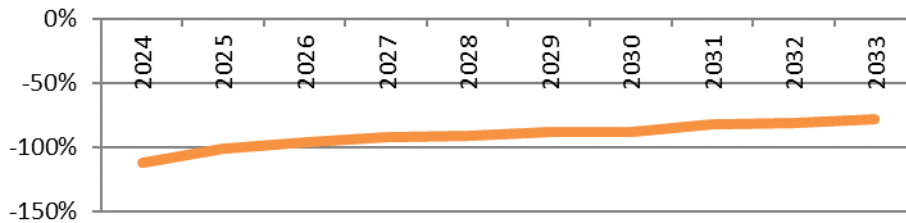


Net Financial Liabilities Ratio – Target <60%

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.

Net Financial Liabilities Ratio



Community Financial Report
for the financial year ended 30 June 2022

Financial Sustainability Indicators
for the year ended 30 June 2023

Long Term Financial Plan Projections

		Actual	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10
	Target	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Ratio												
Operating Surplus Ratio	0 - 10%	12%	-20%	-26%	-24%	-23%	-22%	-22%	-22%	-22%	-21%	-21%
Asset Sustainability Ratio	> 90%	210%	844%	101%	94%	84%	107%	166%	80%	79%	151%	152%
Net Financial Liabilities Ratio	< 60%	-150%	-112%	-101%	-96%	-93%	-92%	-88%	-88%	-83%	-81%	-78%



Financial Statements 2022-2023

McKinlay Shire Council

Financial statements

For the year ended 30 June 2023

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

	2023	2022
Note	\$	\$
Income		
Revenue		
Recurrent revenue		
Rates, levies and charges	3(a) 3,657,461	3,459,104
Fees and charges	3(b) 1,232,710	1,286,946
Sales revenue	3(c) 3,692,820	4,815,245
Grants, subsidies, contributions and donations	3(d) 10,384,182	8,620,258
Total recurrent revenue	<u>18,967,173</u>	<u>18,181,553</u>
Capital revenue		
Grants, subsidies, contributions and donations	3(d) 11,615,139	6,688,433
Total capital revenue	<u>11,615,139</u>	<u>6,688,433</u>
Interest received	4 833,921	93,859
Other income	346,121	442,436
Other capital income	5 74,358	288,262
Total income	<u>31,836,712</u>	<u>25,694,543</u>
Expenses		
Recurrent expenses		
Employee benefits	6 (4,789,397)	(4,891,856)
Materials and services	7 (7,174,412)	(7,139,071)
Finance costs	(42,117)	(36,594)
Depreciation and amortisation	12 (5,800,170)	(5,678,061)
	<u>(17,806,096)</u>	<u>(17,745,582)</u>
Capital expenses		
Write-off of flood damaged roads	12 -	(23,691,120)
Total expenses	<u>(17,806,096)</u>	<u>(41,436,702)</u>
Net result	<u>14,030,616</u>	<u>(15,742,159)</u>
Other comprehensive income		
Items that will not be reclassified to net result		
Increase in asset revaluation surplus	17 2,635,459	19,857,849
Total other comprehensive income for the year	<u>2,635,459</u>	<u>19,857,849</u>
Total comprehensive income for the year	<u>16,666,075</u>	<u>4,115,690</u>

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

**McKinlay Shire Council
Statement of Financial Position
as at 30 June 2023**

	Note	2023 \$	2022 \$
Current assets			
Cash and cash equivalents	8	32,712,590	24,385,109
Receivables	9	834,883	1,137,902
Inventories	10	188,344	221,059
Contract assets	13 (a)	2,139,625	1,406,149
Other assets		129,309	103,849
Total current assets		<u>36,004,751</u>	<u>27,254,068</u>
Non-current assets			
Property, plant and equipment	12	260,040,952	249,201,355
Total non-current assets		<u>260,040,952</u>	<u>249,201,355</u>
Total assets		<u>296,045,703</u>	<u>276,455,423</u>
Current liabilities			
Payables	15	619,373	643,220
Contract liabilities	13 (b)	4,175,388	1,107,089
Provisions	16	843,452	905,990
Total current liabilities		<u>5,638,213</u>	<u>2,656,299</u>
Non-current liabilities			
Provisions	16	174,461	232,170
Total non-current liabilities		<u>174,461</u>	<u>232,170</u>
Total liabilities		<u>5,812,674</u>	<u>2,888,469</u>
Net community assets		<u><u>290,233,029</u></u>	<u><u>273,566,954</u></u>
Community equity			
Asset revaluation surplus	17	102,467,023	99,831,564
Retained Surplus		187,766,006	173,735,390
Total community equity		<u>290,233,029</u>	<u>273,566,954</u>

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

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

	Note	Asset revaluation surplus \$	Retained Surplus \$	Total \$
Balance as at 1 July 2022		99,831,564	173,735,390	273,566,954
Net result		-	14,030,616	14,030,616
Other comprehensive income for the year				
Increase in asset revaluation surplus	17	2,635,459	-	2,635,459
Total comprehensive income for the year		<u>2,635,459</u>	<u>14,030,616</u>	<u>16,666,075</u>
Balance as at 30 June 2023		<u>102,467,023</u>	<u>187,766,006</u>	<u>290,233,029</u>
Balance as at 1 July 2021		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
Total comprehensive income for the year		<u>19,857,849</u>	<u>(15,742,159)</u>	<u>4,115,690</u>
Balance as at 30 June 2022		<u>99,831,564</u>	<u>173,735,390</u>	<u>273,566,954</u>

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

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

	Note	2023 \$	2022 \$
		<u> </u>	<u> </u>
Cash flows from operating activities			
Receipts from customers		19,616,313	19,280,299
Payments to suppliers and employees		(12,100,647)	(14,151,568)
		<u>7,515,666</u>	<u>5,128,731</u>
Interest received	4	833,921	93,859
Borrowing costs		(42,117)	(36,594)
Net cash inflow (outflows) from operating activities	22	<u>8,307,470</u>	<u>5,185,996</u>
Cash flows from investing activities			
Payments for property, plant and equipment	12	(14,130,787)	(8,058,310)
Proceeds from sale of property plant and equipment	5	200,837	532,010
Grants, subsidies, contributions and donations (capital)	3(d)	13,949,961	8,991,811
Net cash inflow (outflow) from investing activities		<u>20,011</u>	<u>1,465,511</u>
Net increase / (decrease) in cash and cash equivalent held		<u>8,327,481</u>	<u>6,651,507</u>
Cash and cash equivalents at the beginning of the financial year		24,385,109	17,733,602
Cash and cash equivalents at end of the financial year	8	<u>32,712,590</u>	<u>24,385,109</u>

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

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

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 2022 to 30 June 2023. 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 2022. 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 2023. 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.

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

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.

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

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

Functions	Year ended 30 June 2023						Total income	Gross program expenses Recurring	Gross program expenses Capital	Total expenses	Net result from recurring operations	Net Result	Assets
	Recurring			Capital									
	Grants	Other	Grants	Other	Grants	Other							
	2023	2023	2023	2023	2023	2023							
Finance and administration	\$ 6,958,916	\$ 4,028,388	\$ -	\$ 74,358	\$ 11,061,662	\$ -	\$ (2,557,210)	\$ 8,430,094	\$ 8,504,452	\$ 38,279,704	\$ -	\$ -	
Utilities	-	560,615	489,918	-	1,050,533	-	(847,044)	(286,429)	203,489	13,613,892	-	-	
Engineering services	2,968,184	3,757,757	10,819,526	-	17,545,467	(9,144,301)	(9,144,301)	(2,418,360)	8,401,166	243,663,248	-	-	
Community services & economic development	457,082	861,662	305,695	-	1,624,439	(3,493,126)	(3,493,126)	(2,174,382)	(1,868,687)	488,841	-	-	
Environmental health & community laws	-	554,611	-	-	554,611	(1,764,415)	(1,764,415)	(1,209,804)	(1,209,804)	18	-	-	
Total Council	10,384,182	9,763,033	11,615,139	74,358	31,836,712	(17,806,096)	(17,806,096)	2,341,119	14,030,616	296,045,703	-	-	

Functions	Year ended 30 June 2022						Total income	Gross program expenses Recurring	Gross program expenses Capital	Total expenses	Net result from recurring operations	Net Result	Assets
	Recurring			Capital									
	Grants	Other	Grants	Other	Grants	Other							
	2022	2022	2022	2022	2022	2022							
Finance and administration	\$ 6,639,691	\$ 3,171,712	\$ -	\$ -	\$ 9,811,403	\$ -	\$ (2,373,069)	\$ 7,438,334	\$ 7,438,334	\$ 28,872,476	\$ -	\$ -	
Utilities	-	536,911	129,550	-	666,461	-	(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)	(33,251,599)	(3,153,669)	(20,092,810)	233,277,563	-	-	
Community services & economic development	485,857	947,828	95,166	-	1,528,851	(3,463,929)	(3,463,929)	(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	-	-	
Total Council	8,620,258	10,097,590	6,688,433	288,262	25,694,543	(17,745,582)	(17,745,582)	972,266	(15,742,159)	276,455,423	-	-	

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

3 Revenue

(a) Rates, levies and charges

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

	2023	2022
	<u>\$</u>	<u>\$</u>
General rates	3,227,889	3,086,958
Water	355,302	340,171
Sewerage	255,883	244,270
Garbage charges	148,075	144,783
Pest animal charges	60,451	-
Total rates, levies and charges	<u>4,047,600</u>	<u>3,816,182</u>
Less: Discounts	(364,429)	(330,734)
Less: Pensioner remissions	<u>(25,710)</u>	<u>(26,344)</u>
Net rates, levies and charges	<u><u>3,657,461</u></u>	<u><u>3,459,104</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	606,127	641,161
Childcare fees	171,555	173,370
Livestock saleyard fees	25,033	64,391
Animal registration & controls	21,016	22,471
Stock route fees	240,463	235,015
Other fees and charges	<u>168,516</u>	<u>150,538</u>
	<u><u>1,232,710</u></u>	<u><u>1,286,946</u></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	3,216,732	4,276,529
Other recoverable work	<u>476,088</u>	<u>538,716</u>
Total sales revenue	<u><u>3,692,820</u></u>	<u><u>4,815,245</u></u>

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

(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

General purpose grants and subsidies	9,653,740	8,036,570
Specific purpose grants and subsidies	<u>730,442</u>	<u>583,688</u>
	<u><u>10,384,182</u></u>	<u><u>8,620,258</u></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	2,263,378	2,292,985
Disaster Recovery Funding Arrangements (DRFA)	8,651,277	3,444,964
Commonwealth government subsidies and grants	<u>700,484</u>	<u>950,484</u>
	<u><u>11,615,139</u></u>	<u><u>6,688,433</u></u>

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

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

	2023	2023	2022	2022
	Revenue	Revenue	Revenue	Revenue
	Recognised	recognised	Recognised at	recognised
	at a point in	over time	a point in time	over time
	time			
	\$	\$	\$	\$
Grants and subsidies	3d 10,032,499	11,966,822	8,271,215	7,037,476
Donations & Contributions	3d -	-	-	-
	<u>10,032,499</u>	<u>11,966,822</u>	<u>8,271,215</u>	<u>7,037,476</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	825,680	84,468
Interest from overdue rates and utility charges	8,241	9,391
	<u>833,921</u>	<u>93,859</u>

5 Capital income

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

Proceeds from the sale of property, plant and equipment	200,837	532,010
Less: Book value of property, plant and equipment disposed of	(126,479)	(243,748)
Total capital income	<u>74,358</u>	<u>288,262</u>

6 Employee benefits

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

Total staff wages and salaries	3,480,051	3,613,119
Councillors' remuneration	334,443	332,987
Annual, sick and long service leave entitlements	633,327	752,979
Superannuation	429,200	426,918
	<u>4,877,021</u>	<u>5,126,003</u>
Other employee related expenses	39,981	35,931
	<u>4,917,002</u>	<u>5,161,934</u>
Less: Capitalised employee expenses	(127,605)	(270,078)
	<u>4,789,397</u>	<u>4,891,856</u>

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

Total Council employees at the reporting date:	2023	2022
Elected members	5	5
Administration staff	13	14
Depot and outdoors staff	40	40
Total full time equivalent employees	<u>58</u>	<u>59</u>

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

7 Materials and services	2023	2022
	\$	\$
Expenses are recorded on an accruals basis as Council receives the goods or services.		
Administration costs	767,936	744,833
Airport operating costs	132,908	98,472
Audit of annual financial statements by the Auditor-General of Queensland	87,233	52,750
Caravan park costs	406,196	416,816
Community service expenses	431,505	439,984
Council housing expenses	327,250	157,085
Parks & gardens expenses	284,481	326,332
Plant operating costs	1,122,777	1,074,481
Pool expenses	225,266	214,859
Road & street maintenance	1,059,570	924,806
Recoverable works	962,167	1,522,965
Sports & rec facilities	256,294	217,161
Stock route & livestock expenses	220,077	203,085
Tourism expenses	200,436	176,503
Water & sewerage costs	371,798	416,419
Weed control expenses	153,956	89,869
Other materials and services	164,562	62,651
	<u>7,174,412</u>	<u>7,139,071</u>

Total audit fees quoted by the Queensland Audit Office relating to the 2022-23 financial statements are \$60,400 (2022: \$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 receipted but not banked at the year end, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

Cash at bank and on hand	8,152,403	205,895
Deposits at call	24,560,187	24,179,214
Balance per Statement of Financial Position	<u>32,712,590</u>	<u>24,385,109</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	32,712,590	24,385,109
Less: Externally imposed restrictions on cash	(4,175,388)	(1,107,089)
Unrestricted cash	<u>28,537,202</u>	<u>23,278,020</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	4,175,388	1,107,089
Total externally imposed restrictions on cash assets	<u>4,175,388</u>	<u>1,107,089</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	463,410	99,754
Security deposits	3,950	3,950
	<u>467,360</u>	<u>103,704</u>

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

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.

	2023	2022
	\$	\$
Current		
Rateable revenue and utility charges	76,407	305,376
Other debtors	762,576	840,776
Less impairment	<u>(4,100)</u>	<u>(8,250)</u>
	<u>834,883</u>	<u>1,137,902</u>

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

There is a geographically 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.

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

	2023	2022
	\$	\$
Rates and utility charges	71,751	305,376
State & Commonwealth Government	388,590	742,536
Community Organisations	1,617	4,710
Other	372,925	85,280
Total	<u>834,883</u>	<u>1,137,902</u>

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

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	130,844	133,559
	<u>130,844</u>	<u>133,559</u>
Land purchased for development and sale*	57,500	87,500
Total inventories	<u>188,344</u>	<u>221,059</u>

* Note 11 - Non current assets held for sale

**McKinlay Shire Council
Notes to the Financial Statements
For the year ended 30 June 2023**

12 Property, plant & equipment 30 Jun 23

	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																		
Asset values																		
Opening gross value as at 1 July 2022	1,443,320	38,112,551	759,064	8,862,315	230,941,136	10,443,654	13,782,642	15,667,631	1,615,539									321,627,852
Additions																		
- Renewals	-	-	18,416	1,186,336	-	-	-	-	-	-	-	-	-	-	-	10,796,793	-	12,001,545
- Other additions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,129,242	-	2,129,242
Disposals	-	-	-	(474,538)	-	-	-	-	-	-	-	-	-	-	-	-	-	(474,538)
Write off of flood damaged roads on statement of comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Revaluation adjustment to asset revaluation surplus	585,680	(1,738,332)	-	-	29,210,503	920,492	459,036	(1,482,811)	-	-	-	-	-	-	-	-	-	27,954,568
Transfers between classes	-	356,682	-	-	11,493,620	65,244	10,100	779,396	(12,705,042)	-	-	-	-	-	-	-	-	-
Closing gross value as at 30 June 2023	2,029,000	36,730,901	777,480	9,574,113	271,645,259	11,429,390	14,251,778	14,964,216	1,836,532									363,238,669

Accumulated depreciation and impairment

Opening balance as at 1 July 2022	-	11,850,495	490,705	5,562,380	37,616,739	4,359,989	5,941,387	6,604,802	-	-	-	-	-	-	-	-	-	72,426,497
Depreciation expense	-	738,757	48,078	619,918	3,449,151	145,410	249,955	548,901	-	-	-	-	-	-	-	-	-	5,800,170
Depreciation on disposals	-	-	-	(348,059)	-	-	-	-	-	-	-	-	-	-	-	-	-	(348,059)
Write off of flood damaged roads on statement of comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Revaluation adjustment to asset revaluation surplus	-	(41,724)	-	-	26,638,330	308,062	(590,514)	(995,045)	-	-	-	-	-	-	-	-	-	25,319,109
Transfers between classes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accumulated depreciation as at 30 June 2023	-	12,547,528	538,783	5,834,239	67,704,220	4,813,461	5,600,828	6,158,658	-	-	-	-	-	-	-	-	-	103,197,717

Total written down value as at 30 June 2023

Residual value	2,029,000	24,183,373	238,697	3,739,874	203,941,039	6,615,929	8,650,950	8,805,558	1,836,532									260,040,952
Range of estimated useful life in years	-	-	-	630,013	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Land: Not depreciated.	10 - 200	3 - 20	2 - 20	10 - 200	10 - 200	10 - 200	15 - 200	-	-	-	-	-	-	-	-	-	-

**McKinlay Shire Council
Notes to the Financial Statements
For the year ended 30 June 2023**

12 Property, plant & equipment (cont.) 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	Cost	Cost			
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Basis of measurement	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	313,134,464								
Asset values																		
Opening gross value as at 1 July 2021	-	-	16,818	149,188	-	-	-	-	-	-	-	-	-	6,882,235	7,048,241	-	-	-
Additions	-	-	-	-	-	-	-	-	-	-	-	-	-	1,010,070	1,010,070	-	-	-
- Renewals																		
- Other additions																		
Disposals	(118,100)	-	-	(1,260,150)	-	-	-	(23,691,120)	-	-	-	-	-	-	(1,378,250)	-	-	(23,691,120)
Write off of flood damaged roads on statement of comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Revaluation adjustment to asset revaluation surplus	51,215	3,344,378	-	-	19,174,262	675,228	982,436	1,328,143	1,328,143	25,504,447								
Transfers between classes																		
Closing gross value as at 30 June 2022	1,443,320	38,112,551	759,064	8,862,315	230,941,136	10,443,654	13,782,642	15,667,631	1,615,539	321,627,862								

Note

5 Write off of flood damaged roads on statement of comprehensive income

17 Revaluation adjustment to asset revaluation surplus

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	-	-	-	-	-	-	-	-	-	-								
Accumulated depreciation as at 30 June 2022	-	11,850,495	490,705	5,562,380	37,616,739	4,359,989	5,941,387	6,604,802	1,615,539	72,426,497								

Total written down value as at 30 June 2022

	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								
Residual value	-	-	-	894,502	-	-	-	-	-	-								
Range of estimated useful life in years	Land: Not depreciated.	10 - 200	3 - 20	2 - 20	10 - 200	10 - 200	10 - 200	15 - 200	-	-								

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

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. Uncertainties in these estimates relate to technical or physical obsolescence that may change the utility of infrastructure 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 February / March 2023. 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 Bulletin 2011-16.

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

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.

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

(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	30/06/2023	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) 2023 - \$3,249,322 ; 2022 - \$4,032,024	Market value	30/06/2023	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	n/a	Nil
Buildings (level 3) 2023 - \$20,934,051 2022 - \$22,230,032	Current replacement cost	30/06/2023	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	n/a	Nil
Road & street infrastructure (level 3)	Current replacement cost	30/06/2023	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	n/a	Nil
Water and sewerage infrastructure (level 3)	Current replacement cost	30/06/2023	Australis Asset Advisory Group	• Development, soil and depth factors taking into account current condition • Gross replacement cost per m2 based on appropriate materials. Remaining useful lives and physical obsolescence	n/a	Nil
Other structures (level 3)	Current replacement cost	30/06/2023	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)	n/a	Nil

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

13 Contract balances

Contract assets represents the excess of costs incurred in relation to a contract with the customer or construction of an asset over the 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.

	2023	2022
	\$	\$
a. Contract assets	<u><u>2,139,625</u></u>	<u><u>1,406,149</u></u>
b. Contract liabilities		
Funds received upfront to construct Council controlled assets	4,011,584	1,030,545
Non-capital performance obligations not yet satisfied	163,804	76,544
	<u><u>4,175,388</u></u>	<u><u>1,107,089</u></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	1,030,545	1,645,305
Non capital performance obligations (including deposits received in advance)	76,544	112,199
	<u><u>1,107,089</u></u>	<u><u>1,757,504</u></u>

Satisfaction of contract liabilities

The contract liabilities in relation to capital grants relate to funding received prior to the work being performed since revenue is recognised as Council constructs the assets. Council expects to recognise the contract liability as income over the coming 12 months.

c. Significant changes in contract balances

Council has received a substantial grant at end of year for the development and construction of a new Early Learning Centre within the community. This substantial grant makes up more than 60% of the overall contract liability balance as at 30 June 2023. Council is currently in the planning stage for the development and expect this to commence in the coming financial year.

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	31,184	14,852
Prepaid rates	58,383	46,705
Accrued wages and salaries	105,152	96,527
Accrued expenses	424,654	485,136
Other creditors	-	-
	<u><u>619,373</u></u>	<u><u>643,220</u></u>

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

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. Amounts not expected to be wholly settled within 12 months are calculated on projected future wage and salary levels and related employee on-costs, and are discounted to present values.

Long Service Leave

The provision for long service leave represents the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date. The liability is calculated using current pay rates and projected future increases in those rates and includes related employee on-costs. The estimates are adjusted for the probability of the employee remaining in the Council's employment or 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.

	2023	2022
	\$	\$
Current		
Annual leave	411,673	414,428
Long service leave	431,779	491,562
	<u>843,452</u>	<u>905,990</u>
Non-current		
Long service leave	67,597	90,708
Refuse restoration	106,864	141,462
	<u>174,461</u>	<u>232,170</u>
Refuse Dump Rehabilitation		
Balance at the beginning of the financial year	141,462	141,462
Change in provision recognised	(34,598)	-
	<u>106,864</u>	<u>141,462</u>
Balance at the end of the financial year	<u>106,864</u>	<u>141,462</u>

McKinlay Shire Council
Notes to the financial statements
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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:	2023	2022
Balance at beginning of financial year	99,831,564	79,973,715
Net adjustment to non-current assets at end of period to reflect a change in current fair value:		
Land	585,680	-
Buildings	(1,696,608)	2,278,421
Road & streets infrastructure	2,572,173	15,954,440
Water infrastructure	612,430	341,565
Sewerage infrastructure	1,049,550	525,179
Other structures	(487,766)	758,244
Balance at end of financial year	<u>102,467,023</u>	<u>99,831,564</u>

Asset revaluation surplus analysis

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

Land	787,981	202,301
Buildings	3,876,705	5,573,313
Road & streets infrastructure	88,145,725	85,573,552
Water infrastructure	3,877,838	3,265,408
Sewerage infrastructure	5,240,656	4,191,106
Other structures	538,118	1,025,884
	<u>102,467,023</u>	<u>99,831,564</u>

18 Commitments for expenditure

Contractual commitments	2023	2022
Contractual commitments at end of financial year but not recognised in the financial statements are as follows		
Shire Road construction	694,021	864,202
Plant & Equipment acquisitions	219,193	32,313
Sewerage Treatment Plant Upgrade	456,056	-
Flood Damage construction	26,006,407	16,041
Sundry commitments	185,225	53,464
	<u>27,560,902</u>	<u>966,020</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 2023 the financial statements reported an accumulated surplus and it is not anticipated any liability will arise.

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

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 \$120,000.

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

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

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

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>2023</u>	<u>2022</u>
		\$	\$
Superannuation contributions made to the Regional Defined Benefits Fund		6,677	10,056
Other superannuation contributions for employees		422,523	416,862
	6	<u>429,200</u>	<u>426,918</u>

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

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

	<u>Note</u>	<u>2023</u>	<u>2022</u>
		\$	\$
Net result		<u>14,030,616</u>	<u>(15,742,159)</u>
Non-cash items:			
Depreciation and amortisation	12	5,800,170	5,678,061
Write-off of flood damaged roads	12	-	23,691,120
		<u>5,800,170</u>	<u>29,369,181</u>
Investing and development activities:			
Net (profit) on disposal of non-current assets	5	(74,358)	(288,262)
Capital grants and contributions	3 (d)	(13,949,961)	(6,688,433)
		<u>(14,024,319)</u>	<u>(6,976,695)</u>
Changes in operating assets and liabilities:			
(Increase)/ decrease in receivables		303,020	1,116,009
(Increase)/ decrease in contract assets & liabilities		2,334,822	(455,375)
(Increase)/decrease in inventory		32,715	(14,619)
(Increase)/decrease in other assets		(25,460)	(10,444)
Increase/(decrease) in payables		(23,847)	(2,078,276)
Increase/(decrease) in other provisions		(120,247)	(21,626)
		<u>2,501,003</u>	<u>(1,464,331)</u>
Net cash inflow from operating activities		<u><u>8,307,470</u></u>	<u><u>5,185,996</u></u>

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

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 managements 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.

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

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
	\$	\$	\$	\$	\$
2023					
Trade and other payables	619,373	-	-	619,373	619,373
	619,373	-	-	619,373	619,373
2022					
Trade and other payables	643,220	-	-	643,220	643,220
	643,220	-	-	643,220	643,220

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
2023					
Financial assets	32,712,590	327,126	(327,126)	327,126	(327,126)
Net total	32,712,590	327,126	(327,126)	327,126	(327,126)
2022					
Financial assets	24,385,109	243,851	(243,851)	243,851	(243,851)
Net total	24,385,109	243,851	(243,851)	243,851	(243,851)

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.

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

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 2023.

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

25 Transactions with related parties

(a) Transactions with key management personnel (KMP)

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 2022/23 comprises:

	2023	2022
	\$	\$
Short-term employee benefits	1,075,666	1,066,784
Post-employment benefits	87,967	74,292
Long-term benefits	12,465	8,617
Termination benefits	-	-
Total	1,176,098	1,149,693

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	2023	2022
		\$	\$
Payments charged by entities controlled by key management personnel	25(b)(i)	351,781	357,470
Payments charged by Council to entities controlled by key management personnel	25(b)(ii)	55,942	188,049
Employee expenses for close family members of key management personnel	25(b)(iii)	257,921	234,602

(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 \$216,175 (2022: \$269,093) were paid to Marwill Pty Ltd for various electrical contracting services. The company is controlled by close family members of Cr Janene Fegan.

- Amounts totalling \$35,620 (2022: \$27,210) were paid to North West Logistical Terminal for various supplies and materials. The business is controlled by Cr John Lynch.

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

(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 53 staff of which only 4 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
		2023	2022
not due - less than 30 days		1,223	100
Past due 31-60 days		2,351	-
Past due 61-90 days		-	-
More than 90 days overdue		5,038	-
Total Owing		\$8,612	\$100

(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.

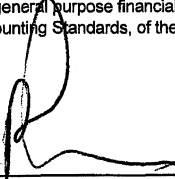
McKinlay Shire Council
Financial statements
For the year ended 30 June 2023

Management Certificate
For the year ended 30 June 2023

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

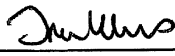
In accordance with section 212(5) of the Regulation we certify that:

- (i) the prescribed requirements of the *Local Government Act 2009* and *Local Government Regulation 2012* for the establishment and keeping of accounts have been complied with in all material respects; and
- (ii) the general purpose financial statements, as set out on pages 1 to 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: 25 / 10 / 2023



Chief Executive Officer
Trevor Williams

Date: 25 / 10 / 2023

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 2023, and of its financial performance and cash flows for the year then ended
- b) complies with the *Local Government Act 2009*, the Local Government Regulation 2012 and Australian Accounting Standards.

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

Basis for opinion

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

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

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

Other information

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

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

The councillors are responsible for the other information.

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

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

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

Responsibilities of the councillors for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

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

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

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

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

Report on other legal and regulatory requirements

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

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

Prescribed requirements scope

The prescribed requirements for the establishment and keeping of accounts are contained in the *Local Government Act 2009*, 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.



Lisa Fraser
as delegate of the Auditor-General

26 October 2023

Queensland Audit Office
Brisbane

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

Measures of Financial Sustainability	How the measure is calculated	Actual - Council	Target
Council's performance at 30 June 2023 against key financial ratios and targets:			
Operating surplus ratio	Net result (excluding capital items) divided by total operating revenue (excluding capital items)	11.62%	between 0% and 10%
Asset sustainability ratio	Capital expenditure on the replacement of assets (renewals) divided by depreciation expense	210.37%	greater than 90%
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue (excluding capital items)	-149.87%	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 2023.

**Certificate of Accuracy
For the year ended 30 June 2023**

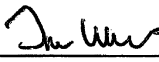
This current-year financial sustainability statement has been prepared pursuant to Section 178 of the *Local Government Regulation 2012* (the regulation).

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



Mayor
Cr Philip Curr

Date: 25 / 10 / 2023



Chief Executive Officer
Trevor Williams

Date: 25 / 10 / 2023

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 2023, comprising the statement, explanatory notes, and the certificate of accuracy given by the Mayor and the Chief Executive Officer.

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

Basis of opinion

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

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

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

Emphasis of matter – basis of accounting

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

Other Information

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

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

The councillors are responsible for the other information.

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

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

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

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

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

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

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

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

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

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

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

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

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



Lisa Fraser
as delegate of the Auditor-General

26 October 2023

Queensland Audit Office
Brisbane

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

Measures of Financial Sustainability	Measure	Target	Projected for the years ended										
			Actuals at 30 June 2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Operating surplus ratio	Net result (excluding capital items) divided by total operating revenue (excluding capital items)	between 0% and 10%	11.62%	-20.42%	-25.19%	-24.07%	-23.06%	-22.33%	-22.00%	-22.15%	-21.67%	-21.01%	-21.40%
Asset sustainability ratio	Capital expenditure on the replacement of assets (renewals) divided by depreciation expense	greater than 90%	210.37%	843.71%	101.25%	84.24%	84.12%	106.85%	165.64%	80.01%	76.60%	150.78%	152.00%
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue (excluding capital items)	not greater than 60%	-149.67%	-112.02%	-101.21%	-95.44%	-92.53%	-91.64%	-87.82%	-87.96%	-82.57%	-81.15%	-78.44%


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 2023**

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

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


Mayor
Cr Phillip Curr
Date: 25 / 10 / 2023


Chief Executive Officer
Trevor Williams
Date: 25 / 10 / 2023